

HOIST

Feature

Carving a niche

21 November 2006

Kito Europe GmbH general manager Frank Klohr has highlighted three key products in his armoury as the Japanese firm starts to make inroads into the European market. Shortly after completion of the new Dusseldorf, Germany base, Klohr talked Richard Howes through his ambitious plans

Kito Europe GmbH president Yasuo Sasaki has just left the new 800 sq m facility in Dusseldorf, Germany, where he aided the set-up of the new European venture, to return to headquarters in Japan - leaving general manager Frank Klohr at the helm. And, after arriving in the hoist industry just a few months ago, he is excited by the prospect.

He joins the hoist business following 21 years under the employment of two manufacturers to the material handling industry, one in Japan and Singapore and the other up the road in Dusseldorf. "Yes," he replies bluntly and confidently when quizzed as to whether this leaves him well equipped to be a success in the hoist business. Of course, he is happy to elaborate.

Klohr, having signed a contract some months earlier, arrived at Kito on August 1 2006. The biggest "headache" he recalls was putting together a strong team around him. "I got lucky," he admits, probably referring to the acquisition of Uwe Kleinevoss (50) as his technical support advisor who brings with him 33 years experience from the industry.

It is the German market that Kito wants to crack first. From there they can flex their muscles in other European countries. In Germany the products are sold through distributors and at a later stage, the sales and servicing activities will be expanded European-wide. "We're already exporting 5% of our products," he says. "But," he continues, "by the end of next year that will grow to 30%." Keep in mind, he adds, this is a percentage of already rapidly growing domestic business. Kito sold its first hoist in Germany, albeit from it Japan, around 30 years ago.

Klohr highlights three key products - two hoists and a load chain.

First, its smallest hoist - the CX 003. The 250kg (511lb) capacity hoist weighs 2.4kg (less than five and a half pounds) with 2.5m (10ft) of chain. Kito boasts that the hoist has been "used for unthinkable applications that we could not imagine because of its lightweight and compact size." A pull force of 15kg lifts the full load. The range is equipped with an overload limiter as standard.

Both top and bottom hooks are designed to resist side-slippage of a load. Non-protruding bolts on the body of the hoist ensure easy, according to Kito, easy maintenance.

Secondly, Klohr tips the grade 100 nickel-plated load chain alone to attract interest. They are standard on all the products out of Kito Europe and are said to be heat-treated and thus resistant to corrosion and wearing. And of course, they meet the European quality norm of EN 818-7.

Finally, from the ED-III Series, a range of 60 to 240kg capacity dual speed cylinder control hoists. They can run on home-use power supply for single-phase operation.

Klohr explains that Kito Europe is approaching dealers and not end users. As he puts it, "we are selecting dealers to sell our products who we hope will fit the criteria to become our partners. I want to establish a profound partnership with them." Kito Europe wants to appoint around 20 partners by the end of 2007. "By that time," Klohr says, "I expect 80% of our revenue to be generated through these partners. Our customers appreciate that we are not taking their business by going straight to end users and that they can count on our strong support to them of various means".

For the time being, and for that matter foreseeable future, only hoist units are available from the new outlet. Parts are shipped over from Japan, about every two months, and customised to European customers' needs (and European standards) by experienced workshop staff. The total staff in Dusseldorf (where a prominent Japanese population would have been part of the appeal) is currently 12 but this will swell to 16 before the end of next year.

Cranes in their entirety remain in Japan and only a selection of the full range is available in Germany. For example, the electrical hoist of the ER-Series, only go up to 20t capacity, while the Japanese make it available up to 65t. Of

the ED and EDC series (the C stands for cylinder and is one of the niche products Klohr talks about), the German facility can offer already half the full capacity compared to that of their headquarters in Japan.

These circumstances make the European venture different to that of, say, Kito's involvement in the US market, where its subsidiary Harrington supply cranes under its branding.

Klohr believes this product range is a carefully constructed overview designed to fill the gaps in the market, rather than engage in direct competition with other manufacturers. For example, Klohr describes the sling market as "saturated", while in Japan, Kito offers a full range of packing equipment.

Klohr observes a gap in the manual hoist market - a niche that, as Klohr points out, even well established competitor ignores.

He explains that while electric hoists and remote systems are increasingly commonplace, very often precision-lifting demands alternatives. Also, he says, in the stonemason industry, for example, there is often no power supply and he concludes there is a "big industry in Europe for manual lifting equipment."

Klohr claims that Kito also leads the way where service and spare parts are concerned. He explains that, in the result of a breakdown, a single part can be supplied, where other companies group large numbers of components together or provide repair kits inclusive of, say, 14 or 15 parts.

Dealers are training onsite by Kito staff, some of them were sent to Japan to hone their knowledge on key products.

Adjacent to the Kito premises (which it rents) is an empty warehouse. The landlord knows Kito is interested in doubling its facility to 1,600 sq m and has offered them first refusal when another potential occupier is found. Until then, Klohr says, it is happy to bide its time before taking such a step. However, he admits it will only be a matter of time