



thyssenkrupp

Insights \_ Polysius



Let's talk:

Service is a people business that thrives on the trust of its customers

For more than 160 years, the polysius® brand has been synonymous with profound expertise in offering an extensive range of tailor-made solutions over the entire life cycle of a cement plant. polysius® stands for two guiding values: reliability and future readiness. We are currently working



with our customers to make cement production more sustainable and digital without losing sight of economic efficiency. Optimising plant performance and availability, and thus reducing overall operating costs, are focal points of our efforts. And it is here that our Service portfolio makes a key contribution. This global network provides after-sales support to optimize our customers' cement plants - on site or remotely. In this interview Pablo Hofelich, CEO of the Business Unit Cement Technologies of thyssenkrupp, and Bernd Kripzak, Head of the Operating Unit Service of BU Cement Technologies, explain the importance the service business already has for the polysius® brand and how the business is to be further expanded in the future.

**The corona pandemic has made personal contact more difficult and travelling abroad has sometimes been impossible. Yet it is first and foremost the service business that thrives on people meeting up to discuss and solve problems on the spot. How has thyssenkrupp Cement Technologies responded to this challenge? Has the business suffered under the pandemic?**

**Hofelich:** Service has always been a "people business", thriving on what are in some cases long-standing business relationships built on the trust of our customers. Then with almost no warning we found that "business as usual" was no longer possible. Creative solutions were called for and, in close cooperation with our customers, these were quickly found. For example, upcoming commissionings and performance tests were carried out "remotely" without much fuss. Some of the digital remote tools needed had already been developed by our specialists before the pandemic, but their introduction into practical application was speeded up considerably.

**Kripzak:** The pandemic has united us even more closely with our customers. Their initial scepticism towards switching to remote solutions quickly turned into enthusiasm. The great trust our customers have in us made it possible to work virtually "hand in hand" – and, what's more, over thousands of kilometres, several time zones and days. We are sure that remote services will continue to be highly relevant in the future. That's why we have combined our remote services in the areas of automation, inspection, commissioning, maintenance and troubleshooting under the brand polysius® connect.

**Hofelich:** The trust placed in us by our customers is also reflected in our business figures. Our Service order intake reached a record level in the past business year and is – despite corona – 30% higher than in the previous year. A great achievement considering the challenging environment. Our very large installed base of plants and machinery, our technical expertise and, in particular, our long-standing successful customer relationships are the key to this success.

---

“Our Service order intake reached a record level in the past business year and is – despite corona – 30% higher than in the previous year.”

**Pablo Hofelich, CEO of the Business Unit Cement Technologies**

**So the service business is a growth driver for thyssenkrupp Cement Technologies?**

**Hofelich:** Absolutely! Alongside green technologies and digitalization/automation, the service business is one of our three strategic growth drivers. We already know that the market for services will grow continuously in the coming decades. Over the past 30 years, a greater number of cement plants have been built each year so more plants are now coming into the time window for major maintenance or revamps every year. As we were our customers' technology partner for many of these plants, we are now also their main service partner. And we are also increasingly involved in revamping plants built by our competitors.

**Kripzak:** The fact that our service business is very decentralized is also a significant factor. We are wherever our customers need us to be! We now already have service centres in a number of countries and are currently further expanding our network. The regions in our global service network are in close contact and learn from each other. This enables us to quickly recognize our customers' specific requirements and to offer tailored service solutions. All at optimized costs: The components required are purchased in best-cost countries. At the same time, we do not neglect the quality demanded by our customers, so all customers – from medium-sized companies to large international groups – profit from these best practices.

“We are wherever our customers need us to be! We now already have service centres in a number of countries and are currently further expanding our network.”

**Bernd Kripzak, Head of the Operating Unit Service of BU Cement Technologies**

**As well as a local presence and optimized costs, is speed is also important?**

**Hofelich:** Nowhere more than in the service sector is speed in launching a new product or business model more important. This is something we will be particularly focusing on this year. One example: Instead of selling our service products at fixed prices, we will offer our customers the possibility to pay

us according to the increased plant availability achieved using our service products. This sends a strong signal to our customers and much improves customer retention and profitability.

### **Please can you briefly explain what services this will relate to in the cement business?**

**Kripzak:** Our Service portfolio is split into four categories: Parts & supply management, Field & workshop services and Revamps & outages. Based on the experience gained by our Indian subsidiary thyssenkrupp Industries India outside of the cement industry, we are also looking into the scope of possibilities for asset management in the cement industry.

In the spare and wear parts business, we are focusing on shortening the unscheduled downtimes of our customers' plants and improving plant performance. To achieve this, our team of experts is examining the individual production processes and, based on its OEM expertise and new material technologies, developing a suitable wear part solution for the respective application in combination with appropriate business models. In a nutshell: We are supporting our customers in managing the spare parts supply chain. Activities include inventory analysis and the improvement of warehousing strategies, as well as procurement optimization in terms of quality and price.

Within the scope of our field & workshop services, we offer predictive inspections of machines and components as well as on-the-spot repairs and maintenance. We provide our customers with a comprehensive overview of the condition of their plants and offer them advice in planning and conducting both winter inspections and maintenance work. They also receive tailored recommendations for maintenance and preventive maintenance. This significantly increases the availability of their machines and components, and reduces unscheduled downtimes.

One example is our polscan® process. polscan® is a high-precision measuring method that can quickly and accurately measure rotary kilns during operation. Vertical and horizontal deviations of the rotary kiln axis as well as deformations of the kiln shell can thus be reliably diagnosed. This significantly increases the availability of the rotary kiln, as damage is detected at an early stage. We have so far measured in total over 2,000 rotary kilns in 56 countries. The quality of this field service product is confirmed by the positive feedback received from our customers.

Revamps & outages is synonymous with innovative solutions, modern components and tailored upgrades. We offer these services for individual units as well as for entire plants. Our conversions and revamps cut energy consumption, increase plant output, ensure better availability and thus help to meet environmental standards.

### **Expanding the service portfolio, digital remote solutions, a cost-optimized service network - you've definitely got your work cut out!**

**Hofelich:** That's true and we have no alternative. As a technology leader, we continue to enjoy a high reputation in the market. But the long-term success of our company depends on continuous, profitable, innovative growth. We want to become the leading company for sustainable technologies in our market. With this in mind, we have set ourselves a key medium-term goal: In no more than three years, we intend to be generating the majority of our sales with green and digital solutions as well as with our services. An ambitious goal that together we will achieve!



Pablo Hofelich, CEO Business Unit Cement Technologies (on the left) and Bernd Kripzak, Head of Operating Unit Service of BU Cement Technologies