

Returning credibility to a famous name

Remy Automotive Europe is Remanufacturer of the Year 2011



Philippe James (left) and William Schwarck, Chairman of the Remanufacturer of the Year panel of judges.

Philippe James, Remy Automotive Europe's Managing Director has no hesitation when asked how he feels about receiving ReMaTecNews' Remanufacturer of the Year award for 2011.

"I see this as an award for the company as a whole – a recognition of the Remy team. You know, a company is people and everybody in our company deserves the award. So, it's gratifying for everybody here - whether at the head office in Belgium or at the plants in Hungary and Tunisia, or at the Distribution Centres in Belgium and the UK. Our parent company in the US, of course, shares in this. In fact, I know that our American colleagues refer to the award when they talk to outsiders about our products."



Philippe James, who despite the English-sounding surname, is a French national, has played a central role in

Remy Europe's transformation over the five years since his appointment as MD in 2006. Supported by Vice-President Jef Verelst who is in charge of Sales, Marketing & Distribution, Remy Automotive Europe has experienced a

spectacular recovery in terms of sales, quality improvements, reputation and credibility. The effort by everyone has been enormous and Philippe James admits it is never over.

"There are more things to be done," he

The judges' decision

A major and highly successful restructuring project, significant quality enhancements to product quality and a strong culture of innovation. Add to this a strong commitment to promoting the cause of remanufacturing and you have a worthy winner of ReMaTecNews' Remanufacturer of the Year award, the most prestigious in the automotive remanufacturing industry.

These were key considerations when the panel of judges of ReMaTecNews' Remanufacturer of the Year award chose Remy Automotive Europe as the 2011 award

winner. A major player in remanufacturing of rotating electrics since the mid-1910s, Remy Automotive was awarded the prize in recognition of Remy's achievements as a key promoter of quality in remanufacturing and as a force for innovation.

"In a tight race between highly qualified nominees, this year's award goes to a company with a long and honourable history in the field of automotive remanufacturing," said William Schwarck, Editor-in-Chief of ReMaTecNews and Chairman of the panel of judges. The other members of the panel are

told ReMaTecNews in a lengthy conversation. "However, we have rebuilt the team and the morale across the company and, no less important, we have re-established our credibility in the market. Credibility is so important and I believe that we have brought credibility back to the business. I know that five years ago many in the industry questioned our future. This is clearly not the case anymore. They know that we're specialists in rotating electrics, that we do our job properly, that we're not in it for the short-term."

Pioneer

Back in 1995, Remy in the US opened up operations in Europe by acquiring a Hungarian manufacturer of heavy duty starters and alternators in Mezökövesd. Three years later, Remy started remanufacturing starters and alternators for passenger cars through the acquisition of Lucas factories in the UK and two factories in Belgium and Tunisia. Remy then made a green field investment in 1999 and built a second plant in Miskolc, Hungary to remanufacture starters and alternators. This made Remy one of the first European companies to pioneer reman activities outside Western Europe.

Since 2003, milestones in Remy Europe's development have included the ISO/TS16949 certification of the Miskolc factory (the first reman plant in Europe to achieve this). Subsequently the site has obtained status as a centre of excellence and 'best-in-class' for remanufactured starters and alternators. Last year, Remy's 650 strong workforce remanufactured 700,000 starters and alternators, an increase of 24 per cent on the previous year and a record in the company's history.

Concepts such as 'excellence' and 'best-in-class' have been, and remain, keywords in Philippe James' approach to making Remy rotating electrics market leader.

While having expanded into other areas – a new brake caliper catalogue at the end of 2010 is one example – the strategy remains

Volker Schittenhelm, representing FIRM and Fernand Weiland representing APRA. "Over the past years, Remy Automotive Europe has successfully implemented an extensive restructuring of its remanufacturing activities and, as a consequence, grown its reman business very substantially," William Schwarck said. "In the process the company has contributed significantly to the awareness and reputation of remanufactured automotive products at a time when preservation of resources, protection of the environment and climate issues are rising to the top of the agenda."

Philippe James CV

Managing Director Remy Automotive Europe

- Philippe James has thirty years' experience in international business, mainly within automotive.
- Before joining Remy Automotive Europe in 2006, he worked as an independent consultant specialising in turn-arounds. Prior to that he served as VP and General Manager for Honeywell Friction Materials Europe with four plants in Germany, France, and Spain (two) and two R/D centres.
- From 1995 to 1999 Philippe James worked as Business Manager 'General Market & Industry' for Cables Pirelli S.A. Previous employment includes Compagnie Europeenne D'Accumulateurs, Corning France (Glass Group).
- Philippe James is fluent in French, English, Portuguese and has knowledge of Italian, Spanish and German.

firmly rooted in rotating electrics. Although sales of calipers, racks and pumps etc. will continue to grow, the rotating electrics programme stays at the heart of the business.

Rotating electrics

"Rotating electrics is definitely the core of our business. That's what we specialise in and that's where we want to be number one," Philippe James says. "It's difficult to be a spe-

cialist in everything and if you try, you finish up as a specialist of nothing. My philosophy is: yes, let's add to the range, improve coverage, have all the marketing mix that supports customer growth.

The target is to make Remy Europe the clear market leader in rotating electrics remanufacturing. And we'll achieve this if we do our work properly, offer flexibility and

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Award ceremony Remanufacturer of the Year Remy Automotive Europe

From one remanufacturer to another: Michael Cardone Jr. presents the Remanufacturer of the Year award to Philippe James of Remy Automotive Europe.

