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An interview with Rolf Eiten, Chief Operating Officer CLARK Europe GmbH

Steady but secure growth

Duisburg, April 2014. Rolf Eiten, Director Sales & Marketing has been working for CLARK Europe GmbH since 2008. The expert in forklifts – who is held in high esteem throughout Europe – has been in charge of operations as COO at CLARK Europe GmbH since June 2013, together with CEO SS Baik. In an interview, the 53 year old expresses his views on the financial results for 2013, the prospects of the current financial year 2014, the company's product and production strategy, as well as the focus on being a partner for dealers and end customers.

CLARK PRODUCTS

CLARK is accelerating its strategic positioning as a full-range supplier. What is the reason for this?

Rolf Eiten: It is part of our sales strategy to have the appropriate machines in the product line for all the key market segments, and to fill any gaps successively with new machinery.

How far advanced is the establishment of CLARK as a full-range supplier?

Rolf Eiten: In the area of counterbalanced forklifts with driver's seat, CLARK has been a full-range supplier for industrial use up to 8.0 tonnes load capacity for many years now. In the heavy-duty area, CLARK will be presenting machines with a load capacity of up to 18 tonnes with a load centre of 1200 mm in the fourth quarter of 2014.

And what about the warehousing segment?

Rolf Eiten: For pedestrian operated machines as well as driver-controlled machines, we consider ourselves to be a full-range supplier through cooperation with a European manufacturer, from whom we buy machines to CLARK specifications. For some time now, we have also been preparing for inclusion into the range, warehouse trucks which we ourselves develop and manufacture. In addition, we will be presenting the PX, SX and SRX series produced at CLARK in 2014. We are confident that the market launch of our new reach trucks, low-lift and high-lift trucks will be successful.

CLARK supplements organic growth worldwide through acquisitions. With the takeover of production of a US burden carrier manufacturer, you have integrated new machines into the product range. Which applications do you see these opening up?

Rolf Eiten: That's correct, these vehicles are intended for internal transportation of people and materials. They are also used in logistics and factory environments, as well as in the areas of recreation, hotel and leisure activities.

The burden carrier is distinguished by AC technology and electric power and are more popular than ever. CLARK is regarded as the leader in this field. Are diesel and LPG forklifts soon to be history?

Rolf Eiten: No, we will continue to offer both technologies. Whereas in Europe we are actually experiencing the ever increasing demand for electric machines, in our sales regions of Africa and the Middle East combustion engine vehicles are still very

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much in high demand – even when the market for electric machines is witnessing continual growth. However, combustion engine machines continue to express a great deal of interest in Europe. With the new DEUTZ engine TD 3.6L in the C40-55sD diesel forklift series, we are well equipped for the future. This engine also meets the European exhaust emission standard IIIB, without diesel particle filter. We are planning to equip additional diesel series with the DEUTZ engine in the future.

The subject of electricity is however omnipresent – the energy efficiency of climate-friendly machines has a strong argument. As a member of Blue Competence, what latest R&D trends are you currently witnessing in the AC area?

Rolf Eiten: The aim is to achieve ever increasing performance with only one battery charge. On the one hand, this requires development in order to accommodate larger batteries, and on the other hand the use of intelligent charging technology.

New machines are one business area and replacement parts are another. What is Clark's position in this respect?

Rolf Eiten: With PartsPRO Plus, our online catalogue and the TOTALIFT Programme, CLARK offers the best solution for virtually all service cases – even for other makes and models. The fact is that over the past years, we have significantly increased in width and depth and continue to work intensively on dealer and end-customer friendly solutions.

CLARK PRODUCTION

The new headquarters of CLARK Europe GmbH in Duisburg Germany is not only predestined for the stocking of new machines and parts, but also has capacity for assembly production. What is the current status of the plans?

Rolf Eiten: The start of assembly of electric forklifts (48 volts) is scheduled for mid 2015. The CKD assembly in Duisburg will then be limited to a few models in the area of counterweight vehicles. We will then takeover all current production series and initially supply complete kits from our parent plant in South Korea. While maintaining the standard series, we do however want to switch quickly to local manufacturing of essential components. Most of the current parts installed in series production are already of European origin.

Are there any medium and long term plans?

