

Hekotek

a global wood-processing equipment pioneer from Estonia

Hekotek is an Estonian machine industry enterprise focused on designing and manufacturing wood processing equipment for clients all across the globe, organically growing to become one of the leading companies in its field in the world. The company was founded in 1992 and today employs over 120 people, who are involved in working with Hekotek's customers to design the bespoke equipment for wood processing with the necessary automation and electric systems solutions.

CUSTOMERS NEAR, CUSTOMERS FAR

At first the company relied heavily on the input of its Finnish founder, who supplied the first sales contacts and the necessary know-how to get the show on the run. **"Many of our key staff members from that time are still with us, which is testament to our longevity and economic sustainability,"** says Hekotek's sales manager Tõnis Haldna. "We started with subcontracting to Finnish clients, but now we are independently serving customers all over the world. About a half of our turnover is generated by clients in Russia, where we have a strong advantage over our western counterparts thanks to our ability to speak the local language," explains Haldna.

But in recent years Hekotek has managed to add several exotic markets to its portfolio besides Finland and Russia - **the company's export area has been extended to France, Sweden, Norway, Vietnam, Uruguay, the United Kingdom, Belarus, Brazil, Ukraine, South Africa and Argentina.** "Our overseas sales activities rely on using local agents, because they know their markets better than we could ever know and this helps to open doors that otherwise might remain closed for us. However, Estonia is fairly well-known globally, thanks to our country's strong IT-focus. We're known as a compact market, where companies are eager to implement new technologies



and deliver results. Hekotek is also widely-recognised by the global wood-processing industry as a pioneer in its field, as we rank in the TOP 3 of European manufacturers, omitting a few of the bigger players, and we believe to have a strong footing globally as well," notes Haldna.

FROM INDIVIDUAL SERVICE TO COMPETITIVE PRICE

Hekotek isn't focused on delivering standalone products, but rather on developing specific projects based on the customer's needs. Considering this, the company's annual turnover of 30-50 million Euros is a feat in itself. "We certainly don't consider ourselves to be providers of cheap solutions, but we're convinced that our pricing and quality levels are competitive in comparison with for example German competitors. The issue boils down to what the client is actually looking for - whether it's equipment components, mass-produced universal solutions or a fully-integrated tailor-made production system designed for the client specifically. We design our equipment for each client individually and help them launch the production line with full support, so that they can focus 100 per cent on their core activity. Thus our sales contracts can range from 10 thousand euros to 5 million euros. **We need a bit of muscle for dealing with such volumes, but thankfully that muscle is located between our ears..."**

The company's competitive edge lies in the ability to deliver very large turnkey projects, which may require some financial boosting and sometimes there simply may not be enough resources available for small-scale projects. "Our clients know not to turn to us with orders for just 1-2 conveyors, because the travel and coordination costs alone might eat up our profit margins," notes Haldna. **While price was the dealmaker in the company's early days, the experience Hekotek has gained from its activities still allows it to remain competitive on the price front.** "A good procurement agent can easily distinguish between a wholesome technical solution and a simple mass product. We understand the nuances and technical aspects of the entire wood processing industry, because we work very closely with our clients and can identify their distinct needs at a very early stage."

ESTONIANS ALWAYS SPEAK UP

Wood processing is a very specific area of activity, where everybody knows one another and keeps a watchful eye on each other's activities. There's a lot of gossip passed through the grapevine, but the best accolades come from

satisfied customers and well-functioning equipment. "At Hekotek we keep close touch with our clients throughout the life-cycle of the product, because we also provide spare parts and maintenance - service quality in this area is of utmost importance and must function 24/7. **Thankfully Estonians are widely recognized for their diligent interaction with the customers**, not a single e-mail order or notification is lost in the mailbox," says Haldna.

Estonia is a compact country with most of the businesses qualifying as SMEs, therefore interaction and communication between them is far more organic and natural than on larger markets. **This leads the way to quick troubleshooting and making necessary changes in a very short time-span**. The Estonian wood-processing industry as a whole is on a world-class level, using the latest technology and keeping pace with all new developments in the field.

Hekotek was awarded the highest recognition available to private businesses in Estonia in 2016 - Enterprise Estonia bestowed the coveted "Entrepreneur Of The Year" award upon the company. **Haldna states that while recognition from the state is very important to the company, their clients tend to value Hekotek's quality assurance certificates even higher**. "Not a single major sales proposal leaves our office without a mention of our ISO- and QMS-certificates," Haldna is proud to stress.

COMMITMENT ISSUES? NEVER!

Manufacturers from smaller markets need to be incredibly determined and committed in order to achieve success on export markets, because often they need to prove more than their established and seasoned competitors. It always helps to produce testimonials from other clients and to secure a global position in the industry. "But it still takes time and effort to close a deal. There's a colloquial understanding in our field that the biggest contracts are nailed at 2 o'clock in the morning the next day, when all involved parties are operating on the verge of exhaustion. Once we had to fight for a contract in Finland side by side with a competitor for 12 hours straight, finally closing the deal in the wee hours of the morning. Yet another time we were about to conclude a substantial sales deal with a family-owned sawmill in Germany, when the chairman of the company had suddenly gone missing from the board room. We found him operating a forklift in the yard, as he said that this helps him calm his nerves. **Eventually we signed the contract right there and then on the hood of the forklift. So we must always be prepared for whatever unexpected situations business throws in our direction**," concludes Haldna.

