



# Interview with Harald Hiller

Harald Hiller, President & CEO of the AL-KO Vehicle Technology Group, talks in an interview about the effects of the Covid pandemic, future strategies and what customers of the technology group can expect in the coming year

*Words editorial staff*



The Covid pandemic, fluctuations in demand, changed travel behaviors, digitalization – there are more than enough brand-new and trendsetting subjects for Harald Hiller, President & CEO of the AL-KO Vehicle Technology Group, to deal with. In an interview, the top-level manager of the global technology group, which is also active in the field of high-quality chassis and chassis components for leisure vehicles, looks back on the remarkable year 2020 and explains the group's short- and medium-term goals.

**Aboutcamp BtoB: Since 2016 the AL-KO Vehicle Technology Group has been operating under DexKo Global. How have you found this journey so far?**

*Harald Hiller:* Since we became part of DexKo Global, we have been taking care of the non-US business. Dexter Axle, which also belongs to DexKo Global, takes care of the US market for axles and other components for trailer, towable equipment and RV manufacturers. In total, DexKo Global employs around 5,500 people and serves more than 23,000 customers around the globe. By joining forces under the umbrella of DexKo Global, we have opened up new potentials for growth since 2016. A more diverse global customer base provided new opportunities across a variety of markets. We were able to broaden our footprint to adjacent markets, such as hydraulics, and joint-

ly optimized several processes, including our health, safety and environmental performance.

**Aboutcamp BtoB: What effects has the Covid pandemic had, and what effects is it still having, on the AL-KO Vehicle Technology Group?**

*Harald Hiller:* As a globally active company we also produce components in China for our different business segments, so we were confronted with the Coronavirus relatively early. The rapid development of the infection process into a pandemic and the worldwide impact on an unprecedented scale were ultimately the greatest challenges. We had to react within the shortest possible time and initiate extensive measures worldwide. On the one hand, we had to protect our employees and on the other hand, we had to keep the company economically on course – we succeeded brilliantly in achieving both of these. We very quickly set up our own taskforce, pursued a stringent hygiene concept and achieved cost savings through temporary closures and short-time work as well as salary waivers. Our order intake situation has now stabilized. Nevertheless, the situation remains volatile.

**Aboutcamp BtoB: 2020 has so far been characterized by numerous uncertainties, from fluctuations in demand to changes in travel behavior. What challenges did this**

**result in and what can customers expect from the AL-KO Vehicle Technology Group in the coming year?**

*Harald Hiller:* Basically, we were faced with declines during the crisis, also in the field of motorhomes and caravans. We have therefore consistently implemented cost optimization measures and we will continue to improve our delivery performance. Overall, delivery speed, flexibility and reliability have become even more important during the crisis, not only in the leisure vehicle industry.

**Aboutcamp BtoB: Let's take a look into the future. How will business recover? Will there be a 'new normal' and if so, what might it look like?**

*Harald Hiller:* By the end of the third quarter of this year, we had observed a recovery in our business segments. Particularly noteworthy in this respect is the market for leisure vehicles. However, this market has developed very differently in distinct geographical areas and segments. In addition to the Covid pandemic, other factors often play a major role. Take the Brexit, for example, which also influences our business in Great Britain.

All in all, however, it must be said that our industry is more likely to benefit from the effects of the Covid pandemic. With regard to the 'new normal': with the move from a family-owned company to a company that is part



## Company Profile

### AL-KO Vehicle Technology Group

The AL-KO Vehicle Technology Group is a globally operating technology company. With high-quality chassis components for trailers, leisure vehicles and commercial vehicles, the corporate group stands for best functionality, highest comfort and innovations for more driving safety. The AL-KO Vehicle Technology Group includes the 13 international brands AL-KO, Aguti, Bankside Patterson, Bradley, CBE, cmtrailer parts, E&P Hydraulics, G&S Chassis, Hume, Preston Chassis, SAFIM, SAWIKO and Winterhoff. Founded in 1931, the group currently generates sales of more than 700 million US dollars with around 2,800 employees and over 30 locations worldwide. The AL-KO Vehicle Technology Group is a wholly owned subsidiary of DexKo Global, a portfolio company of KPS Capital.

