

Magazine for customers of the Metalliset Group

METALLISET

2008

Makron and Metalliset

combine activities

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METALLISET GROUP



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On the road to renewal

Dear reader, you are holding in your hands our revamped magazine for customers and personnel. This year has also been a time of strong renewal for the whole company, and there have been, and will continue to be significant changes compared to previous years.

Our organisation is changing from country-orientation to function-orientation. Through this change, we are endeavouring to work more efficiently, and, at the same time, serve our customers better. Changes in our management group and board of directors will be described in this magazine through interviews.

Many things have happened at our factories. At Heinävesi we used to work in two separate units; manufacturing of sheet metal components was done at one unit and machining was done at another. This spring both units were united at the sheet metal factory premises. We have also made major investments in new machines, and have almost doubled the amount of manufacturing personnel at our Narva factory in just one year.

Looking to the future, the biggest change will be the intensification of our co-operation with Makron Oy. For several years now, we have been joining forces in many ways, but now our co-operation is reaching new heights. We have established a joint-venture company, Makmet Oy, and we are aiming to unite all the functions of both companies during the next few years. By working together, we can offer a much wider variety of services, so that, in future, we will be able to serve our customers even better. Co-operation between our companies will make it easier for us to internationalise and plan new investments in areas close to us, as well as in markets further afield.

I believe that these actions will support the strategic growth goals we have set, and, at the same time, we will be able to help our customers become more successful in their own markets.

I wish all our customers, partners and personnel a very pleasant summer and success for the rest of the year!

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Matti Hirvonen
Managing Director

Similar business cultures at Makron Oy and Metalliset Oy

Even though there are significant differences in the products these companies manufacture, their operating methods and business cultures are very similar.

Employee know-how in both companies is complementary, and their wide customer base balances out fluctuations in the economy.

We share a desire to grow and constantly improve our operations for the benefit of our customers, and the pooling of our resources will be of great assistance in this respect.

Makron Oy and Metalliset Oy join forces

The combining of operations will increase the know-how and resources of both companies

In response to the demands of leading Finnish engineering industry, Makron Oy and Metalliset Oy will join forces in a joint-venture company, Makmet Oy, a company that has bought the shares of Makron Oy previously owned by trusts governed by 3i Finland Oy.

Makron Oy and Metalliset Oy have worked together in Estonia and Russia for several years, but now they will enjoy considerably closer co-operation.

The companies are combining their activities in the fields of administration, management, strategy, operational development, purchasing, internationalisation and finance, with the aiming of total operational integration within the next two years.

The combined turnover of Makron Oy and Metalliset Oy is approximately €90

million, and they employ about 800 people. Their common goal is to increase turnover to €150 to 200 million within the next three to five years.

As contract manufacturers, the companies manufacture systems, machinery, sub-assemblies and demanding components for leading Finnish export companies.

This co-operation is aimed at reinforcing resources and making joint international investments.

Makron Oy - a leading supplier of systems

Makron Oy is a strategic partner and a leading system integrator. The company supplies its customers with actuator-

fitted machinery, including mechanics, hydraulics, pneumatics, electrics and automation. Electrical and automation systems are designed and manufactured by subsidiary company Elmont Oy, which is based at Makron's premises.

Makron also supplies full assemblies and sub-assemblies, and manufactures medium-heavy and heavy components for machines, both in series and as individual parts.

Products made by Makron are usually wet painted using different methods and coating thicknesses.

We also manufacture special components for our products, but often small parts are bought from companies in our network.

Service plays a bigger role in deliveries

Makron Oy can also offer its customers mechanical, electrical and automation design. Our fields of expertise include design with ease of manufacture in mind, development in co-operation with the customer and prototype production.

The manufacture of spare parts and storage and shipping services are also increasing.

Makron also offers its customers purchasing and logistics services. Purchasing accounts for half of the company's turnover, so Makron has a wide network of suppliers. Co-operation



Key resources strengthened

Here is the management group of Makron Oy. The management of the company has been strengthened to meet the needs of internationalisation.

