

# New alliance builds ties between East and West

C2 reports on the current company takeover of Saxony special machine building company LSF by KAMPF



From left: Lutz Busch (managing director KAMPF), Knut Zinnäcker (managing director Kampf LSF), Stephan Schleicher (managing director Kampf LSF) and Rolf Schlüter (sales LSF)

Half way between the cities of Leipzig and Wittenberg one can find the small town of Laußig. Here, in that municipality of 3600 inhabitants LSF Maschinen- und Anlagenbau has its headquarters. Originally founded as a service department for printing machine builder Koenig & Bauer (KBA), LSF developed into a renowned special machine building company with a wide range of machinery for the processing of plastics, paper and textiles.

In August 2014, KAMPF Schneid- und Wickeltechnik took over LSF. Additionally, to his tasks at KAMPF, Stephan Schleicher stepped into the LSF executive board. Since October 2014, Knut Zinnäcker, who previously worked for Süddekor, Laichingen, is the company's operative managing director.

In conversation with C2, Lutz Busch, managing director of KAMPF, Knut Zinnäcker, Stephan Schleicher and Rolf

Schlüter (sales LSF) spoke about the opportunities and challenges the new alliance offered customers of the two well-established machine builders.

**C2:** Mr Busch, although the re-unification of Germany took place 25 years ago, one can not deny certain differences between companies in West and East Germany. Does this have any effects when it comes to a company takeover?

**Lutz Busch:** When we decided to look out for a new partner and chose LSF, regional aspects were not important to us. It was our goal to find a competent and prestigious machine builder. Of course, we are certainly not naïve and are aware that the takeover of a company is a sensitive process where a lot of damage can be done so we prepared the acquisition of LSF in a very intensive and professional manner.

Within the last few years, LSF has established itself as a leading supplier of special machines. One solid reason for its success is the company's highly motivated employees who developed remarkable technical solutions under difficult circumstances. We really appreciate that know-how and knowledge because it made LSF the company it is today.

So the main part of the organisation of the company takeover is to take up these different experiences and abilities so they can play a part in Kampf LSF. Certainly, the convergence of different cultures and experiences made in East and West Germany is an important part of the current process. That makes it even more interesting for us.

**C2:** Mr Zinnäcker, you are the new managing director of Kampf LSF. What convinced you to change sides of the desk from a converter to a machine builder?

**Knut Zinnäcker:** Well, due to my work at Süddekor as part of the 2D-Holding, I'm a long-standing customer of LSF. Together with LSF, I successfully developed and realised several prototypes for different processes and technologies within the last 10-12 years. So I know the company's capabilities very well. It's my goal to contribute this knowledge into the further development of LSF.

**C2:** Mr Schleicher, you are financial managing director, right?

**S. Schleicher:** Yes. Thanks to the experience I have acquired within the last 14 years at KAMPF, in particular as plant manager of our site in Dohr, Mr Zinnäcker and I have built a very good team with a lot of different facets.

**L. Busch:** As you know LSF is traditionally led by only one managing director. I'm very happy that Mr Schleicher is supporting us with the organisation of the LSF takeover. As a kind of start-up support

he will be mainly based in Laußig and keep an eye on the integration of LSF into the KAMPF structure. It will be essential to build an intensive network between the two companies without limiting the independence of LSF. This is an important aspect for us because the market of special machines follows a different set of rules than the market of standard machines in which KAMPF is mostly active.

**C2:** Mr Busch, which general strategic considerations led to the takeover of LSF?

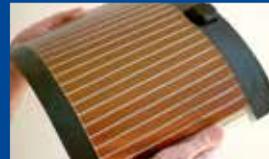
**L. Busch:** The acquisition of LSF followed intensive talks with our stakeholders where we decided to strengthen KAMPF's range of special machines. KAMPF has built a reputation as a supplier of standard machinery but, if you consider our machine portfolio and our company turnover, we generate 75% with slitters and 25% with winders. So it's obvious that slitters are our main business. In the light of these numbers, we decided to look for a strong partner in the field of winding technology.



