

Young in age, but leading by experience

We interviewed Alexander Wottrich, the CEO of Truma Group: we asked his opinion on the current status of the business and the future goals of the company

Words Antonio Mazzucchelli, photo Enrico Bona

Truma is a major supplier in the RV sector. The company was founded in 1949 by Philipp Kreis who started by making gaslights and some years later began his activity in the RV world. Truma's LPG powered space heater, introduced in 1961, set new standards for safety and comfort and made Truma the market leader in this segment, a position which it still holds today. Truma is an international, family-run company based in Putzbrunn near Munich that offers heating, cooling, manoeuvring systems and smart solutions. It is present in the four camping-relevant continents of the world: North America, Europe, Asia and Australia. Truma also has its own sales and service subsidiaries in Great Britain, Scandinavia, USA and China.

At the beginning of 2021, Truma Group GmbH & Co. KG was founded to unite the companies of the Group under one roof: Truma Gerätetechnik, Alde, nexT experience, and additional companies in the Group. Aboutcamp BtoB met Alexander Wottrich, the CEO of the Group and grandson of the company founder.

Aboutcamp BtoB: From the days of the lockdown to post-pandemic euphoria: what was Truma's experience during this period?

Alexander Wottrich: Of course, the pandemic was a challenge for us, both in terms of collaboration and also in terms of business. But "sometimes the brave are lucky". We have been working on digitalization and new work concepts for about 10 years. The

digitalization of workflows was completed just before the pandemic hit so we were able to handle this unusual situation very well with hundreds of employees working from home.

In a military style of leadership, we sat in a 'war room' every day. We could decide very quickly not to open our production facility if there was a health risk for the people, or whether to implement the night shift. We had to cope with quite a lot of unusual and fast decisions, but we were in a very good position as a family business where you can make very fast decisions. Furthermore, the people who work for our company are just exceptional. Working in FFP2 masks for a whole day in production is something which is really tough, especially when you have intensive work to do. But



they just did that without complaining. They had a very high trust in the leadership team, and we could trust them fully. We had so many people that were voluntarily opting for jobs to be done. For example: we had a (covid) test centre here on our campus, plus a vaccination centre and there were so many people volunteering to help. In the beginning, when we talked about vaccinations we had about 15% interested from our employees. Now we know that we have a vaccination rate of more than 80%, which is much higher than the German average. That just shows how much trust there is, and what a great relationship we have between the leadership and the employees. These are aspects that we take very positively from this difficult phase. And we also quickly adapted to the new way of working. Today, all employees have the option of choosing their mobile work concept flexibly, even regardless of the pandemic. On the business side we as well suffered from the supply chain volatility, like all other companies in our industry, or worldwide. But we kept our investment in technology and production stable because we knew, as a family business that's more than 70 years old, that crises come and go. But we're here for generations, so we kept investing in technology, production and optimization.

Aboutcamp BtoB: The supply chain crisis followed the increase in demand in the RV sector: what problems are you facing and what solutions have you adopted to try to solve them?

Alexander Wottrich: Like all OEMs and suppliers, we are still facing supply chain bottlenecks. In our case, it's mainly electronic components at the moment. But there has also been a very significant increase in logistic costs, which we have to cope with. We have solved it through a number of measures: for example, we have increased the number in our supplier base and found sources that are geographically closer to our production sites, mainly to reduce lead times, but also to reduce logistical costs. We are very happy with our suppliers, and we have a very stable supplier base, but we are prepared for the worse. We are in very close contact with our OEMs. That has been the recipe for the last 70 years, but now it's even more crucial. During the peak of the pandemic, we had weekly or sometimes daily calls with our OEMs to understand what their forecasts were and what their needs were. This way we could optimize our supply chain to meet their demands. In response to customers that asked for stable supply numbers, we now additionally expand our plant here in Munich and make room