Makron Oy's management group from left to right: Purchasing Director Kari Rehn, Acting Managing Director Matti Kangasmäki, Chairman of the Board Pekka Leppänen, Manager of Components Manufacture Esa Luostarinen, Financial Manager Ari Turtinen.

with our suppliers is constantly increasing.

Rapid growth

In 2008, the turnover of the Makron Group exceeded €30 million and it employed about 250 people, about 50 of whom work in Estonia.

The company was established early in 1998, and has grown rapidly in the past ten years to what we see today.

Makron's Finnish factories are in Hollola and Lahti. Its subsidiary, Makron Estonia Oü, manufactures products at Aruküla near Tallinn, where another subsidiary, Metalliset Eesti AS, is also located. Factories are presented in the photos below.



Makron Estonia Oü



Makron Oy Lahti



Makron Oy Hollola

IMPROVING POSSIBILITIES

The size of the combined company of Makron Oy and Metalliset Oy and its risk-bearing capacity will improve possibilities for investing in international markets.

Labour shortage in Finland

Globalisation and the China Syndrome have been much discussed lately and their resulting effects have led many Finnish companies to cut back on their activities, and close down different fields of production and even entire factories. However, the metal industry in Finland has been enjoying a boom lately, and its greatest challenge has become finding sufficient labour resources. This is why both Metalliset Group and Makron Oy have been employing foreign workers for welding, machining and surface handling, in order to ensure that their work force is sufficiently large. Finland just does not have enough skilled personnel in these areas.

The situation will become even more difficult in the near future, when the 'baby boomers' start to retire. Finnish vocational schools can provide only half the number of new professionals to fill the places of those retiring from the

labour market. Not enough young Finnish people are interested in undergoing vocational training for the metal industry. Competition for workers between different fields is intensifying.

The only alternatives for company management are either to employ foreign workers at Finnish manufacturing plants, or to invest in additional capacity abroad. Both these alternatives will be used in the future.

Half of employees already abroad

Half of the combined €90 million turnover of Makron Oy and Metalliset Group is derived from overseas and half of their 800-strong work force is located abroad.

Makron's subsidiary, Makron Estonia Oü, has already been operating for ten years at Aruküla near Tallinn. In the past four years, Metalliset Oy has been investing through its subsidiary,

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TOIMITTAJA
 METALLISET OY
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 SUOMI
 FINLAND

S FOR INTERNATIONALISATION

Metalliset Eesti AS, in two manufacturing units in Estonia. One of them, completed in 2004, is situated at Aruküla near Makron Estonia, and the other one (completed in 2006) at Narva. There are approximately 350 workers in Estonia, most of whom work at the Metalliset Eesti AS Narva factory.

In 2000, Metalliset Oy also started operations at Kunovítche, Czech Republic, a factory manufacturing sheet metal products that employs a total of about 60 people.

Distant markets opening up

During the past year, Metalliset Oy has made some acquisitions in China in cooperation with two local suppliers. These plants supply the Czech factory with bulk products that are not too demanding from a technical point of view.

Since the usual initial problems, our experiences have been very good, says Reima Hannula, Director of Metalliset Oy in the Czech Republic. We intend to broaden and increase our activities in China in the future, find more partners there, and order a more varied selection of products. The supplier network in China will also be able to serve the needs of other Metalliset factories and the needs of Makron.

Makron Oy and Metalliset Oy are preparing joint investments in capacity in areas near Finland. We studied investments and subcontracting in Estonia, other Baltic countries, Belarus and Poland. Decisions on investments and co-operation are expected during this year.

In the past two years, Makron and Metalliset have also been looking at the possibility of starting a machining plant in Russia. These plans have been postponed, as the risks appeared too great. The greatest risks in Russia today are the cost of infrastructure, the availability of a skilled work force and the high costs of employment. We will return to the Russian market when a suitable opportunity appears, but our main attention is now focused on other areas close to Finland.

