



Richard Keely, Executive Vice President Americas

## ADAPTING TO CHALLENGES

**Richard Keely has been Executive Vice President Americas at Interroll for three years, during which he has faced plenty of challenges and opportunities.**

### **How has Interroll performed?**

**Richard Keely:** Interroll Americas experienced double-digit sales growth despite all the challenges of 2020. E-commerce was a big boost for us in the Americas, in particular in the United States. We also saw more opportunities to sell our traditional products to small and midsize integrators as they continued to grow. At the same time, we were able to sell more complete sub-systems to larger integrators that had an abundance of projects with large end users. We had several repeat orders and continue to build our partnerships. The release and commissioning of the new Interroll High-Performance Crossbelt Sorter (HPCS) was a big accomplishment for the team. We experienced an increase in demand for the Modular Conveyor Platform (MCP) and look forward to continuing its upward trend in 2021.

***“We now have several traditional storefront clothing and fashion retail customers that are expanding their presence online. Some have seen a tenfold hike in sales and the need to update their systems immediately.”***

**And outside the US – in Brazil, Mexico and Canada?**

In Brazil, we continued to grow sales in our core products, add customers, and increase productivity, which is better than it has ever been. But the biggest hurdle in this market was the currency. The devaluation of the Brazilian real created huge challenges in our supply chain. Local steel manufacturers, for instance, preferred to export their products because they could earn more, making it difficult for us to obtain materials. We had to use different supply channels, including some from Europe, which increased our material costs. As a result, we have invested in a new DC Platform – a 24-volt/48-volt RollerDrive platform- production cell for Brazil, which we will incorporate in 2021, this will help us avoid import taxes and continue to grow our local offer. In Mexico, we were able to rebound nicely in 2020. We increased our business, established new partnerships with system integrators, and further strengthened existing relationships. We were seen as a highly reliable supplier in a turbulent year. In Canada, we continued to build our in-country product business while effectively managing our costs. We continue to invest in our project business and are positioned to grow further in 2021.

**So, your e-commerce-driven business is stronger than ever?**

Definitely. In this sector, we’re seeing substantial growth coming from both large end users and third-party logistics providers, or 3PLs, which are working closely with smaller e-commerce companies. In fact, we sold the first sorter from our new High-Perfor-

mance Crossbelt Sorter line of products built in the United States to a 3PL serving several online businesses. Traditional retail businesses are also establishing an online presence. We now have several traditional storefront clothing and fashion retail customers that are expanding their presence online. Some have seen a tenfold hike in sales and the need to update their systems immediately. We look forward to more growth in this sector in 2021.

**As demand in the Americas grows, have you been able to keep up with the production capacity?**

Yes, we have. The addition of our new plant in Hiram, Georgia, United States, alongside the existing facility, added 125,000 square feet – about 11,600 square meters – of space. We finished the project on time and on budget. And the timing couldn’t have been better as we needed this capacity because we manufacture sorters and the MCP in the new facility. We were able to more than double production capacity for conveyors and sorters, allowing us to keep lower lead times and maintain a high service level with customers. Four additional system integrators came on board with our sorters in 2020 – they were first-time customers in the US. And in Hiram, we deployed a second robotic cell for our roller pallet flow assembly. The robotic cell has greatly improved our quality, speed, and productivity as well as our workplace ergonomics. We plan about one automation project per year focusing on highly repetitive operations. Our increase in productivity pays off: We continue to create partnerships in the market through shorter lead times.



In operation since mid-2020: the second plant in Hiram (Atlanta) in the US state of Georgia

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**Are you planning any big changes in 2021?**

We will continue to invest in our sales group becoming more technical, consultative, and application-based. As for products, we are working on a new belt curve in our global Center of Excellence in Cañon City, Colorado, US. The product, to be released globally this year, will have a sleeker design and significant reduction in noise. On the production front, we expect to benefit from laser capabilities at our new fabrication shop in Cañon City and, in the first quarter, we will bring in a new insourced powder coating line to enhance our painting operations in Hiram. Overall, we plan a heightened focus on drum motors and our belt curve business. We look forward to seeing several end users and system integrators come back to us with new projects and more opportunities. These relationships are a great credit to our organization and the excellent job they have done, and we are proud of that. We also see more outsourcing

opportunities as companies evaluate their operational efficiency and core competencies. And our Regional Center of Excellence for conveyor rollers, RollerDrive and drum motors in Wilmington, North Carolina, US, is working on numerous projects to propel the digital transformation in the Americas.

**And how about growth opportunities for you personally?**

Interroll is all about opportunity and our unique corporate culture. We have great products and great people. It is an organization that is challenging but also very empowering with a high level of accountability. For me personally, the biggest challenge over the past three years has been the transition from a product business to a project business as a second pillar of our offering, which is on track. I'm very excited about our opportunities in 2021.



Ensuring high productivity: automated and semi-automated processes, such as here at the Hiram plant