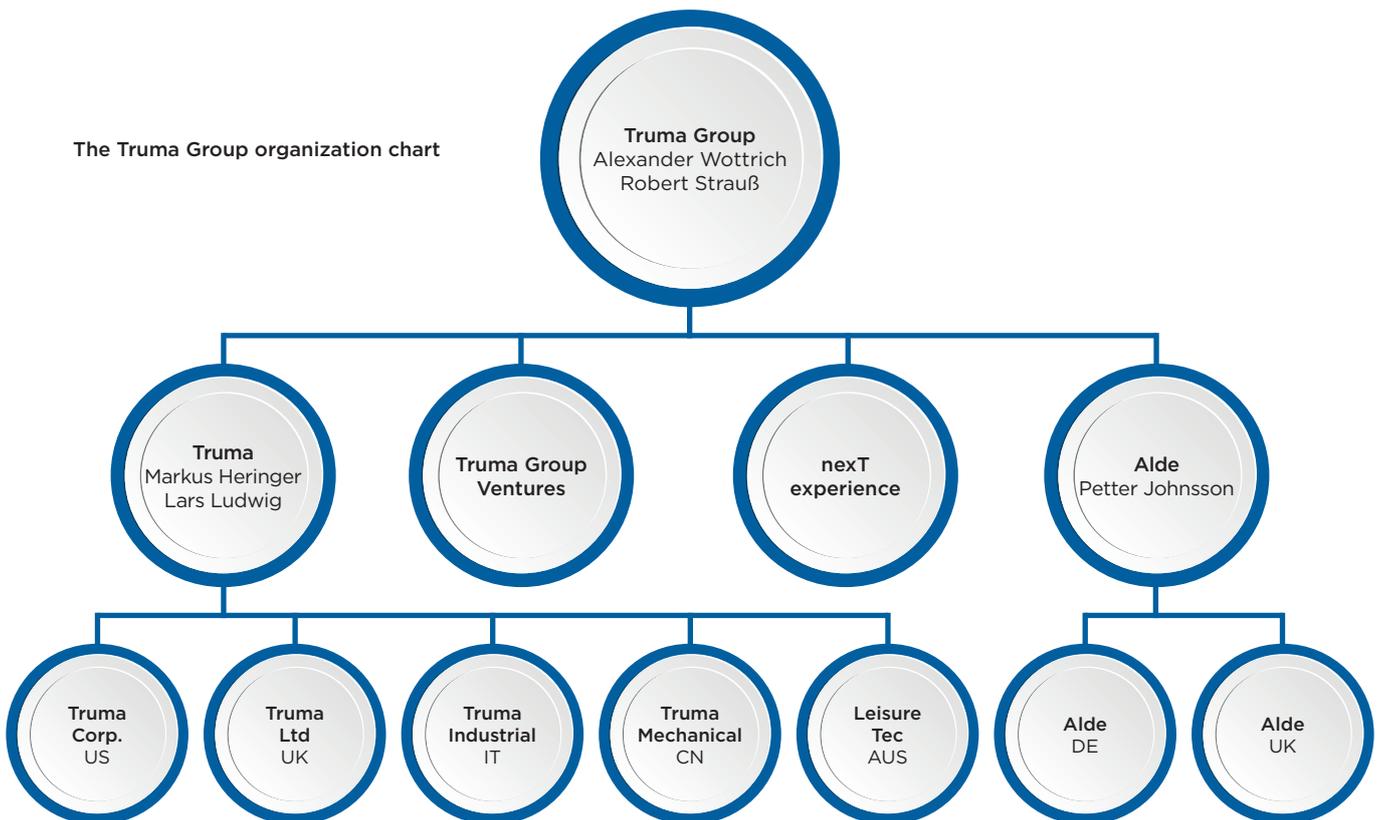
for technology updates in the production lines at the same time. Despite all measures, we were still unable to absorb the price increases and had to review our selling prices.

Aboutcamp BtoB: Is there something that you really want to highlight in the Truma history?

Alexander Wottrich: The history of the company is quite long, so I'll just focus on three main dates of my journey with Truma.

