

the magazine for the vehicle BODY building and repair industry



# BODY

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**Training, Training, Training  
Can the Industry be Rejuvenated?**

**GYS of France Invests in the UK**

**The Reality of Fixed Price Repair Schemes**

**DAF MD's Valedictory Analysis of 2008/09**



“

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*Ray Rudge, Bodyshop Paint Technician, Jon Aldridge Accident Repair.*

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YOU AND 3M – EXPERTS EVERY STEP OF THE WAY

**3M**

**The European group GYS has decided to reinforce its presence in the UK with the opening of a domestic subsidiary in Warwick.**

**Bruno Bouygues**, CEO of GYS, talks to BODY Magazine to explain why.



Mr Bouygues expects more challenging market conditions in 2009 in Western Europe but views them as opportunities: *“In a slowing environment, distributors will find the GYS brand very appealing as their own clientele have less and less spending power. With GYS low price positioning, distributors will not only maintain volume on existing clients, but they will also capture new clients who would not have bought premium price products”.*

Created in 1964, GYS was originally a manufacturer of auto-transformers. Following rapid changes in market dynamics, the company decided to enter new segments. This led to the design and manufacture of battery chargers in the early 70’s and traditional welding machines in the late 80’s. In the 90’s, company growth slowed due in particular to multiple shareholders changes. With a niche clientele in automotive and agriculture, products robustness and quality was acknowledged and had already created a strong brand loyalty.

In 1997, GYS was acquired by Mr Bouygues’ father. An engineer by training, he wanted to buy a small industrial company – GYS fitted the bill. With 40 employees, the company was focused on the design and final assembly of products. Little to no capital expenditure had been made in the previous ten years. After a first phase of four to five years of reorganisation and new product development, the company started to grow again. It is around this period that Bruno Bouygues decided to join the company.

Since then, the focus has been to reposition the

*L to R: Sarah Dowling: sales office assistant, Sebastien Garcia: warehouse and office assistant, Cedric Ougergouz: sales representative, Anthony Smalley: UK sales manager, Arnault Gonidec: marketing, Bertrand Margogne: office manager*



company with higher technology products and the reintegration of the manufacturing of subparts that were externally done. The French manufacturing site has been modernized and expanded to 16 500 m<sup>2</sup>. The increase in volume and investment in the latest manufacturing technologies has enabled GYS to automate most industrial processes.

This is what gives the company a significant

manufacturing price advantage, *“which we aim to transfer to our customers of course”*, Bruno says.

Today, GYS is a European group that employs slightly over 350 employees in France, Germany, UK and China, selling more than 700 items in three product ranges – arc welding machines, battery chargers and car body spot welding machines. Over the last 12 months and across the three segments, they’ve manufactured around 250 000 machines.

Competitive edge Mr Bouygues says, *“GYS strives to propose products of the*

highest quality and the highest technology at the most cost-effective prices. This culture is GYS’s competitive edge: at each level of the organisation, we pay extra attention to details and to costs.

Before launching a product and as price is at the core of the company culture, GYS makes a detailed analysis of the optimal market price for a new product. Once the

functionalities have been validated to optimally fit market needs, we then build a R&D team that will design a product that is also optimized for our production facilities and that will capitalise as much as possible on new technologies and advanced production methodologies. Finally, because our production volumes are large the purchasing team adds its final touch by selecting the most efficient and cost-effective suppliers.

**R&D is at the Centre of GYS Strategy.**

In-house expertise from their 27 researchers is supported by external expertise provided by top technology experts. To broaden and accelerate new product launches, GYS has decided to build a new high-tech R&D building that will open in 2009, with cutting edge laboratories.

**Building Customer Trust**

In the UK due to the distance, only a handful of people have visited the GYS manufacturing site. To instill additional trust in the UK market, GYS asked Thatcham and TUV Germany to certify their factory and some of their products.

Two years ago the company started the implementation of a total Quality Management System based on 5S production methodologies. These efforts will be witnessed and appreciated by partners in the UK.



**Market Share in France and the UK**

GYS has built its reputation in France over 40 years and has been in UK with its subsidiary only a few months. Hence, the perception of the brand and the market share are completely different: Seen as a market leader for many product ranges in France today they are only a challenger in the UK.

Mr Bouygues elaborates. *“In France, GYS is identified as a young, dynamic and very innovative machine manufacturer. Our factory has been visited by the most significant industrial experts and large organisation purchasers. After having seen a dynamic, modern and cost effective production factory, they better understand our price advantage.*

In the UK and before the opening of the subsidiary, we had simultaneously conducted two strategies: For distribution of car body equipment, we had built a

partnership with Spanesi. For the battery chargers and the arc welding portfolios, we sold products directly through dealers. Both strategies have been positive for GYS but additional sales growth was recently limited as dealers lacked domestic support. I believe that with the opening of the subsidiary, stronger commercial and marketing support from headquarters the GYS franchise will strongly grow in the UK in 2009 and in 2010.”

**BODY asked Mr Bouygues “How do you think the current market environment will affect your company?”**

GYS is a family-owned company and hence we are always extremely careful in building each year growth relays for the following year. In 2008, we have invested a significant amount of time in the launching of new products and the signing of new importers in emerging markets. We hope that this strategy will prove positive for the company in 2009, but in current market

conditions, there is limited visibility and we will try to react as quickly as possible to market trends.

Even if the current market environment is extremely challenging, it may still prove positive for us. Like other manufacturers in our industry, our export markets are being pulled by the rapidly growing demand from emerging markets. In Western Europe where markets are starting to weaken, we are also currently growing, due to our technology/price positioning: GYS products are normally 20 to 30% below market price. In a slowing/declining environment, more and more distributors find our brand very appealing as their own clients have less and less spending power.

With our price positioning, they are not only able to maintain volume with their exiting clientele, they also capture a new clientele which originally was not buying from them as they were only providing one price level. I am not an expert on the UK but I can foresee that, like in France,

after a long period of strong growth in our segment, 2009 will be a more challenging year. In this tougher environment, I believe that pricing will become even more relevant and we will see that manufacturers that are able to offer top-quality products at reasonable prices will gain market share. This tougher market environment should normally be for us a way to even further differentiate ourselves from our peers.

**So what is the future for GYS?**

Welding is for GYS our core expertise and a very exciting field. In the coming months, we would like to continue to broaden our expertise and further deploy local market presence in Europe.

For the UK, we need to continue to bring additional services to our clients. We will therefore keep investing in building a strong platform, in the marketing effort and we will also continue to hire more salesmen. Additionally, with the current market environment, external growth opportunities may arise and we want to be ready to capture them, especially if they are in Europe.

*For more into on GYS and their products RS 29*

