

The Road to Success

Growth and collaboration will drive Apollo Vredestein's success in coming years as the renowned tyre manufacturer develops its products and people.

Images by Hessel Bosch

With a dedication to innovative design and creative solutions, Apollo Vredestein B.V. is designing and manufacturing world-class tyres. As a key part of Indian-based Apollo Tyres Ltd—a multinational with offices and production locations in countries such as India, South Africa, and the Netherlands—Apollo Vredestein works with experts across the globe to utilise new technologies and ideas.

Through an extensive network of offices in Europe and North America and a head office in Enschede, the Netherlands, Apollo Vredestein designs, manufactures, and sells high-quality tyres under the iconic Apollo and Vredestein brands.

Dr Luis Ceneviz is CEO of Apollo Vredestein and has been with the company for seven years. Tyres are in Luis' blood, with more than 35 years of experience in the tyre industry. Since joining Apollo, Luis has made his mark on the company, spearheading Apollo Tyres' South African operations for almost six years and significantly improving productivity, quality, and customer service.

Prior to his work at Apollo, Luis worked with Goodyear Australia and New Zealand as their chief executive for the region. Luis has also served as the chairman and managing director of Goodyear India and as president of Goodyear Colombia. During his time in India, he was associated with many industry organisations, including the Automotive Tyre Manufacturers' Association, where he served a term as vice-chairman.

This hands-on experience is supported by a wealth of academic experience, with Luis boasting qualifications in production management and industrial engineering, two MBAs from École Nationale des Ponts et Chaussées de Paris, and a PhD in Management from the Indian Institute of Technology, New Delhi.

This vast array of experience, both in and out of the boardroom, has aided Luis in his current role as CEO of Apollo Vredestein. He has been credited as the driving force behind the move to rejuvenate Apollo's manufacturing capability in Europe and its growth strategy for North America and Asia.



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Despite these achievements, Luis is still looking to the road ahead. He plans to increase production from five million tyres to six million, and aims to produce 7.5 million tyres in the coming few years. He also plans to expand Apollo's product range with a new range of summer tyres, as well as the very first Apollo truck tyres. Apollo Vredestein was recently named as one of the best employers in the Netherlands at the Best Employer 2013 awards held in Amsterdam. The company was ranked number three and is clearly an employer of choice.

The CEO Magazine Europe spoke to Luis about the company's path to prosperity and its strategic direction for the future.

***The CEO Magazine Europe:* With more than three decades of experience in the tyre industry, what are the most important lessons you've learned about management and the industry?**

Luis: For me, the people side has been the most important. I've lived in nine different countries and worked for three different companies, and wherever I go, the lesson I can never forget is that the enthusiasm, the motivation, and >



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"I've lived in nine different countries and worked for three different companies, and wherever I go, the lesson I can never forget is that the enthusiasm, the motivation, and the engagement of your people is what's most important."
- Luis Ceneviz

the engagement of your people is what's most important. There's not much more than that. If that is achieved then anything is possible.

Your people's engagement with the company, its culture, and its brands is what makes the business a success.

Since joining Apollo, how have you seen the company evolve and develop?

I used to work for Goodyear for 28 years, and I've been with Apollo for seven years now, and they're two very different companies. Since I joined Apollo, I could tell there was a completely different culture here. Apollo is a very ambitious company and this is reflected in the culture and its people.

The leadership reaches right through the organisation. Onkar S Kanwar is chairman and managing director and Neeraj Kanwar is the vice-chairman. They are very close to the key managers and people in the company. They almost have a hands-off management style. In the field, we have the openness and freedom to do what we need to do while they know exactly what's going on.

Their counselling and guidance is always present.

The biggest difference is this desire to grow. I've seen Mr Kanwar at board meetings where the board members are discussing how to share dividends, and he is always talking about the company's growth and how the organisation needs more money for growth, so we're going to be modest in our sharing because we are growing. This different long-term view is not about trying to take every quarter where possible, but about putting money back into the business.

What do you think have been your greatest achievements as CEO of Apollo Vredestein?

I think it's mainly about trying to shift the company. In the past, the business has had constraints on production, so we've limited our exposure to other countries and other segments and customers. Since Apollo has acquired the company [Vredestein Banden] in 2009, lots of investment has been made into growing the product line; for instance, expanding the production of passenger tyres and expanding the production of agricultural tyres.

We now need to change the mindset from the past when we had those constraints. The constraints have been lifted and we now have more capacity. The idea is to use this new capacity and go into different markets. Things are changing and people are talking about it.

