

FRENCH REVOLUTION SET TO CROSS THE CHANNEL



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Until a couple of months ago, like most people in the UK, I had not even heard of GYS. So how come I didn't know anything about a company - making a quarter of a million MMA welding sets and battery chargers a year - that was based only a couple of hundred miles from where I lived?

A series of chance conversations gave me the opportunity to find out for myself when Bruno Bouygues, who runs the company with his father Nicolas Bouygues, invited me to come and see the GYS factory in Laval. Laval is in the region Pays de la Loire, 2 hours West of Paris and not very far from Le Mans. And what I saw surprised me as it has become a bit of a rarity these days – a feel-good story about a European manufacturer.

BRANDS DON'T SWIM

So why hadn't I heard of GYS? Bruno had a simple answer: "You can be a very strong brand in one country and be completely unknown in another one. We all believe that if you are a good manufacturer in one European country, of course your reputation has travelled all around the other European countries. But this is not the case, the combination of different languages and the difficulty of finding good partners in each country can create high barriers to entry. I once made a joke with Neil Pulsford - our UK sales director – explaining that the GYS brand had not been able to swim

across the channel and that was the reason why we decided to open our subsidiary."

Bruno says that he wishes that this difficulty was simply a result of our British insularity. In fact, because GYS is such a young company, even people in continental Europe don't appreciate its value proposition and the wide product range it now offers. "Our company has rapidly expanded. It is completely understandable that there is a gap between how people see us and where we really are today," says Bruno. "When we acquired GYS twelve years ago, the company employed slightly over 40 people in an old fashion factory and had done no significant commitment to R&D for years. Today, the company employs about 400 people in four countries and we manufactured over ¼ of million of machines in 2008. We are different now..."

Innovation and the courage to have a go were in the DNA of the company from the start. Back in 1964, when it was decided to change the French main voltage supply from 110v to 230v, Mr Guy-Yves Stefany, an entrepreneur, applied for and won the contract to make all the voltage conversion transformers for households in Brittany and Normandy. With everyone changing over on the same day, the initial demand was significant, but once the changeover had been made demand dropped off just as quickly, so Mr Stefany had to find something else to do with his factory. With car ownership growing, he realised that his transformer factory could just as easily make battery chargers – first of all 6v, then 12v and then 24v chargers for trucks. He then realised that the transformer in the 24v

charger was exactly the same as you needed for an arc welding set – so towards the end of the 1970s he launched a welding range. During the next 10 years, GYS grew slowly and built a reputation in France for manufacturing very high quality products. Between the 1980s and the 1990s, the company changed hands a couple of times, before being acquired by Bruno's father, Nicolas Bouygues in 1997.

"The way my father found the company and became part of its rebirth came about through a happy combination of chances," says Bruno. "At that time, my father was looking to buy an industrial company; he did not have a very specific target in mind, but was attracted by manufacturing companies. When GYS was first introduced to him, his first thought was that



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the welding industry was highly complex and diversified and that the company itself was a real challenge. After further investigations, he finally decided to give it a go. The original idea was to streamline the company, reorganise it and maybe if possible to run it alongside a second company. Twelve years later, we are not only still streamlining and organising GYS, but we have also become passionate about our industry."

This passion for the industry is immediately apparent when you talk to Bruno.

"As a family business, we have never had a short term approach with GYS – what mattered for us was the excitement of growing the company. Finding new ways to do things, developing products and providing people with challenges, finding ways to be innovative in our products, our manufacturing processes and our marketing – these are the things that really matter to us. And I confess, my dad and I, we love it."

When Nicolas Bouygues took over the business twelve years ago, he had limited experience in the welding industry but he was an engineer by training and took a methodical approach to rebuilding the fundamentals of the company.

At first GYS focused on developing a new range of electrode welding machines, then they revamped the battery charger line and then added the equipment for automotive body shops. Now that it has reached a stage where GYS is a



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strong contender in each of these three areas, it has turned the full focus of its R & D on achieving the objective of becoming a credible Tier 1 supplier for industrial welding equipment within the next three years.

Bruno points out that, with an expected 47M€ turnover in 2009, GYS has now reached a significant size in Europe, but is still regarded by many as a tier two supplier because it doesn't offer a complete range. Until today, there have been a couple of obvious gaps in the welding range – like pulse inverter MIG and three-phase TIG machines for the industrial market – but that will change soon enough.

INTEGRATED MANUFACTURING – A DEDICATION TO QUALITY CONTROL

Along with product innovation, GYS has devoted a lot of development effort to its production processes. A job made easier by the company's philosophy of integrating its production under one roof and making as much in-house as possible. In fact it is rare to see a factory that does as much under one roof – everything from mechanics, transformers, sheet metal cutting and painting, wiring to electronic circuit boards. About the only thing GYS doesn't make are plastic elements. This gives the company total control over its quality and additional flexibility within its industrial processes.

