

## Organic growth of Hittech Group in 2018 and beyond

Hittech Group is growing through acquisitions, but certainly also organically. Our objective is clear: growing from EUR 100 million in sales in 2017 to 200 million in 2021. This should be generated through the takeover of a number of companies that fits well with the group, making the group stronger, combined with continuous organic growth. This article is about organic growth and the measures that we have taken and are taking for this. The fact this is proving successful is evident from the forecast that we will enjoy organic growth of about 20% in 2018. A positive element therein is that this growth manifests itself across all companies within the group.

### Hittech strategy

At the end of March, the core team (20 people) of Hittech Group spent three days together in Westelbeers (NL). The objective of this meeting was two-fold. After four years, we wanted to critically review the strategy of the group again. We did this by discussing our organisational structure, our core values, our image and our position in the market in workshops and group sessions. The results have been worked out, converted into action plans where necessary and shared with all our employees. We also wanted to spend time getting to know each other better. This started already in the workshops and the group sessions, but it is certainly fun to involve other activities in this as well. The collaboration was practiced in (blind-folded) sheep herding, while the bubble football was an excellent way to let off



some steam and to settle some outstanding issues! It needs to be said that our "retired" boss, Cor Heijwegen, did not come off badly at all. They were three very successful days.

## Measures that we have taken and are taking

For many years now, we have been taking consistent measures to enable and properly embed the growth that we have been enjoying since our founding in 2004. Our organisational philosophy is that we are (or aspire to be) a network

of small(er) companies. In order to grow further, two years ago a divisional structure was introduced. In addition, new shareholders joined the group last year, thereby enabling further growth from a financial perspective as well.



### BUILDINGS

Following the build of its new facility in 2016, with a doubling of the floor area, **Hittech Multin** is investing in its cleanroom to make it grade 2-compatible. The investments involve a cleanly operating overhead crane, oil-free compressed air (XCDA), cleanroom clothing with head protection gear and clear UV inspection zones for grade 2 products. These investments enable Hittech Multin to make larger modules.

Due to the very rapid growth of **Hittech Comac**, with a doubling of sales (from EUR 4 to 8 million) in recent years, the time has come to move into a larger building. In order to ensure maximum flexibility and freedom in the design, it was decided to build a new building in the municipality of Deurne and manage the construction process itself. The building, measuring 2,300m<sup>2</sup>, will be double the size as its current location and expectations are that the company can be relocated in the third quarter of next year. By purchasing a large lot, there is also the possibility of further expansion at this location in the future.



## COLUMN



The previous newsletter extensively discussed the changing of the management that took place at Hittech Group. It will come as no surprise, therefore, that this column shows a different picture than before. It is with great pleasure that I have taken over this column from Cor Heijwegen. And I intend to continue it for a long time!

The theme of this newsletter is organic growth and that should be interpreted broadly. We are growing in volume, which involves relocating, investing, competencies and knowledge but also a new ERP system.

We are taking big steps again and do not see the limits of our growth yet.

**Eric Driessen** CEO Hittech Group

**Hittech Bihca** is working on plans to expand its buildings by 1,000m<sup>2</sup>. The land has already been prepared. This will allow Hittech Bihca to grow further.

The relocation of **Hittech Wemac** in Malaysia to a modern, new building with excellent logistics and accessibility was completed mid-August. This doubled the production area to 2,000m<sup>2</sup>. The building is located in the Penang Science Park.



The number of machines were expanded as part of the relocation and the step to 4-axis and 5-axis machining was made as well.



At **Hittech Prontor**, the layout has improved considerably, especially in machining. The move of the 5 turning/milling (STAMA) machines to a new space has been an important step towards a better layout of the entire milling department. Additional space was created (500m<sup>2</sup>), which enabled us to improve production through the 5S approach as effectively as possible. This has resulted in the identification and implementation of many improvements. For example, the supply of materials to machines has drastically improved, walkways have been shortened and the entire machining unit has been visually renewed. Information boards have been placed and the canteen has been completely renovated. New markings and improved tool management also add to the smooth operation.



