

Business as usual: a fruitful year in heat treatment

“**T**his year, we introduced some changes to the Group structure. Ownership arrangements were all mixed up. By moving the subsidiaries under Heatmasters Group, everything became clearer, Group governance works and the management is better,” says **Juha Saarikunnas**.

In all the solutions, the starting point has been to get the basic things right. The most significant target has been the Polish Sosnowiec unit, whose runners have been cut back nicely over the year. Now the unit has been straightened out and is achieving a good result.

Poland has taught a great deal. Saarikunnas explains what happened; the unit's management had forgotten the importance of basic business, so the organization had to be reorganized. The new Managing Director, Marcin Skurczynski, demonstrated his ability by quickly taking control of the service business. The results have impressed Saarikunnas, as the financial year budgeted to make no profit at all has turned out well.

“The personnel appointments proved to be correct. Now we have a good local team in Poland who can operate in that business environment and know what we expect of them. The change was instigated by us, and Sales Manager Jukka Sirviö, who is in charge of subsidiaries, was closely involved in building the new organization. It is of absolute importance that we monitor the change ourselves, but actual business cannot be done under Finnish

management. The reins must be held by local people, who know the local culture. Language too is another major factor in successful business.”

Getting the Polish unit back on track and productive is an enlightening thing both for Heatmasters Group and for Panostaja Group; the Cone Made management system built into Panostaja Group proved to be an excellent tool. Saarikunnas praises the usefulness of the system, especially in terms of project monitoring. When completed reports were fresh in the system for all to read, information travelled in real time and unaltered to all members of the Heatmasters Board of Directors. In that way, all those initiated in the matter were able to get quickly on the same wavelength, and then things were processed smoothly.

Saarikunnas considers the Polish unit to be significant for the whole Group, because of the expertise that it has. Now that business is once again a profitable and efficient part of Heatmasters Group, it will be easy to use the unit's employees at such places as the Olkiluoto nuclear power plant site.

“Olkiluoto is a big thing for us. We have been able to work there for several clients and thereby to adapt what we have been doing.”

There is a big need for steel heat treatment and welding at similar locations elsewhere; Saarikunnas is looking forward to further modernization work at Swedish nuclear power plants, among others, as well as the start of the tendering for the Fennovoima nuclear power plant in Finland.

MANAGING DIRECTOR JUHA SAARIKUNNAS HAS SPENT ALL YEAR STEADILY WORKING TOWARDS A STRONG RESULT FOR HEATMASTERS GROUP. THE SUCCESS OF THE COMPANY OPERATING IN A NARROW SECTOR, SPECIALIZING IN HEAT TREATMENT OF METALS AND THE EQUIPMENT THAT THIS NEEDS, HAS REQUIRED CARE AND PRECISION. AT TIMES, THE MANAGING DIRECTOR MUST ALSO SAY 'NO'.



Heatmasters and the ability to say 'no'

During the year, Managing Director **Juha Saarikunnas** was also forced to say 'no'. In retrospect, this has proven to be a wise policy.

"Sometimes, you have to be able to refuse projects, even the largest ones. It is not always wise to go after the biggest orders and volumes at a ridiculous price. For us, a steady approach has brought a good end-result and kept risk levels low. What's more, when everyone does their job well, and no adversity is encountered, each company can achieve a good result."

Saarikunnas says that over the year Heatmasters has refused some large projects. These later proved to be projects that did not proceed as planned.

"Refusing can seem contradictory, but a steady approach brings a better result than if half of the company's capacity was suddenly tied up in one project, which then can't be sustained. You must be careful about where you commit your company's resources. This is realism and making good use of your own experience."

Heatmasters Group consists of companies in five different countries specialized in heat treatment. The Heatmasters Oy subsidiary has focused on the design and manufacture of heat treatment equip-

ment. 70% of its production is exported. As far as the whole Group is concerned, one-third of business is export.

"The secret of the Group is its expertise. Both the service business and machinery trade have gone well. Expertise is becoming more and more important now that the customer base seems to be splitting up. The large engineering companies too have succumbed to the chaos in the global economy, even before they had a chance to get their heads above water after the last plunge."

