

Press Release	
Topic:	Reich Kupplungen operates subsidiaries in eight countries
Date:	WAZ, March 2016



From Bochum into the world. International orientation is becoming more and more important to Reich as a coupling manufacturer. Herwarth and Christian Reich are pleased with the development of the family-owned company which turned 70 years old just recently. Photograph: Ingo Otto / Funke Foto Services

Bochum. The Bochum-based company has evolved from a repair shop for mining machinery into one of the world's leading coupling producers.

Reich Kupplungen operates subsidiaries in eight countries

The flowers are not for the boss. It is true that everybody at Reich Kupplungen celebrated the 70th anniversary of the company's foundation. But the potted flowers kept ready for distribution in the reception office are intended for the female employees. International Women's Day. And on occasions like these Herwarth Reich likes to say it with flowers to his staff.

In fact, he and his son Christian Reich who has been managing the business operations of the coupling manufacturer side by side with his father for two and a half years now, leave no doubt about who is playing an essential part in the success story of their company. 'In the past few decades we have impressively demonstrated that a Bochum-based company is able to successfully sustain its position in the world market. We owe this to the innovative strength of our engineers and to the commitment of all our employees.'

International significance

Reich has evolved from a repair shop for mining machinery into one of the world's leading coupling producers in the past seven decades. What started in the Ewaldstrasse in Ehrenfeld in 1946 and continued with the move to the Vierhausstrasse location in Grumme as the first major milestone in the history of the company has long since gained international significance. Admittedly, Germany is still the most important sales market. But in the record year of 2014, when

particularly the fracking boom in the USA made the demand for Reich couplings soar to hitherto unattained heights, the share in international business was already as high as 60 per cent. Expanding its position in the global marketplace has become one of the vital goals of this family-owned company.

Low labour costs at the factory in Poland

Meanwhile, eight subsidiaries in the USA, in China, Korea, India, the Netherlands and Great Britain, and 18 sales partners are responsible for global sales. The company furthermore operates a wholly-owned factory in Bytom, Poland. In 2013, Reich, after having moved out of the initially rented halls, started production at its own modern factory. This brings two tangible advantages benefits over the German location, namely: the option of around-the-clock production and less labour costs.

This is also where so-called low-cost or good-enough products are being produced with even more intensity than before – for example for the Indian market as long as Reich is not yet in a position to offer local production which, needless to say, is only a question of time.

The low-cost and good-enough products for less demanding requirements are 'slimmed-down versions of our top-quality couplings', explains Christian Reich who has been pushing the international business activities forward since he joined the management. These low-cost products are targeted at customers who, unlike those in Western Europe, Russia or in the USA, attach a somewhat lesser degree of importance to an extremely long durability of the couplings.

Different requirements in Asia and Europe

The company headquarters are currently considering the question as to whether they should take another step towards internationalisation with Iran emerging as an exciting market. 'We are holding talks on this', says Herwarth Reich. Engagement, in his view, only makes sense when you are one of the first to enter the market. The number of the major global players in the coupling sector is relatively small, though. And they are located at home within a radius of 150 kilometers around Bochum.

Herne, for instance, is the headquarters of Vulkan, the world market leader for marine couplings. Reich, by contrast, occupies other market segments and is, for example, the German market leader for couplings in commercial vehicles and generator sets.

Exchange of information between representatives from all locations

The further the company network is expanded, the greater the importance that the senior boss attaches to an intensive mutual exchange of information. For the first time, representatives from all international sales subsidiaries came together for a weekend meeting which was held at the Vierhausstrasse location two weeks ago.

'The focus here was on an exchange of experience and on getting to know each other', explains the senior boss. This group is supposed to meet semi-annually from now on in order to exchange experience and to benefit from one another. The next regular meeting of all sales partners is also upcoming in the near future.

'This business has become and more exciting', says Herwarth Reich who took over the management after his father's death in 1977 and developed the family-owned company into what it is today.

One of the experiences: requirements in the global market are different. In Asia, the focus is on large quantities and favourable conditions whereas, in Europe and the USA, it is the European quality that matters. Reich is determined to make both possible. 'One of the goals for the next few years is to extend our product portfolio in order to be successful in low-cost countries', says Christian Reich. In this way, the company will undoubtedly be able to reach its 100th anniversary.