

Talking Shop

In focus: Keramischer OFENBAU GmbH planning for a new tomorrow

AC talks to Managing Director Thomas Alten (responsible for sales, R&D, finances) and Sales Director Georg von Oldershausen (responsible for sales area Asia) at Keramischer OFENBAU GmbH about the company's prospects in a post-Covid industry climate...

Keramischer OFENBAU GmbH, as a plant manufacturer for kiln plants for the ceramic and related industries, is located at Hildesheim/Germany. The team has got decades of experience in kiln building, while being very innovative at any time. The objective is to put into practice new ideas and technologies for all kinds of kiln plants, with directly and indirectly gas heated or electrical heating systems. Furthermore, energetic modernization, repair and spare parts service and assistance for all questions around firing ceramic products are among the company's portfolio. With its self-developed extremely efficient heating systems, such as EnerViT or EnerViT plus for gas-heated and continuously oxidizing kiln plants (like tunnel and roller kilns) or LAMBDA Control for discontinuous kilns (like shuttle and chamber kilns), Keramischer OFENBAU is a leader in the field of energy efficiency in kilns; continuous further developments lead to further savings in energy consumption and CO2 emissions. The focus is always on first-class quality of the end products and thus a high level of customer satisfaction.



Thomas Alten - Managing Director KOG

AC: How is Keramischer OFENBAU coping during the present crisis in terms of being able to stay in operation?

Thomas Alten: As it is the case with many medium-sized companies in the plant engineering sector, we cannot predict how long the global massive restrictions will continue to remain in place and how they'll affect future developments. We're happy to learn that many customers consider this time to be the right one to discuss in particular about projects for energetic retrofitting of existing kilns. Many federal states support such investments with subsidies, so that the reduction of CO2 emissions together with the reduction in fossil fuel consumption is also very interesting from an economic point of view. We just completed such a sponsored retrofitting kiln project with a German customer.

We have a high order backlog from the period before the pandemic. Due to the worldwide restrictions, however, our ongoing construction



Georg von Oldershausen Sales Director

sites in many countries (e.g. USA, Portugal, China, Indonesia, ...) could only be continued or completed by finding new solutions very quickly. At a very early stage we investigated alternative options of how to complete shutdown construction sites and reopened some of them via utilisation of remote supervision tools and implementation of videoconferencing. In China, i.e., using remote cameras at site combined with daily video assistance from our team at Hildesheim headquarters, we completed successfully the assembly of a shuttle kiln.

So, that's just one example for if you dig deep enough, you will always discover positives and new opportunities. This combination has been a great success story and will, without doubt become a standard working method and optional path for many future projects.

Georg von Oldershausen: As everywhere else in the world, the contact to our worldwide business partners has very quickly changed into periodic video conferences. The support provided by our local representatives was further intensified. Even with completely new customers, projects were brought to an almost final stage.

Above all, we are very proud that despite these challenging times we have managed to successfully conclude a contract with an Indian customer for a shuttle kiln for the firing of technical ceramics, together with our Indian JV Keramischer OFENBAU India.

Several new kiln projects, i.e. a big shuttle kiln in Europe, a completely new tunnel and shuttle kiln plant abroad, are in the pipeline and have been discussed and negotiated up to contract signing just a mere stroke away.

AC: What is your current status, and what are your plans to get back to full service?

Thomas: Our team managed very well during the pandemic situation, most important, all of us are healthy. We've been fully available for our customers during the whole time with remote service, with personal service in Germany, and with immediate spare parts deliveries, to the extent that our set point of spare parts sales has been exceeded already.



VISITS TO CUSTOMERS WILL BE STILL NECESSARY TO SHED LIGHT ON ALL FACETS OF THE PROJECTS

We continued and just completed successfully in good time two projects in Germany, both for energetic retrofitting of kilns for flowerpots.

We put more capacities in Research & Development projects, to develop further energy savings options in addition to our well-known heating system EnerViT or EnerViT plus for continuous kilns, the LAMBDA Control for our shuttle kiln is now designed such that an energy consumption of up to 25 % compared to competitors' kilns is possible to be achieved. And we work on complete upgrades of some kiln types or kiln components.

In addition to the traditional ceramic industry as one of our focal points, we are constantly looking at developments in other areas, for example, the broad area of e-mobility and the corresponding battery production. With the roller kiln eRO Keramischer OFENBAU contributes its decades of comprehensive know-how to the thermal treatment of cathode powder material for Li-Ion batteries. Here, too, we have developed and applied energy-saving and sustainable kiln concepts in cooperation with relevant networks and manufacturers in the battery industry.