When Michael Cardone Jr., Chairman of the world's largest independent remanufac-



Michael Cardone Jr. (left) and Philippe James.

turer, Cardone Industries, presented this year's Remanufacturer of the Year award to Philippe James, Managing Director of Remy Automotive Europe, no further introduction was needed. A few years earlier, Cardone Industries of Philadelphia bought some of Remy's assets in the UK and the two men were on familiar terms.

As the guest of honour at the awards ceremony during the ReMaTec2011 show in Amsterdam, Michael Cardone Jr., therefore, had no difficulty in supporting the panel of judges' decision on the 2011 award.

"Remy Automotive is an important player and a good choice and I congratulate them on the honour," Cardone said.

During a wide-ranging presentation during the ceremony, Michael Cardone Jr. expressed his strong confidence in the future of remanufacturing, using the phrase 'You ain't seen nothing yet!' "We're working in an industry with huge potential and one that offers very substantial benefits to the world," he added.

In his capacity as the first Chairman of the newly formed US remanufacturing association MERA, Michael Cardone Jr. also appealed to the entire reman industry to work together to promote remanufacturing as a key solution to some of the world's environmental and resource problems, as well as a major provider of jobs in the automotive industry.

The awards ceremony was part of the exhibitors' reception on June 20 which took place at the ReMaTec2011 show in Amsterdam.

The next edition of ReMaTecNews will contain a full interview with Michael Cardone Jr.

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present the right marketing package. We're not there yet, but I'm confident that we'll get there. Perhaps it's ambitious, but without ambition we won't achieve it. You know, the key is to have a clear strategy with clear goals and execute it correctly. I believe we have a good strategy and that we're executing it well so that after the capital restructuring of the US parent company four years ago, we're on target for growth."

As an OE supplier Remy has a foot in both market segments, i.e. OE and the independent market – both of which the company is committed to. Even so, Remy is experiencing solid sales growth to the large distribution chains and the aftermarket now accounts for 70 per cent of overall sales in Europe.

Logistics

From his office in Heist-op-den-Berg, Belgium, where Remy Automotive Europe moved its

European headquarters three years ago, Philippe James sees logistics as one of the immediate challenges, not only for Remy but for the entire reman industry.

"This is definitely an area where the industry has to put in a lot of effort," he says. "I know that some new initiatives are coming on to the market over the next few years which will be very important to the industry. Many people are working on improving the product flow and improving ways to bring back the old cores from the consumer to the remanufacturer. We certainly are. It's important to us."

About the reman industry's prospects in general Philippe James is equally upbeat.

"There is a growing confidence in remanufacturing," he says. "The environmental benefits are obvious – the CO₂ balance is so much in favour of reman products compared to new. We have to keep reminding the market about this positive balance. Equally

important is the fact that remanufactured products are as good as new products and as the products become more complex reman is the answer to many of the market's requirements. In the longer term, reman expertise is set to become increasingly important.

The future

"And then there is a third point," Philippe James says. "It's almost classic but still essential. Reman is labour intensive – it's a very local business and it creates and involves skilled local jobs. In general, it's not something you can do 10,000 km away. This in itself means that in many ways remanufacturing is future-proof. And that's why I'm a strong believer in the future of the reman industry."

For these reasons and others I'm confident that political actors will increasingly turn towards remanufacturing. Now it's the job of the industry to deliver these arguments to our politicians in no uncertain terms."

Jef Verelst, Vice President Sales, Marketing and Distribution, Remy Automotive Europe on:

Sales growth

Over the past few years, Remy has achieved solid sales growth that has allowed us to build up a very strong market position in several countries. We intend to strengthen this further. At the same time, I see huge potential for further growth in some other key countries where we have not yet reached the market share that we should have as a leading reman-

part of me that believes we have to implement new strategies other than the ones that have brought us success over recent years.

There will be always some specifics to implement relating to the region and as a consequence of the actions of other market players, but first of all, we will continue to strengthen our position as 'the specialist' in remanufacturing of starters and alternators.

Our target is to invest to further optimise in order to keep outperforming the competition on broad product range, best in class availability and competent field presence and to maintain high product and process quality. In this way, we will allow our customers to take advantage to grow their business further, creating a win-win together.



ufacturer. In particular, I see some interesting opportunities in Eastern Europe which, in general, is just beginning to switch from 'repair' to 'reman'.

Strategy to grow further

Perhaps some people will see my answer as standard, not exciting enough, but there is no

Jef Verelst CV

Degrees

- University Engineering degree.
- Master in TQM (Total Quality Management).
- MBA.

Working experience

- 1986-2000: Atlas Copco Airpower, location Belgium, several management assignments in the operational side of the business, SQA, quality, logistics, purchasing and production.
- Past three years combined purchasing and production management.
- From 2000 - Remy Automotive Europe:
 - Director Purchasing Europe.
 - Director Purchasing and Distribution Europe.
 - Plant Manager Miskolc / Hungarian remanufacturing plant.
 - Director OES Sales.
- Since end 2007: Vice President Sales, Marketing and Distribution.

Markets

We have seen strong consolidation in some markets where some of our customers have been very successful in increasing their market shares, backed by our strong value position. I have also experienced that the concern about imported Far Eastern products, which we saw some years ago, has abated and that such products only affect a rather small part of the market leaving most of the market to high quality remanufactured products. To me this confirms why we have taken the correct decision to keep to our strategy for remanufacturing. I believe that we are right to focus on our core competence and not adopt business models that mix remanufacturing with lower quality imported products. In the final analysis, this will only create a negative image of remanufacturing.

Reman awareness

In my opinion, all remanufacturing companies should contribute to spreading awareness about the benefits of reman products – in respect of consumers/society as well as in terms of political influence. I'm a strong believer in the benefits that remanufactured products bring to society in general.