An LSF coating unit

After we had talks with all major suppliers we quickly decided that LSF had a special charm for us. LSF generates 25-30% of its turnover with winders. The rest includes special machines beyond classic winding solutions. Looking back at KAMPF's history, one will recognise that those were exactly the markets in which we were active and successful with our winding solutions within the 1990s and early 2000s. As a result of the growing dominance of big slitting machines and solutions for the aluminium business we have lost sight of this sector. By taking

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over LSF, we are able to return to these old markets with a new approach. This was an interesting additional aspect of our alliance, which forced us to only focus on the acquisition of LSF.

**C2:** That's interesting and answers the question some people in the converting industry had when they wondered why a company like KAMPF, with an established high production capacity, would want to further enlarge it by taking over LSF ...

**L. Busch:** Yes, I'm aware of those queries but, to understand our strategic considerations, one has to be a detailed expert of both our company and our history ...

**C2:** Even if there are a lot of very convincing synergies and advantages, there must surely be some overlaps in the product portfolio of your two companies. How do you plan to handle those?

**L. Busch:** Yes, that's right but we will take our time to adjust these overlaps. It's our medium-term goal – rather in 2016 than in 2015 – to shift our special winder business from KAMPF to LSF. If LSF secured an order for a slitting machine we would manufacture the machine at our KAMPF site in Wiehl as we have the requested capacity and know-how at our disposal at very short notice. Basically, LSF is busy with its current business and therefore it needs numerous efforts to not only transfer and enlarge capacities but also integrate them in our company structures.

**C2:** Your plans mean a strengthening of the Laußig site of LSF, eliminating any need to close the site?

**L. Busch:** Absolutely. In the light of our intensive strategic planning before the takeover of LSF, those thoughts are now absurd.

**C2:** Let's come back to the advantages of the new alliance again. What would be the main benefits for LSF?

**L. Busch:** Traditionally, LSF has a strong basis in Germany and in the German speaking market. The company has not been very active internationally



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to date. I presume that LSF will not only profit from KAMPF's international sales structures at short notice but will also strengthen its international activities. Backed by KAMPF, LSF has a stronger financial basis at its disposal now and can speak confidently to the market.

Therefore, the framework for LSF's market appearance will change rapidly in the future. Basically, LSF had reached a point where the scope was exhausted. The new company structure paves the way for new attractive growth potentials.

**S. Schleicher:** There are also interesting synergies for KAMPF, too, particularly in the field of handling systems. Following our customers' requests, it's our goal to establish ourselves even more as an all-in-one system provider and not only as a supplier of slitting machines and LSF has to offer a lot of experience in this field. We have already realised common projects successfully.

**C2:** Downstairs in the production hall we just had the chance to take a look at a pilot coating line that LSF designed and manufactured. Do you have any plans to expand the coating business field?

**L. Busch:** Especially in the light of the steady growing number of coating technologies, products and applications, this business field is of great interest for KAMPF LSF. In fact, we plan to develop

our coating activities and strengthen the market presence of LSF. If requested by our customers, it's of course our target to also place our slitting and winding machines in those new business fields. At KAMPF, we are already working on integrated solutions going beyond slitting rewinding applications for a while.

To be able to prepare overall information about the processes in the upstream and downstream machines we work closely with our customers. With our demand to supply not only slitting rewinding machines but also coating machines and handling equipment, we occupy a leading position within the complete production and process chain.

This applies especially for new applications like solar energy and printed electronics in which we have a new approach now thanks to our enlarged product portfolio. We already successfully realised our first projects.

**C2:** How did your customers respond to the takeover of LSF by KAMPF?

**Rolf Schlüter:** The reactions were extremely positive. The fact that KAMPF and LSF are able to use all their technical developments together now and that our customers can profit from our wider range of technical solutions received a tremendous response. Our attractive overall concept exactly meets the demands of our customers. ■