

Lifting the Game

With one of the most experienced managing directors in the industry and some of the biggest companies as customers, MLA Holdings Pty Ltd has been a huge success.

Images by Scott Ehler

Ken Rathgen, Managing Director of MLA Holdings, has been with the company since its foundation in 1980. Ken knows the business, and at 83 has more than 60 years of experience and knowledge under his belt. Starting out as an apprentice draftsman as a young man, after a while Ken ended up at Brambles Industries in its fork truck hire branch, which started him on his journey to MLA. "I was general manager of CHEP Equipment; that was the fork truck hire section of Brambles," Ken explains.

"In 1970, I got a letter from a man called Jiro Kanamori asking if I would be interested in selling forklift trucks. At Brambles, we didn't sell forklift trucks; we just rented them. So at that stage we agreed to take on this dealership, which was Mitsubishi Forklift Trucks. Mr Kanamori was with a trading company called T. Chatani.

This trading company was introducing the Mitsubishi forklift trucks to Australia [for the first time]. I formed a very good relationship with the people of both Mitsubishi and Chatani and we imported their forklift trucks and started selling the Mitsubishi trucks in Australia at CHEP."

Ken worked with Jiro Kanamori and T. Chatani for almost a decade, selling Mitsubishi trucks to the Australian market. When Ken decided to leave Brambles, the relationship he had with Chatani was so good that he went into business with the company and Mr Kanamori. "Consequently, in about 1979, I left Brambles," Ken says. "And again I got a message from Mr Kanamori, who was an old friend now for 10 years, and he asked me if would like to start a company to sell the Mitsubishi products in Australia. So in 1980, I started MLA Holdings as managing director; Mr Kanamori was our chairman, albeit in Japan; and a young man—

Masahiro Itani—was our director. We started branches all around Australia, in all capital cities. The name MLA arose from the fact that Americans had trouble pronouncing Mitsubishi, so the Mitsubishi fork truck became the M-Lift. In Australia, we were first called M-Lift Australia, then simply MLA."

While the company initially intended to sell the trucks, renting also became a large part of its business. Ken is very proud of its success, with MLA Holdings now supplying trucks to some of the biggest mining, agriculture, and logistics companies in Australia including BlueScope Steel, OneSteel, and the Visy Group. "Our business now is mainly the rental of forklift trucks more than the sales. We are now into container handling equipment, these big ones that handle 50-tonne containers at ports. In the past, we have been involved with a couple of different brands of these big trucks, but we have now settled on the SANY brand. It's a >



As featured in
The CEO Magazine
For more info visit
theceomagazine.com





“We pride ourselves that we are a company of choice. We like people to work here; we like MLA to be a good place to work. We like good people to work hard and enjoy it.”

- Ken Rathgen

Chinese company, but they started manufacturing the container handling equipment in Europe and to the highest European standards. So we now, as well as Mitsubishi, sell the SANY equipment, and that's the big container forklift trucks.”

Ken is also extremely proud of the culture at MLA Holdings, and says that one of his biggest achievements is creating a company where people are happy to work for a long time. This he attributes to having good people, good training, and good management. “A proud moment was when I asked HR how many people have been employed here for over 10 years, and I found out that 27 people out of 130 have been here over 10 years, and 11 have been here over 20 years. Those sorts of things are pretty important to me.

“As we talk, we've got 18 guys here from all around Australia from the service side who are being trained by a guy from Singapore. We do a

lot of training, but I have to say we are not a very formal company, because I am a fairly informal guy. But we do a lot on the sales and technical sides. As you know, these electric forklift trucks are fairly complex things, and we do a lot of business in this area.”

Ken's approachable management style, he says, has partly been formed by having excellent bosses of his own. He enjoys his own job and works hard, and wants every person in the company to feel the same. “I was very lucky, as I said, joining Brambles and then working for Mr Kanamori, who is now retired. I have had wonderful bosses. I've had some guys that I learned a lot from—not necessarily very technical or clever stuff; they were just good, honest guys. We pride ourselves that we are a company of choice. We like people to work here; we like MLA to be a good place to work. We like good people to work hard and enjoy it.”

Ken's relationship with the Japanese owners of the company, and Mr Kanamori himself, is still very close. The chairman and owners have a lot of trust in Ken and let him run the Australian operations as he sees fit. “I talk to our chairman once a year,” Ken says. “[The owners] are wonderful people; we have a great relationship.”

While there has been a lot of success, Ken has had to keep his eye on the ball as the industry changes. New technology means that not only do the supply operations have to be constantly up to date with any developments, but the services and sales branches have to also understand any new technology. “For years, the internal-combustion engine forklift truck—the petrol, gas, and diesel—has been the mainstay in Australia,” Ken explains.

“But there has been a real move to electric trucks, and they are of course a lot more complex. And so



“I have been dealing with Mitsubishi since 1970. We have a wonderful relationship with them, which is very important, I think.”

- Ken Rathgen

[By comparison] we have been profitable every year since 1980.”

Ken's answer to this challenge has been to focus on the company's safety record and service focus, which set it apart from others. “I just talked to our servicemen a while ago on how important our service is,” Ken says. “I guess that's how we overcome the challenge: we sell our reputation as a service organisation. In the end, it's a rental deal, and as long as the trucks do the job, it comes back to our reputation as a service organisation. I think that's what we push very hard.

“We have a lot of big steel companies, OneSteel and BlueScope Steel, and they have very, very strict safety standards. We are all trained along those lines, and we use the standards that they demand on all the smaller companies that probably have lesser demands as well. Safety is paramount—right from our early days when we just wanted to be safe, even when it wasn't so carefully specified with all the rules and regulations. That's an important thing because you have not only got to abide by the rules and regulations; you've got to think safety, and we pushed a lot of this.”

Ken says moving forward he is focusing on setting the company up for when he steps back and decides to retire, and is confident about the future of MLA Holdings. “I'm 83, so I have been involved a long time. And we have got some top-level guys here that really run the company now. So [the future] will be about them developing their ideas.” •

SANY CONTAINER HANDLING EQUIPMENT

THE SAFEST, MOST MODERN AND SUPERIOR CONTAINER HANDLING EQUIPMENT TO BE SEEN IN AUSTRALIA



Made and developed in Germany, SANY container handling equipment exceeds all European and Australian standards.

MLA Holdings Pty Ltd is the exclusive distributor of SANY container handling equipment in Australia. For more information contact MLA now.



131 652
WWW.MLAHOLDINGS.COM.AU



we had to move, change, and develop. We had a lot of time developing the technical skills our service guys need to change to the electric trucks. I remember I wrote an article in about 1970 saying there will be all electric trucks by 2000, which was a little ill timed because it was still about half and half by that time; but it's now coming that way and we are doing a lot of development and a lot of work that goes into training.”

This also involves close relationships with the company's suppliers, particularly Mitsubishi. “We just had our chief supplier, Mitsubishi, [in our office] yesterday. We have a meeting twice a year with them; we keep very close in touch with them. Our director in Japan keeps in touch with our main supplier there,

Mitsubishi Forklift Trucks in Kyoto; he is going again there next week. He just keeps a very close relationship with them. I have been dealing with Mitsubishi since 1970. We have a wonderful relationship with them, which is very important, I think.”

The industry also presents challenges for Ken. MLA Holdings' main competitors are owned by larger manufacturing companies that don't have the same challenges he has. “We are in a difficult industry because the two biggest companies, the two biggest sellers of forklift trucks, are both owned by their manufacturer and have huge consolidated losses, one as high as \$80 million. So we are dealing with companies that don't seem to have to make a profit, and this has always been our problem.

