

Interview with Jörg Lehmann, Sales Manager Germany, of the Hittech Group



Who is Jörg Lehmann?

My name is Jörg Lehmann, 52 years old, and I live in Gelsenkirchen (everybody knows FC Schalke 04) and have been Sales Manager Germany for the Hittech Group now for 2½ years. Starting with basic technical training in machine engineering and further qualification as "Fachkaufmann Marketing", I held various management functions with several companies before finally joining the Hittech Group.

Due to the fact that I have a large number of clients throughout Germany, I do a great deal of driving so that my leisure time is sometimes rather limited. When I do have some free time, I enjoy working in my garden and going on holiday to remote countries.

Did you deliberately choose a career with the Hittech Group?

I was immediately convinced of the concept as soon as I heard about the Group. The Group offers an enormous range of services as system supplier to OEM companies in very interesting markets. The Group now comprises 7 companies and sales are growing very rapidly. That gives me even more opportunities when presenting the Group on the German market and in the acquisition of new customers.

How do you see the situation as a German in a Dutch company?

I felt very comfortable from the very first day. That may have something to do with the fact that my colleagues all communicate with me in German so that we all understand one another very well. But it's the small day-to-day social aspects that make the difference; it is very easy to reach a quick and flexible solution with a cup of coffee in your hand. I find the teamwork with my Dutch colleagues very special. Matters are discussed intensively and then a quick decision is taken. The questions and enquiries from new contacts are solved and answered flexibly in a relaxed manner, but still with the necessary technical competence. I find it outstanding that the agreements reached (and the promises made) are always kept.

Can you compare the German market with the Dutch market for us?

With the competence and experience of the Hittech Group, we operate in market segments of companies offering future-oriented technologies with innovative products. These types of company are growing rapidly and are located in Germany and the Benelux. In Germany, however, the high-tech branches are spread far more regionally. It therefore takes a great deal more energy to make contacts and to visit the customers than is the case in the Netherlands. Furthermore, you first have to find out in German companies who the real decision-takers are. In the Netherlands, the processes work much more simply. That is perhaps something of a generalisation. But it often depends on the specific company as to whether the internal structure and organisation are oriented to a cooperation with a system supplier.

In general, though, I think you can say that Dutch industry is simply further in the outsourcing process and in the acceptance of the consequences of this.

How is the acquisition process in the Hittech Group organised?

The acquisition of new customers is an important measure of success and growth in various markets. For the Hittech Group growth also means the possibility of investing in new technologies and processes, machines and the further development of the employees. This process is clearly defined and laid down in the strategy of the Hittech Group. Clear wishes, backed up by good market information, ensure a well-structured course of the acquisition process. This covers the whole process, from the identification of the interesting market segments through to the naming of potentially interesting customers. Discussions with potential customers quickly show what the customer's wishes are and what opportunities a cooperation can offer.

Which customers fit in to the Hittech Group best?

Our (potential) customers are to be found predominantly in the innovative growth markets. Technology leaders in the market segments optronics, laser and semi-conductor industry, medical technology and biotechnology bring out new products and modifications ever faster. The growth also means, however, that many companies are forced to focus more on their key competences. That is where we have our openings for a partnership.

C O L U M N dr ir C.P. Heijwegen – Managing Director Hittech Group BV

You are holding the second Newsletter of 2007 in your hands. The first issue this year reported on the strategic meeting of the whole Group management on Terschelling. Since then we have examined the conclusions and ideas from this meeting and have come to the conclusion that we are really good in "improving".

Improving the products, but also our processes and systems, improving our technology, know-how and experience; in short, we feel that we are "Masters in Improvement". That is our motto for the future.

This issue focuses on markets and clients - after all, they ultimately decide how well we are doing our job!



Cont.: Interview with Jörg Lehmann, Sales Manager Germany, of the Hittech Group

Successful examples of value engineering, supply chain management or the takeover of redesign projects with module construction, or even the takeover of the complete production illustrate our strengths time and time again. And this is what we are happy to offer new customers.

What do you find the most enjoyable part of your work?

