
Subject: KHS expands the expertise and responsibility of its global network

Number of characters: Approx. 11,300 (with spaces and without boiler plate)

Title

Right up close

Subtitle

With its KHS2025 strategy program the turnkey supplier is intensifying its customer relations

Teaser

KHS is intensifying its customer relations by implementing an extensive package of measures. These include expanding and further qualifying its network and standardizing structures and processes as well as hiring more personnel worldwide.

Main text

The chief objective of the KHS 2025 strategy program is to get even closer to the customer by expanding the company's global footprint. The most important requirement here is that KHS is permanently perceived as a reliable supplier and partner across the globe. With production sites, service hubs and sales companies installed around the globe, in this respect the Dortmund systems supplier is already very well positioned. The next key aim is to now strengthen this local presence worldwide by increasing production capacities and gradually further qualifying the KHS network – for example by setting up training centers that help to intensify customer relations in the after-sales business. Parallel to this, the company's global organization is also being adjusted, with structures being consistently standardized, responsibility for results decentralized and more personnel hired.

Recruit and retain new employees

The third point in particular is something of a challenge: as an essential factor of its economic success, KHS' group parent company Salzgitter has placed people at the core of its strategy, inviting employees to contribute and implement their ideas. This is offset by the fact that lots of older personnel are now retiring as a result of the change in our demography. In this situation it's important to secure existing expertise and – first and foremost – to attract new people to the company. In order to master this problem, KHS has established a process to ensure the transfer of knowledge. It also attaches the greatest importance to providing fair, attractive working conditions and an open environment defined by mutual respect and appreciation. In this context KHS is optimistic that it's well prepared to meet the coming demographic challenges and is able to recruit and retain new employees for KHS in the future.

For this purpose, capacities are being extended well in advance in Service, Line Engineering, Project Management, Production, Commissioning and Sales especially. The need is particularly great in North, Central and South America, where KHS operates no fewer than three production sites. At the same time, the number of personnel is being increased, infrastructure invested in and standard digital solutions introduced in all other regions, too, in an attempt to exploit global growth potential. Besides ensuring proximity to the customer, the issue of sustainability also plays a key role for KHS: with its local-to-local approach KHS' production and after-sales units worldwide are to be developed so that they are increasingly able to carry out their work if possible without help from Germany. This does away with the need for costly shipping operations. Together with its use of digital solutions, this makes for considerable savings in both CO₂ and time which KHS intends to capitalize on as best as possible in the interests of its customers.

New factory in China

The start of KHS' investment in its various locations was marked by the new factory opened at the end of 2021 in Kunshan in China. In moving to the new address in the Greater Shanghai region, the production area grew to four times its previous size:

now measuring a total of 20,000 square meters, this is where KHS' latest generation stretch blow molders, block systems and high-speed lines for water and carbonated soft drinks are manufactured. Despite the often difficult conditions imposed by the corona pandemic and China's zero Covid policy, the factory has got off to a successful start: the time required for installation and commissioning has now been cut by about a third compared to past operations of this kind. KHS in China also provides a comprehensive local service as spare parts can now be supplied from the warehouse in Kunshan at short notice.

Increased capacity in Waukesha

Another example can be found in North America, where in November 2022 KHS' US facility was considerably enlarged. At its Waukesha site just a few kilometers from the beer town of Milwaukee, almost 2,200 square meters of space were added to the assembly hall. "We wanted to expand the scope of our local production facilities," emphasizes Glenn Huber, CEO and president of KHS USA. "This refers to the manufacture of PET and primarily can fillers. Our Smart Can by KHS/Ferrum block system we're producing together with the Swiss can seamer manufacturer deserves a particular mention here, for we see huge growth potential in this area." The USA is also the main sales market for the compact Innofill Can C can filler that's extremely popular with the country's multitude of craft brewers in particular. The machine, developed locally for smaller and medium-sized breweries especially and built at the Wisconsin factory, is a real success.

One section of the new hall accommodates a training center where in-house and external courses of further training are held. "As our seminar rooms are directly connected to the production shop, we can show participants our machines whenever we need to and in doing so help them study the course content in practice," smiles John Turner, COO for KHS in Waukesha. All told, the range of courses on offer is being well received by clients. "This is where we train customer operators to be experts so that they can take on more responsibility and equipment ownership back at their own plant," says Turner.

Besides all of the practical advantages, CEO Huber believes there to be a further positive aspect to the 5.6-million-euro investment. “We’ve been here since 1972. But now that we’ve attached a huge KHS sign to the side of our extension that fronts busy Highway 94, the people here now consciously take note of us.” This is good, he continues; after all, the investment cements KHS’ commitment as an employer and regional economic factor. Alongside the impact this has on the outside world, it also sends a strong signal to the 355 people who work here.

