



# Cultivating Consistency

Whether it's with regard to product quality, customer service, or staff engagement, Vanderlande Industries is highlighting the value of consistency to the international business world.

Images courtesy of Vanderlande Industries

**H**aving worked for some of the biggest names in Dutch high tech industry such as Fokker Aircraft, ASML, Imtech Marine & Offshore, and IHC, Govert Hamers, President and CEO of Vanderlande Industries, brought a wealth of knowledge and experience to his role when he was appointed CEO at the beginning of this year. "I guess the common denominator of all my jobs is not only the industry, but the fact that it's international, it's a lot of innovation, and it's custom design. All these jobs are about making sure you understand what the customer really wants, design a solution for them, produce it, deliver the ship or equipment to them, and then service it.

"I learned from all these companies that consistency is the name of the game—you can't just move around a company just like that, and I completely disagree with the Anglo-Saxon way of managing companies where, if you have a problem, you sack people and restructure. That's not the

way to run a company; it only makes everybody very nervous. When things go bad, it isn't the end of the world. The sun will be back sooner or later, so just continue doing what you're good at and don't overreact to short-term difficulties."

Being consistent within the company not only gives peace of mind to staff, but encourages customers to forge longstanding relationships with Vanderlande. "I was with a customer recently from Russia and he chose us over a lot of other competitors, so I asked him why, and he said there are two important reasons for that: 'First of all, you guys have been consistent from the beginning. You sat down with us, you tried to understand what our problem was, you gave us proposals. We came to the solution that suits us as well, and then you stuck to that approach.'

"The other thing that they value very highly is that we are able to produce our equipment ourselves. That's very important to our customers and it's very much a part of our company. We are consistent

all the time in terms of the markets we serve. Of course, we expand into markets and adapt to the real world, but consistency is the name of the game. We developed the company from a capability point of view. We started as a company doing mechanical stuff based on somebody else's design, then added our own design capabilities to the company. We added our controls and software capability to the company, we added service capabilities to the company, and that way we're satisfying the demands of our customers."

Another consistency within Vanderlande is the company-wide focus on customers and people. "We have a very strong belief in people, which is why one of the slogans in this company is, 'In a world of technology, a belief in people.' I personally also believe in our people. We make a good point of educating people that are new to the company about our cultural values—we have been very explicit about them. At the centre of our culture is our reputation with customers. We want to be seen by our customers as a company that >

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“It’s all about finding the right solution for our customers, turning it into a good design, making sure we install the systems on time, and making sure they run to performance.”

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provides the right solutions, that sticks to serving the customers in good times and in bad, and with a workforce willing to go the extra mile for them.

“Internally we have set our core values as, very importantly, a drive to win. We want to have a winning culture in the organisation and people take pride in winning jobs in the face of competition. So it’s about the drive to win and, therefore, it’s about being better every day, taking ownership of problems and issues in the company, and team play is very important because you never do things alone. So those are important elements. And then, of course, it’s important that we care for the environment, so sustainability is also a core value of our company.”

Govert believes sustainability is a vital part of any business, particularly as companies become more environmentally conscious of the impact they have. “I don’t think sustainability is something that needs subsidies or things like that. We see that sustainability is important for our customers; they want to be seen as sustainable companies, so lots of our customers think sustainability is important for their business, for their profile. As a person, put simply, I want my children to be in a safe and healthy world, so that’s my personal motivation. But there’s also a clear business motivation because sustainability is good business—it’s what our customers want and it’s also what we want.

“By looking at our systems from a sustainability point of view, we were able to come up with a lot of energy savings by doing designs differently, by focusing more on sustainable elements. We focus more on re-usable materials and things like that, not only less energy for our systems, but also fewer materials, which makes things cheaper for us and our customers.”

Operating business with a more sustainable mindset means involving suppliers at a base level. “We buy, or we insource, or we



hire in 50 or 60, sometimes 70 per cent of our revenue on projects, so we need to get this sustainability awareness out to our suppliers. We organised a partner day for our suppliers a year and a half ago at our headquarters in Veghel and we said to them, ‘This is the way we look at our future; this is the way we feel we should be going forward. Are you with us or not?’ It was as simple as that—there was no other choice.

“Everyone understood the message very clearly and they also felt that it was the right way forward, but they were also struggling with the question of what we were going to do differently. We have been working with a number of our key suppliers very closely to develop this sustainability notion in their products and their processes, and it’s turned out to be good business for them as well. So it’s something that you need to keep preaching and make a part of your procurement and sales processes. We repeated that action in June 2014, seeing inspiring results. So we start the cycle, and include our suppliers in it. We believe in co-creation.”

Numerous markets have seen volatile conditions lately, with the



impact of the GFC still lingering in the minds of many companies. However, it appears that the world is ready to invest and spend once again. “A lot of our customers held their breath during the years of crisis, although a lot of businesses continued during those years, but as of a year ago, we see that there’s a lot of appetite for investment inside of our customers. If you look at our markets, baggage handling systems [BHS] used to be our biggest market, but last year was the first year in history that our other business unit, warehouse post and parcel [WPP], actually had a larger sales volume. It was not because BHS was bad, but because WPP is growing so rapidly.

“As a trend, we see that our baggage business is growing steadily across the world, in

northern continents mostly, and our WPP business is really booming. On the baggage side, we see there is still a lot of investment in the developing countries like China, South America, and in the Middle East, since there are a lot of investment plans for new, big airport infrastructure. Also, in the more mature markets like the US and Europe, we see a lot of medium sized and big projects such as extensions, renovations, and modernisations of systems.”

Vanderlande’s WPP operations are growing due to two key trends that have been beneficial for the company: e-commerce and the consolidation of distribution centres across the globe. While this is paramount to the company’s success, Govert notes the importance of the service side of the business. “Our mission in life is to make sure our customers make a lot of money with our systems, and preferably more money than with the systems of our competitors. It’s all about finding the right solution for our customers, turning it into a good design, making sure we install the systems on time, and making sure they run to performance. After that, there’s still a 30-year life of the system, so you want to make sure that the customer keeps on getting the best out of their system, so that’s why we focus a lot on providing service to our customers.

“The focus on service will continue to be very important here in this company, as will geographical expansion, and the final one is innovation. Going into the future, it’s about profitable growth because all of these favourable conditions in the market will allow us to grow 10 to 15 per cent per year at least for the years to come. It is about innovation; making sure we continue to get the best solutions for our customers in terms of hardware, software, and system solutions. It’s about internationalisation; so being closer to the customer where we can with local persons. And the fourth one is more of an internal thing, as part of our culture, and that’s teamwork.”