

Strength in unity

Ruedi Umbricht, the founder of Can Man, shakes his head as he looks at his factory floor in mock dismay. The floor, which four years ago he wondered if he could fill it up, is now full of welders in various states of assembly. This is the state of most of the Swiss suppliers to the can making industry – the order books are full and machines are flying out the door. “We have 1,200 square metres of production facilities. We moved from a 215 sq metre facility four years ago and wondered how we’d fill the space,” he notes. He wonders no more.

Even the “bad” news of the global downturn is a good one for can makers and their suppliers, according to Germann + Frei’s managing director Heiner Germann. “Can making doesn’t always depend on the economy, as in more difficult times people rediscover food in cans. If the economy goes up, consumption goes up overall. If the economy goes down, people remember canned food,” he points out. “Over the past two years, the price of raw materials has increased for us, but I like to think fortunately the price of oil goes up as well, so the price goes up for competing packages!”

Meanwhile, the larger players in the market are also reporting positive news – Soudronic’s factory floor was similarly full on a recent visit, with welders going to all points of the globe – from Russia to the US. “We are moving from a machines to a systems supplier,” Werner Nussbaum, area sales manager, Northern Europe, Ex Comecan, Middle East, India, English-speaking African countries for Soudronic, says. “We’re offering the customer one number to call.”

Nussbaum also notes that cans benefit in good times and bad: “The history of the can is that it was made for armies and conflict at the beginning, and this is still the case. In uncertain times, people are looking for good packaging and shelf life.”

Soudronic’s COO Peter Schreiber reports that the company has enjoyed a few record years now. “There are no

signs of a real slowdown. It’s an excellent market,” he points out. The firm has also seen some promising growth in markets such as Russia and some African countries, namely Botswana, Nigeria and South Africa.

However, resting on one’s laurels isn’t possible in today’s market, Nussbaum says. “We are investing in research and development, and the focus is on down-gauging.” The company has developed a fish can structured from as low as 0.10mm material. “The geometry of the beads makes a difference,” Schreiber says.

Easy peel

Ends are similarly under scrutiny, and peel off ends are the hot topic right now, with proponents citing their lower weight and ease of use versus easy open ends. Swiss maker Rychiger’s position in peel off ends seems fortuitous, considering the company’s history of more than 20 years with this technology. “In the early 1980s, we developed the first peel off end machine,” explains Axel Förster, Rychiger’s managing director. “The product then made its way into cans for dry products and some categories such as milk powder almost entirely converted their closures to peel-off ends.”

In the retort category it remained a niche product. Some four to five years ago, a second wave started when the technology became industrialised for the use of retorted cans. “At this moment in time, manufacturing technology rapidly evolved and we are now at speeds three to four times faster than before,” Förster says. Peel-off end machinery is just one offer of Rychiger to the market and the traditional markets have been in the filling and sealing machinery business. In 2007, Förster led a management buyout and subsequent reconfiguring of the company. “We have swung from focusing geographically to being branch-driven.” The firm now has four arms – food, pet food, pharma and end making.

He is optimistic about the future of peel off ends, despite the current 30-40 per cent price differential in favour of easy open ends. “POEs are on the way to getting out of their niche and becoming mass-produced – it’s just a matter of economies of scale,” he says. “The more that people invest in



Swiss can suppliers are celebrating full order books. Suzanne Christiansen reports in part one of two articles



Axel Förster, managing director, Rychiger shows visitors around

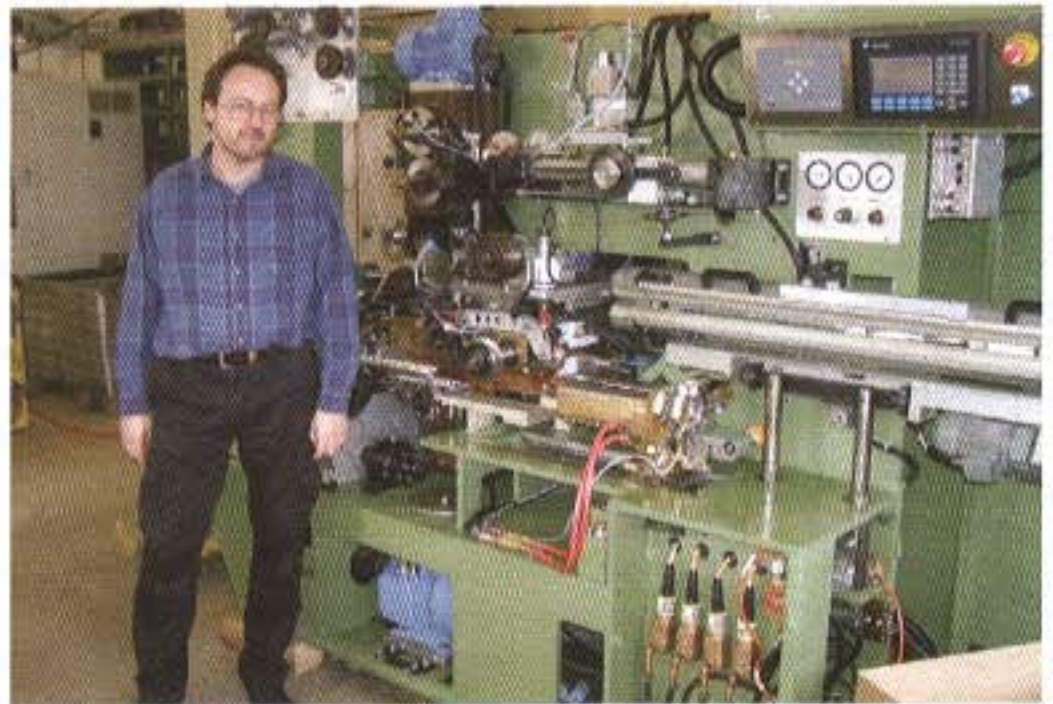
Switzerland

R&D, the better the POE market will be. We're hopeful – easy open ends used to be costly, and now they're market commodities."

