

Rosti and Stella Make Good Match - Article Published in The PRW Magazine

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The merger of Rosti Technical Plastics' business with Stella Plastic Holding of Sweden announced in December 2009 has gone very smoothly, says Börje Vernet, CEO of the combined group.

"Our vision is to be the first choice in precision injection moulding, related products and services," he said in a telephone interview with PRW.

Vernet said he had been hired by Nordstjernen, the Swedish investment group which owns Stella, to look for acquisitions. He will continue to consider other acquisitions, although they could be smaller companies than Rosti, he said.



Larkhall customer care centre: Rosti's customer care program is being rolled out to Stella sites

He said the attraction of Rosti as an acquisition was its international scope, having plants in China, India, the Netherlands, Poland and Scotland. Stella has a plant in Germany and two in Sweden.

There are no planned plant closures as a result of the merger, said Vernet. "On the contrary, there is a shortage of capacity in some areas," he said. New investments are already starting to be made, with new machines going into various sites.

Vernet described Rosti and Stella as "a good match", which he said is demonstrated by the smooth integration of the two businesses. The top management teams have been combined and the sales functions of the two businesses have been integrated. The new company will operate under the Rosti name.

Barry Coughlan, chief operating officer for Europe, agreed that bringing together the Rosti and Stella businesses had been a success. "We are likeminded people committed to continuous improvement," he said.

The merger process has included benchmarking of the manufacturing facilities and extension of the Rosti Customer Care program to the Stella sites. Likewise, Coughlan says the Stella facilities have world class automation and efficiency practices which will be applied across the combined group.

Rosti's actions to improve its business in recent years have all involved placing the customer at the forefront. Coughlan said: "We strive for excellence in how we treat our customers."

The Larkhall facility, for example, has a Customer Care Centre with visual displays of key customer and business performance indicators. A Customer Care workshop was held at the facility last month, as part of the integration activity, following on from similar workshops at other Rosti plants.

Rosti also extends its Customer Care Program into its supply base, with the latest innovation being a Supply Chain Integration Centre just opened on the Larkhall shopfloor. Coughlan added that the merger with Stella has provided many more new ideas for the group to implement.

There has been very positive feedback about the merger from customers. Major customers in Sweden, UK, China and Poland received joint visits from the Rosti and Stella management.

"We have explained to our customers that the new owner [Nordstjernan] is a stable company who are involved in industrial companies with a long term horizon. That's given the customers a lot of confidence" said Coughlan.

The Rosti headquarters will remain in Denmark, from where finance and IT are coordinated. Vernet said Nordstjernan wants to keep its company HQs in Nordic countries because of its access to financial markets in the region.

He reported that trading in the combined group has been going well this year, with sales nearly 20% higher than they were in 2009.

Growth is happening in many sectors, said Coughlan. He highlighted growth in the existing Stella group's caps and closures business, based in Sweden and Germany, the business machine sector in China (where Rosti has also successfully entered the medical market), and in the automotive sector, which has shown signs of recovery from its lows of 2009.

"Although we of course recognise that we are still in uncertain economic times, we will therefore proceed with cautious optimism while maintaining our flexibility," he said.

An important factor for Rosti last year, said Coughlan, was that although volumes were lower, Rosti did not lose customers and in fact added several contracts across all of its market segments.