

MANUFACTURING EXCELLENCE REPORT 2008

Offprint



Excellence is our standard



BEST SME – HOLTER REGELARMATUREN GMBH & CO. KG (HORA)

Company profile

Excellence is our standard: this is the motto of the HORA Company, Germany's leading manufacturer of control valves and actuators for energy and buildings technology. Founded in 1967, more than 230 employees today generate an annual turnover of 40 million euros with an export quota of 65%.

HORA concentrates on its core competences: development, design, manufacture and sales of innovative control valves and actuators. Customers' specific requirements are well served in both Divisions: Building+Automation (B+A) and Power Technology.

HORA develops and produces valves and actuators for heating, ventilation and air-conditioning technology and process automation in the B+A Division.

The Power Technology Division has specialised in special control valves for power station technology for more than four decades. All activities are carried out in the Schloß Holte-Stukenbrock facility in Eastern Westphalia and supported by sales partners worldwide. HORA is an independent, second-generation family-owned company. All company profits are invested in modern equipment, product development and process optimisation.



Status quo

HORA produces control valves and actuators developed in-house in the Building+Automation Division and offers a complete product range for buildings automation. 40 years' experience means that this family-owned company has grown into a Europe-wide partner for successful Building Management System companies. As one of the market leading suppliers, the B+A Division has had to face new challenges as many component manufacturers in German engineering and plant construction since the end of the 1990's.

- 35% decline in the non-residential construction market in Germany
- Price drop by up to 30%
- New international competitors
- International sales requirement
- Comparatively high wage costs internationally
- Globalisation of procurement markets

Customer-specific product variants have become more complex over the last four decades. To this can be added high steel and cast iron prices, the necessity of worldwide material procurement and the dependency of suppliers. Increasing product comparability requires additional differentiation besides pure product characteristics. There were also internal aspects for HORA to consider as well as external changes. The company doubled its turnover and number of employees in the 1990's, which was rather unusual for the German valve industry. Growth from a small to a medium-sized enterprise created additional obligations.

This medium-sized enterprise was confronted with great challenges and the question: how to reorganise the B+A Division against a background of deteriorating economic conditions? The answer was systematic company development with professional tools and modern methods such as the Balanced Scorecard and innovative Supply Change Management, new sales strategies, product and process innovations, well educated employees, controlling and modern factory agreements, i.e. a complete reorganisation.

Successful Concepts / Concerted Action and Success

Where does a company start when it wants to completely restructure a division? The best approach is to look at things completely from the customer's point of view. 13 years ago HORA asked the following questions: how can we become more interesting to new and existing customers in the Building+Automation sector? How can we stand out from our competitors? A low-price policy was rejected. Modern technology and high product quality are parameters which are now regarded as a matter of course. Rapid response and reliability are the new, deciding success factors.

The strategic target is: HORA must offer customers the complete product range including customer-specific variants at significantly reduced lead times. In 1995 that meant: we wish to reduce the current delivery time of two to three weeks to two days in future. The second motivation for company development at the end of the 1990's was: we will not solve cost problems by shifting production to low-wage countries but by improving our structures with professional tools in situ. The focus was on process innovations, motivated and well educated employees and innovative products. And: HORA wishes to set the standards in this branch of industry!



HORA developed a vision, a mission and also target systems and measures which were implemented with the support of the Balanced Scorecard. Operational and organisational structures were changed to make order processing leaner. The people involved in order processing are organised so that customer orders are processed better and above all faster. For example, process planning, purchasing, assembly and despatch employees moved together into one office directly in the production area.

Superfluous paths were swept away which means that information can be passed on directly and quickly. This saves time and money. HORA redefined jobs, changed material provision and improved material flow in order to optimise production. Methods such as multimoment recording and other tools are used for process optimisation as part of university degree dissertations.

Clarity is increased. Transportation routes are minimised with the aid of routing diagrams. HORA has optimised the „Supply Chain“ completely from the supplier to the customer. The Kanban method is used to orientate the production process into the entire assembly process in accordance with the pull principle exclusively in line with requirements at points of consumption in the production process. This flexible production control reduces stock levels, specific intermediate product quantities and tied-up capital. Products are only assembled when the customer orders them. In parallel to the structural changes, HORA also uses accompanying measures as defined by the Japanese life and work philosophy Kaizen such as continuous improvement processes (CIP), the 5S concept and error avoidance. Alongside classical product development, HORA has established a process innovation team (PIT) including trainee engineers who take care of process optimisation throughout the company.

The involvement of employees is essential for the success of this large-scale restructuring. Therefore, employees are involved in the current process. Their wealth of experience is used where individual jobs are being restructured. Openness and transparency are essential factors which have always been a priority for HORA. One of HORA's visionary statements is to be the most attractive employer in the valve industry. Therefore, the company publishes important key figures quite openly internally and externally in all areas and places great emphasis on an attractive working environment.

Continuing further education in line with requirements and talent and also future-orientated training programmes are a matter of course. Talented people are recruited in good time and management quality is continuously improved. Target agreements, employee discussions and bonus rulings are further significant factors for HORA's attractiveness as an employer. In addition, there have been no enforced redundancies since the company was founded in 1967.





Innovative products are also indispensable besides improved processes and well educated employees. All core products in the B+A Division are in-house developments. For example, HORA is a pioneer in the field of microprocessor-controlled intelligent linear actuators (MC actuators). HORA has redesigned the mechanics and electronics for its actuators and is therefore technology leader.

The attraction of MC actuators for customers is that they can be used universally and flexibly due to their microprocessor technology. They are easy for customers to install (Plug and play). One objective right from the start was to design the actuators to enable extremely efficient production. For example, screws are not used in the actuators. HORA can react quickly and flexibly to customers' requirements by small modifications during assembly.

The latest patented innovation is a linear actuator with a fail-safe device which closes the control valve automatically in the event of a power failure. This new development works more quietly, more gently and has longer service life compared to conventional mechanical designs. Research and development have always been considered important. The R&D employees use modern methods such as FEM, CFD, 3D CAD, FMEA and Rapid Prototyping.

Standards have been set and the result can be plainly seen: today HORA delivers complex variant products related to orders in only two days instead of three weeks. The target for standard products is exceeded with simultaneously higher delivery punctuality and reliability: a customer places his order by 11 o'clock and the products are ready for despatch only four hours later. The investments in the B+A Division have paid off.

Outlook, Next Objective

Optimisation never ends. One of the next targets in the Building+Automation Division is to further refine and transfer the systematics to complex variant products. The production area in the Power Technology Division is presently being expanded by 60% from 4800 to 7800 m². Investments in buildings, equipment and machines run to several million euros.

These investments mean that HORA is ready for the imminent growth of the coming years. The company is consistently working to recruit and develop outstanding specialist employees to meet these challenges.



We would like to thank our staff for their contribution in setting-up the HORA B+A Division.



The renowned industry award was received in Berlin on behalf of HORA by Georg Bode, Managing Director, Ralf Schulze, General Manager Division Building+Automation and Managing Director Dr. Dieter Dresselhaus.



Excellence is our standard

Holter Regelarmaturen GmbH & Co. KG
Helleforthstrasse 58 - 60
33758 Schloss Holte-Stukenbrock
Germany

phone: +49 (0) 52 07-89 03-0
fax.: +49 (0) 52 07-8 80 37
e-mail: mail@hora.de
Internet: www.hora.de



Excellence is our standard