

A five-year plan

THE ACQUISITION IN 2012 OF FOUR KEY EQUIPMENT BRANDS FROM NAVIMO LEVERAGED LALIZAS INTO THE BIG LEAGUE AND ITS AMBITIONS HAVEN'T STOPPED THERE. FOUR YEARS ON ITS STRATEGY TO BE A ONE-STOP-SHOP FOR OEMS AND BOATBUILDERS IS BEARING FRUIT

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Greek manufacturer and distributor Lalizas recorded €35m turnover in 2015, up 15% over the previous year. Founder and CEO Stavros Lalizas believes this double-digit growth is the result of a business strategy set in motion since the foundation of the company and boosted in 2012 by the acquisition of four brands from the beleaguered Navimo group.

“My vision was to create a company capable of providing support to clients around the world; to create new products at a competitive price,” Lalizas recalls. “The only way to achieve this is by planning in the perspective of 10 years ahead,” he notes, adding that last year’s performance strengthened the company’s position as a global leader in the leisure marine market.

The Piraeus-based company, which specialises in marine equipment, boat parts and safety gear, has reported that its production facility at Rentis coped with increasing demand for lifejackets. Lalizas hired 50 new recruits to join the staff over the last nine months. Lalizas’ operation also expanded in this period with three new franchises – in Colombia, Indonesia and Panama – and 50 service stations opened in major markets around the world, taking the total network to 120.

EXPANSION STRATEGY

Lalizas has been working towards a global reach since its foundation in 1982, but the expansion strategy came to fruition in 2012 with the acquisition of the Lofrans, Max Power, Nuova Rade and Ocean brands from Navimo. With the acquisition, Lalizas added windlasses, boat thrusters, a wider range of plastic accessories and fenders to its catalogue, which now lists over 10,000 products. “Our existing infrastructure and distribution network across 120 countries led us to the perfect match to operate the acquisition,” says Lalizas. “We were ready to make that investment by the time Navimo went bankrupt.” Lalizas wanted the world’s first windlass manufacturer in its portfolio for the quality and international reputation of the brand.



▲ Stavros Lalizas started the company in 1982 to produce lifejackets. Today the group lists 10,000 products in its catalogue

BUSINESS KNOW-HOW

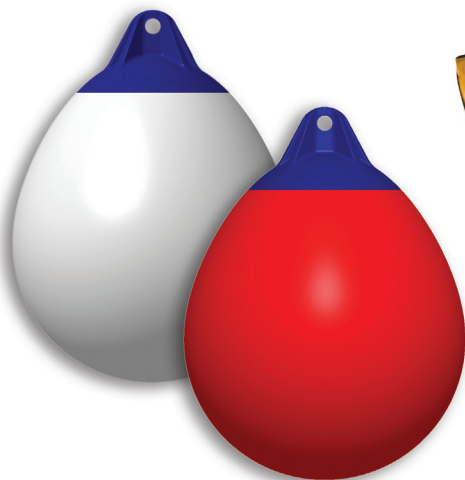
Keeping the identity of the acquired brands whilst making sure these follow the philosophy and business strategy of the Lalizas group was a priority for the company boss. “New people joined our staff and we had to be very careful to teach the new workforce our know-how in the business so they could cooperate together with the existing staff. Otherwise you end up having separate companies. Lalizas is one company with five brands and this is very important,” Lalizas explains.

The company kept the Italy-based manufacturing facilities of Nuova Rade in Busala, set up Lofrans and Max Power under one roof in Monza and by March 2013 production and deliveries were up and running.

In 2015 all five brands were operating at full throttle and the response of the market was positive. Lalizas posted a sales increase of 17%, Nuova Rade and Max Power recorded a 10% increase in sales and Ocean saw sales pick up 43% over the previous financial year.

Lalizas has an ambitious plan for the fender manufacturer. In 2014, the company rolled out a ➡

PROFILE | LALIZAS



▲ New launches: Round fender by Ocean and Lalizas' new lifejacket range

development project that concluded last year with the acquisition of a 13,000m² facility in Pernik, Bulgaria. Local press reported the move worth 3.8m Lev (US\$2.1m) plus \$2m for the set up factory upgrade. The site is scheduled to enter operation in the coming months and production will focus on the fender product line. Lalizas estimates the operation will employ 100-200 people.

The new Bulgaria-based manufacturing site will be making Ocean's first range of one-piece round fenders. The Lalizas R&D department has not only developed the design, but also created the tooling and machinery for the new range.

Q. Why did you choose Bulgaria?

A. We decided to open in Bulgaria because we want to be more vertical. The plant will begin with the production of fenders and liferafts, and due to the massive space it will give us the assurance of expanding our production.

Q. How can you become a vertical operation?

A. Over the last 20 years many companies wanted to use subcontractors. It's easy to do but quality is something you can't control as much as we want. For many years we outsourced some moulds and tools, for example. Under the new approach we have decided that for some key raw materials we would have our own production. Now in Busala, Italy, we have our own injection machines, moulding machines and we produce directly.

Q. What is your relationship with suppliers?

A. We work with 700 suppliers around the world and our relationship with them is good. We pay all of them on time! This is something that we are very proud of not only because of the positive impact for

us in the market but because we have suppliers that are looking forward to working with us.

Q. What about suppliers that worked with the former Navimo brands?

A. We have shown our commitment to these suppliers. The former Navimo-owned brands owed a lot of money to suppliers and our first priority was to pay all of them. We understand that suppliers are an important element for the success of the brand and we are very happy with all of them. We kept all of the suppliers.

Q. How is your relationship with boatbuilders?

A. We have a very good relation. Last year our OEM market grew about 5%. Navimo lost several accounts at the time of its bankruptcy, so we knew that it would take some time for us to regain the trust of those accounts. I took a lot of congratulations at the METSTRADE show in Amsterdam from people who never believed that this company in Greece could deliver and provide the support and aftermarket they required. We have demonstrated that the new owner of these brands is very serious and trustworthy.

“ Under the new approach we have decided that for some key raw materials we would have our own production ”

LOOKING AHEAD

Lalizas is now working with a development plan for the following five years, including new product launches and further expanding the distribution network.

Max Power is expanding its product line with a CAN bus system designed to handle all the information of the boat. Developed in-house, it's built using a modular construction incorporating four main types of control modules: in/out,

DC pump control, PTO control, and main control. Each function or 'line' can have as many inputs as required. This brings much needed flexibility to the build process. The system works without any additional programming and works with a simple user interface. Lofrans' new product launches include a new range of vertical and horizontal windlasses. A new range of leisure liferafts has joined the offer of the Lalizas brand.

Lalizas will continue to expand its global presence throughout 2016. Following the opening of franchises in Colombia, Indonesia and Panama, others will be signed in the coming months. "The expansive policy will continue in 2016 through new acquisitions leading into an even more extensive product mix," Lalizas concludes. **IBI**