Increasing risks in distant markets

Together with their customers, Makron Oy and Metalliset Oy are ready to investigate the possibilities of investing in manufacturing in more distant countries such as China. Together, the two companies have the necessary resources to make these investments, but they need much stronger commitment and long-term co-operation

from their customers in order to control the risks. Expertise and experience from all parties is needed to ensure a swift start of manufacturing and the necessary level of quality.

Growth in Finland too

The competitive strength of our companies will improve when products with lower technical requirements are manufactured in countries with a lower cost level. This way, the limited number of people available in Finland can be used for manufacturing the most demanding structures and machines. In Finland, the proportion of automation both in products and production will increase, which will improve the competitiveness of manufacturing here.

The proportion of demanding and automated machine assemblies will also increase in Finland.

By constantly improving competitiveness and productivity, we can guarantee possibilities for increasing the numbers of jobs and the growth of the companies in Finland too.

From country-oriented to function-oriented organisation

The Metalliset Group is reorganising. When the company began to internationalise, all the countries – Finland, Estonia and Czech Republic – appointed their own local directors, and, in future, the members of the management group of the organisation will each have total responsibility for their field of operation, irrespective of country.

Who are the members of Metalliset Group management group? What are their job descriptions? How do they see themselves in terms of internationalisation? Read on to find out more.

**Metalliset Oy Managing Director
Matti Hirvonen:**

Constant change requires an ability to react quickly

As globalisation increases, the need for change in internationalised Finnish companies also grows. Metalliset Oy Managing Director, Matti Hirvonen, emphasizes the importance of fast reactions. You may have to change today's decision tomorrow.

The need for change usually comes from outside a company. Sudden changes may surprise employees. A customer may, for example, inform us that it is transferring the production of some product from us to the Chinese – it can be a very big thing for us, says Hirvonen.

After an experienced entrepreneur and company director, Hirvonen has trained himself to react quickly. Working has become constant movement from one project to another, projects are more short-term and schedules have become tighter.

Before, only a few changes were made in the plans, but today you feel that nothing is permanent any more. This makes the director's work more difficult, as you can never promise anyone anything definite. Metalliset Group has more than 550 workers, and I understand that a situation like this creates uncertainty among them.

Hirvonen says that constantly encountering new things also requires a positive attitude towards change from the work force. The Managing Director has three ways of increasing this: more information and training for the personnel, and the comprehensive development of management.

When assessing the willingness to change of the organisation today, Hirvonen is quite satisfied:

We are now on a pretty good level, but we must still develop further.

Growth by plan

Matti Hirvonen (52) became Plant Director at Metallilaitte Oy's Heinävesi

factory in 1986. He acquired the company three years later and became an entrepreneur. Today Hirvonen owns more than half of the current Metalliset Oy.

We started from zero back then, and now we have a turnover of approximately €60 million. We are looking to boost internationalisation and increase co-operation with Makron Oy.

One of the cornerstones of today's situation originates from 1995. It was then that the first business plan was written, emphasising dynamic growth. The plan was realised through corporate acquisitions. The company also accelerated operational investments.

International business got started at the turn of the millennium, when Metalliset Group founded its company in the Czech Republic at the request of a major customer. Factories in Estonia were then established, Tallinn in 2004 and Narva in 2005.

Hirvonen travels half of his working time. His family, a wife and 12 and 14 year-old boys, got used to him being busy during his years as an entrepreneur. Hirvonen also has two grown-up children and one grandchild.

He says that he keeps his stamina up by exercising regularly in many different ways, such as training in a gym and jogging.



Matti Hirvonen

Presentation of the other members of the management group, see the next two pages.



