

# Global Success



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Häfele is a leading entity in the hardware and architectural solutions sector in the world. Speaking on the success of the Sri Lankan branch of this global contender, Sameera Samarakkody, General Manager of Häfele Sri Lanka explains how their timely investments have led them to be a key player in the local market.

**Häfele Sri Lanka was established five years ago. How has the progress of the company been since then?**

It has been a good run for us since 2010. We started with five people and now we have 40 people working with us. We started operations in the country during the middle of the war. At a time when everyone else was just observing what was going on, we invested heavily. We felt that it was the right time to come in because we knew the market situation would get better and that when it did, we would be able to gain a better share. That is exactly what happened. Our initial investments during 2010 and 2011 have paid off and now the company is progressing well. Today, there is a huge development in the country. Fortunately we have a lion's share in all those activities because we have the 'first-comers-advantage'.

We have ventured directly into the market rather than coming through a third party. The first thing we looked at is the basic infrastructure and how we can support it. For two years we studied the products that are required by the local market, because the basket that we carry includes nearly 180,000 products. We figured that some of them might not be suitable to the Sri Lankan market and were over-engineered for the local requirements. After an extensive research, once we found the synergy, we started progressing uphill.

The operations of Häfele here are much stronger in terms of projects. There has been good development in the country, since our inception, and we have made a fair contribution to this development process. We were able to succeed because our method of operation is very different from others. As such, we work on our projects right from the design level.

We collaborate closely with architects and consultants from the time they design the floor plans. As a service, we provide ironmongery, door and window schedules to them too. Though there is a good turnover from projects, we have also been focusing on the retailing aspect, in the last few years. We have set up design centres in Moratuwa, and Kandy. Our flagship store is coming up in Duplication road. We have made some staggering investments that show our commitment to the Sri Lankan market. To put in a nutshell the past five years

have been fantastic and we enjoyed every second of it.

## **Häfele Is A Giant In Terms Of Logistics And Sourcing And We Make These Products And Accessories Accessible To The Local Market Through Us.**

### **Can you elaborate on the products and services offered by Häfele?**

The array of products we provide can be segregated into kitchen hardware and accessories, furniture hardware and accessories, architectural hardware, appliances, specialised lighting, and certain ancillary products pertaining to the wood industry such as adhesives and tools. Over the years we have become specialists in these areas. We have 37 subsidiaries and some of them are manufacturing divisions where we produce specialised products like Mini and Maxi Fixers. As such we operate similar to a one-stop-shop providing all the products and services required for wood working. The reason we work in such a way is to solve the logistics and sourcing problems faced in the country. It's difficult for a single factory or small time manufacturers to access these products, raw material or technology on their own. That's where we come into the picture. Häfele is a giant in terms of logistics and sourcing and we make these products and accessories accessible to the local market through us. Another advantage is that our product range is very vast, which is why we are able to cater to every segment of the market.

### **What are your thoughts on the Sri Lankan hardware market?**

Sri Lankan market has the necessary skill and knowledge and is more or less in par with the current trends prevalent in the rest of the world, in those respects. But the problem, the country is facing now is the ability to access technology and also passing down the knowledge we possess to the future generations. For the knowledge transfer to happen, we need the active involvement and the synergy of the government and private partnerships. To get more people involved in the industry, a collective mechanism with inputs from the private, government sectors and technical institutes is essential and is the need of the hour. Primarily, we are losing a lot of skill because of the brain drain. We need more skilled people to support the development process taking place in the country. If there were enough technically qualified people in the country, we could look at the resources and knowledge available and see if something could be done locally, rather than importing.

The government has taken some impressive steps. Especially in the tea, apparel and gem industries where they have enabled knowledge and technology transfer while providing international exposure as well. The wood working and hardware industry too, needs initiatives like this.

**Häfele promises to be a total solutions provider, with a fully fledged service and maintenance division. Could you comment on it?**

Essentially our merchandise, which is hardware, is unappealing to look at because it's just a piece of machinery or tool. But by offering a complete solution, one will be able to grasp the functionality of the product and make the best use of it. We do not believe in just selling over the counter. We take into account various parameters such as the environment in which the product is to be installed, the raw materials used and many other elements, before the product is sold. When we offer a solution, we make sure that it is a complete and fool-proof one.

We ensure that our customers do not experience issues in terms of safety and functionality. What truly sets Häfele apart is this specialised service. Without it, the company will be just another over-the-counter commodity seller.

**Can you elaborate on the global operations of Häfele?**

Häfele was established in the year 1923 in a town called Nagold in Germany.

We have grown from being manufacturers of simple furniture components to become a global leader in the furniture industry. The markets in countries like Germany, UK, Australia, and India are substantially mature in comparison to the Sri Lankan market. Häfele is doing very well in such markets because what the company can provide to an open market and economy is very vast. We have had a very good growth in the past few years and now we have a global presence. Even though we have become 'larger than life', we are still a family owned company. We may seem colourful and noisy about our success, but internally we are still conservative with a strong set of values. Globally, we are on a progressive path and we are striving to strengthen our presence in every geography that we are in.

**Can you talk about the new design centre?**

The new design centre has been six months in the making now. International brands such as Häfele exhibit a consistency in their operations and initiatives throughout the world. The design centre coming up in Duplication Road is on par with our international centres and we will settle for nothing less. The investment

is quite substantial, but then the Sri Lankan market has much promise and with that in mind, we are extensively investing in our design centre. It is going to be close to 6,000 sqft in area and will be ready by the end of this year. It's going to be the only one of its kind, for a long time to come in Sri Lanka. Our Häfele design centres are ultra modern, vibrant and colourful. But in this new installation, we have adopted a different approach. We have incorporated more earthly finishes with cement cuts, exposed ceilings and our customers would definitely feel a warm ambience when they walk in. I can confidently say that the investment is going to be a success.

### **What do you think about the future of Häfele Sri Lanka?**

We will keep consolidating the project front. With the development in economy, more similar brands are expected to come into the country. We embrace and welcome healthy competition, because it will help us to grow and innovate. The market will be more challenging for us, but with the kind of ground work and infrastructure that we have created, we are confident that we will be able to maintain our market share in the project sector.

### **We Have Given A Commitment To The Sri Lankan Market And We Hope To Keep Up The Promise.**

Aggressive expansion processes in the retailing network are underway. Currently we have 80 dealers, but with time we have planned to increase the number substantially. Also with time, one can expect Häfele to be present in every nook and corner of the country, since we cater to practically all the segments of the market. We have given a commitment to the Sri Lankan market and we hope to keep up the promise. Therefore, the future looks good for us here.

### **Final thoughts?**

Firstly I would like to express our gratitude to everyone who has been associated with us. Normally during the initial stages of operation, a company will experience a slow progress, but our growth since inception has been manifold and it is so because of the trust our partners and stakeholders place in us. We are very appreciative of the faith they place in the brand.

We are going to keep growing and all our partners will be a part of our success in the years to come. There is no turning back for us.

