

THE KEYWORD IS **ADDED VALUE**

Roberto Maffioletti, the business development manager at Phoenix International, talks about the aluminium profile extrusion dies and tools group. Barbara Rossi reports.

Phoenix was established in Italy in 1972 by six founders and, although nowadays the majority of the group shares belong to an investment fund, five of the founding partners are still active in the company at operative and/or board level. The group continues to focus on the design and manufacture of dies and tools for aluminium profile extrusion. Around the year 2000 the group underwent an internationalisation process, setting up foreign operations.

The Phoenix group is now composed of Phoenix International SpA in Italy, as well as three production entities abroad - Iberia Dies Phoenix in Spain, Phoenix Nederland B.V. in Holland and a subsidiary in France. All of these companies operate independently and have parallel production profiles, although Phoenix International SpA is the one with the widest range of products. In Italy the group also owns Alto Aluminium Tooling Srl, which was a former competitor and now has a product range parallel to that of Phoenix International SpA; the dies thermal treatment specialist Alfa TT; and CFR, a company specialising in mechanical processes. These three Italian companies are all based

in Lombardy, northern Italy, and the last two are engaged in providing production services to the rest of the group, specifically for the activities mentioned before.

Phoenix International SpA is also based in northern Italy. Its administrative offices are near Brescia, while the production site is near Bergamo, where it covers an area of more than 8500m² and employs more than 220 staff. Overall the company employs 240 people and produces 25,000 pieces a year, while worldwide the whole group employs about 500 people, produces 50,000 pieces a year and has forecast a turnover of €65m for 2011. The group is headquartered near Brescia and can count on service offices operating at commercial, technical and assistance levels, in Russia, Romania and China.

The group, which co-designs its steel dies and tools for aluminium extrusion with its clients, distinguishes itself by its short delivery times, varying from 4–5 days to 2–3 weeks, according to the type of product. The products have different market sectors, such as building and construction, mechanics, electronics, transport (high-speed trains) and automotive and many others. There are

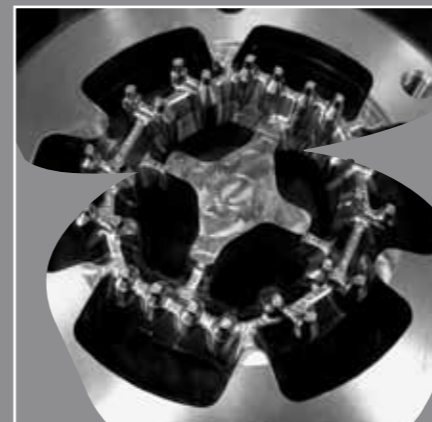
a whole series of application fields where the market has an increasing demand for aluminium's profiles, rather than the previously used steel, because the former is lighter and more environmentally friendly as it's 100 per cent recyclable. Phoenix products are mounted on extrusion presses for aluminium profiles, for instance in the automotive sector to manufacture front and back vehicle bumpers, in construction for door and window frames, in solar panels for supports and frames in which the panels are inserted, in mechanics for components where cylinders slide and in electronics for computer or server heat sinks. Phoenix is already offering the most complete die range among its competitors, ranging from dies with a diameter of 25–4 mm to 1200mm diameter dies.

Most innovation is carried out for the automotive sector, especially in terms of new product development, weight reduction and usage of aluminium with particular hard alloys, with the consequent need for dies able to extrude these particular products. These production improvements are in particularly high demand in European countries, because of the high costs of both human resources and raw materials. Phoenix International SpA carries out R&D at the Bergamo's site, but is also aided by a Swiss partner and European universities, especially regarding simulation research, a subject in which Phoenix is an industry leader.

Flexibility is particularly important for Phoenix, as there are peaks and troughs in demand for its products. Phoenix regularly invests in new machinery, both in terms of design software and manufacturing equipment, so it is always at the technological cutting edge.

Being close to the customer

Phoenix's domestic market is Europe, including eastern Europe as far as Russia, where 80–90 per cent of its products are supplied. Italy accounts for 30 per cent of overall >





turnover, followed by the Iberian peninsula helped by the fact that there is a production unit near Zaragoza, and central-northern Europe, thanks to the group's presence in the Netherlands. The remaining 10 per cent of production, mainly concerning special products, is destined for non-European markets such as the Middle and Far East. Most production is for the European market because transport costs have a high impact and, therefore, supplies for faraway markets only tend to take place for high-added-value products, such as special large-dimension dies for high speed trains. Physical proximity to clients is also important because, as the products are co-designed with the customers, there is a need for interfacing with the client's

technical departments. Phoenix currently has 150–160 active clients, ranging from small to large extrusion groups, including names such as the Swedish Sapa Group, Norsk Hydro and Constellium, formerly known as Alcan.

Phoenix's future European development could involve acquisitions and joint ventures. Similarly, joint ventures are also possible in the large and growing Chinese market where, due to the high transport costs, a production increase requires local facilities, while in the Middle Eastern (mainly Gulf States) market growth will be of an organic nature. As regards Europe, Mr Maffioletti forecasts a decrease in demand from the construction sector and a growing demand for more technological and

therefore more complex products, to which Phoenix will respond accordingly.

Phoenix is always searching for efficiency, while maintaining a high level of service and product quality. Because of the high impact of transport costs, Phoenix's strategy is to focus on positioning its production sites in strategic areas near its customers. Its philosophy is based on offering a quality service in proximity to the client, both in geographical and cultural terms as well as being able to carry on a dialogue with customers in their language. For Phoenix the keyword is the added value that its products bring to the extrusion process. These are the factors which Mr Maffioletti believes distinguishes Phoenix's offer from that of its competitors. □