Mikko Leidén

Mikko Leidén, Account Director, member of the management group

Account director, Mikko Leidén M.Sc (Eng) (41), is the newest member of the Metalliset Group board of directors. He took up the position at the beginning of this year, and he works in Pitäjänmäki, Helsinki.

- My previous employer was Incap Oyj, where I started in 2000 as Account Manager. In October 2002, I became director of Incap's Helsinki factory, and

continued in that position until the end of 2007 before joining the Metalliset Group. I feel, that my experience in customer care, and my years of working in manufacturing give me a good basis for working with Metalliset Group customers.

In the new organisation, it is Leidén's job to develop customer service and make it more efficient. Internationali-

Pasi Pöyry, Quality Manager, member of the management group

Pasi Pöyry's (37), Quality Manager and graduate of foreign trade, has been tasked with maintaining and developing operating systems. He works at the Heinävesi factory and is also the industrial safety officer at the factory.

- I have been working in the construction business for about 15 years, five of them as an entrepreneur. I came to

work at Metallilaitte's subsidiary, Macmet Oy, at the Mäntyharju factory in 2004. Macmet merged with its parent company in 2004, and the company was called Metalliset Oy. Late in 2005, I moved to Heinävesi in a project aimed at certifying quality and environment protection systems, and from there into my current position.

Pöyry's field of work was clarified through the company organisation.

- It's now possible to spread models for new functions throughout all the factories through one organisational branch. Metalliset Group's operating system has been certified by the so-called "multi-site" principle, where all the factories work using the same operating system.



Jukka Kivistö

Jukka Kivistö, Technology Director, member of the management group

Jukka Kivistö H.N.C (50), Technology Director, is responsible for development work at Metalliset Group on machinery, equipment and layouts. He is also the leader of a support organisation at the Narva factory, consisting entirely of Finns.

Kivistö's office is at Hausjärvi, where he spends on average one day a week. The rest of the time, work takes him from one factory to another.

- I started at Kone Oy in the early 1980s. After that, I was an entrepreneur until 2001, when Metallilaitte Oy bought my company, Active Steel. Since then I

Tomi Kallio, Development Director, member of the management group

Development director, Tomi Kallio MS (Eng), DEIM (38), is responsible for the Groups IT-systems development, and the resultant improving of productivity, both in factories and offices. He seeks new solutions to facilitate the work of office personnel at the factories. His work also includes different projects.

Kallio's is based in Helsinki, and from there he travels to the factories, mostly to Narva and Heinävesi.

- I have always worked in the metal industry. I started as a contract manufacturer in metal technology at Incap Oyj and proceeded from there into managerial work at the Helsinki factory. In 2002, after four years, I became a consultant for Oy Devcons Ab, and, when travelling around Finland, I was able to witness a cross-section of Finnish manufacturing.

The first contact with Metalliset Group took place at the beginning of his

consulting career, when the Group became one of Kallio's most important customers. In November 2006, he began employment at the company with which he had already become familiar.

Kallio describes strong information technology skills as his strong point.

- I am good with things that have to do with systems. Further education has also made me stronger in work systematisation and production control, both in practice and in theory.

sing brings its own flavour and challenges to the work.

- Internationalising is a part of global structural change that can be seen in all fields of business. Customers are internationalising and we must change with them.

- So called mass production is moving further and further away from Finland, chasing more profitable cost levels, but production is still needed in Finland too, for products whose sheer physical size or quantity makes it unprofitable to transport them from the other side of

the world. Then of course, we must have a competitive service concept for internationalisation, a willingness to serve customers, not only in Finland but also abroad, and, naturally also, a skilled work force.

Leidén feels that the ever increasing speed of business makes his work more challenging. Customers must have their new products on the market every more quickly, and changes in products are taking place sooner and sooner. Therefore a contract manufacturer must be able to react faster and faster to the

needs of the customer, and that is why the Metalliset Group has changed its organisation to take better care of its customers.