Another one of the "problems" Rychiger has is the durability of its machines. "Our old machines are still running, 20 or 30 years on. We have over 80 peel off end machines and 800 machines in total, all still in production," Förster notes.

Spare parts

Another member of the Swisscan circuit (see panel) is Sabatec. Its forte is in the refurbishment of machines and producing add-ons for welders and other canning line machinery. "Our most recent innovation is a welding arm that we have shortened dramatically, so that the weld circuit is shorter and heat loss is much lower, so it can move with higher frequency, but use only the same energy consumption as current welders," notes Michael Baumgartner, one of the founders of Sabatec. "More and more customers are calculating energy costs when looking at their canning lines."



Michael Baumgartner, one of the founders of Sabatec, at the site

The company also specialises in improving on existing designs with canning machines. "We are constantly looking for possible replacements to improve parts – we can replace an original material in a part with one of greater durability," Baumgartner says. "We can also modify old machines to make them run faster." Redesigning a part to produce out of range cans is also a skill at the firm.

Sabatec is also known for spare parts supply. "Whatever the customer asks for, we need to have on hand to deliver at short notice," he says. All this activity has delayed the company's move to its new facility, three kilometres away – this new factory will double the company's floor space.

Welders

Umbricht of Can Man is eagerly awaiting Metpack on the day CanTech International visits. "At Metpack, we like to show customers what's in store for tomorrow. We're introducing the X6 generation of machines at Metpack," he notes. "Plus, the noise reduction feature will debut." The latter development, he says, is a result of listening to the customer. "We carefully listened to what customers had to say about noise reduction, and incorporated their problems into our thinking process."

The family firm's Pacemaker static frequency inverter series has proven popular with many customers, particularly in Europe, where for example, Crown Food Europe has changed most of its generators to Can Man's Pacemaker static inverters. "You get 2.450 amps at 200Hz," Umbricht points out. "It helps save power and is included in our newer machines, as well as being offered as an upgrade."

Customer service is also at the heart of another Can Man service, where it ships out free modification kits for all welders, for three years after the purchase.

The Swisscan network raises its profile

Six Swiss can maker suppliers have banded together in Swisscan, a loose network to serve the three-piece and in some cases two-piece markets. The six companies – Rychiger, Sabatec, Germann+Frei, Frei AG, Langhans Innotec and Can Man – cover the breadth of the canning line, excepting palleting and conveying. The venture runs tours for the can maker consisting of some or all of the can suppliers, depending on the interests of the can maker. Notes Stephan Käuferle, marketing and communications for Can Man and Swisscan, "There was no real networking before Swisscan, but there were synergies between the companies. People who have booked the tour already know about the companies – the tour is really like a service. It's more about working together on the leading issues for the can maker."

The idea was received with enthusiasm, he says. "Most of our members really jumped at the idea." It also solved the issue of organisation. "The organisational part of seeing more than one company was a problem in the past. Now, interested parties can log on to the Swisscan website and can be introduced to all six companies," says Käuferle.

The network also suits the companies, as alone, most wouldn't have the manpower to do any marketing. "We are a network of small and medium sized companies – Rychiger AG is the largest with 130 employees. We don't have the resources with just the one company. For everyone it was quite obvious that with a little effort we could offer a lot, and that's how it was born," Käuferle points out.

Swisscan does not intend to stop at just six, however. "We have plans to involve other companies that have to do with can making. We already are in negotiations with other companies in Switzerland," he says.

The group is still finding its feet, but now has twice annual fixed meetings, where future events are discussed, along with budget discussions. "Our networking is pretty informal compared to other organisations," Käuferle says. "Part of the job is to raise understanding about getting publicity for the companies, and to work with the press so that the outside world knows about new developments from the companies."

The six companies will be separate this time at Metpack, but watch out for the Swisscan stand at upcoming shows. "It's the obvious thing – to gather the companies on one stand island at fairs to better point out the relation and the synergies between the independent developers," he notes.

Another issue is that of future synergies between the group. Will there someday be a Swisscan three-piece line? Käuferle answers: "The answer is, it is unlikely that there will be such a line. There are a couple of good arguments against. On the other hand, buying equipment from Swisscan suppliers has many advantages – most come along with flexibility and value. Swisscan members think can makers should stay the same way Swisscan members are: Building up their own know how in supply, staying flexible and independent."



Welders in the Can Man factory, awaiting completion

"We send out updates and kits out to all customers whether they request it or not – we have to, we're the newcomers!" He notes that it is ironic that after 15 years, Can Man is still considered the new kid on the block.

In the field of production, the company designs a series and starts building after two out of the five machines are sold. "Right now, all units are sold in the current series," he says. "In the end, every welder is a unique machine. Building a welder is always 20 per cent of the effort, and regulating it is the rest of the job. We always recommend that a line is run for three months, and then it is reviewed, where the unit is examined while it stays under production at the customer's site. Customer service also involves having fast after sales service, with maintenance and parts available within 24-48 hours.



Ruedi Umbricht, Can Man founder, in front of the CM16

"There are always one or two things I think can be improved in terms of wear and tear. We are constantly about to extend the service intervals for our products and to reduce the need to replace spare parts. We want the customer to know that the development of our new machines and Can Man's profit is financed by the sale of quality products, not the spare part business," Umbricht notes. "If we make our welders reliable, they're cheaper to buy over the long run. We are always thinking about how to improve the machines." □

Frei AG, Germann + Frei and Langhans Innotec will be covered next month in Part 2 of this overview.