

BAERLOCHER INDIA ADDITIVES PVT. LTD

BAERLOCHER



Background

The Baerlocher group of companies is one of the world's leading additive suppliers, drawing on its experience of more than 175 years. The company today has two divisions – German plant (focusing on Solid based additives) and the Italian plant (focusing on Liquid based additives). The company has more than 800 employees and 13 production sites across the world. The company has 100 per cent owned subsidiaries in US, Brazil, UK, France and India and joint ventures in Italy, Argentina, Peru, Korea and Malaysia. The company's sales network covers more than 40 countries.

Baerlocher India is a wholly-owned subsidiary of the Baerlocher Group. In India, the operations started in 2000 through acquisition of National Peroxide's Additives Unit. The Indian subsidiary is the exclusive agency for import of Baerlocher Group's products from around the world. Key products include PVC stabilisers which are sold only by Baerlocher. The group has its production site at Dewas in Madhya Pradesh.

Meeting parent's expectations

The company decided to invest in India considering the growth in the Indian market. Even though the initial couple of years were not profitable, the company has been able to recover through operational improvements. Currently it enjoys a market share of 22–25 per cent. 5 years from now, the Indian operation is expected to contribute between 6-10 per cent of the group's worldwide revenues.

Keys to success

Quality, brand name, parental support, improving customer interaction, R&D and product innovation have contributed to the company's success in India.

Quality

The company's products are today the acknowledged benchmark for quality in India.

Brand name

Having had its products in the market for over



175 years, the company enjoys strong brand equity in the minds of the people. This has helped the company establish itself in India in a short span of time.

Improving customer interaction

From having a single national sales manager and a single national technical service representative for all of India, the Indian subsidiary has now introduced separate task forces, for the northern and southern parts of the country, with each having its own sales and technical support. The move significantly improved interaction with customers.

Parental support

Worldwide expertise is available to Indian operations. Whenever a customer demands a tailor-made product and if it is not available with the Indian subsidiary, they get in touch with their colleagues abroad. The best working formulation is then transferred to India, which in turn is provided to the customers. Apart from support in technology, experts from the parent company visit and assist the customers in India to solve problems related to newer and more complicated applications.

Research and Development

Baerlocher's R&D centre in India became operational in 1998 to leverage the skilled technical and engineering talent available in India. The R&D centre is globally integrated and parts of the same project are investigated for different parameters across the Baerlocher group.

Product innovation

The company initiated the concept of one-packs at a time when the industry was heavily dependent on singles in India. Subsequently, from a consumption of 70 per cent, today the use of singles has been reduced to a meagre 10 per cent. Such initiatives have helped the company establish itself as a leader.

Growth and R&D investment

The company is open to achieving growth through market consolidation by mergers and acquisitions. To increase market share, the company is also planning to invest in value added products like environmental friendly additives for PVC and specialised additives for Polyolefins. The company is planning to invest more in R&D infrastructure in India.

Baerlocher India: At a glance

- Baerlocher India is a wholly-owned subsidiary of the Baerlocher Group. Started Indian operations in 2000 through acquisition of National Peroxide's Additives Unit
- For Baerlocher, India is: A key growth market.
- Factors for success: Brand name, Improved customer interaction, R&D, parental support and innovative speciality one-pack products
- Future plans: Open to consolidation through strategic mergers and acquisitions, Invest more in R&D, Invest in R&D, Invest in developing value added products