Mikko Leidén is married and has two boys of 11 and 13. He spends his free time with his family and exercising. He likes swimming, which he has done since school, and during the summer cycling keeps him fit. Relaxing with a good book is also a good foil to his busy working hours.

Pöyry thinks daily work in international surroundings requires familiarity with different cultures. Language skills and readiness to travel for work are essential.

In global markets, he thinks that reacting quickly is a challenge, as operations constantly develop and change. Introducing changes and controlling several projects at once also make work more challenging.

In his free time, he likes to meet friends, read, spend time at his summer house and travel.



Pasi Pöyry

have been working first for Metallilaite, and now for the Metalliset Group.

Kivistö's job description did not really change when the company organisation changed, but it became more clear and precise.

- I work everywhere, at every unit where the need is greatest. Right now I am mostly working at Narva, where I spend two to three days every week.

Kivistö feels internationalisation has enriched his work. Learning how cultu-

res differ from each other and speaking English are challenges to him.

- The biggest challenge of all is the time schedules that have become tighter in recent years. Sometimes you really must hurry to get everything sorted in time.

Kivistö compliments company's customers, with whom he likes working. He also appreciates that Metalliset Group goes "all the way" in its work.

Jukka Kivistö is a single father, and his youngest child will graduate from

secondary school this spring. In winter, he is a passionate snowmobile rider, otherwise he exercises through tennis, golf and swimming.

Today, as his work also demands travelling between Metalliset Group's factories in different countries, internationalisation has brought him new challenges.

- Understanding the local culture is important. Even though we are familiar with the Estonians, they have a different way of acting. Mainly Russian-speaking Narva is also challenging; how to be understood, how to get things moving forward, how to get information systems to work together.

We use English at work, but although you can usually find English-speaking

people in Narva, Kallio admits that Russian language skills would really help him now.

- In addition to that, schedules are tight and I have to work out how to make people do things we have agreed upon within the given timetable. You have to be able to act so that the locals will devote themselves to the task, and work will show profit.

Kallio spends his free time with his wife and three children. He is physically active and plays volleyball and beach volley as well as jogging, cycling and skiing.



Tomi Kallio

Board strengthened

WITH MAKRON OY REPRESENTATIVES

The operational policy in Metalliset Group is directed by a four-member board that was renewed when the company reorganised. Managing Director, **Matti Hirvonen**, is also a member of the board. Country director of Finland, **Pertti Vepsäläinen**, is retiring from operational activity, but will continue his long working career as Chairman of the Board.

New members of the board are **Pekka Leppänen**, Chairman of the Board of Makron Oy and **Pauli Pöllänen**, Chairman of the board of Makron Estonia. Here you can read more about them and their thoughts about co-operation and internationalisation.

Chairman of the board of Metalliset Group Pertti Vepsäläinen

METAL INDUSTRIES EMPLOY MANY PEOPLE

On May 1, Metalliset Group's Country Director for Finland, Pertti Vepsäläinen (59), retired from operational activity. He went on to well-deserved retirement, but still continues as one of the owners of the company and as Chairman of the Board.

Changes in the organisation gave Pertti Vepsäläinen the chance to leave everyday work to those younger than him. Personal pension arrangements meant that he could have retired earlier, but he did not want to step aside in the middle of unfinished projects.

- I will continue as Chairman of the Board, in the position I have occupied for about four years. Work on the board and participation in different projects will take up about one week of every month from now on, says Vepsäläinen.



Pertti Vepsäläinen

Every year, the board must plan both short- and long-term strategies for the group. The direction will be established at strategy meetings taking several days.

- The importance of strategy has grown lately, and global competition makes updating important. The world is changing quickly so we must also change, and this is where the board plays a key role.

Annual plans are drafted on the basis of strategy, and they define business meters, actions and responsibilities. The board comes together once a month to see how the plans are being fulfilled.

Vepsäläinen is happy that the board has understood the need for change. He considers that the speed at which the board reacts to things is one of the strengths of the company.