## INVESTMENTS

**Hittech Gieterij Nunspeet** is investing in the robotization of the casting process by installing two casting robots. The advantages include higher productivity and quality, and at the same time, it allows Hittech Gieterij Nunspeet to cast even more complex parts. Since the customers were not to be impeded by the commissioning, it was decided to do this during the holiday period. After a few trial castings, the parameters were under control and the first products were casted successfully. Preparations are currently being made to install the 2nd robot. The entire system will be operational by mid-November, thereby ensuring that Hittech Gieterij Nunspeet remains the best sand casting foundry in Europe within in the smaller segment.

In Machining, **Hittech MPP** has made steps towards processing products of larger dimensions with high accuracy.

**Hittech Bihca** is taking very clear steps towards even more machining of Titanium, precise milling, turning and eroding, with a highly complex white light scanner system as support (see cadre).

At **Hittech Prontor**, investments have been made in a new cleaning system, new paint booths and new turning and milling machines (see cadre).

In USA North Carolina, a new company, **Hittech Machining & Assembly USA**, has been successfully started up with 5-axis machining. In the years to come, we want to invest with the aim of doubling sales annually. Subsequently, the step to assembly will be taken.

The large pilot plant of **Hittech RSP Technology** will be modified to enable the production of high melting point alloys. In addition, trials with meltspinning of Magnesium in this pilot plant have been successful.

## Investments at Hittech Bihca

### New Mori NHX5500 & Haas VF6SS for machining Titanium and super duplex

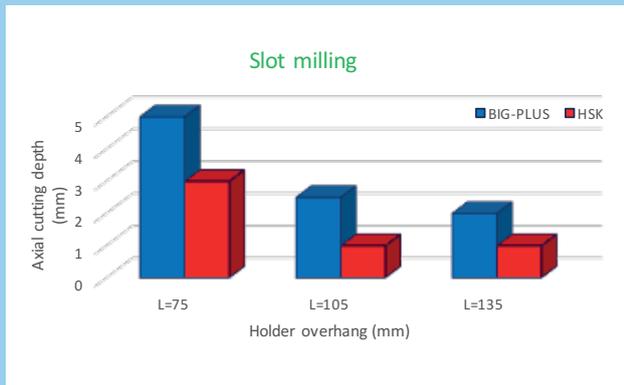
Hittech Bihca has been manufacturing large accurate components from Titanium grade 5 since 2008. Demand for these large Titanium products has risen to the extent that additional machine capacity is required. Another new product for Hittech Bihca requiring expansion is a super duplex product of 220 kilos. The high Nickel content of super duplex makes machining difficult and in addition, this product also has deep chambers that require long tools.

As long tools exert a large moment on the tool holder and to handle this, it has been analysed which tool holders are suitable.

In addition to the taper cone tool holder and the HSK holder, a BIG-PLUS tool holder is available as well. BIG PLUS has a longer contact surface than HSK and a taper cone, enabling it to handle a larger moment.

See the graph showing at least a 40% improvement in slot milling.

The machine does, of course, also have the necessary torque and capacity to handle the larger machining forces.



Haas VF6SS



Mori NHX 5500



New cabins for Painting.

The machine can work products up to 800mm in all directions.

In addition to the Mori, a second new machine, a HAAS VF6SS, has been put into operation as well. It is capable of machining Titanium products of 1600\*800\*800mm. It benefits from a Super Speed option, which means that machining speeds are higher at equal accuracy.

### Investments at Hittech Prontor

Hittech Prontor has invested in two new cleaning devices from the Höckh brand. The two systems were installed at the beginning of August. With this new washing system, Hittech Prontor is taking a major technological step forward.

The largest of the two machines uses water to clean and is, therefore, environmentally friendly, replacing two old cleaning machines that worked with PER and isopropanol.