What I enjoy most is the day-to-day business contacts with people. Establishing new contacts in specialist companies and markets, and finding out what their wishes are. And then of course the meeting of a partner's expectations. Business is done only with people; and that is why empathy often plays an important role alongside the technical design. Those are the enjoyable and exciting aspects of my work.

What future do you see for the Hittech Group in Germany?

I am convinced that the Hittech Group – Masters in Improvement – has positioned itself well on the German market. The services offered – from the engineering through to the production of precision parts, from the assembly of mechatronic modules through to the supply of complete systems – are a good

answer to the future wishes and challenges of our customers in Germany. Companies in growth markets such as medical technology and biotechnology, but also in other high-tech industries, are having to concentrate more and more on their key competences. At the same time, however, the need for professional system suppliers is also growing. We have the necessary certifications, such as ISO 9001 and ISO 13485 for medical technology, and have a command of the whole process. The Hittech Group is prepared for the German market, i.a. by taking over the improvement of the products (life cycle process), and thanks to the assembly possibilities in the Netherlands and Malaysia.

Have the efforts of the last 2½ years been fruitful?

Definitely! It doesn't always happen at the desired rate, but that depends on so many factors. Let me put it like this: A good partnership lives from the willingness of both partners to pursue the same interests so that a win-win situation is created for both. We are on the right road there, particularly in Germany. That is evidenced by the developments with existing customers and the new partnerships.

Start for Hittech Assembly Malaysia Sdn Bhd



A few months ago, we set up Hittech Assembly Malaysia as a necessary complement to our other six companies in the Netherlands. The company recently moved into the new

building in Subang Jaya, a town on the outskirts of Kuala Lumpur. Here we have an area of 400 m² for assembly activities.

Chia Jog Sue as our project manager and production engineer is responsible for the effective transfer of (sub-)modules from the Netherlands to Malaysia. Initially, Hittech Assembly Malaysia is to carry out assembly work in particular for Hittech Multin, but in the future production of newly acquired modules is certainly to be carried out directly in Malaysia under the supervision of experts from Hittech Multin. At the same time, a considerable network of local suppliers has been set up for machining, sheet metal work and purchased parts. This is for the local outsourcing, but also for outsourcing directly from the Netherlands. All under the supervision of Hittech Assembly Malaysia.

The company plays an important role in the management of the total life cycle of products, which is the goal of the Hittech Group. This allows the cost price to be significantly reduced, particularly in the last phase of the product life. Furthermore, less complex products can be assembled in larger quantities.

The Malaysian government has awarded our company the highly prestigious 'pioneer' status, something that will almost certainly be of benefit for the future.



The road to partnership between the Hittech Group and Ametek Spectro Kleve

The first contacts between the Hittech Group and Ametek Spectro date back to the middle of 1997. At that time Ametek Spectro was looking for a specialist in the limited-series production of complex mechanical parts. Contact was made for the first time with Hittech Bihca in Winterswijk.

Ametek Spectro is world market leader in the field of both light and X-ray based spectrometers. The spectrometers are employed i.a. in the metal, chemical and medical industries. The strategy of Ametek Spectro was initially to purchase parts and to carry out the assembly in its own works. Hittech Bihca as a precision machining company very quickly proved to fit so well into the profile of Ametek Spectro that the cooperation was intensified at the end of the nineties. From that moment on, Hittech Bihca started the weekly series production of the parts for the "Spectro Genesis", an optical spectroanalyser. As a result, Hittech Bihca had the opportunity to set up an assembly department. The sub-module was the first that Ametek Spectro outsourced from Hittech Bihca. Ametek Spectro then changed its purchasing strategy and had several sub-modules produced by Hittech Bihca. Even the mechanical "heart" of the machine, the "Spectro iQII", an X-ray spectrometer, was soon produced at Hittech Bihca. Hittech Bihca thereby provided the whole supply chain management on a forecast basis.



Changes were also necessary within the Hittech Group. Our companies began to focus more on their key competences and specialties, and the Hittech Group increasingly

became a group that developed into a system supplier to OEM companies. As a result of the various changes, the aluminium sub-module for the Spectro Genesis was now produced at Hittech MPP, a company specialised in the precision machining of aluminium parts.