When looking into the future, the Chairman believes that, in addition to the current service concept, the Metalliset Group has an excellent opportunity to serve customers ever better in the field of heavier manufacturing through co-operation with Makron. Furthermore, the supplier network under construction in China, and possible capacity investments in new premises near Finland will - when carried out - open up new possibilities for co-operation with our customers.

Pertti Vepsäläinen's experience of the metal industry covers almost 42 years. His career began in Helsinki, in the machining school of the Wärtsilä factory, at a time when everything was made on the premises.

- In the late 1970s and early 1980s, we began capacity procurements and then gradually entered into subcontracting. In late 1980s, contract manufacturers already existed.

- In the 1990s, system suppliers appeared, and networking started to be of interest: subcontractors began supplying products through their own networks. At the turn of the millennium, globalisation hit; now we talk about worldwide network supplying, says Vepsäläinen, describing the development of the field.

He feels that the metal industry has been a good employer, and that its importance to the Finnish economy has increased.

One problem is the availability of labour. For that reason, development of the Group will mainly take place abroad, as it is difficult to find workers in Finland.

- This is tip for those who prefer a challenging field, and where employment is easy to find: it pays to consider the metal industry.

In future, Vepsäläinen's free time will be spent with his wife, three children and five grandchildren. Hobbies like going to the gym, hunting, boating and travelling will be part of his everyday life.

- I want to thank everybody for the good co-operation so far, and I wish you success in future challenges.

Member of the board of Metalliset Group Pekka Leppänen

After the co-operation between Metalliset Group and Makron Oy intensified, Pekka Leppänen, MS (Eng) (64), is now both the Chairman of the Board of Makron and a member of the board of directors of Metalliset Oy. He still operates actively in Makron, and says he will continue to work there for many more years.

- I started my working career at the Valmet Oy Rautpohja factory, where I worked in several different positions, the last one being process design manager in the paper machine department, before becoming product manager for TWV-PILAO SA in Brazil.

Raute Oy brought Leppänen back to Finland in 1981, when he became a divisional director there. He became the company Managing Director in 1985, and worked in that position until 1992. He then got a new assignment in CTS Engineering Oy as Managing Director, member of the board and partner.

Before assuming the role of Managing Director of Makron Oy, Leppänen was Managing Director in both IBS Development Oy and Bofo Oy, as well as an entrepreneur. He became chairman of the board in Makron in 2006.

Leppänen sees a clear direction in the future of the metal industry: in Finland we will concentrate in a higher degree of processing, whilst the rest of the work is done abroad. We will have to invest in production capacity in nearby areas, and this way we can guarantee keeping jobs in Finland as well.

- The second phase of internationalisation will include going to China with the Metalliset Group, as it is possible to decrease risks by working together. We will start preparing long-distance market work in co-operation with Metalliset, tells Leppänen.

Leppänen finds it challenging to improve his own company's competitiveness and make its work more effectively, at the same time looking for ways of internationalising and gaining major companies as customers.

- Our goal is to enable our customers to do better, and as a result of that, so will we.

Makron and the Metalliset Group are planning the operations of both companies together, and are aiming to unite



Pekka Leppänen

the companies within the next two to three years. Leppänen stresses that the strong know-how and solid base of experience of both companies are very necessary to the process of building co-operation.

Pekka Leppänen is married with two children and five grandchildren. As hobbies, he mentions physical exercise and culture.

Member of the board of Metalliset Group Pauli Pöllänen

Pauli Pöllänen M.Sc. (Econ) (55), is Chairman of the Board of Makron Estonia and is a new member of the board of Metalliset Group. He is very experienced in internationalising and corporate start-ups, as he has been working in Estonia since the new independence of the country 17 years ago.

- I started at Lujabetoni as Financial Manager before starting my own consulting, auditing and accounting company. I was an entrepreneur for 23 years, tells Pöllänen about his background.