New setup in East Africa

Occupancy of a completely new building has also just been taken up in Nairobi, the capital city of Kenya. This is where KHS’ new offices in East Africa have gradually taken shape over the past few months for a subsidiary that’s grown by over 50% in the last ten years. The decision to expand, reached back in 2019, was followed by a long search for a suitable plot of land. “We finally found a suitable and pleasant location in Nairobi’s green belt,” says Denise Schneider-Walimohamed, who runs the site as its managing director. As in Karen Blixen’s novel “Out of Africa”, she created an “office at the foot of the Ngong Hills”. By holding an architectural competition among local bureaus for the new commission, she ensured that the new building sported an attractive design and was built to have a low environmental impact and fit in with the regional style. “We’ve created about 2,000 square meters of office, storage and training space on a site measuring just under 5,000 square meters,” Schneider-Walimohamed explains. “We now have an extensive assembly and spare parts warehouse that supports us during installation, commissioning and service. Plus we have the offices needed to house our new technical sales personnel, layouters and project managers who are key to creating our vision of One KHS.”

As in Waukesha, the Nairobi site expansion includes a completely new training center. “We’ve set up a training hub here that’s also available to other KHS business centers outside Kenya,” states Daniella Pleitz, who as general manager operates the KHS facility together with her sister. “Both ourselves and our customers benefit from

this. With our full-time instructors trained and certified in Germany we're well able to meet our local intensive training requirements." The rooms have been designed for a number of different uses, proving a suitable venue not just for further training courses but also customer presentations, workshops and expert talks, claims Schneider-Walimohamed, who's looking forward to staging lots of events here in the future. Incidentally, like her colleagues in the USA she also recognizes the significance of the two-million-euro investment for the people in house. "From our employees' point of view, this commitment is a further example of what an attractive and sustainable employer we are. In a country where there's a lot of fluctuation on the job market, having an image like this can't be valued highly enough," she believes. The statistics prove her right: over 70% of the 65 people here have worked for KHS for over nine years – with this figure hopefully to increase with the new offices now up and running.

Fully networked

With a view to boosting customer proximity, further site investments have been made or are currently being planned throughout the world, such as those in Columbia and Chile, in Nigeria and Dubai or in India. The main goal is to ensure that KHS is perceived in the same way by all customers across the globe, despite the decentralization of certain functions and strengthening of specific regions. To this end, common standards need to be complied with within the organization so that communication is smooth and no information is lost in the process.

A harmonized system landscape is an essential prerequisite here, stresses Dagmar Swientek, who as the head of Sales and Service Business Development at KHS is responsible for precisely this. "On the one hand, digital networking makes the exchange of information easier with regard to production and technology, for example with reference to bills of materials or master data. On the other, it allows us to make the KHS Connect customer portal available. Everyone then works with the same tools – from the offer to the CRM tool. Despite processes worldwide being largely uniform, regional features have been taken into account, provided that this is in the customer's interest."

Customer portal with added value

Local experts who can offer first-level support for all issues on site have been schooled to successfully launch the new system. With the help of additional change management activities, any misgivings employees might have are allayed and they learn which added value the system gives both them and their customers. The KHS Connect customer portal promises to be of considerable benefit. Beverage producers can not only find all they need in the shop, whether this be spare or wear parts; future conversions can also be proactively offered that can reduce energy, media and material consumption or lengthen a machine's service life. "In order to make all of this even more readily accessible, we're currently developing the KHS ConnectApp that shows customers how their systems are running, when they next need a service engineer or which spare parts are required," explains Swientek. "With this, we're creating a global KHS digital experience worldwide. The tools we provide are not merely an end in themselves but enablers that help us to be at our customers' side as a partner they can depend on."

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Pictures and captions

(Sources: Frank Reinhold, KHS USA and Andrew Kamau, Photoshots)

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Photo captions

New training center in Waukesha (Source: KHS USA)

KHS customers are pleased that their operators can be trained as experts at the new training center in Waukesha.

New KHS East Africa site in Nairobi (Source: Andrew Kamau, Photoshots)

Over 2,000 square meters of office, warehouse and training space are now available at the new KHS East Africa site located on the outskirts of Nairobi.

Glenn Huber and John Turner (Source: Frank Reinhold)

Glenn Huber, CEO and president (right), and John Turner, COO, both KHS USA

Denise Schneider Walimohamed and Daniella Pleitz (Source: Frank Reinhold)

Denise Schneider Walimohamed, Managing director (left), and Daniella Pleitz, General Manager, both KHS East Africa

Dagmar Swientek (Source: Frank Reinhold)

“Digital networking means that everyone at KHS and on KHS Connect now works with the same tools – from the offer to the CRM tool”, says Dagmar Swientek, Head of Sales and Service Business Development, KHS.

About the KHS Group

The KHS Group is one of the world's leading manufacturers of filling and packaging systems for the beverage and liquid food industries. Besides the parent company (KHS GmbH) the group includes various subsidiaries outside Germany, with production sites in Ahmedabad (India), Waukesha (USA), Zinacantepec (Mexico), São Paulo (Brazil) and Kunshan (China). It also operates numerous sales and service centers worldwide. KHS manufactures modern filling and packaging systems for the high-capacity range at its headquarters in Dortmund, Germany, and at its factories in Bad Kreuznach, Kleve, Worms and Hamburg. The KHS Group is a wholly owned subsidiary of the SDAX-listed Salzgitter AG corporation. In 2022 the KHS Group and its 5,002 employees achieved a turnover of around €1.291 billion.

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