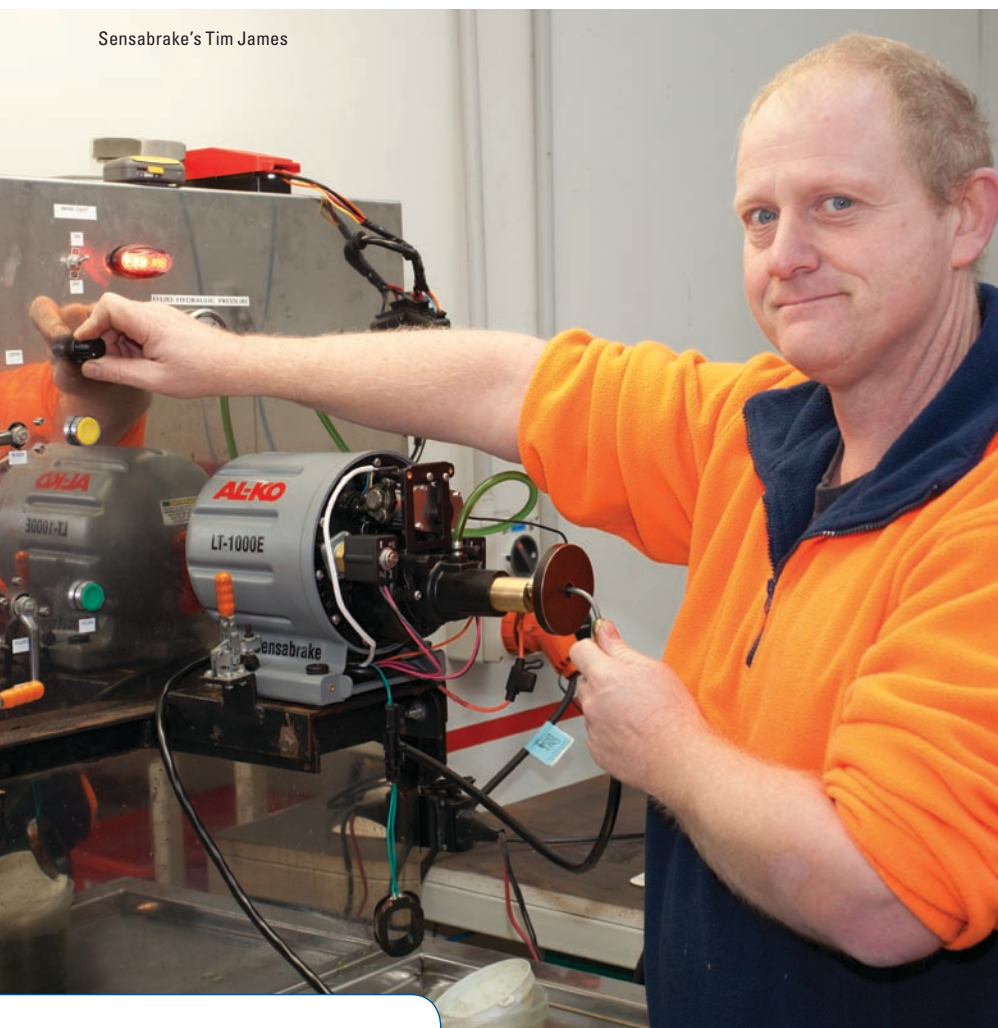


BUSINESS PROFILE

AL-KO pushes ahead with Sensabrake

Sensabrake's Tim James



Melbourne-based AL-KO has bucked the trend and expanded manufacturing operations in Australia with the ongoing success of its trailer part and Sensabrake products.

By Scott Thomas

AL-KO is a family owned German company celebrating its 80th year in business. In Australia, the company has been around for 25 years as AL-KO, although the original company dates back about 60 years with Victorian-based Hornby Engineering.

AL-KO purchased Sensabrake in 2009 from New Zealand-based Edge International after previously acting as Australian distributor for the product. AL-KO's Marketing Services Manager Mark Le Grew told Marine Business there were a few small quality issues and AL-KO needed more control over the manufacturing process.

"AL-KO made the decision that if we continue to be involved, we need more control over it, so the decision was made to buy the whole product, the name, the whole lot," said Le Grew.

"For a six or seven month period we were over there (New Zealand) working with them and we finally brought it over to Australia and set up a production factory and now do everything for Sensabrake here in Melbourne," he said.

Moving the brake manufacturing operation from New Zealand to Australia seems an odd move given the trend towards offshore manufacturing. But as Le Grew explained, the decision made a lot of sense with quality control and customer service improving exponentially.

Product returns and quality issues are at record lows and the product's reputation is rapidly gaining momentum. Marine Business toured AL-KO's factory and headquarters in Melbourne's Dandenong South and was shown a new promotional video spruiking the incredible stopping difference with Sensabrakes' latest advancements in technology. The tour also included a run-down of the brake manufacturing process on the premises.

"Right now our advantage with Sensabrake is that our response time ... if you have a problem, it is immediate because you are not looking to go back to a distributor or the supplier in Australia who has bought the product from another country," said Le Grew.

"You call a 1800 number and get through to AL-KO in Dandenong South and you're talking to, in some cases, the person who actually built the product, who'll then run you through how to go about solving the problem."

AL-KO admits the product is not the cheapest on the market but said that's basically a brand and pricing decision, to offer the best quality components and brakes on the market.

"Our units might be slightly dearer than others but we make no excuses for that. The product features and the benefits in fast, strong and reliable braking justify the small price difference to the imported alternatives. We are confident that it is an extremely good product and are happy to tell people that, and walk trailer manufacturers through the factory, because we have nothing to hide, knowing that it's a quality product," said Le Grew. While Sensabrake is a key component product of the business, Le Grew stresses the fact that customers are able to source the full range of trailer components from AL-KO.

"A lot of marine industry we deal with don't realise our breadth of product. They buy little bits and pieces here and there, but we are unique in that we can cover the whole range of product - if you have a chassis, we can just about provide you everything to go on that chassis, whereas a lot of other distributors are not able to do that," said Le Grew. The challenge, Le Grew said, is now to make sure the marine industry knows that AL-KO has a really vast range of products and that customer don't have to just buy one section of product. "Everything from couplings and jockey wheels to the brake product - and we're also doing our own range of submersible LED lights. We literally cover the whole trailer."

OEM is still a major part of the business, but AL-KO is also focusing on the aftermarket product segment of the RV market. Le Grew said an advantage over a lot of the company's competitors is the range of blister packed aftermarket products now available as a retail item.

"The advantage of that is that as we have such a strong foothold in the RV industry that in many instances, somebody who has a trailer or caravan will have an AL-KO product on their trailer. The advantage to them is to be able to replace their original product without having to go and buy a cheaper, maybe imported product," said Le Grew.

"So apart from doing the OEM side of trailer componentary, we can also cater for that retail side and trying to grow that segment of our business. About 18 months ago we put together a detailed strategy of how we are going to do launch our Aftermarket product range, and the success of this has been realised with our 35th re-seller now on board....and more to come". ■