When Estonia became independent, Pöllänen was on the board of Suomen Yrittäjät (Federation of Finnish Enterprises) and got involved in a project aimed at creating new business centres, which led to the creation of a business model for Estonia. During the country's transitional phase, entrepreneurship was practically unknown.

- In 1998, we reached an understanding with Makron Oy, and I started my own engineering workshop in Estonia. I am Chairman of the Board of Makron Estonia and I run the company there.

Contact with Metalliset Group was created during his years as an entrepreneur, as Pöllänen worked as a consultant when Tilausmetalli Oy was founded, and after that as the company auditor.

- More than five years ago, Matti Hirvonen and I started a project for Metalliset Group in Estonia. We were looking for a place for a factory and a suitable form of business. I have shared the responsibility of for starting the factory, says Pöllänen.

During his years in Estonia, Pöllänen has seen the country change rapidly. Society has increasingly opened up, and more and more Finns are visiting and living in Estonia. Pöllänen thinks that conditions in Helsinki and Tallinn are not really that different any more.

But you still can see the effects of the former Soviet Union.

- 50 years of life will not disappear just like that. But differences in cultures between the two nations also offer opportunities.

Pöllänen thinks international work must entail long-term co-operation in every direction. In order to develop activities so that they may serve customers as well as possible, you need close partnerships.

Pöllänen is remarried and looks after three children. On his time off, he exercises, swims and plays golf. He also likes to read.



Pauli Pöllänen

Junttan Oy

joins Metalliset Oy chain of customers

Junttan Oy, manufacturer of pile-driving machines, is one of the newest customers of the Metalliset Group. Purchasing Director at Junttan, Juha Vierros, believes co-operation will increase the competitiveness of both companies.

Junttan Oy from Kuopio, Finland, is part of the PiloMac Oy Group, founded in 2006. The other parts are manufacturer of forestry equipment, Oy Logset Ab from Mustasaari, and ExcaDrill from Tervo, which specialises in manufacturing rock-boring machines. The Group's turnover was almost €100 million last year.

- The group is aiming for fast growth. We want the yearly growth figures to be double-digit, says Purchasing Director, **Juha Vierros**, from Junttan. The group is totally owned by Finns.

Junttan's pile-driving machines are world-leading products. 95 per cent of them are exported.

- Our main markets are Northern Europe, North America and Russia. We have also received the first orders from the Persian Gulf, where there is much construction, explains Vierros.

The growth of the company is evident in office and factory facilities that have become too small. Junttan is currently building a new factory of about 15 000 sq. meters near its old premises. The cost of the factory investments is about €15 million.

Metalliset manufactures and develops products

Junttan Oy has built its own supplier network divided into three sections: system suppliers, suppliers of strategic components and suppliers of other components. Metalliset Group comes under the system supplier's category.

The companies started co-operating more than a year ago. Metalliset manufactures sheet metal components for the pile-driving machines of Junttan.

- Our co-operation is not only in ordering stuff, but Metalliset also bears partial responsibility for developing our products. We expect them to be able to improve our products, and through that our competitiveness, says Vierros.

The ability to develop, know-how, operational reliability and price are what Vierros counts as cornerstones of the relationship with customers. But he also sees short geographical distances between companies as important, especially from the point of view of development work.

- Our co-operation has just started, and I believe it will become more intense. We have had some discussions on developing business and co-operation, tells Vierros.

Clear common strategies

- When co-operation with Junttan started, their clear strategic goals and views met with ours. The most important of these were the company's strong desire to concentrate on its core business and outsourcing such things as the manufacturing of sheet metal products, says Harri Niemilä, who is responsible for customers in the Metalliset Group.

The new partner has also influenced Junttan's investments in documentation and product modulation, as well as the

goal of acquiring fully-developed organisations. In addition to this, the Metalliset Group sees the PiloMac Oy Group behind Junttan as very positive. It is wholly Finnish-owned and the new partnership enables co-operation with the other companies in the group.