The modern facility has a vacuum cell for large components, a very short cycle time and a large load volume. This makes Hittech Prontor optimally equipped for cleaning large stands.

The second, smaller machine is a modern cleaning system, especially for oil-contaminated parts. The system works with modified alcohol and replaces the REK machine.

The two new facilities are in a central location, easily accessible for all departments.

In order to bring our paint shop in line with the state of the art, Hittech Prontor is investing in a new paint shop for large parts. This facility includes two large cabins and a new, larger drying chamber. The new system means shorter throughput times, better working conditions and is more economical and favorable for the environment. The water recirculation in the system reduces dust to a minimum, which benefits the health of our colleagues in the plant and the quality of the painted products. This step means Hittech Prontor is well-prepared for the future, for example, when switching to water-based paints.

The installation of the new system and the dismantling of the old plant will be completed in October.

## GENERAL MEASURES

Centrally, the sales organisation has been further optimised while our approach has an even stronger focus on our four main markets and on the customers we would like to have and keep.

The **project management** system of the group has now been introduced across the group and additional (senior) project managers have been recruited. Every company now has project leaders. Our Project Director manages these project leaders for the entire group.

The development departments of Hittech Multin and Hittech Prontor have found an effective way of working together so that projects can be approached jointly. Furthermore, in 2014, at Hittech Multin, the Optics group was established within Development, which is increasingly taking shape and the Value Engineering group has been expanded further as well.

An important condition for the growth of a company is the scalability and future-proofness of the **ERP system**. Since the current ERP system could be the limiting factor in this, it has been decided to implement a new ERP system. After a thorough selection procedure, we opted for a partnership with Fujitsu Glovia. Glovia G2 is a package with a proven track record in the manufacturing industry and contains all the options to help realise the growth targets of Hittech Group. The method of implementation corresponds with the specialisation philosophy of Hittech Group. Maximum use is made of Glovia's strength in areas such

as production planning and supply chain management but functions that are less ERP-related are carried out by other systems. Examples include HRM, payroll processing, Electronic Data Interchange (EDI) and quality management. This best-of-breed solution is made possible by using the

Fujitsu Middleware solution, enabling different systems to work together. This Middleware solution also makes it possible to automatically share digital data with customers and suppliers. A major step forward will, therefore, be made in this area as well. This was successfully implemented in the first company of the group, Hittech Bihca, very recently. The other companies will soon follow.



The investment in knowledge is ongoing. In 2017, the Hittech University was set up for the internal training of our experts. The program is systematically expanded to include modules for specific subjects and also involves partnerships with external lecturers and professors.

After years of investing in competences, people, machines and buildings, the revenues in the form of new customers and new projects from existing customers are gaining momentum.

**WE ARE WORKING CONSISTENTLY ON OUR ORGANIC GROWTH.**

## Change of management at Hittech Group

The previous newsletter already included extensive coverage and the big day had finally come on Thursday 28 June. The management change of Hittech Group took place during a specially organised event in The Hague. Following an inspiring lecture by Martijn Aslander and in the presence of around 100 guests, the baton was handed to Eric Driessen by Cor Heijweggen, both literally and figuratively.



## 1000th Easyscan produced

At the end of June, Hittech Multin produced the 1000th Easyscan retina scanner for its client Easyscan BV. The partnership between Easyscan and Hittech Group dates back to the time of the incorporation of Easyscan and has been further intensified over the years. This special milestone was celebrated during a joint lunch with all employees involved of both companies. Both companies are looking to the future with confidence and are working together to further expand the success of the Easyscan retina scanner.

For further information see: [www.easyscantest.com/nl/easyscan-device](http://www.easyscantest.com/nl/easyscan-device)



## LEA of Robot Care Systems in production

Hittech Multin started the production of the LEA (Lean Empowering Assistant) of Robot Care Systems in May, following intensive collaboration and completion of a joint New Product Introduction project. LEA is a rollator robot, packed with smart technology such as self-learning algorithms (artificial intelligence), sensors, cameras, a tablet, speakers and motors. It is an autonomous driving robot, which can move independently to the patient to give support when getting up for example. All in all, it is a beautiful mechatronic product that needs to be built with the necessary qualification requirements, which is exactly what Hittech Multin does best.