Heatmasters Group is strengthening its own position in the market by divesting its associated companies in different parts of the world. And when the Group concentrates on its productive business, this means Eastern Europe, the Baltic region and the domestic market. Underway is also the construction of an international distribution network for machinery trade and the development of the related service activities.

It is easy to have faith in such a strategy as, in 2011, the net sales of Heatmasters Group increased by a full 30% more than had been budgeted. This meant exceeding the MEUR 9 mark.

A streamlined future

As a supplier of heat treatment solutions, Heatmasters Group intends to be a pioneer, not only in treatment itself but also in its machinery and equipment. Usually, the improvement in profitability starts from very practical issues. Here it means the usability of machines and equipment.

"Good equipment too can always be improved, when looking ten years ahead," observes Managing Director Juha Saarikunnas, justifying his cooperation with Design Foundation Finland.

The basis of the modernization of the mobile heat treatment machine is to make a heavy and rather clumsy device more agile and easy-to-use in different situations and places. For example, the transportability and usability of the device in tight

spots can be improved by fine-tuning the dimensions and, for example, by checking the efficiency of the lifting lugs. Saarikunnas has given this work to design professionals.

In ten years, the world around will change greatly if it continues at its present pace. Technology is part of the world and will develop along with it. In practice, this may mean for heat treatment equipment new efficiency requirements, eco-friendliness, the chance to combine it with new systems, versatility... All this is part of good design.

"The importance of any design project quickly exceeds that of passing trends. Design certainly brings a competitive edge which would otherwise be difficult to achieve even in traditional fields of industry," says Saarikunnas.



DESIGN AGENT JORMA LEHTONEN:

Industrial revolution with design!

Finland is a place that has not yet managed to unite technology with people-centered expertise; Nokia Finland has not yet yielded to the fascination of the Apple world. Small companies in particular have not woken up to understanding good usability, let alone appearance and aesthetics. Design is at its best when users do not even notice it is there, freely enjoying the appealing product that bends to his or her will.

There are some 260,000 companies in Finland that design could help. Only one in ten, however, see design as something important to product development. Ten percent, what a small number! Design Foundation Finland was founded by Finnish industry and works to promote Finnish design. Panostaja is also a founding member. The foundation believes that the message is best conveyed from one business to another.

The foundation is involved in the product development project for Heatmasters' mobile heat treatment machine. The device in question had the appearance of a 150-kilo refrigerator on wheels. The existing technology is still good, but the machine's usability and efficiency affect how long it will sell. The company wants this device to be in demand now and in 20 years' time.

When designers get to brainstorm with the company's product development team right from the start, the process develops to be a strong one. Through user interviews, the boundaries of cosmetic surgery were quickly established. The product had to undergo a sort of liposuction, fitness program and power coaching regime – a more nimble device is easier to use in a confined space and, at the same time, it is more cost-effective and pleasant for the user.

What, then, prevents the wider use of these self-evident means of sales promotion? It might be that designers have not

marketed themselves successfully. Is a gallery a more sophisticated setting than an industrial hall? On the other hand, Finnish design culture still reflects a 1950s spirit by emphasizing applied arts and the world of applied art objects, even though we have wonderful examples of industrial design. If we were living in the Renaissance period, science and art would gladly shake hands and party till the morning, creating new inventions one after the other!

Why could design not be used in traditional Finnish smokestack industry? Ever since the 1960s, this country has supported the development of the technology industry. The same kind of support is now required for design. In the United States, this was understood as early as in the 1990s, when the first studies on the significance of design as a factor in competitiveness were published; design is the most significant competitive advantage for a company.

It is, however, no longer worth talking about merely design; a finished product is teamwork, affected by marketing, technology, design and whatever special expertise may be required. What we are talking about now is design thinking.

Even if an engineer's tour de force is to develop as complex a user interface as possible for any device, will the amazement by the public be sufficient to make such a complexity a sales success? The creation of a successful commercial technological product requires human-centered perception. Technology and business will then follow along behind. Technology should serve people, not the other way round.