Partnership and cost price reduction

In the middle of 2005, Ametek Spectro developed the "Spectro Xepos". The mechanical module that we were contracted to produce was far more complex than its predecessor. In 2006, Hittech Bihca started the series production of this sub-module, including the supply chain management of all the manufactured and outsourced parts. Both parties were faced with various challenges and learning processes along the road of development from the prototype series up to the series production.



Within Ametek Spectro the way was paved for the development from a simple customer-supplier relationship into a partnership. As a result, the Hittech Group started to be involved as system supplier in the development of the modules. A contract was also concluded between Ametek Spectro and Hittech Group for this purpose. In order to further advance this project, a decision was taken within the Hittech Group to spin off the Hittech Bihca assembly activities and to concentrate these in a separate assembly unit under the management of Hittech Multin. This step was taken on 1 May 2007. The key to success, apart from know-how in mechanical modules, lies in project management and supply management.

In order to further advance the partnership, two employees of Hittech Multin are to undergo a six-day intercompany training course in project management at Ametek Spectro in autumn 2007.

Finally a partnership means that cost price reduction is also a self-evident topic. In the Hittech Group, we are successful in continuously achieving cost price reductions in various areas. And that, of course, without detracting from our renowned high quality. For Ametek Spectro, the Hittech Group is a preferred supplier for the whole Ametek Group.

The partnership between Ametek Spectro and the Hittech Group is a good example of the Hittech Group's motto: "Masters In Improvement".

Jutta Geurts, Manager Supply Management: 'The Hittech Group has proved to be a competent partner for us. This partnership is based on a long and successful business relationship. Its ERP system, "Navision", and its broad supplier network enables the Hittech Group to meet our demands with respect to our supply chain management. Of great importance to us is the fact that the Hittech Group has broad expertise in a large number of technologies that clearly help us meet the exacting demands of our supply chain.'

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Hittech Multin is an important partner for Avantium Technologies BV, Amsterdam

Business Unit Manager, Erik Bentschap Knook, explains why Avantium decided in favour of Hittech Group.

Avantium developed from a consortium of companies, including Shell, Pfizer, GSK and Eastmann. As a contract research organisation, we carry out i.a. crystallisation investigations for the pharmaceutical industry and research into new catalytic converters for petrochemicals companies.



Our services and products are based on the principles of high-throughput technology, in other words the parallel and automated performance of experiments on a small scale, supported by advanced software and robots. Avantium develops its own hardware and software for the purposes of automating the experiments and the associated data analysis.

Due to their unique features some of these technologies, 'tools' in Avantium jargon, have been available on the market since 2005 at the request of service clients. A separate "Tools" Business Unit has been set up at Avantium for this purpose. One of our most successful tools is the Crystal16™, an apparatus with which the crystallisation behaviour of the active ingredient in medicines can be studied by means of turbidity measurements in 16 reactors.

Because we at Avantium are an R&D company, and thus have no production facilities, we started to look for a partner who could take over the whole production, including supply chain management and preparation for production of the Crystal16™ from us. We aim to excel in the thorough development of our technology and are happy to leave the series production to a specialist company that sees itself not only as a manufacturer, but also more as a co-owner. Furthermore, I believe that contract manufacturing of such complex apparatus can only be successful if it is of interest to everyone in the longer term. This also means that both parties have to make significant investments in the cooperation, and that there can thus be no "fobbing off" of problems onto the other partner. At that time we spoke to a number of parties and then decided in favour of Hittech Multin. Hittech's experience with the production of complex technical systems with high added value was the crucial aspect behind our choice of partner.

In the meantime, the Crystal16™ has been in production for two years. Over this period we have continuously improved the apparatus based on the experience from the field, on our own findings and on the observations of Hittech Multin during production. Clients sometimes wish to use our tools



for applications that we had not considered. In such cases we adapt the design together with Hittech Multin so that we can expand our market. This all takes place in close cooperation between our developers and the developers at Hittech Multin. Recently Avantium and Hittech Multin engineers attended a root cause analysis course together. As a result we have ensured that the project teams work in the same way, and can thus communicate with one another even better. At the moment we are investigating what else Hittech Multin can do for us. At present, for example, Hittech Multin delivers the Crystal16™ to Avantium, but our wish is for the product to be delivered directly to the end user. The same applies to the logistics associated with repairs and spare parts. We want to develop and market tools. We can achieve that with a partner like Hittech Multin.