And since Junttan is also targeting growth, it was easy for the companies to start co-operation.

- The short distance between Kuopio and the supplying unit of Metalliset Group in Leppävirta (50 km) has already proven several times how important it is to keep in close contact, starting with production personnel, says Niemilä.

- Work and co-operation have developed in a very positive way. Clear targets have helped, and developing a genuine supplier-main customer network through the network project has provided a good basis from which to proceed, says Niemilä.

Niemilä says that expectations for the future are high.

- We've only just begun, but, on the basis of today's experience, co-operation with Junttan will be easy because of clearly set goals. And I believe that this will continue in the future, when we branch out.

Purchasing Director at Juttan Oy, Juha Vierros, thinks it is important for co-operating companies to keep in close contact.



Vesa Harinen inspects plates for welding equipment before packing them for forwarding to the customer.

Vesa Harinen

appreciates his employer

Vesa Harinen has been working in the Metalliset Group for longer than anyone. He describes his employer as prompt, but also demanding – in the best possible way.

When Vesa Harinen started working at Metallilaitte in 1979, there were fewer than two dozen people working there. Now there are about 550 in the Group, so even an old-timer does not know all of them anymore.

- In the beginning we only had one building, the place where semi-finished products are now manufactured. The next winter the first expansion was implemented, and since then there have been several.

Harinen started his working career in sheet cutting. As he also knew how to do point welding, he was needed to help at busy times in the welding shop, and when necessary, he still helps them out.

Over the years, he has also become familiar with pressing and bending, and has found time to assist the painters.

Almost from the very start, Harinen worked in two shifts and this has been very suitable for him.

From the products manufactured during the first years, Harinen remembers such things as metal parts for cleaning mops, of which they produced many. And, in many homes a Siro fireplace still provides warmth. Harinen was involved in manufacturing their cores.

From 1999 on, Vesa Harinen has been working in packaging and dispatching. His work has become lighter, which is suits somebody of advancing years.

Harinen checks the products sent to customers, and no mistakes are allowed. This sharp-eyed man quickly sees even the smallest of defects, and details of defects are sent back to the manufacturing process.

- At first, almost all products were for the domestic market. Now I'm packing more and more products for export. Our Estonian factory also sends products here to be packed, and we then send them on directly to the customers.

For Harinen, internationalisation has meant, for example, that that he hears people speaking in Polish in the factory. Metalliset Group has been hiring a professional work force from abroad for several years now, as they cannot find enough workers in Finland.

- I have liked my work, and I have never had any problems with payment of my salary. The employer has been prompt and demands good work to be done in return. They have arranged training here in Heinävesi, so there been no need to go further afield to learn new tricks.



In the major layout change at the Heinävesi factory, such equipment as press brakes were collected in one area.

A major change of layout

AT THE HEINÄVESI FACTORY

At the Metalliset Group Heinävesi factory, a major change of layout was carried out this year. The entire production department is now housed joins Metalliset Oy's chain of customers in a compact area, thus distances for material flow have become as short as possible.

Daily activities have been concentrated in one area and less frequent activities are

now located in the previous machine tooling shop. Some parts of production were combined into one department, such as the shipment of finished products.

As manufacturing processes and products change, layout development will continue to be an ongoing process, says Managing Director, Matti Hirvonen.

Delivery punctuality

THE MOST IMPORTANT THING FOR CUSTOMERS

Metalliset Group is in constant dialogue with its customers with the aim of developing its own business. The company carries out a customer survey once a year, asking all its customers to comment.

The company follows the development of customer satisfaction with the help of a trend meter. It shows that customers have become more satisfied, but such development must of course continue.

Customers rated delivery punctuality as the most important thing. As we are aiming for 100 per cent punctuality, we still have to do more in this respect. All in all, improving customer satisfaction demands the comprehensive development of business and the improvement of overall competitiveness.

Metalliset Group

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