AC: What changes will there be in the way you operate your business going forward? Will you work more over video-conference, or will you continue to travel to meet with your customers personally?

Thomas: We have seen a great willingness and speed among our whole team and all our business partners to use video conferencing tools. That's very positive, this way of communication will surely be established and remain for the future. Just another example, we are now arranging for virtual sales trips, together with our representatives, to different customers in one country, structured quite similar to a normal sales trip. The resulting relief of our travel expenses budget is also of advantage.

Georg: In any case, following the present travel restrictions, visits to customers will be still necessary above all to shed light on all facets of the projects. This is rarely achieved only by video conferences. We have already received requests to visit several companies in Europe, Africa and Asia to advance their projects together with us. We are now starting with the appropriate travel preparations, always considering possible risks and local hygiene regulations. In any case, besides all digital aids, personal contact is of utmost importance.

AC: Are you concerned that when industry emerges from this crisis, that there will be a potential negative feeling towards China (and/or South East Asia)?

Thomas: NO! As an open-minded and internationally working company, we'll be more than happy to continue our global business and personal relationships all over the world.

AC: What sectors of the ceramics industry do you think will be hardest hit by this crisis, and do you have any ideas as to how the industry can "bounce back" quickly?

Thomas: Our analyses as well as discussions with business partners clearly show that the tableware industry may be hardest hit by the crisis and that there the market recovery may take longer. We assume for some markets it will probably take up to 2 – 3 years. The automotive sector, especially for vehicles powered by combustion engines, will also experience a longer recovery or change phase. In our estimation, the situation in the construction industry will bring sanitary ceramics back to pre-crisis levels relatively quickly. Other markets, such as i.e. the market of Latex gloves and the corresponding ceramic hand formers, as well as the

market of ceramic insulators, may experience a significant growth. With regard to the global market, we think that the markets in South America will probably need more time to recover.

AC: Are you looking to expand more overseas or do you think you will concentrate more domestically at the moment until the industry steadies itself again?

Georg: With the gradual lifting of travel restrictions, we will continue to expand in many overseas markets. For some specific markets with a high level of engineering, we will focus on more domestic markets. Anyhow, we'll continue to be as flexible as the market requires for a plant manufacturer.

AC: Many people think that exhibitions (trade shows) will be virtually impossible for the next 12-18 months because of the numbers of people that would gather. How do you think that will affect your business, and what will you do to ensure you stay in touch with your customers?

Georg: There will always be the need for customers to inform themselves. Where can a customer get better information and meet more business partners than at a trade fair? E.g. Ceramitec in Munich is an important trade fair for us, and we really hope that next year's fair will take place in May so that we can participate as exhibitors. We expect decisions by the end of this year. At the moment, we are working on marketing which is stronger and directed more individually towards our potential customers. We are also focusing on social business media, reports in magazines and networking in general.

AC: What changes do you think will stay in place after this lockdown? People have got familiar with cleaner air and water for example... do you think there will be an anti-industrial movement that gets more prominent?

Thomas: I don't think that there will be an anti-industrial movement. But (hopefully) there will be a big step towards "greener" technology, and more digitation. We have focused very much on developments in energy efficiency systems, like EnerViT plus for continuous kilns and LAMBDA Control for discontinuous kilns, which helps our customers to reduce the energy consumption and the CO2 footprint during the really energy-consuming firing process. At present, we also develop new ideas in the field of digitation and automation during the ceramic production process and the use of alternative heating mediums such as Syngas, H2 etc. We'll surely present our ideas soon.

Georg: It would be fantastic if humanity would learn from this pandemic that nature cannot be exploited endlessly and that we must handle its resources with care, if only out of love for our children!

AC: Will Keramischer OFENBAU be able to increase its presence in new markets as companies in Italy and Spain are forced to remain closed for longer? Will this give you an advantage?

Thomas: As more or less all countries are affected very hard by the worldwide pandemic and international lockdowns, we do not see any individual market advantages for one or the other. We increase our presence in existing and new markets by offering state-of-the-art technology industrial kilns with very low energy consumption and by offering all-over personal support for any issues around the thermal treatment.

AC: Finally, if you could give one message to the ceramics industry at this very difficult time, what would it be?

Thomas: Invest in "clean and green" technologies to be competitive for the future.

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