Siempelkamp Logistics & Service GmbH (SLS) in Bad Kreuznach, Germany:

Dedicated service from head to toe

By Ralf Griesche

The managing directors of the new company are Stefan Wissing and Thomas Dahmen, both of them with many years experience in the area of machine and plant engineering. The SLS-Team consists of existing employees from the Krefeld headquarters, new employees from Bad Kreuznach and the surrounding areas as well as employees from the Hombak Maschinen- und Anlagenbau GmbH, which has been part of the Siempelkamp Group since 2009.

The new location in Bad Kreuznach was a good logistical decision. The proximity of SLS to the Frankfurt airport and the highway network near the hall exit provide excellent conditions for supplying spare parts quickly. This is an important customer advantage especially in an area where time is of the essence. The hall capacities at the Hombak premises also provide excellent conditions to have an extensive assortment of spare parts available. The team in Krefeld continues to exclusively supply spare parts that require technical assistance or parts for upgrades. For these parts, close contact to the design department is essential in finding the optimal customer solution.

Bad Kreuznach’s primary focus is on one thing – speed without loss of quality at a top price for standard spare parts! From the time the order is received to the delivery, the satisfaction of the customer is dependent on the speed of the delivery combined with a price advantage and consistent high quality. Since the founding of SLS, the team increased the order volume dramatically and secured business for Siempelkamp which customers could have alternatively handled through other dealers! Many plant operators trust in all-round service by purchasing 70 to 80% of their spare parts and more directly from the OEM Siempelkamp. This is a pleasing reference that demonstrates that our customers not only rely on us in a single case that is hard to handle alone, but anytime!
SLS in an interview: Advantages that lead to an accelerated spare parts supply!

Interview with Stefan Wissing and Thomas Dahmen

SLS increased business dramatically. What is the foundation for the business concept and the positive customer responses? The managing directors of SLS, Stefan Wissing and Thomas Dahmen, report in an interview about the promising SLS business start.

Keyword “standard spare parts business” – What priorities do plant operators have in mind when they decide for a service partner and refrain from ordering spare parts on their own?

Stefan Wissing: A customer who needs spare parts in order to bring a plant up to speed expects tempo in all areas of the service performance chain. This translates into quick response times for the order request, purchasing and delivery. That this service has to be performed at an attractive price goes without saying.

Speed on the one hand, price advantage on the other: How did SLS manage to convince with both advantages in such a short time?

Thomas Dahmen: For each request, a customer receives an offer the same day. In the ideal case the customer knows the part or item number; sometimes, however, we receive requests which only give the position number of the spare part or a description. Within a short time we can provide an offer. If the offer turns into an order, our new electronic data exchange contributes an important part in delivering the part quickly to the customer. Via Electronic Data Interchange (EDI) we perform a quick information transfer with the customers – we are currently expanding this electronic data processing support.

How big of a role can such a system play in the scope of the entire bundle of advantages? Doesn’t the concrete service primarily count, that is, the correct and low-priced spare part?

Stefan Wissing: EDI works in the background. It smoothes the way with the objective to accelerate the delivery of spare parts. All details are securely archived which tremendously simplifies the search for follow-up orders. Last but not least the communication with the customer becomes quicker, more targeted and improved.

Thomas Dahmen: Another advantage: Our international subsidiaries are directly accessing our system after the request for quotation was received at their location. The ability of our local service offices to connect to our system represents another “accelerator”. For the customers nothing changes. They continue to contact the usual contact persons for Siempelkamp in their areas. The Siempelkamp employees in our subsidiaries save time by directly accessing our system. Consequently, spare parts that are urgently needed can be provided more quickly.
Which other SLS competences also stand for quick reaction times?

