

Involvement from the shop floor to the management

The German Vaillant Group is a global market and technology leader in heating, ventilation and air-conditioning solutions. One of its subsidiaries, HKR GmbH & Co. KG, supplies the Group with high-quality components, particularly precision-machined brass parts. Since it started targeting third-party customers four years ago, the medium-sized company has developed very successfully – not least to a corporate culture which involves everyone from the shop floor to the management.



HKR manufactures and machines turned, milled and forged parts for heating, sanitary, automotive, hydraulic, electronic and several other applications. Based in Roding near Regensburg in Bavaria, the company processes a wide range of materials, including brass, aluminium, steel, stainless steel and plastic. "Our core competence lies in turned components made from brass," says Managing Director Michel Rahn who joined HKR two years ago after having gathered in-depth management expertise in the metal processing sector, auto-

motive industry and supply chain management at home and abroad. HKR is a member of the Vaillant Group, a leading international supplier of heating, ventilation and air-conditioning technology with headquarters in Remscheid, North Rhine Westphalia.

HKR was established in 1966, as a Vaillant production facility. In 2006, the company was turned into an independent subsidiary, with its own brand and product development. "In 2013, we implemented a strategic reorientation

of the company with a focus on the production of precision brass, steel and aluminium parts," notes Mr. Rahn, describing an important milestone in the company's development. "A year later, we started contract manufacturing for external customers to better utilize our production capacity and set up our own sales and distribution organization." Since it opened up to the market four years ago, HKR has acquired many additional clients outside the Vaillant Group, including industry leaders like Honeywell, Mahle, Siemens and

Stiebel Eltron. "In 2017 alone, we achieved almost 40% growth on external component orders," Mr. Rahn points out. "We want to continue our external growth strategy and acquire additional, non-group customers."

Besides pushing the company's external development, HKR is working on strengthening its corporate identity and establishing a culture based on trust and common goals. "In cooperation with two consulting firms, we are developing a vision for HKR which, on the one



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hand, defines strategic objectives with a focus on third-party business and, on the other hand, involves every employee in the company, at all levels from the shop floor to the management," explains Mr. Rahn, whose professional passion is managing cultural and strategic change processes in organizations. "It is important that corporate objectives are shared by everyone and do not leave anyone behind. In 2016 we celebrated our 50th anniversary; the motto was 'with tradition into the future'. We are a company with a rich tradition and a very loyal workforce. If a

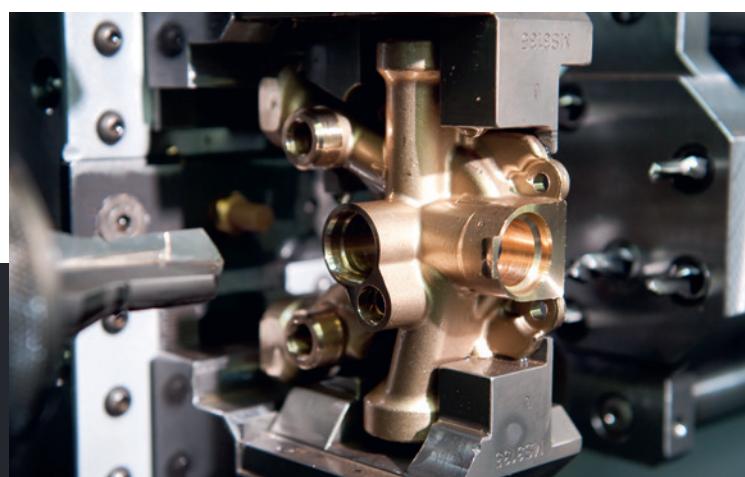
new vision and strategy are to succeed, everyone has to be involved. And the timing has to be right." As a supplier of high-precision parts for a wide range of industrial applications, HKR depends on qualified labour. "We have many highly specialized workers and put great emphasis on education and training," says Mr. Rahn. Another of HKR's strong points is that it can draw on the rich resources and distribution network of its parent company Vaillant. "Despite being independent now, we are still part of the Vaillant Group," states Mr. Rahn.



At HKR, everyone from the shop floor to the management is involved in shaping the company's strategic direction

HKR operates in a highly dynamic industry, with sectors such as heating and ventilation increasingly moving from metal to plastic as raw material to reduce costs, shifting towards renewable forms of energy to replace fossil fuels, and introducing digitalized, smart home solutions. "Ultimately, however, there will be products like connectors, valves and switches," says Mr. Rahn. "Such devices will always be in demand." As a classic contract manufacturer, HKR produces all components to the customer's individual order. Nevertheless, the company has its

own development and engineering facilities. "We cooperate closely with our customers in product development and optimization," explains Mr. Rahn. "The goal is to co-design a product, bring it to production stage and enter batch fabrication. This way, we are developing more and more markets and applications outside the Vaillant Group, enhancing our capacity utilization and strengthening our market position as a reliable supplier of high-quality, precision-machined parts for demanding customers in Germany and abroad."



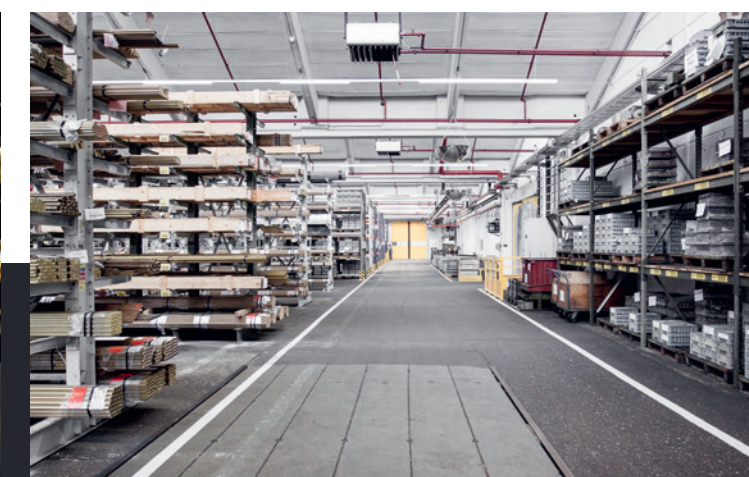
HKR specializes in high-quality, turned brass components for heating, sanitary and many other applications



Based in Roding in eastern Bavaria, HKR is a classic contract manufacturer with a constantly growing customer base



HKR precision-machined products are used by the parent company Vaillant and many other customers



HKR is equipped with modern warehousing facilities to meet its customers' demands at the shortest notice