The festive start of production included representatives of the main shareholders, suppliers and the Dutch Enterprise Agency (RVO).

Market expectations are high because of the growing demand for healthcare, a demand met by the LEA. Both Hittech Group and Robot Care Systems are ready to make the market roll-out a major success.

For further information see: [www.robotcaresystems.nl](http://www.robotcaresystems.nl)



## Website (www.hittech.com)

Our completely renewed website went live in September. A website with a modern design and the latest visual material in which our employees proudly show their work. Visitors can instantly see what we have to offer in the fields of development, assembly, manufacturing and materials. The site has been set up in such a way that all our business relations are informed as directly as possible, from customers, staff and job applicants to suppliers and other interested parties.

# Hittech Group Update

## Marianne van Essen

Operations Manager Hittech Comac



My name is Marianne van Essen, I'm 52, married and I have a son of 13 and a daughter of 12. We live in Deurne. I've been working as an operations manager at Hittech Comac since 1 October 2017. Until then, I worked at Rabobank Nederland for 20 years. At Rabobank, I mainly managed departments with business responsibility for customer systems, including CRM and Internet banking. Because of this, I've gained a lot of experience in all kinds of areas. I'm a supporter of simplifying processes and doing only that what offers added value to the customer. I think working together well is paramount, as is a good working atmosphere and above all, continuous development, always on the alert for possible improvements. After 20 years at Rabobank Nederland, I was ready for a change and I wanted to get to know another industry. I eventually ended up in the metal industry, which ties in well with my Industrial Engineering study. I'm glad to have been able to make this step. There are some fine challenges ahead here. And it feels great to be able to contribute to making Hittech Comac even more successful. In addition to my job, there's also a lot to do at home as a mother. Oh, and I play tennis! Another passion of mine is cycling; cycling to work is such a privilege.

## Peter Somers

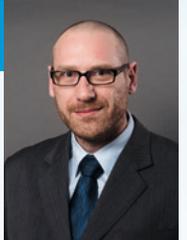
Operations Manager Cleanroom Hittech Multin



I would like to introduce myself as a new member of the Hittech family. My name is Peter Somers, I'm 49, married to Kristi and we have two daughters aged 13 and 11. On 22 May this year, I started at Hittech Multin in the new position of operations manager cleanroom. After my military service, I started as a mechanical designer and after some years, I became interested in plastic injection moulding. During that period, I graduated from the Rotterdam School of Mechanical Engineering. For the past 14 years, I was an operations manager at a plastic injection moulding company. I enjoyed working with people in multidisciplinary teams and to enable continuous production. I've always loved working in a company that produces technical components and I'm pleased to be able to continue this at Hittech Multin. In my spare time, I like reading, video editing and pistol shooting. When on holiday, all four of us like to go hiking in the mountains alternated with a dip in the sea or the pool.

## Oliver Keicher

HR Manager Hittech Prontor



My name is Oliver Keicher, I'm 43 and I live on the edges of the Black Forest with my wife. As from 1 September this year, I am HR Manager at Hittech Prontor in Bad Wildbad. After thorough training to become an electrical engineer and working as an army instructor, I decided to choose a different professional course. My first steps in HR prompted me to move towards personnel services at the end of the 1990s. I gained a lot of experience in personnel matters, first as an intermediary, later as a unit manager. I completed my human resources management training with a diploma in business administration at the Fern University in Hagen. From 2007, I am working in various sectors of the business community in order to widen my experience. For me personally, it's always important to be part of a team. Thanks to the great portfolio of the Hittech Group, I am convinced I will feel right at home. In my spare time, my wife and I like to go to concerts or cook a meal with friends. My passion is driving a motorbike.

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group

*Masters in Improvement*

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