

Putzmeister

Our Task As Construction Equipment Manufacturer Is Far More Than Just Providing The Equipment

Putzmeister, world's numero uno manufacturer of high capacity concrete pumping equipments from Germany, better known as 'Plaster Master' worldwide, now makes its entire range of internationally acclaimed equipments and machineries at its factory based at Goa. These equipments are extremely essential for the construction of high-rise buildings, power plants, Ports, Refineries, Metro rails and other large scale constructions projects.

In India, this German giant is on a mission to change the construction for better by making the sites of high-rises more automated thus less time and cost consuming and decreasing risks of fatal accidents, involved in manual construction techniques. In a media interaction during Excon 2011, Mr. Michael Schmid - Lindenmayer Managing Director, Putzmeister Concrete Machines Pvt Ltd provided some valuable insight into company's products and it's after sales support system and many other aspects related to its establishment in Indian market.

On Products

If you talk about high rise buildings, the main competence is to make the cycle time per floor as short as possible that is why it is always a combination between the pump, the pipeline and the placing boom. Putzmeister offers a complete solution with respect to this.

This time, we have brought to India 2107 HPE electrical pump. This is a high pressure pump which can pump concrete up to a height of 400 m with a pressure of 270 bar. The main feature of this product is that it is a zero emission pump and works silently without any noise because it is powered by an electrical engine. It can also be used in tunnels for long distance pumping to avoid dealing with pollution and noise. We have on display 2109 HPE with a 220 KW Volvo Penta engine which can be used for high rise pumping upto 350 m.



This year we also showcase our biggest BSA pump which is the biggest trailer pump in the world, BSA 14000, which was used when we made world record in Dubai, by pumping concrete upto the height of 606 m during the construction of Burj Khalifa.

We are displaying placing booms which are used to distribute the concrete on top of the building. We are displaying BSF 36 which is the largest selling concrete pump in India.

We are very careful in choosing the best engine for our customers, we chose most fuel efficient engines backed by the best service set up. For bigger capacity pumps we use Volvo Penta Engines, because their service set up is good and the performance of the engine is nice. For higher capacity machines we prefer water cooled engines complying to Euro III standards.

On localisation

The key point is that we don't simply try to take a product from one market and try to sell it in the other market. We have to first see what needs exist and what modifications we really need to do with the product. That is what we have done carefully and we were successful. But, for that you need good local engineers, because you adapt the product to the local environment. You must know what type of concrete is available, what kind of environment, the pump has to work in. You need lot of local input so that you can

really make the machine perform well in the local conditions. To give you an example, trailer pumps don't have a suspension system in Europe but in India you will not find any trailer pump without a suspension system.

On Service Set Up

To provide quality service is the most important thing for us in India. I believe that a lot of people can make pumps but the equipment will be of no value if you don't have the service back up. When we started in India we had the first 35 people in service before we even started hiring the first sales person because if we didn't work for the solutions first we would have ended up with a lot of unhappy customers. Today, we are organized for reaching East, West, North and South and we have a call center. If a customer has any problem, he calls the center and then starts the time count; how long it takes to resolve the issue. After 12 hrs, if the problem is not solved, it escalates to the next level and comes to the area service manager. If it is not solved within 24 hrs, it comes to the all India service director and if it is not solved after additional twelve hours, it is on my desk. Having a call center doesn't mean that we want to keep a distance with our customers. The only reason of having these service centers is that if the service engineer who is responsible for that



EXCON 2011 - SHOW ROUND UP

Mr. Norbert Scheuch, Global CEO of Putzmeister

On Global Recovery

Overall, Putzmeister has recovered and is on a growth path again. But the growth rate worldwide is of course not of the level as we have it in India. We have good opportunities in South America and Brazil is the main driving factor. There are good opportunities still in China. There is a good market in the Middle East. Then we have the flat areas like Europe. US is also facing problems, but overall we are well established in emerging markets, We have a manufacturing site in Brazil, we have one in China, One in Turkey and of course the Indian operations. So we are the real global player and overall we have a growth rate of 10 to 15 %. We hope that in the next year this growth rate will continue regarding our products and our industry.

On Global Strategy

In emerging markets which are on our growth line we are concentrating on improving our capacities and localizing the

product as far as possible. We are continuously monitoring the developments in different market and we keep on checking whether it makes sense to pull a product out of one market and introduce it into the other market and when we do it the product is mainly manufactured in the country.

