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# Every Little Screw COUNTS

The IT industry is constantly evolving and Parts Group Europe is keeping up with the dynamic environment as it distributes original spare parts to its customers in Europe, the Middle East, and Africa.

Images by Wolfram Scheible

**P**arts Group Europe (PGE) is helping to make businesses more efficient and profitable by providing IT spare parts solutions and services to them. Since its creation in 2008, it has established collaborations with more than 20 official manufacturer authorisations to become the leading network of branded parts distributors in the EMEA (Europe, Middle East and Africa) marketplace.

Andreas Kunze is the man behind PGE and leads its operations as managing director. He initially recognised the need for a company that could deliver solutions in an ever-changing environment where new machines and technologies were consistently being introduced every few years. "There will always be a need for spare parts in IT," Andreas says. "You just have to have the right product and the right price and to be in the right place at the right moment."

Andreas started his professional career in the German Army. After eight years, he left to study business management with a focus on marketing and advertising before taking on some trainee roles in IT manufacturing. In 1996, he started at leading print company HP in the function of parts manager, where he saw the industry evolve quickly as technologies such as PCs and printers moved into people's homes, something that hadn't happened previously.

Andreas worked at HP for more than 12 years and in that time realised that the market and the demand for spare parts was growing. "People wanted to repair their own machines when they were damaged or broken because it was a really expensive tool for them," Andreas explains. "Companies started to think about the distribution of parts and about how could they could be made more accessible for all of these people in these new

markets. So we started to develop a new model.

"We saw and learned a lot about many different markets, situations, cultures, people, and company structures all over Europe, the Middle East, and Africa," Andreas says. "We had some countries which were very well IT driven, like Germany, the UK, and France, and this was compared to other countries which were far away from these kinds of IT levels such as Romania, the Ukraine, Russia, and Africa.

"It was really an exciting time to see what the different situations were in the different countries. I was in charge of bringing in an acceptable spare parts structure and solution to each of these countries. The differences between the markets and situations really gave me personally the most drive to move forward and I have extended this kind of knowledge more and more." >

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When Andreas left HP, he launched PGE with two business partners in Europe. The aim was to make the business the biggest authorised parts distributor network in the region to serve all of the markets he had previously

been exposed to. Step by step, operations grew, and today, eight years later, PGE has presence in the Middle East and Africa as well as Europe.

Andreas recounts the dramatic evolution that has occurred in the IT spare parts industry. "I remember years ago where there were three or four different products within a whole company on the market. Today, we are talking about up to two or three generations of products per year. In direct relation to that, the need and the accessibility for spare parts have been growing consistently and this is one of the main reasons why PGE has to grow in this same manner to be really in line with what's happening on the market.

"The situation more than 15 years ago was that a spare part had to be delivered to a technician and then he would fix the broken machine today or tomorrow. Now, we have the situation where there are machines which have to be fixed

within four hours. We have to fulfil the standards like delivery the next business day, and these things have dramatically changed over the years. To be in line with this kind of growth we have to offer the manufacturer and the partner the solutions they need to be successful in these markets.

"Our partner SwissParts, for example, has taken over the complete service organisation from one of its partners and fulfills all their needs. They deliver all requested spare-parts overnight direct to the broken machine. They want one solution and they want it to be accessible 24/7. PGE has had to position itself so that it can deliver to those demands while endeavouring to keep on top of what's new; for example, the advent of 3D printing."

PGE tackles an exclusive niche market and ensures that it has the knowhow and knowledge on all IT spare parts. It is not a product distributor and focuses solely on

this one market, Andreas explains. "We have really deep experience of more than 20 years. Each of our partners has a really deep experience, too. The parts market is something which is a very complex thing. We have got more than 800,000 listed products in our databases. We need to have this kind of data infrastructure to make sure that the customer could easily find a right part even if the product is already obsolete or the product is 10 years or more old. We have to maintain all the data in the background to make sure that the customer is getting the product they are looking for."

The organisation only sells original spare parts and therefore has developed strong relationships with each manufacturer authorisation it deals with. This means the customer is guaranteed an original spare parts and keeps PGE's reputation intact. These long-term strategic partnerships are incredibly beneficial for all parties involved and ensure plenty of flexibility on PGE's side. This means that when there is a change of situation in the market it is able to react immediately thanks to this existing structure.

"If there is a merge of companies that need to have a unique solution for the future or even if there is a split of a company that needs to have two different solutions in place, we are able to react and help the manufacturers and suppliers to react. We can be at their site and find the solutions together."

Andreas admits that the IT spare parts sector is not an easy one to be in: "It is not an island of happiness", he says. "It's a really tough market where a lot of people are trying to find their luck and to find their business shares. The main challenge for us has been to find our position in the market. This is only possible if you really work together with the most reliable and trustworthy partners.

"A lot of our partners have received several awards such as

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'distributor of the year' or 'service partner of the year' or things like that, so it is a really high reputation we have got on the market. This is one of the key things you need to hold a really successful position, I think. There are a lot of competitors on the market acting without any authorisation, without any direct relation to the manufacturer, and this really makes it difficult for the customer. We really need to be reliable strategic partners and not just a delivery source or a supplier to keep our position strong."

Looking forward, Andreas says the IT spare parts industry will continue to change and PGE will need to stay on top of that. "It really is one of the most dynamic markets we have got these days. There will be new products, new solutions, new businesses, and new areas which were more or less unknown 10 years ago.

"Just think about the mobile phone business or the PC business. Fifteen years ago, no one knew what a tablet or an app was, no one was thinking about smartphones, or that it would be standard to have a laser-jet printer at home. If it was enough in the past just to have the right part in stock, it will be much, much more in the future. Customers are looking for complete logistic structures and integrated parts solutions to keep their business state of the art. The future for PGE is to really keep our leading role in this market in Europe, the Middle East, and Africa.

"To do this we have to be open and we have to be willing to follow and adapt to the developments of the market. That is what we are doing today, and I personally feel pretty confident that we will continue to do that in the future as well." •

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