### DexKo Global

DexKo Global was formed through the merger of Dexter and AL-KO Vehicle Technology, creating a global leader in the production and distribution of highly engineered running gear and structural solutions for the towable trailer industry. Under the umbrella of DexKo Global, 5,500 people are active at 65 facilities globally. In 2019, they jointly generated sales of 1,5 billion US dollars. DexKo Global, a portfolio company of KPS Capital.



unfold and develop yourself. Thus, I perceived my time in the company not as a change but as a transformation phase with a healthy mix of tradition and innovation. It makes me proud to have been actively involved in shaping AL-KO's corporate U-Turn under DexKo Global in the recent years. I look positively into a successful and sustainable future with ongoing good relationships with our customers and partners.

of the global group DexKo Global, we have learned to respond positively to significant changes and to seize the opportunities that arise. This mentality as well as the learning curve have been of great benefit to us. With a view to the coming year, we are additionally prepared for all eventualities.

### Aboutcamp BtoB: In recent years, numerous companies have joined your corporate group under the umbrella of DexKo Global. How has their integration progressed?

**Harald Hiller:** Basically, under the umbrella of DexKo Global we can draw on a wide range of opportunities and an excellent M&A department. This is why we have been able to acquire and integrate 13 companies in the recent years. For companies that are not directly related to our core business, the technical integration into our group of companies is usually a bit more demanding.

The general strategy is to generate organic and inorganic growth in our business segments and a reasonable diversification of our product portfolio.

### Aboutcamp BtoB: What ideas is the AL-KO Vehicle Technology Group pursuing in its R&D strategy to demonstrate its innovative strength in the future?

**Harald Hiller:** Among other things, R&D has helped us to achieve a strong market position and will continue to be an important pillar in our corporate strategy. We have one R&D Centre of Excellence per business area. This enables us to manage our entire product portfolio at a high level, so that we can both meet the current demands of the market and our customers as well as generate innovations that are sustainably financed. Looking closer, in the core product areas for example, the focus continues to be on lower energy consumption through weight reduction. We are working intensively on fully and partially electrified solutions for certain products. The trick is to keep customer-specific applications at a high level and at the same time bring real innovations to the market that will safeguard our future. R&D enables us to generate a competitive advantage, so we invest in this area accordingly. We employ round about 150 development engineers and technicians worldwide.

### Aboutcamp BtoB: Which megatrends are engaging you at the moment?

**Harald Hiller:** We are essentially interested in everything that has to do with mobility and "energy". The tiny house movement, mobile homes and last mile logistics as well. In addition, of course, future travel and leisure behavior and, in this context, the themes like sustainability. Last but not least, we have managed to enter the agricultural business with the acquisition of the Italian company Safim, which is specialized in hydraulic and electrohydraulic parts for agricultural, off-highway, material handling vehicles and trailers. This means we are now also involved in supporting food production and supply in the broadest sense, as we provide manufacturers with our technology components.

### Aboutcamp BtoB: Everyone is talking about digitalization. In which areas is AL-KO currently active here and what can we expect in the future?

**Harald Hiller:** We use digitalization to optimize our corporate structures or processes and our product portfolio, for example in the networking of the towing vehicle and trailers. Digitalization will certainly become even more prominent when it comes to integrating driver assistance systems into our chassis. And in the long term we talk about trailers that are compatible to and communicate with battery electric and hybrid towing vehicles.

### Aboutcamp BtoB: Next year AL-KO will celebrate its 90th anniversary. You are part of the company for almost a quarter of a century, over ten years at the top of the company. Looking back: what makes you proud and what are you looking forward to in the future?

**Harald Hiller:** In general I see the AL-KO Vehicle Technology Group under the umbrella of DexKo Global as a healthy company, which will continue to grow in the next years. We have very good owners who trust us and are willing to support us on this path. Our approach to growth the company has always been the same over generations from a village smithy to a global corporation. And we will continue to develop, produce and distribute high-quality products and services that serve the vehicle solutions of our customers.

Personally, I can look back on an intense and fascinating time. What has always impressed me at AL-KO, even back when we were still a family-owned business, was the opportunity to

All brands of the AL-KO Vehicle Technology Group at a glance



Harald Hiller, President & CEO of the AL-KO Vehicle Technology Group, during the interview