

# Leading the Charge

The Mustad Hoofcare Group has been caring for and supplying farriers with innovative horseshoe nails, horseshoes, and hoofcare products for more than 180 years.

Images by Danielle Libine

**T**he name Mustad has been a staple of the farrier and horse-care industry for nearly two centuries. As a seventh-generation family business, Mustad has been closely working and engaging with its customers, suppliers, and employees to ensure it delivers exceptional products across this industry.

Hans Mustad, CEO of the Mustad Hoofcare Group, sat down with *The CEO Magazine* to reveal the transformational changes that have moved this longstanding family business into the modern market.

***The CEO Magazine:* Can you give us a brief history of the company and how you've grown within the company?**

**Hans:** We are a seventh-generation family business. Our family started this business around 180 years ago in 1832 in Norway, producing small metal parts that were needed by the farmers in the area around there. We have been through many ups and downs as we focus on the fishhook and the horseshoe nail. We've been through two world wars and enormous changes but we've always lived by our principles and values.

We believe in building strong teams and working closely with our industry, the farrier

industry. We strongly believe in educating and giving back to this industry, which helps us maintain a strong, healthy industry which is good for our business. Every week, somewhere in the world we sponsor or conduct clinics that help farriers improve their trade and teach horse owners the importance of having good farriers.

What I really like most about our industry is the level of passion. We're all working for the horse. It's an animal that people get very attached to. The passion in this industry, from the farriers to the suppliers that we work with and the horse owners, is really motivating for me. When we visit our factories around the world, it's really good to see the pride and energy that people put into every product that we make. It's amazing to see how loyal our employees, suppliers, and customers are to our company and how dedicated they are to making our industry better.

**How did you grow to be the CEO of Mustad?**

In our family, we believe that we should make our early mistakes outside of the group so I only came in when I was 33. I worked for General Electric selling power stations, and I worked in the United States and United Kingdom, before spending three years covering Hungary, Romania,

and Bulgaria. I then did an MBA at Cranfield University in the UK and joined the family business in 2001.

There are two families that own this company so we believe that only one person from each family should join the business so that we can maintain strong ownership and strong commitment to the company.

When I was 33, I started working at Mustad and since then we've seen a lot of changes. My father and uncle's philosophy was focused on market share growth and they believed that each company should compete against each other. When we came in, they were competing more against each other than their competitors and we needed to change the culture. It was challenging and it's taken us a long time. Now, we are really moving forward as one team.

**Besides this cultural change, what have been your biggest challenges?**

The big challenge was getting all these different companies that we had to work together. Then, we had to do quite a lot of rationalisation. That was also very challenging and difficult. We know most of the people that work with us and we visit each factory quite regularly so I probably know the names of most of the people that work with us, sometimes even their families. As a >

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# STUBAI AND MUSTAD: A STORY OF SUCCESS



When Mustad, the market leader in Hoofcare products came to Stubai many years ago, the road to success was still a long, unpaved path. Due to the constant interaction of two major players in the tooling industry, Mustad could put more and more faith and trust in Stubai as a partner. This is not always evident in most business partnerships. Over the years, this has proven to benefit both parties. As in the 'old days', directions came from one side only, Mr Mustad's philosophy clearly went towards self-responsibility of his partners. Whether this was for existing products and the improvement of them or the development of a complete new product line.

"Trust of knowledge, production flexibility, and fulfilling changing needs and expectations have been key to success for both parties in the past and they will be in the future. Stubai is proud to have a partner that understands these qualifications."

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result, closing some of our factories was very difficult for us because we are a family business.

The challenge that I see now is that we have to adapt to all the changes that are happening in our industry. There's a lot more competition from low-cost countries than ever before. Also, this new generation of farriers are much more technically oriented so we also have to change our way of communicating with them.

With this economic downturn since 2008, many people are saying the industry is in crisis. Though the horse is probably the last thing that the owner will get rid of. With a high percentage of women owning horses, sometimes they say that they are more likely to get rid of their husband before their horse! Now, after many years of uncertainty we probably will see some decline in the horse population, especially in the developed world where it's more for leisure.

#### How are you seeing the industry develop in emerging economies?

We look at the world in four regions: North America, Europe, Latin America, and Asia. In the Asia-Pacific region, wherever there's a somewhat English culture, there's quite a lot of riding, like in Australia and New Zealand. This is also starting to grow in other Asian countries but there are fewer work horses being used. In general, if you look at Latin America, we're starting to see a growth in high-end sport horses. It's still quite small but it's starting to grow.

"Our main motivation is to build this company and make it even stronger so we can pass it on to the eighth generation."

- Hans Mustad



#### With seven generations behind your family business, what would you say are the key values that drive Mustad?

It's about people and building and maintaining their engagement with the company. I don't think we would have made it through the different changes that we've had if we didn't have such committed and engaged people.

Also, having a long-term vision is vital. We don't think one quarter at a time; we think five to 10 years at a time. That's really building our values of passion, commitment, collaboration and innovation. We work on a win-win basis and that's not always that easy. It really comes down to having engaged people working with us. I think part of it is us being out there all the time and personally getting to know and engaging with our people. We personally know our customers, suppliers, and employees. I think you really feel the family side of it when you work with us.

#### What do you believe the future holds for Mustad?

I think we are looking at even more changes within our industry.

We're working very hard to try to make the horse owner understand the importance of a good farrier and having good products under their horses.

I'm excited about the changes I see happening in the industry. There's a lot of smaller, family-owned companies that I'm not sure will be able to survive. There's got to be some consolidation in our industry. We're planning on getting closer to the horse owner and I think that will open up some interesting opportunities for us.

We're also looking at newer shoes and more innovative products that help the performance of the horse. I feel that there's quite a lot of growth for us left in getting more market share within the horseshoe market. For example, in Europe we only have limited market share so we want to grow that.

I'm really excited about the possibilities that we have for growth. We see a lot of potential growth in horseshoes and hoofcare-related products. Our main motivation is to build this company and make it even stronger so we can pass it on to the eighth generation. •