

**TECHNICAL PAPER**

## **PMP: Growing in tissue with modern methods and long experience**

**A low cost base, with manufacturing in Poland and China, has helped PMP to nicely develop its tissue machine business.**

### Perini Journal

PMP of Poland has in recent years carved out an expanding niche in the paper and tissue machinery market. The company has seen very healthy growth in its nine years of official existence, with turnover reaching €33 million in 2008 and, as a sign of its ambitions, it has set a target of doubling that figure by 2012.

The roots of what became PMP when it was founded in 2000 actually go all the way back to the mid-1800s. Located in Jelenia Gora, tucked in the southwest corner of Poland very close to the Czech border, the company started life as Füllner paper machinery in the 1850s, serving the numerous paper mills that were established nearby. A combination of forests and waterpower made this area, which was part of Germany at the time, a logical place for papermaking. If we jump forward about a century, after the Second World War in 1946 the machinery works were nationalized by the Polish government and became known as FAMPa (for Fabryka Maszyn Papierniczych). In 1964 FAMPa became a licensee of Beloit Walmsley and then in 1991 FAMPa was acquired by Beloit Corporation of the USA, which was at the time a world leader in papermaking and tissue making technology.

**TISSUE CENTER OF EXCELLENCE FOR BELOIT.** In 1997 the rapid development of Beloit Poland led to it becoming capable of design and delivery of essentially complete tissue machines, with the exception of the Yankee dryer. It was then designated as Beloit Corporation's Center of Excellence for its tissue business. Thus its focus on complete tissue machines was solidified, while at the same time the scope of activities was extended to include complete wet ends of graphic paper and packaging machines as well.

However, everything changed suddenly in 2000 when the Beloit Corporation very surprisingly went into bankruptcy due to its financial troubles. A group of former Beloit Poland managers, together with an American who had been an executive at Beloit Poland, formed a joint Polish-American investor team that bought the Beloit Poland operations and formed PMPoland.

**TISSUE MAKES SIGNIFICANT PORTION OF PMP SALES.** Today the PMP Group has over 550 employees, with operations in Poland, China and the USA. Of the 2008 sales of €33 million, a significant portion comes from tissue. The group has been profitable since it was formed in 2000, says Pemo Klimczak, PMP Group Board Member with responsibility for business development.

PMP says it is continuously implementing optimum cost solutions through sourcing from low overhead facilities located in Poland and China, thus taking advantage of its medium size and high flexibility. The machines, products and services that PMP is providing to the tissue industry include everything from 'Turn-key' projects for new tissue machines up to 3.6 m wide, as well as stock preparation and rewinder systems, through to rebuilds and upgrades on machines of all sizes.

The tissue machine platform is marketed under the Intelli-Tissue™ brand name, with the various models carrying associated numbers such as 900, 1500, 1800 and 2100 signifying, more or less, the top operating speed in m/min. The machines range in width from 2.4 - 3.6 m with capacity from 40 up to 145 t/d. All the components, with the exception of Yankee dryers, can be made in Jelenia Gora. The Yankees that PMP provides for its machines come from European or Asian suppliers.

Klimczak explains the strategy with respect to machine size. "Following our own market research and an audit of PMP capabilities, we have come to the conclusion that we can fully use our flexibility to generate maximum added value for customers based on deliveries of small and medium size tissue machines and modernizations with high engineering and manufacturing content."

**A TEAM APPROACH AND PERSONNEL DEVELOPMENT.** The management team has taken a very modern approach with respect to organizational structure and personnel development within the company. For example, in 2006 the traditional departments such as engineering, design and projects were dissolved to break down the classical boundaries that tend to form between such departments. The staff were then regrouped into much closer teams by business group.

The tissue business group is headed by Maja Mejsner, who after serving several years as PMP's marketing director, was named in 2008 to be Director of PMP's tissue business line. Together with her team, she is responsible for the entire process from marketing, sales, procurement and design through to tissue projects execution.

The idea, says Mejsner, is to take a fresh approach. "By doing away with the departments, and the territorial mentality that can develop there, we can get maximum focus on the customers' team and their values. It also offers us total integration of the business functions within the business group. We wanted to create the shortest possible communication links, both within PMP and in seamless teamwork with the customers."

**CHINA LOOKS PROMISING.** PMP has been active in China since 2001 when it bought a roll covering business at Xibe, in inland China. However, in 2008 it got out of the roll covering business and started up a new paper machinery production plant in Changzhou, about 170 km from Shanghai.

Called PMP IB, which was inaugurated in September 2008, the new facility in China was a strategic decision to be closer to the Asian market. PMP IB is capable of making built-to-print businesses and manufacturing support for the capital projects. The company is also responsible for contact with Asian sub-suppliers to generate Optimum Cost Solutions for customers.

**THE AMERICAN LINK.** Another important component of the PMP tissue business is PMP Americas, which acts as a sales office and vital communication link between the American customers and Poland and China operations. PMP Americas has built a good business in specialized custom rebuilds and design engineering for its American customers.

Klimczak explains: "PMP Americas plays a key role in the very good relations with some of the world's biggest and most technically advanced tissue producers for custom rebuilds and design engineering. We certainly feel that our level of technical competence is among the best in the business."

**CHALLENGES, AND OPPORTUNITIES, ABOUND.** The present challenges to a supplier like PMP are many, says Klimczak, but they are certainly not impossible to overcome. "Of course we must convince the market to accept the optimum cost solutions we are offering. We have proved this fairly well already with the major orders and cooperation we have with the big guys. Another challenge is the very competitive market situation with many suppliers chasing each order. Here, too, we feel we are in a good position, with our combination of technical solutions, strong service, long experience and excellent value we can offer. PMP's remedy for the global crisis is based on sourcing from low overhead countries, like Poland and China; executing projects differently with the business unit concept; and getting rid of stereotypes in saving programs by focusing on added value no matter which place in the world it is coming from."

"Of course," concludes Klimczak, "these are difficult times for the world economy right now. But, for us, the financial crisis makes people more open to solutions that they might not have considered before. Money is tight and while previously people found it comfortable to have everything from one supplier, now they are looking at more creative and value-driven solutions. This presents opportunities to us that we are obviously exploring." .