We also have an internal strategy called STORM [Strategy to Overcome Recessionary Markets]. I'm often seeing that now people are referring back to STORM and looking at our growth strategies. That has been my push, and I'm glad to see that people are engaging with that strategy.

How has the culture and mindset of Apollo shifted in recent years?

There has been a fantastic shift over the past two decades from what the company used to be and what it is today. They have worked very strongly on the brand. While Apollo Vredestein is a niche company in the large European market, the Vredestein brand has been positioned as a premium-style tyre. The culture has changed around that to become an iconic company with exciting products for cars. >

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As many know, you normally have had experiences with tyres, so with this in mind, the company has changed dramatically to ensure customer delight every time. You can see it when you walk through the offices of the business. You can feel the shift. People are very proud of the company and products.

With the STORM strategy in place, how did you address the shrinking tyre market in Europe and ensure Apollo's stability and continual growth?

That's a good point. Part of it is a strategy to help us focus and part of it is going to new markets. We were basically concentrating on the northern section of Western Europe around Germany, Austria, and Switzerland. Even going to Spain or Portugal has not been a big push for us, so our strategy is to go to other markets. We have excellent products, our winter tyres are fantastic, and are always in the top-three recommended tyres in the industry, so we have great products that are best practice.

Our strategy is to go across borders and go to Russia and to the southern part of Western Europe. We want to grow to other markets, we want to invest and have people on the ground, and we want to grow our share of the market. Last year, we grew our share of the market by more

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- Luis Ceneviz

than 20 per cent. It's not too big and it's been good growth. In a market that is coming down, it's fantastic to keep growing your volumes and your share of the market.

How do you work with suppliers and strategic partners to ensure your operations are as streamlined and effective as possible?

We have fantastic communication with our top suppliers. There are literally hundreds of ingredients that go into a tyre, but some of them like rubber, fabric and steel cords, and carbon black are the key ones, so we've been working with them with a very open communication style. We not only tell them about our next steps, but we tell them where we're going as well.

We just had three of our suppliers tell our purchasing guys that we have the best planning/purchasing processes in the industry. I think that's because of the open channel of communication we have with them. We keep telling them what's going on so they can adapt to us. We work with them to develop new raw materials that are more sustainable and we have had a lot of meetings about that. We have our vendor meeting every year where we bring them here and show them our projects and where we're heading.

Another interesting point is that we've done some projects with our vendors. For instance, we are doing a very long technical training course with our key compounders and technical people and we invite some of our suppliers to be the speakers and teachers. We are using them to come and talk to our people to teach them new developments and explain what's happening in their field. This is very, very close contact and we do believe in long-term relationships. For us, it's not about saving 10 cents every kilometre. We do believe that the industry has to stick together. This has been an

important, strong point for Apollo as a company.

What is your vision for the European business of Apollo Vredestein?

It has been an amazing, beautiful time for Apollo this year. We are looking for substantial growth in our share of market. We will have access to low-cost manufacturing countries, which is very important for us so we can be much more strategic in terms of supplying to original equipment manufacturers. This will allow us to be much more competitive in those markets, which are normally difficult markets to play in because the prices are so low.

We are going to position the brands to appeal to our customers. The future looks very good. The product range is going to be enhanced.

Where do you see the European and global tyre market going in the future?

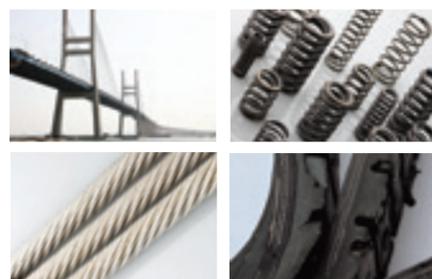
Europe and North America is very much a technology-driven market. We can expect to see new technologies, better mileage, greener tyres, and more sustainability around the world. In terms of volumes, I think Europe and Western Europe are going to be basically stagnant, with some growth expected in Eastern Europe. The biggest growth will come from the Asian countries. We are bullish on Latin America and think countries like Brazil and Argentina have potential for growth. A lot of new technology has been driven by the original equipment manufacturers and their desire to become greener, to have less rolling resistance, and less noise. All these pushes are going to result in a much better product. The evolution of the tyre has been amazing. If you just look back 40 years, it's amazing to see that the tyre, which just looks like a black, round object, has been changed through technology and engineering into a highly engineered product, and I think this evolution will continue. ●

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