Thomas Dahmen: The delivery itself. Here, the production locations come into play: We now provide them with supply parts without using an external logistics company as done in the past. SLS can provide the same service better and more cost-efficient with its own people! Furthermore, it will be possible to produce smaller parts, which have to be manufactured according to a drawing, in a type of fast-track production. Here, we profit from the close proximity to the production location in Hombak. Consequently, our customer benefits from another attractive service component. Due to our close vicinity to the Frankfurt airport, the largest and most important reloading point for air cargo in Europe, as well as our online connections to our logistics service providers, we can offer quick deliveries at favorable transport conditions throughout the world. The daily consolidation of air and sea freight leads to cost advantages that we can pass on to our customers.

Keyword “low price”: How can SLS stand its grounds against Google orders?

Stefan Wissing: In a dialogue with our long-standing customers we have considerably lowered the prices for most of our spare parts. Thus, we have secured many orders which customers might have otherwise bought via the Internet from online retailers.

Were Siempelkamp spare parts too expensive so far?

Stefan Wissing: The price cut is the result of a long process. We have succeeded by concluding better purchasing conditions and attractive basic agreements with our suppliers. Furthermore, we have put a lot of effort in efficiency increases by optimizing our processes.

Do drastic price reductions not always lead to losses in quality?

Stefan Wissing: No – our spare parts are still characterized by high quality. Our customers can be assured that the parts they receive from us for their equipment are optimally tailored to their needs. Of course not all parts reflect the same low price. Rising raw material prices, for example for steel, cannot be ignored. However, in cases for which we have optimized purchasing conditions or internal processes, we offer our customers products with attractive prices.

Thomas Dahmen: In connection with the quality demands and beyond the price discussions, our extensive know-how has always paid off for the customer. Siempelkamp offers concentrated experience – by the way, at the Bad Kreuznach location we are also handling the spare parts business for Kuesters presses!

After barely six months, SLS now awaits a successful start into 2011. What is on the SLS strategic agenda?

Thomas Dahmen: We will further fine-tune and extend the electronic data exchange with our customers. Furthermore, we will continue to shape our pricing structure in an attractive way and in dialogue with our customers. A new
service is about to be launched: Customers with lines that are approx. ten to 15 years old will receive tailor-made spare parts catalogues including current prices in order to be prepared for emergency situations. As a core service we will also continue to extend our spare parts storage.

Stefan Wissing: After initially only providing spare parts for the original Siempelkamp scope of supply, during the past few weeks SLS has started to provide spare parts for Kuesters presses and old Bison machines as well as all machines for SHS finishing lines. The customer will have one contact for spare parts, orders can be bundled, and processes for customers are simplified and performed more quickly.

In May of this year, Siempelkamp conducted a survey on customer satisfaction of which the results offer valuable clues for the spare parts business (see box). We will use the feedback from our customers as an incentive to further improve the quality of our parts and their availability from stock!

Spare parts supply according to our surveyed customers: top arguments

In May 2010 approx. 500 customers were asked: “How satisfied are you with Siempelkamp’s spare parts supply?” The responses confirm: Everything is working – but a little improvement never hurts! Following, the most important results.

- According to our survey, 92% of our customers are ‘very satisfied’ to ‘satisfied’ with the quality of our parts.
- 88% appreciate the fact that the shipment of our spare parts is correct and complete – there is no friction involved!
- In regard to delivery schedules, 76% of our customers compliment us.
- Our personnel know their stuff: 84% appreciate the cooperation with Siempelkamp service technicians; 84% are evaluating the technical know-how of our teams with ‘very satisfied’ to ‘satisfied’. 83% of our customers are either ‘very satisfied’ or ‘satisfied’ with the quality of the results.

What can we improve? Next to the topic already discussed involving lower prices, our customers provided important advice for a better spare parts service:
- Extension of the spare parts availability in stock and shorter delivery times in general
- Further improvement of the communication in case of delivery delays
- Periodic information to customers about technical innovations

Compliments included: As part of their feedback, many customers expressed only positive aspects and thanked us for the positive cooperation, the good service, and, in many cases, the long-standing contact to our employees. We would like to return the same type of gratitude to our customers!