Because GYS reinvests its profits within the company, its strong financial position had become a real advantage in the current economic climate where discussions with financial institutions can be tricky. This not only gives long-term stability of supply for customers – crucial in today's depressed markets – but it also allows the company to continue to invest in the latest production technology. This includes, for example, recent investments in four Mazak CNC machining centres, multi-axis lathes, two new Trumpf punch presses and press brakes, robotised electronic assembly systems, an electrostatic powder coating line and automatic transformer winding systems.



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As Bruno explains: "Key production techniques are all integrated under one roof to minimize handling time and to produce faster and cheaper. Price has become more and more critical. If you want to keep your production facility in Europe you don't have any option other than to consolidate your supply chain where you can. The second benefit is that because GYS does everything within the company the barriers to innovation, be it product or process innovation, are very low. We are constantly looking to see what we can change in our production methods that will make the product more robust or give us additional features for a more aggressive price."

Many of the product improvements are a direct result of feedback from distributors around the world. "GYS senior management travel extensively to listen and to talk with customers. We regularly meet to discuss new ideas that have come out of our meetings and how we can implement them. With thirty people in R & D, eight in production engineering and four in quality management GYS can quickly mobilise a team to put its ideas into action. So if we want to change a small detail in a product we can pretty much do it the next day. With that many people pulling together you can really achieve things quickly and people see that the product changes very quickly."

I asked Bruno about what this could mean for distributors in the UK.

"We really are very reactive. If a distributor expresses a need for a new idea that is not included in our catalogue, we will do our utmost to see if this idea is feasible and to incorporate it in our products in a reasonable time-frame. It is a collaborative process; we improve our range and they improve their business. Without our customers, we couldn't have evolved our catalogue from where it was 12 years ago to where it is today. In fact we have already introduced three models specifically geared to the needs of the UK market this year"



EUROPEAN QUALITY - CHINESE PRICE !!!

“Our technology, quality and price give us a very strong value proposition. We are maybe slightly more expensive than the Chinese – but not that far away – and we offer a whole lot more. The crisis in the industry is shuffling all the cards so it is a good time for people to take a fresh look at the market, reassess where their current suppliers are and maybe come and talk to us. They are very welcome to come and visit our factory here in France and see for themselves our production.”

QUALITY IS EVERYTHING !

With 1,000 machines going out of the factory every day, there is no room for rejects or production problems, so an extremely rigorous testing regime is built in at every stage of manufacture. “Everything is tested, re-tested, and re-tested, says Bruno. Every single circuit board, for example, is tested twice during manufacture and once again when it has been assembled in the machine. 100% of production is tested after final assembly with each welding set going through a regime of multiple different electrical and electronic tests.” Walking along the production lines at GYS, I was fascinated to see that every single detail of production is meticulously documented with detailed assembly and procedure drawings. Says Bruno: “We want to be more German than the Germans in the way we organise our production. Quality is critical to us as we believe it is the basis for long lasting relationships. Remember, we are a family firm and we play for the long run.”

A STRONG TEAM SPIRIT

It is obvious that the team spirit in GYS is also crucial to its success. You can really feel a relaxed but focused atmosphere on the factory floor. Nobody appears stressed and you can tell that they are proud of what the company is doing. “We have very talented people here.” says Bruno. “Our approach to hiring new staff has been to take people straight from school and train them up individually. The average employee age is 29 and all of our directors came up through the company. Internal promotion is important as it has built a strong culture. In the last 12 years, we grew from 30 people to 400, so people had the chance to grow with us and take on more responsibilities.”

“In industry, you have to be passionate about what you are doing. In the company, everyone is an aficionado. They like working in a fast moving and challenging environment. As we now are getting more and more recognition for our innovation, they are getting more and more proud of what the company has achieved.”

WHAT NEXT?

“In Europe GYS enjoyed a 13% increase in sales in 2008, and it expects to have stabilised this increase in 2009. This means that the group has reinforced its balance sheet during the first phase of the crisis. We believe this could be an asset for 2010 for industrial companies that may want to join a strong and dynamic family group. In particular, I can tell you that the French general management has told me that an acquisition in the UK would be considered if it could constitute a good platform to expand faster into this market. Let’s see, but as you can see, you will hear a lot about GYS in 2010.”

My visit to GYS was a real pleasure in many different ways. There was a chance to drive through rural Normandy on a glorious summer day – stopping to pick up supplies of cheese and pâté. There were the splendid bottles of wine that Bruno and Nicolas gave me as a parting gift, and the chance to meet some friendly, hospitable and unassuming people. But what was most satisfying was the chance to hear some good news about manufacturing. The story about a European company that has grown at a phenomenal rate – in size, in product range and product technology – through innovation, passion and plain hard work. And maybe this is one brand than will learn to swim.

A.S.



Gyspot Evolution PTI
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