



Driving GROWTH

Fourth-generation family business KIRCHHOFF Automotive is a global player, supplying complex vehicle body components to customers in Europe, Asia, and North America.

Images by Armin Höhner

The KIRCHHOFF Group traces back to the company Stephan Witte, which was founded in 1785. Its largest subsidiary, KIRCHHOFF Automotive, today is a full-service supplier of complex metal and hybrid structures for vehicles. The business has operations all over the world with approximately 30 production plants in 11 countries, and employs more than 8,000 staff.

Dr Thorsten Gaitzsch holds the role of Chief Technology Officer and has global responsibility for product and process development, research, program management, and sales within the KIRCHHOFF Automotive operation. “The main task for me is to develop processes and products which hopefully have unique selling points,” he says.

Thorsten studied mechanical engineering at university and graduated with a PhD before working in the railway and automotive industries for more than 20 years. He says his past

experience prepared him well for his current role with KIRCHHOFF Automotive.

“Every position, especially in the automotive industry, brings a lot of experience,” he explains. “This is why I always say that it is important to stay with a business, or in my case within the automotive business, because it is very specific and the kind of learning you are doing is very relevant. In every position, in every company, I have had a kind of role model for specific tasks. What I normally do is a kind of cherry picking—a cherry picking of good ideas, a cherry picking of standardised systems and also a cherry picking with regard to the behaviour of staff.”

A significant part of Thorsten’s role is to embrace technology and use it to enhance the company’s operations. To do this, he says there are several key factors, or priorities. “One really high priority is on research and development. Our customer expects from us better products with regard to performance or

specifically weight, because, as you know, we are talking mainly about lightweight structures in the automotive industry.

“But from my point of view, it’s not only about the research and development. It starts with these departments but you’ve got to have production processes which are very competitive as well. What is also very important for a company is that you have to have stable and reliable processes because the lead time of our programs is sometimes more than 12 months; sometimes it is 15, 18, or even 24 months before start of production. Therefore, you need stable processes and standards also in the administration area.”

KIRCHHOFF Automotive has grown considerably over the last six years. In 2008, it reported a turnover of €430 million and today this figure is at over €1.3 billion. It has further ambitions for growth; however, Thorsten says that it needs to happen at a steady rate and not too quickly in order to be healthy and profitable. ➤

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"Long-term relationships are very important because our programs run for a long time. In the automotive industry, we sometimes have two years before the start of production and then the program runs for normally seven years. So the lifetime of one car is nearly 10 years."

- Thorsten Gaitzsch

"Usually we grow, just to give you a figure, between 6 to 8 per cent a year on average," Thorsten notes. "That's how it has been for the past 10 years so that's how it will be in the future. Stronger growth means we need to invest much more than we should so we are very comfortable if the growth is at 6 to 8 per cent a year. For sure there are a lot of opportunities currently in the automotive industry because this industry will grow during the next five years from 77 million cars to nearly 100 million cars a year, so there will be really big growth in the automotive market worldwide in the future. This means that there are a lot of great growth opportunities for us."

"We deliver to about 90 per cent of all of the original equipment manufacturers. And nearly the same is for markets. So we are acting globally in North America, in Asia, and in Europe but there are specific customers, specific markets, specific regions, specific products, and specific materials that we have not been too involved with up until now. We will focus on new customers so we will implement, for example, new customer teams to establish a new customer base. This will be one of our growth opportunities in the future."

KIRCHHOFF Automotive's worldwide production network includes the core technologies of forming, joining, lightweight design, and surface treatment. A consistent manufacturing and production standard is maintained in every location to ensure that all processes are clear, transparent, and of the highest quality. Its logistics chain is optimised for cost with products such as bumper systems, front-end frames and cross members assembled into complete components close to customers. Thorsten says it is extremely important for the business to develop long-term relationships

"KIRCHHOFF and AWL go a long way back together. We were able to find each other in many technical or organisational challenging projects, which in the end were always successfully completed. We plan to continue and further expand our cooperation globally." - Frank Schonewille, Account Manager, AWL-Techniek B.V.

with its customers, suppliers, and partners to achieve success.

"Our key values are honesty and reliability. I am really focused on being honest with regard to the customer. This is a really big point and having a reliable situation with the customer and also with the suppliers and partners can only happen if you have long-term relationships. For every customer we have one key account manager and one engineering manager and I need to make sure that these people are very happy with the company and stay for many years. It would for sure spoil or destroy our relationship with our customers if we changed our team every two or three years."

"Long-term relationships are very important because our programs run for a long time. In the automotive industry, we sometimes

have two years before the start of production and then the program runs for normally seven years. So the lifetime of one car is nearly 10 years. It's really necessary that we also have people who remember all the history in these programs. That's again why we try to keep our people on board."

To keep employees happy, Thorsten explains that KIRCHHOFF Automotive invests a great deal of time and money into training and development opportunities. This is a priority because of the positive effects it generates. "From my point of view, the key factor of a successful company is always the people—the employees. That's why we invest by far more than our competitors in training and developing our people. Work-life-family balance is not just a word in our company. For example, as one of the first stamping and assembly suppliers, we had our own kindergarten very close to the company in the same location. Another example is that

we offer all kinds of training and support to our people on all levels, enabling them to constantly develop their knowledge.

"Furthermore, we have the opportunity to work with exchange programs. We send people over, if they would like, to our different locations—from Europe to North America and back, or from China to Europe, or from China to North America. We have all these opportunities to find exactly the right job and to motivate our employees for the future."

Looking forward, Thorsten would like to see KIRCHHOFF Automotive grow profitably while reducing its dependency on just a few types of products, materials, markets, or customers. "If you remember the global financial crisis in 2008, a lot of companies were suffering very much because they had more or less only one customer. My main aim is to reduce the dependency to ensure success for many more years to come." •

"It is great to work with a company that has the business ethics of a real family business and acting at the same time as a real global player." - Ulrich Flatken, CEO, Vogelsang Group

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