Rolf Eiten: When processes are standardised we can then further increase our assembly volumes. As things stand at the moment, the first anticipated assembly volume is not yet fixed. One thing though is certain, we do not manufacture in series sizes, but to order. The assembly lines are therefore geared towards assembly according to one batch size. However, there are plans for us to self assemble based on the needs of our markets. To what extent any special construction can take place at this present moment is still, however, largely unknown.

Will new jobs be created for the CKD production?

Rolf Eiten: Yes. Our top priority in all respects is steady but secure growth. In terms of job creation, as a responsible, accountable employer we have a duty to create long-term secure employment; employment which also reflects the corporate philosophy of the global CLARK community. We are not acting and thinking in terms of quarterly results. We are interested in long-term relationships with our employees, dealers and end customers. Our parent company, the South Korean conglomerate Young An, has been following this guideline since the takeover of CLARK in 2003.

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CLARK FINANCIAL YEAR 2013/2014

The global forklift truck sector complained in 2013 of a subdued pace in economic activity, a partial fall in demand, margin pressure and purchase conditions – how well is Clark doing in this regard?

Rolf Eiten: We have maintained a stable situation and can meet the demands and the necessary expenses from our own resources. However, we have not achieved our sales target for 2013 in terms of absolute figures. Similarly, we have not quite fulfilled the high expectations of new orders for 2013, even though 2013 was not a bad year. Also, in the global CLARK network we have recorded a slight increase in sales for 2013.

Where are you experiencing difficult environment conditions?

Rolf Eiten: Our sales in Africa, for example, have declined slightly, which can be attributed to the turmoil in North Africa. The market situation in Southern Europe has also presented us with some difficulties, particularly in Spain and Italy where since the end of 2013 there is already signs of improvement.

How do you measure the situation in the spare parts business?

Rolf Eiten: Sales in the area of spare parts have remained stable. In the area of spare parts for different makes and models, our dealers are utilising the additional parts availability created through the CLARK TOTALIFT Programme. In this area, it was possible to increase availability by almost 100 percent in 2013.

In terms of a 2014 forecast, are you optimistic about the current financial year?

Rolf Eiten: According to the World Bank, growth of an average 2.2% in Europe is expected for 2014. As I said earlier, our southern European sales networks have reported a noticeable upturn in daily business. Overall, we are aiming to increase sales in the two-digit percentage range at best.

CLARK – PARTNER OF DEALERS AND END CUSTOMERS

What will be the highlight for dealers and customers in 2014?

Rolf Eiten: Certainly our participation at CeMAT in Hanover in May, in hall 026 – stand K08. With a new, high-quality stand concept and the presentation of all CLARK machines, I think we are well prepared for this event.

Will you be using CeMAT to establish contact with potential new dealers?

Rolf Eiten: Yes, why not. Even when the main priorities are the development of our dealer network in addition to the nominal area and also qualification of dealers by providing training and extensive support. We have extended our training for vendors and service technicians in particular. New training courses such as the "Expert examination for LPG systems" and the "Annual Safety Inspection according to FEM 4.004" improve the profile of our service technicians in the long term, and our dealers are able to draw up additional business though maintaining high safety standards.

Which markets does CLARK still want to enter? Where should the dealer networks of the sales regions in Europe, the Middle East and Africa be expanded or condensed?

Rolf Eiten: Over the next few years, we will continue to increase the number of wide-scale dealer organisations. Furthermore, in view of the turbulent environment conditions and especially for some market competitors, we will of course explore the potential for new dealer opportunities and seek out places where we can attract new and interesting partners.

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CLARK MATERIAL HANDLING COMPANY

Since the invention of the forklift truck by Eugene Clark in 1917, CLARK has become one of the world's market leaders in the material handling industry. During that time, the company has built over one million forklifts and is represented by several hundred dealers in 90 countries. CLARK has been part of the South Korean Young An Group since 2003 and offers a full range of forklifts with electric or combustion engine power, narrow aisle forklifts, warehousing machinery, as well as burden carrier trucks. Four headquarters located around the globe manage the CLARK operational business activities. From its headquarters in Duisburg, Germany CLARK Europe GmbH is responsible for the regions of Europe, Middle East and Africa with 170 CLARK dealers in 58 countries.

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Picture 1



Heads the business activities of CLARK Europe GmbH as COO together with CEO
SS Baik: Rolf Eiten (53).

(Can be printed free of charge, JPEG file) CLARK EUROPE GMBH.
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