- 2015 was when I started in the Truma cosmos with the advisory board. I began to grow with the business and to understand processes, the culture, the leadership. At the same time, I started to invest in new skills and competencies mainly in the field of digitization outside of the company but with the intention to use it for Truma at some point of time.
- In 2018, I became the Technical Managing Director and implemented a leadership team. With Robert Strauß, responsible for the commercial side and me on the technical side, we led the company together as partners and created our first corporate strategy. I constantly kept driving digitization, customer centricity, internationalization and innovation - for example with the foundation of the innovation hub called nexT. This was also the time

The Truma Group organization chart



Interview with **ALEXANDER WOTTRICH**

when I used the skills and competencies that I've built up outside of the company to drive initiatives in the company.

- In 2021 we founded the Truma Group, and I became CEO of the Truma Group. We found great leaders for our entities from within the team, which I am very happy about. In the first year my colleagues and I created a new strategy that gives us a path for the next five years to come. We call it "Create 26" and this is accompanied by a group vision, a group value framework, a global leadership model and an agile, modern way to execute the strategy. This has a big impact on the culture. Building the group has been the biggest milestone of my journey with a strategy that I'm super proud of. I am very fond of it, and I strongly believe in a strong vision that keeps us together as a team. It is very important to have something stable in times of high uncertainty.

Aboutcamp BtoB: The Truma Group was created at the beginning of 2021: how does Truma fit into this? What are the synergies of the companies involved?

Alexander Wottrich: The Truma Group serves two strategic targets for us. Number one: it supports the growth plan, which is part of our strategy. Number two: exploration. Due to its structure the group has the possibility to explore new fields that have a high degree of uncertainties and complexity for us, like electrified vehicle concepts, and to still serve our customers in the core business with full attention. Alde and Truma are dedicated for the field of core business and they follow the demands of our customers. At the same time, we have independent entities that are trying to pioneer solutions in completely new fields for us.

Aboutcamp BtoB: More and more companies are joining large groups; in some cases these groups bring together vehicle manufacturers and component manufacturers. How does Truma deal with this market situation? Are you the right size to be competitive, or are future alliances conceivable?

Alexander Wottrich: First of all, we are, and will stay, a family business. This is what makes us. In the sense of ownership, not to be confused with being conservative. We are very much



Alexander Wottrich
at Truma headquarters
in Putzbrunn, Germany

future oriented, and we are agile. We benchmark ourselves with high-performing companies from all over the globe, not necessarily with other family businesses. However, you asked about size, and size does matter, as we aim to serve our global customers in a highly professional manner. That deserves a certain size with a certain global footprint as well. Our business model is not growth itself, even though we have a clear growth plan in our strategy. Growth helps us to become better in every sense in our business model. When you ask if we are still competitive, if we have that certain size to globally work with our customers in a very highly professional manner, then I say yes, we are, and that competition is normal in business. You simply have to be better to beat your competitors, no matter what size. Nevertheless, we are open to partnerships, especially for geographical expansion, and we are actively pursuing discussions with potential partners for technology in the field of energy and data.

Aboutcamp BtoB: Europe and America are divided by an ocean: is that a gap that no longer causes fear? How is Truma's presence in the North American market? What development has there been in recent years and which paths do you still have to take?

Alexander Wottrich: About 10 years ago, we decided to cross the ocean and it has not caused us any fear,

otherwise we wouldn't have done that step. Back then, as a family, we found that the business was ready to cross this ocean and go that distance, with all the challenges and risks that entrance to the US market brings for a European company. The business model is the same in the US as it is in Europe: it's about customer centricity, quality products and quality service, and this seems to be very attractive. We now have the slogan "simply better" in the US, which sums up what we strive for. We constantly grew the portfolio there, with the newest addition of our Aventa Eco and Aventa Comfort rooftop Aircon, which now make us a system supplier in the US. We constantly follow the demands of our customers and try to make our services better. We see North America as a high growth potential for us. But we still have to take the everyday path of growing the business.

Aboutcamp BtoB: War, inflation, energy crisis: difficult times ahead in Europe?

