

Sessa Klein

History and Business Description

Sessa Klein S.p.A. is a leader manufacturer of window system and interior for trains, metro and trams.

The history of this company begins as far as 1870 as a manufacturer of equipment for coaches first and equipment for the first cars later. After many events and changes of ownership, the core business becomes the design and manufacture of windows for rolling stock.

At the end of 2002 a new ownership, made up by experienced investors of proven entrepreneurial skills, takes over the company and set up a plan to re-launch the company.

2003 is characterized by a series of profound and radical changes brought about by large investments in: managers, information technology and the take-over of an engineering company specialized in 3D train design.



From 2003 to 2008 on one side the traditional window business was re-launched on a more international basis, on the other the scope of supply was extended to interiors.

In 2008 a new JV named Sessa Klein Shenfei Ltd. in Suzhou (China) was set up with Sessa Klein S.p.A. having control of both management and bonds.

Today, Sessa Klein is a company that is growing fast and that is only devoted to the rolling stock market. Sessa Klein bases its development on technological innovation and a modern and global approach to the market.

The traditional manufacture of windows is today supported by strong design and project management capabilities. This means that both for the markets of new and revamped products, Sessa Klein will provide a state-of-the-art product, with a larger scope of supply in the passenger comfort area that includes: inside furnishing, flooring, air conditioning, toilets, doors, windows and seats.

Environmental Conditions

For years, the rolling stock industry and its side business have worked in a protected and monopolist market, adjusting to and conforming with the slow and involved mechanism typical of state-managed entities. The strong push toward privatization is radically changing these markets. In fact, this trend is bringing the old monopoly to an end, but most importantly it is also selecting the number of suppliers in the field.

Vulnerabilities of the Competitors

Here below, the main vulnerabilities of the suppliers of windows for rolling stock are summarized. However, in general, these weak points also affect most suppliers in the field:

- Slow movement toward the modern company management
- Poor post-sale support
- Poor organization of logistics and project management
- Technical mediocrity
- Focus only on local markets

Sector Trends

Investments both for new vehicles and revamping of existing ones are expanding. Through a process of mergers, the number of manufacturers of rolling stock world-wide has got down to a few units from the over one hundred of the beginning of the '80s.

In a highly competitive scenario, the end of the monopoly and the disappearance of geographical barriers have left the few remaining suppliers with the need for technological innovation and new efficiency. This search for competitiveness is bringing about the best opportunities to those who know and will know how to satisfy and understand the new needs.

Opportunities & Strategies

In its rolling stock market niche, Sessa Klein wants to rapidly become the reference supplier for the main international manufacturers. In fact, the pressing needs of the latter to decrease the number of suppliers to a few, trustworthy, competent and qualified global Partners with high added value are opening new market spaces that Sessa Klein is ready to occupy leveraging on its strong organizational capabilities.

For this purpose, Sessa Klein new management has studied and developed a strategic plan for a market approach that in addition to the empowerment of its design capabilities with the acquisition of the engineering company includes:

- Capital injection : various capital injections between 2003 and 2008;
- Purchase of an information technology system that integrates all company functions, makes information flow easy and allows a rapid cloning in case of acquisition/JVs;
- Recruitment of expert project managers;
- Targeted recruitment of young engineers with high potentialities;
- Creation of strategic partnerships in Italy and in EU with the leading manufacturers of components in the rolling stock market;
- Research of partners for joint ventures on the new emerging markets to set up new production units;
- Technological development and innovation of its engineering solutions.

The reference market and Market Opportunities

The rolling stock market spending in Interiors systems (Interior lining, windows, toilets, seats, gangways) is in a range of 230 million Euros per year for new products and revamping. According to the forecast of the three main world manufacturers Bombardier, Siemens and Alstom, over the next 5 years the market will grow by between 3% and 5% per year.

In general, Sessa Klein Customers are:

- Leader rolling stock manufactures
- Medium size or niche rolling stock manufacturers
- Companies specialized in revamping of rolling stock
- Suppliers of equipment and components
- Railway, underground and tramway companies

In the design and manufacture of windows in particular, Sessa Klein works in an international environment and among its customers it includes the ALSTOM (France, Spain, Italy, UK), SIEMENS (Germany), BOMBARDIER (Italy and Switzerland), CAF (Spain), KINKY SHARYO and MITSUBISHI (Japan), Hyundai-Rotem (S.Korea), REMAR (Romania), SNCF (France), SBB (Switzerland), CRC and SIFANG (China), etc . In Italy: ANSALD BRED A, CORIFER, FERROVIE NORD MILANO, FERVET, FIREMA, MAGLIOLA, OCLAP, OFV, TRENITALIA.

In the past, Sessa Klein has always been in a high price segment, working mainly on the national market and benefiting of a dominating position. The new Sessa Klein, active on an international, unprotected and highly competitive market, pursues the objective of re-positioning the price/performance ratio in a medium segment, focusing on a quality product but also on those project management skills and innovative design capabilities that set Sessa Klein apart from its competitors.

This added value, that the market has already recognized and rewarded, allows Customers to really bring down their total cost.

For each of the three key countries in the rolling stock market, Germany, France and Spain, Sessa Klein avails itself of a its own highly qualified commercial local channels that are perfectly equipped to support the Customers both for commercial and technical .

Sessa Klein turnover has been increasing from less than 3 million € in 02 to the 7,2 million € of 06 and apart a slowing in 07 due to the significant postponement of large Italian projects, this trend is bound to continue through 08 and increase in 09 and the ensuing years.

In the medium term, beyond 2009 and through a policy of alliances, partnerships and acquisitions but always focusing only on the rolling stock market, Sessa Klein aims at creating a “mini-multinational” in the niche of “passenger comfort” making of innovation, efficiency and a global approach its strengths.

This ambitious plan is the result of the awareness that Sessa Klein competitive advantages come from the combination of:

- A train design experience complete and rich of important references;
- A manufacture experience with a great tradition, today in Castronno now extended to China;
- An organization focused on Project Management and on maximization of internal efficiency.

The Team

Clarity of objectives is a necessary but not sufficient condition to achieve them.

Sessa Klein project can rely on a shareholding of proven entrepreneurial skills as well as the necessary financial solidity that any ambitious project requires.

At an operational level, the two reference people are: Alfredo Novelli, President and Managing Director, and Federico Mazzuchi, Commercial Director.

Alfredo Novelli has been a member of Sessa Klein Board of Directors since November 2002 as vice President. He becomes President and Managing Director in May 2003.

Co-founder in 1982 of an high-tech company in the industrial automation sector, Orsi Automazione S.p.A., he develops it into a 'success story' active in four continents and numbering 400 highly qualified engineers, before selling it to Siemens in 2001. He starts his career in 1981 in General Electric.

Born in Genoa (Italy) in 1955, married and with three children, Alfredo Novelli gets a MSc in Electronic Engineering at Università degli Studi di Genova in 1981.

Federico Mazzuchi, Commercial Director since February 2003, has been a member of Sessa Klein Board of Directors since May 2003.

From 1998 to 2003, in the telecommunication sector, he is Marconi Communication International Commercial Director for North Europe and the Mediterranean Rim.

From 1989 to 1998, in the industrial automation sector, he is the Commercial Director of Orsi Automazione.

From 1986 to 1989, in the marine sector, he is co-founder and Managing Director of the company Sea Nomad Thailand Co. Ltd.

He begins his career in 1982 in Africa and Spain working for Schlumberger Wireline in the oil and gas sector.

Born in Genova in 1957, married and with three children, Federico Mazzuchi gets a MSc in Electrical Engineering at Università degli Studi di Genova in 1982.