

CONNECT

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Europe Thrust Varinder S Dhoot

With the intention of strengthening its brand and to come closer to its customers in Europe, Kirloskar Brothers, the global water management solutions company, set up a Joint Venture operations with Netherlands based, Industrial Pump Group in 2008. Connect recently caught up with Mr. Varinder S Dhoot, GM & MD, Kirloskar Brothers Europe BV (KBEBV) on his outlook for their Europe business, future plans and the decision to base their Europe operations in the Netherlands.

When was the JV set up in the Netherlands and why?

Kirloskar Brothers Europe B.V. (KBEBV) was established in July 2008 as a joint venture between Kirloskar Brothers International and Netherlands-based Industrial Pump Group, a firm engaged in the sales and service of pumps in Europe. The intent of the JV was to create brand Kirloskar and strengthen its position in the European market by providing quick solutions in real time, by being closer to the market and customers.

What is the size of the office in the Netherlands and the kind of operations?

Currently nine persons are employed by KBEBV. The team is focused on the sales and marketing of pumps to EPC contractors, engineering companies, irrigation contractors, water/ waste companies and to power plants. These products are currently manufactured in India and the UK. Recently however, we received approval from the chamber of commerce as manufacturers and assemblers of pumps (the EU certificate of origin). We are looking at establishing a wholly owned service centre, assembly and packaging facility by 2012. KBEBV will have a workforce to 25 highly skilled technicians by year 2013 and shall be capable of offering-

1. Assembly, packaging, testing and after market support
2. Distributing pumps and valves all over Europe through a network of distributors
3. Engineering support for Distributors
4. Stocking, assembly and packaging of pumps

What were the factors that determined your setting up of a JV in the Netherlands?

There were many factors that we took into consideration. Factors that influenced the JV setup decision in the Netherlands were – logistics expertise, quick, easy access and connectivity to continental Europe, Infrastructure - sea and airport, mature and favorable taxation laws, the availability of International banking facilities, English as the language of communication, abundant availability of technical manpower, very quick company setup possibilities, investment friendly business ambience and the possibility of easy access to finance, in the case of future expansions.

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What advantages are you experiencing by being located in the Netherlands?

KBEBV has created more than 100 project references in the last 3 years in Europe. These projects were awarded since end users were convinced that they are dealing with a local company that would back up the sale of products and services. Market proximity is helping KBE in understanding the quality, technology needs as well as market trends.



What is the value proposition that the JV offers to European customers at this point?

Quick deliveries through stocks at Velsen, Belgium and Germany are helping our customers. This coupled with response in real time and an after sales service and engineering support, is further helping end users and clients. KBEBV has a plan to start five satellite offices in Europe till 2015, thereby getting even more close to the market.

What percentage of your total business is Europe-based? What's the outlook for European business in the coming years?

KBL's Europe entities KBEBV and SPP-UK is approximately 25 percent of the total business of KBL operations worldwide (including sales in India). KBE stand alone is expected to turn sales of Euro 30 million by 2016.

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