

Globalising EFFICIENCY

SANY Germany is developing and delivering leading-edge machinery with the help of strong local relationships and established, engrained expertise.

Images by Armin Höhner

SANY Germany has carved an important niche for itself in the European market since it first entered in 2008. Since then the company has grown exponentially, developing, producing, and distributing mobile port machinery and other construction and lifting equipment to customers from Europe and surrounding markets.

As a fast-growing distribution centre for container-handling equipment, cranes, excavators, and other SANY products, SANY Germany has successfully ventured into the competitive European market. Its parent company, Chinese corporation SANY Group, is one of the first Chinese companies to enter, evolve, and thrive in the European market.

Bart Decroos, Vice President of SANY Group and CEO of SANY Germany, revealed his thoughts to *The CEO Magazine* on how

SANY Germany has adapted to the European market while utilising its strong base of expertise and knowledge.

The CEO Magazine: What is your professional background leading up to and including your current position?

Bart: I've spent most of my career in marketing, sales, and general management, mostly in heavy equipment investment goods. I started my career in 1989 with Komatsu, which is a Japanese company, and I worked for them for 10 years, mainly in Europe. I then moved on to Volvo Construction Equipment and worked at their headquarters in Brussels. I then moved to Seoul to be in charge of their global excavator marketing and sales division. After 10 years, I left Volvo and joined Terex Mining Equipment as their head of global marketing and sales.

Terex was acquired by another company and wanted me to move to the United States. I had just come back from five years in Seoul so I didn't want to leave Europe again. SANY wanted me to join them but after working with three larger companies in the same industry I didn't have much of an appetite for another similar company.

I started to do some short-term consultancy work with them on how they were trying to become a global company, rather than purely a Chinese company. I got to know SANY better and SANY got to know me better and we liked each other so that's how I ended up here.

With such a strong background in the industry, what changes have you seen over the years in both SANY and the industry?

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entrepreneurs in China. Until around 2010, they were mainly focusing on China and they rapidly became a very large company, which was only possible in China because the market there developed very rapidly. From 2011 the company started to focus on becoming a global company and venturing outside of China.

If you go back in the industry, something similar happened with the Japanese companies in the 70s and 80s. During that time, Japanese companies started to expand and become global companies. You had the same in Asia with the Korean companies in the 80s and 90s. Now, it's happening with Chinese companies. The interesting thing is that they haven't really learned much from each other. If you look back at what the Japanese and Korean companies did, it looks like the Chinese companies were initially making the same mistakes. They were focusing on the selling of equipment and they didn't

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understand the differing customer requirements and needs in the overseas markets.

That's what's interesting for me with this venture with SANY because I can help them and explain to them the differences outside of China and avoid them making the same mistakes that other Asian companies have made.

What differences have you seen between the domestic Asian markets and the European markets?

The Japanese and Korean customer requirements have developed a lot over the past 20 years and I would say that those

markets are very advanced, in terms of customer requirements. If I compare that with the Chinese customer requirements, the requirements there aren't that sophisticated yet. It's still very much one solution solves all problems, in terms of different product specifications and ideas behind the products. You don't see much differentiation yet, but that's starting to come now.

Secondly, in terms of the expectation of product support, the mentality of Chinese customers is completely different. Though they expect a high-quality product, they don't expect the same level of after-sales support as the European customers.

After-sales support and service is something that you have a heavy focus on, don't you?

We're a newcomer in the market and we're relatively unknown. We're not talking about small things here—we're talking about



heavy equipment, so it's really an investment for a customer. The risk that they're taking with a new product or new supplier is always significant so you have to take away any concerns they might have.

That's especially important with a Chinese company. Many people assume that Chinese products are cheap or poor quality, yet if you look around you most of the products on your desk or my desk would be made in China. However, the stereotype still exists so we have to address that. Like any player in the industry, we have to focus on having a very strong after-sales support. Even more so in a Chinese company we have to prove that, be prompt, guarantee, and show customers that all elements are in place.

How do you plan to build a strong brand and reputation for SANY?

We work on a few levels. First of all, being located in Germany helps a lot. Germany has a reputation for delivering quality in everything they do so we consistently brand ourselves as SANY Germany. Secondly, we are focusing on container handling and construction equipment and we've recruited people from different

parts of these industries, which gives us a lot of credibility with customers and shows them that we know what we're talking about.

Besides the branding issue, what other main difficulties have you faced as you've established SANY Germany's market here?

The main part has been the resistance or concern that customers and dealers have with a product built in China. We made a very clear decision that we'll only work through first-class dealers. Instead of going back to customers and trying to convince them to buy from us, we're establishing partnerships in several countries where we're appointing first-class dealers to work with us.

Probably the most important part is that we've started locally developing and building equipment. I think we're the first Chinese company to develop and construct products outside of China. We now have a fully localised product so it's probably more of a European product than it is Chinese. It's a completely new move for a Chinese company here. That helps a lot because we can tell customers that it's a truly European developed and built product.

How does SANY Germany work with suppliers and partners to ensure continual development and growth?

Some of SANY's European suppliers were already supplying materials to China so we could get those materials from them directly once we started building products here. We shifted their relationships from our colleagues in China to our team here and we developed some more local relationships.

That was the easy part. The second part that we did was starting to strip the Chinese components and using components from European local suppliers. Then, of course, we had to find new suppliers, which was a completely different process. We have a dedicated team of people who have been doing exactly this—the localisation of non-European products with local suppliers—for many years.

In your eyes, what does the future hold for SANY?

I think there are a few Chinese companies that will really succeed, and it'll be those companies that understand that there's a clear difference between the Chinese market and the overseas markets. SANY is definitely one of them and probably the first. There is room in the industry, whether it's in construction, earthmoving, building, lifting, or container handling—there is room for other suppliers. I don't think the market is completely saturated so there is room for suppliers who understand customer requirements and demands.

I think there is a good opportunity for SANY Germany, especially in the container handling, lifting, and construction equipment market, which are all still strong. You can leverage certain things and there's still a cost advantage for the Chinese components that you bring in. There's a real opportunity for SANY Germany here and we're ready to take it. SANY has a lot of commitment and passion so I think there's a bright future ahead. ●

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