On Diversification

From financial point of view Putzmeister has been all the times more successful in focusing only on concreting pumps. There are two theories: one says that you have to be a broad supplier, other says that you have to be focused. Considering the size of Putzmeister, we are a medium size global player, focusing on one product seems to be a better option because it gives us a key focus, a key commitment. We have to do this job right. If we don't do this job right we are jeopardizing our core competence. We are 100 % focused and the strategy is to remain focused and to stay leader in this business.

pump is busy in another job, we cannot let the customer wait till our service engineer has finished his job. We want to immediately send one of our service engineers to that location. We have 1500 machines all over India; the call center ensures that they have a business process behind, which ultimately ensures that all the issues are addressed in time. Our statistics show that only 40 percent issues are due to technical problem with pumps. 60 percent problems are pertaining to the concrete mix or to the application of the machine. Our task as construction equipment manufacturer is far more than just providing the equipment. We have to make a success story with the customer; we have to get the job done. All this needs us to have know-how far beyond the pump itself. That is why we are considered as a concrete expert.

On Rental Market

Rental market is performing very well. There are many infrastructure projects coming up which are run by big corporates. The usual approach of these corporates is to buy 50-60% of the equipment required, try to utilize it 100% and for the remaining capacity they procure the Equipment on rental basis. Rental market has a big importance for India and the concept is growing very much. We are very happy that we have a strong backing with rental companies. The rental companies need reliable equipment with very low operational cost. A rental pump can be today in Delhi, tomorrow, it can be in Jaipur, where you have totally different kind of concrete because you have different kind of aggregate or it can be somewhere in a remote location in Himalayas. They need pumps which can perform under all different kinds of environmental conditions.

On Impact of Currency exchange rates

Since, we pay for most of our material in Euro, currency exchange rates can have enormous impact on our bottom line. To counter this impact, we started assembling pumps in India and also indigenizing as early as we could. But we will never compromise on quality and safety. That is why, we still import major portion of parts from Europe, especially the safety parts like hydraulic cylinders, control blocks, mono blocks and other vital parts.

Our truck pumps are made out of high quality steel which is not produced in India. This steel is produced in Japan and Europe. We have to import the steel from Europe. The prices have gone up and the currency fluctuations are there which has affected our bottom line. The only way to reduce the effect is to localize as much as possible, but we cannot compromise on quality and safety.

On Industry Growth

As far as trailer pumps are concerned, the growth is around 30%, around 5% faster than the industry, because of some people changing from the manual placing to pumping. As far as the truck pumps are concerned it has grown by 60%. Last year it was around 105 units, this year it will be around 160 units.

Putzmeister India Growth Story

Last year we have grown by 170 %, this year it is 70%. The economic situation is not as easy as last year. Nevertheless, the industry is growing at a rate of 25% wherein we are growing at a rate of 70%, we are growing at a much faster pace, and we are increasing our market share. Also, we are sure to benefit from the

trend that more and more people have taken up mechanized concreting, rather than placing it with a bucket or a trolley. We entered Indian markets in 2005. It took us two years to set up the facility. We commissioned our factory in 2008. Today, it is end of 2011 and the facility is already too small for our operations here. We are investing further in the facility to the tune of 4 million Euros. So, this is our growth story in India.

On Competitiveness of Indian Market

In India there may be people copying you but unlike China that is not on organized level. For me Indian market is about fair competition. Lot of people develop their products themselves rather than copying it. They educate their own people. They have their own concept

On Reaching Different Market Segments

Tier II And Tier III Cities

In these cities people have just started mechanized pumping of concrete. It was done with the help of laborers using bucket and trolley and for sure if someone starts pumping he starts with a smaller one. That is why we introduced in bC India BSA 702 which is a small trailer pump which can pump 20 cu.m. The concrete in

segment is made with reversible drum mixers which can produce around 10-15 cu.m an hour and hence 20 cu.m pump is suitably sufficient for such kind of jobs. If I give them a 40 cu.m pump which is our most selling pump in India they would utilize it for only 50 %. That is why we have come up with this comparatively smaller model.

North East

We have recently opened our regional office in Kolkata, to put more emphasis on the Eastern area. We have given a significant fleet in that area. Most of the infrastructure companies in this area are from Kolkata.

Neighboring Countries

From India we also serve the neighbouring countries like Nepal, Bhutan, and Bangladesh. Bhutan is a very interesting market. In Bhutan we have lot of investments and we are happy that we could pump the Supreme Court and we also pumped the stage for royal wedding. We find Bhutan a very potential market. In Bhutan, they are facing labor shortage. When they need labor, they have to bring it from Bangladesh through plane. A stationary concrete pump or trailer pump can replace 25 people working with a bucket. So investing in a pump is a better idea than bringing 25 people from abroad.