

TechGroup

Swiss precision, Finnish engineering and Germany quality are subcontracted from Estonia

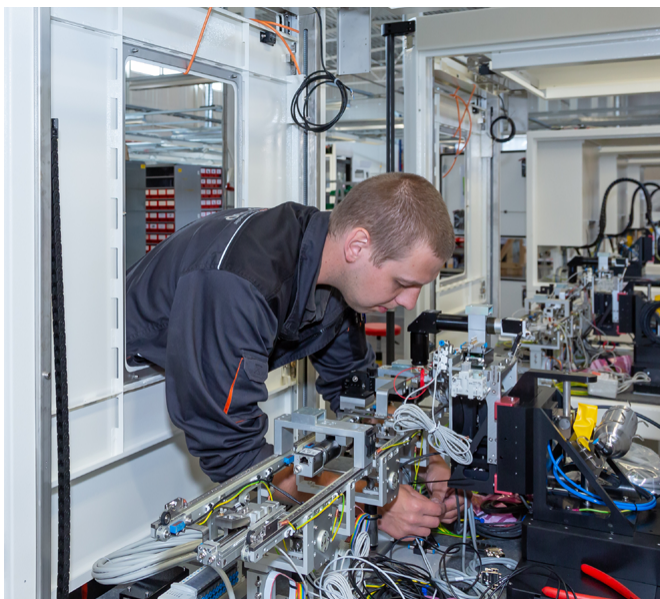
The industrial operation of robots is no longer a competitive advantage reserved only to multinational corporations, as more and more smaller manufacturers are investing in the automation of their production processes. What will happen to human workers in the future? Estonian factory automation services provider **Tech Group's CEO Martin Sutrop believes that the end goal of automatisisation isn't making the human work force redundant, but rather nudging them in the direction of doing smarter work.** "Human work should be smart and efficient and with the least amount of useless movements that could be performed better by a robot," explains Sutrop.

Tech Group is running two business areas in parallel – one involves tailor-made factory automation solutions for end-customers and the other is providing development and production capacity to technology firms in segments where the clients themselves might not see the need for building their own competence or capacity.

BECOMING AUTOMATED

The automation industry is very straightforward and there's an almost endless list of such service providers globally – customers turn to any of these providers asking to increase production efficiency by adding robots in the process or automating certain parts of it. Engineers develop the optimal solution for the particular client and assemble and launch the robot or automation process on-site.

However the development and production capacity partnership sector offers a far more scarcely populated playing field, where **Tech Group stands out as a very unique service provider.** "This segment provides the majority of our turnover on the German market, for example we have a great partnership with a German photonics assembly and testing automation company for whom we develop and manufacture assembly and testing solutions for different photonics components," notes Sutrop.



IF YOU BUILD IT, THEY WILL COME

Technology is developing at a whirlwind pace and each technology firm needs to focus on their core business and unique solutions. Often there's little interest for them to develop their own engineering or production competence, because it might distract them from the development of their core technology. This is where Tech Group steps in the game and builds a real and functioning piece of equipment for the client in accordance with their needs and demands. **"We help our clients with designing, manufacturing and testing the necessary machines so they can focus on what they do best – developing and selling their own technology and products."**

There may be several partnership models for capacity outsourcing – some clients may be very open and try to contract as much as possible from external partners, while others may only keep cooperation to the design or production of just a few components submodules of the machine. **Sutrop is convinced that Tech Group possesses unrivalled engineering competence and unique expertise in this market.** "There are suppliers who insist on incredibly detailed build-to-print documentation for manufacturing the machine, without adding anything themselves in the process. Our engineering know-how allows us to go the extra mile and provide much more to the clients, all the way from designing to testing the equipment and making suggestions for improvements."

FROM SMALL VOLUMES TO BIG PAYOFFS

While capacity partnership projects can vary in volume from client to client, Tech Group has consciously avoided mass production volumes. "We have knowingly positioned ourselves to a niche where we manufacture either one-off equipment or small series volumes. **We're filling a void between the serial mass producers and the suppliers who don't have engineering competence in-house.** I believe that at least in Europe we don't have a lot of competitors capable of dealing simultaneously with prototypes

and serial production volumes alike,” notes Sutrop.

Outsourcing development services from external partners instead of building up own competences is a manifestation of incredible trust. **Tech Group’s competitive edge lies in unique technical competence, extensive experience and references from previous projects.** This comes in handy on the global market, where Tech Group has to compete with producers specialising in particular industries, such as companies developing production lines for the food processing industry for example. “We don’t have a sector-specific focus and this gives us a much broader overview of the possibilities and customer demands. We provide custom-made solutions as opposed to standard solutions, because each client has a unique set of demands and requirements.”

A CLEVER AND FLEXIBLE ESTONIA

Sutrop points out that the feedback from their German clients indicates that they like to work with Estonians, because the people here are clever and flexible. “Estonians work out solutions and get things done, rather than spend time procrastinating over why something can’t be done. We encourage the same thinking pattern among our staff as well, because our success can only be measured by customer satisfaction. The technology business is in constant flux and it can be exhausting to keep tabs on all developments in the industry, this can sometimes be quite stressful. But we understand that this is the business we’re in and this acknowledgement has paved the way to our success. **Luckily Estonians are very good at adapting and always stand out as early adopters of new technologies,**” Sutrop believes.

Tech Group’s clients are companies operating in the telecommunications and photonics industries and any other field that requires ultra-precise equipment in Germany, Finland, Sweden, the UK and Switzerland. This particular industry is growing very rapidly and closing deals takes flexibility, understanding client’s business and offering immediate solutions. **Tech Group has doubled its turnover during the past two years to close to 20 million euros and business volumes keep on growing.** Sutrop isn’t afraid of supply-chain bottlenecks in the production.

“Estonia is a fairly small country and we can’t manufacture everything ourselves, thus we tend to rely on other Estonian contractors providing electronics and specific components. Our partners network functions seamlessly and between its many members would be capable of absorbing any potential increases in demand and production volumes.”

Estonia as a country is well-known among Tech Group’s clients for trustworthiness and the country’s success as a digital nation. “Considering the profile of our clients, we could half-jokingly state that Swiss precision, Finnish engineering and German quality are subcontracted from Estonian companies,” smiles Sutrop. **Tech Group recently won an international bid to provide an automated assembly and testing solution project to a global industrial automation group and one of the bidders in the tender was the group’s own engineering and design division.** “This is testament to how highly Estonian businesses are valued by our clients, because the group opted for bringing their development investments to Estonia instead of keeping the project in-house and simply shifting money from one pocket to the other. We have the ability and the mindset to look at problem-solving from a different perspective, sometimes even from an unexpected angle.”

PROMISES MADE, PROMISES KEPT

Doing business with other European nations is easy for Estonians, because the cultural background and shared values are very similar - the most important of which is the belief that a promise made is a promise kept. “We aren’t rigid, instead we are accommodating. We aren’t complacent, we’re rather hungry for business. Our staff are motivated specialists with a clear focus on delivering results and we get things done even after the official close of business,” Sutrop describes the work discipline of his colleagues and Estonians in general. “Tech Group’s mission is to provide such value to its customers that they may not even consider replacing us. **Partnerships are built on trust and these bonds are meant to be lasting, without any hesitation from either party.** This allows our clients to fully commit to their core activities. In other words - we provide the backup and support that technology companies need for taking on the world,” concludes Sutrop.