Hittech Group Update

BART MEIJNEN, DIRECTOR OF HITTECH GIETERIJ NUNSPEET BV



My name is Bart Meijnen. As of 1 April this year, I was appointed Director of Hittech Gieterij Nunspeet BV. I am 40 years old, live in Doetinchem, am married, and have two sons. After an absence of 8 years outside the foundry business, I am very happy to be able to work in this sector again – not least because this company is a modern and future-oriented foundry. It is wonderful to see how each company within the Hittech Group complements the others with its own specialisations. That opens up huge possibilities for the Group and its customers.

PETER REIJNEKER, DIRECTOR HITTECH MULTIN BV



My name is Peter Reijneker, 41 years young, and I studied Physics in Groningen. After my studies, I worked for 8 years at Fokker Space on the development of satellites.

I joined Hittech Multin in 1998. First as R&D project manager, later as head of the R&D department. As project leader I developed two modules for the ASML Twinscan. We are still producing one of these modules, the carrier handler, even today. Through the start of production of the carrier handler, I as developer came into contact with logistics, purchasing and production. The processes in these disciplines offer a great attraction for me. I am convinced that as a company you can excel through good organisation. I am therefore very happy that I was offered the position of Production Manager following the takeover by the Hittech Group in 2005. I seized this chance with both hands, and that led to my appointment as Director with effect from 1 July 2007.

PHILIP BAKKER, APPOINTED MARKETING & SALES MANAGER HITTECH MULTIN BV



My name is Philip Bakker. I am 36 years of age, married and have two daughters of 1 and 3 years. I studied Industrial Design at the Delft Technical University. I have always been attracted to high-tech products and companies, and have also worked in this sector as product developer. I joined Hittech Multin in June 2000, first as designer, later as project leader of various multi-disciplinary development projects. Hittech Multin offers you a unique opportunity to be closely involved in a wide variety of technological developments. This year I have been involved in the establishment of our sister company, the Hittech Assembly Malaysia Sdn. Bhd. With my experience and know-how of what our market wants and the various services that Hittech Multin can offer, I am to take on the challenge of managing marketing and sales. My aim is to make Hittech Multin even better known as a "Master in Improvement", and I am convinced that we can continue to prove to our present and future customers that Hittech Multin is the right choice for their outsourcing requirements.

5-AXIS MILLING MACHINE AT HITTECH MPP BV



Friday 4 May was the big day: The new DMC 75V milling machine with automatic loading robot from Erowa was delivered. A heavy 5-axis milling machine that had to be lifted into the workshop in sections. The heaviest part, the milling machine itself weighing 12 tonnes, had to be transported in one piece. What do you need for that? A crane from Peinemann: 400 tonnes, 85 metres reach. In order to get them into the workshop, the machine parts packed in crates had to be moved a distance of 35 metres. The installed counterweight was barely sufficient to allow the crates to be lifted over the roof of the walkway between the two buildings. Hittech MPP had already had to have a hole sawn in the floor of the workshop four weeks earlier in order to be able to lay a new heavy-duty floor with 6 steel piles to support the heavy combination of milling machine and robot.

In the meantime we are three months further on and the unit is running in full production. DMG and Erowa had needed 5 weeks installation and training before Hittech MPP could start. Its baptism of fire was performed with the parts for Ametek Spectro. The milling machine can run unmanned, thanks to the automatic loading by the robot. In the event of a malfunction during the night shift, the responsible operator is automatically called on his mobile phone. The milling machine has 180 tools, so that any desired milling operation can be performed. Located around the Erowa robot are two product warehouses from which the robot can load the milling machine with up to 73 parts or items of raw material to be machined. As a result, parts can be produced day and night. With its unique linear motors, the milling machine is able to work to a precision of a few microns. A welcome addition to the machine park at Hittech MPP.