Alexander Wottrich: As I said before, in our 70-year long history, a crisis has come along every now and then. But in my point of view, the future today is unpredictable as never before. The combination of crises that we have right now is something that I have never experienced or read about. So "Unpredictability" is probably the name of the game now and we have to be even more flexible than before to be able to quickly adapt. This comes

with changes in the main processes, like the process of order to delivery. It's certainly challenging because there are so many people involved. You need to have people that are able to understand how to do it, how to deal with it and then all these ideas create one big picture.

The second big thing that has made us successful is the close contact with our customers. It is one thing to become more flexible in our daily business, and especially in the supply chain. But additional to that, we have set out for the closest possible contact with the customers. As I said before, we work in a cooperative manner so they do their planning as well as they can, and we do our planning as well as we can. We just see ourselves as partners, as a team, and say OK we will get through this together. I'm very happy that we have customers that are aware of how difficult these things could be, and they were willing to support us in difficult phases. We experienced a great cooperative spirit during that time, and I think we managed it well. We constantly invested in improvements and production because we knew there was going to be a time after Covid. We wanted to keep doing what we do, and not pause and then have to restart afterwards.

Aboutcamp BtoB: Heating systems represent your core business, but your product catalogue has significantly expanded in recent years: for example, you have focused on air conditioning systems. What is the current scenario and what are your future goals?

Alexander Wottrich: You're absolutely right, heating is our core product, but we are much more than that now. Our portfolio has grown significantly over the decades and more recently we have invested in expansion, such as digitization and connectivity. We expanded the Air-conditioning portfolio with the dedicated product range for North America. But AC has been part of our offering since 1999, so it's something that has been in our focus for almost more than two decades. We have recently renewed parts of our portfolio in heating and cooling to even better serve our customer needs, and at the same time we also invest in sustainability. We want to be more sustainable with our future products. One example here is refrigerants, the cooling liquids. We had hermetically closed pipes in our ACs from the very

beginning, keeping the liquid from entering into the atmosphere. And we also offer the possibility for our customers to professionally recycle the units at the end of the lifecycle. The next step is to also use sustainable liquids.

For the future, our focus is the process of energy in to energy out, using technology to make this process as smart as possible and make the balance between them as sustainable as possible. This is the overall change, also driven by electrified vehicles where your energy in is much more limited than if you compare it to a vehicle with one or even two LPG bottles. For example, you slow down the consumption of your heat, so you only heat where and when necessary. And you try to have communication between all the devices and the cabin itself. The whole system of a cabin has to be smart and react to your needs and behaviour.

Aboutcamp BtoB: As far as heating systems are concerned, particularly your Combi model, the focus has shifted a lot to diesel power, perhaps also due to the impact on the market of camper vans on total RV sales in Europe. How do you cope with this changing situation?

Alexander Wottrich: Diesel power has been on the rise for years; I personally didn't expect diesel to have so many fans. We have a short and mid-term reaction to this: the short-term one is to make the existing portfolio as stable as possible in our supply chain and to optimize the product. Therefore,

we've just launched the new Combi diesel a few months back. It has some neat features like super quiet night mode and the possibility of automatic, electric heating, with an optimized combustion to reduce maintenance, improve reliability and make the product more sustainable. It is 20% faster in heating up the vehicle, which also means it reduces your fuel consumption and also saves about 40% of battery power. In the Mid-term: we open our complete portfolio to different energy sources, such as LPG, diesel, and electric heating so that our customers can control what kind of fuel they want to use.

Aboutcamp BtoB: What are Truma's challenges for the future?

Alexander Wottrich: As of today, it seems like the challenges in the coming months seem to remain the global economic and political situation with all implications in supply chains, monetary depreciation, cost increases, paired with Covid and the high unpredictability that comes with it. Energy shortages could become another challenge in the coming months for our facilities in Germany, but we are preparing.

From a systemical point of view the camping infrastructure did not grow as much as the need for campers to park their vehicles. This is a challenge for our industry in the coming years. Lastly the switch of basic vehicle technology towards electrified concepts is one we all have to cope with, and so does the Truma Group.



Alexander Wottrich with our editor in chief during the interview