

Haldex has acquired UK company Concentric. Haldex and Concentric shares the same company cultures with a similar focus on innovative engineering solutions, and the new organization is poised to strengthen operations worldwide.

# Concentric is the new Hydraulics lever

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**THE ACQUISITION OF CONCENTRIC** is very strategic to Haldex. Concentric is a leading supplier of oil, water and fuel pumps for medium- and heavy-duty diesel engines. The company's strength in terms of products complements Haldex's range in its Hydraulic System division and enhances its offering to the diesel engine market.

"Concentric represents an ideal acquisition for Hydraulic Systems and will add to Haldex's focus on leading edge technology and growth in

structurally interesting niches. The acquisition is a first step in the strategic plan to optimize the Group structure and create a strong Hydraulic Systems division", says Joakim Olsson, President and CEO of Haldex.

Over time Haldex has reviewed its development opportunities in the Hydraulic Systems division and determined that products for diesel engines that focus on reducing emissions and fuel consumption is an attractive area. Haldex already has a strong niche position with products such as Alfdex and fuel pumps. Concentric also has a strong position in fuel pumps for diesel engines.

"In terms of brands and market position, both Haldex and Concentric embody similar core values of quality and technological innovation," says Ian Dugan, former CEO of Concentric. "The two businesses are complementary in terms of products, with Haldex specializing in hydraulic pumps and Concentric in engine pumps. This means increased potential for both."

**DUGAN HAS A MECHANICAL** engineering background, and he has had a series of positions in design, manufacturing operations, product development and sales, followed by 15 years in general management. He has been with Concentric for the past five years, while growing the business there. Dugan has now taken on the role of head of Haldex's Hydraulic Systems division. Concentric's top management will continue to work within Hydraulics, bringing with them valuable experience and management skills.

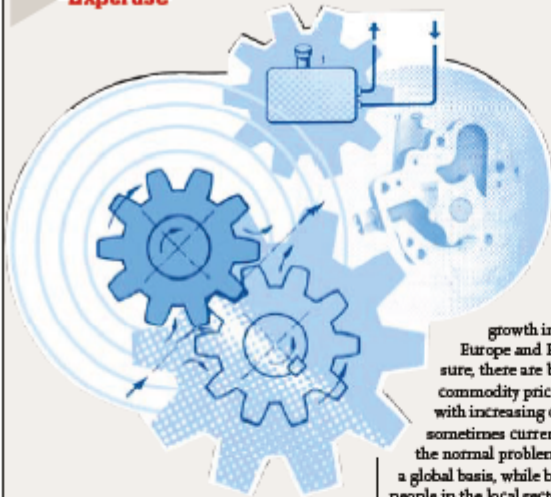
"Our customers will benefit from the strong focus on technology leadership, particularly in improving environmental benefits and energy efficiency," Dugan says.

Dugan says that, as the new head of Hydraulics, his first moves will be to unlock opportunities in both companies, while accelerating growth by taking the best expertise and leveraging it across the business.

"It is important to have the people to share their knowledge in both directions to make the combined organization stronger," he explains.

Thanks to the acquisition of Concentric, Hydraulic Systems will be able to capture a larger share of the diesel engine market, with a focus on products for emission reduction and fuel-efficiency improvement.

"Concentric provides innovative variable-flow oil pumps, which reduce emissions and energy consumption," Dugan says. "Demand for increasingly efficient pumps for diesel engines, such as fuel pumps for common rail systems, is growing, due to increasingly strict fuel-efficiency and environmental requirements. Through



the acquisition, Haldex Hydraulic Systems' global reach in the diesel engine market, as well as production, sourcing, and research and development, will be significantly strengthened."

In terms of research and development, Concentric provides state-of-the-art tools, such as computational fluid dynamics programs that accurately model 3D fluid flow based on empirical test data.

"We also have test facilities that replicate exactly what happens in different engines," Dugan says. "Years of empirical know-how and testing data are also crucial in developing new solutions. Yet there is also software knowledge within Haldex that is ahead of Concentric's know-how. So the marriage of the two companies will be extremely productive."

**TALKING ABOUT THE FUTURE** challenges of the diesel and hydraulics sector, Dugan says that despite some global unrest in a few business areas, the manufacturing sector is stable.

"I can see a good, steady and sustained demand in Western Europe, and very good



"Concentric has a long track record of innovation and is a technological leader in three principal applications." Ian Dugan

growth in India, China, Eastern Europe and Brazil," he says. "For sure, there are burdens in terms of rising commodity prices, so we have to wrestle with increasing costs of raw material and sometimes currency pressures. We have the normal problem of managing growth on a global basis, while bringing up and training people in the local sectors so that they can support their markets. Still it is all part of the normal challenge of running a business."

According to Thomas Holm, vice president sales and marketing at Haldex Hydraulics Systems Division, the Concentric deal will provide Hydraulics with a truly global manufacturing base and a powerful position in emerging markets. Haldex's global footprint will be strengthened, particularly in China and India.

"Haldex has a long tradition of being an



Brian Nelson has played a major role in the acquisition of Concentric.

innovator in selected areas," Thomas Holm explains. "The requirements of the vehicle industry demand that innovation be combined with strong market positions. Against this background, Haldex has decided to focus on segments where the group can achieve sustainable market positions based on innovative and leading products, providing a foundation for sustainable growth and good profitability."

The acquisition of Concentric fits with this focus and is very much balancing Haldex' current offering in the diesel engine product area.

"The stringent environmental requirements on engine manufacturers support the development prospects within this segment," he says. ■

## Leading supplier for diesel engines

**CONCENTRIC IS A WELL** established company in designing and manufacturing oil, water and fuel pumps for medium- and heavy-duty diesel engines used in commercial applications, trucks and construction equipment.

For a number of years, Concentric PLC has been a major supplier to the world's diesel engine manufacturers, supplying oil, water and fuel transfer pumps, as well as coolant pumps and fan support brackets for transmissions and compressors. End applications range from trucks and buses to materials handling, construction, agricultural and off-highway machinery.

The product range encompasses oil, water and fuel transfer pumps for diesel engines with capacities of 1.5 liters to more than 30 liters.

"Concentric has a long track record of innovation and is a technological leader in three principal applications - lubrication, cooling and fuel transfer," says Ian Dugan, former CEO of Concentric and the new head of Haldex's Hydraulics Systems division. "The company can offer unrivaled experience in designing for the increased performance and torque capacity of the latest engines. We also design complete fluid systems, including pump, filter and cooler."

Concentric's global manufacturing and sales network, including facilities in the US, the UK, China and India complements the global presence of Haldex.

The company has a comprehensive customer base, including leading diesel engine manufacturers such as Caterpillar, Cummins, John Deere, Iveco and Daimler. ■





**New plant opened  
in M**



Text: Martin Naander  
Photos: Keith Damemiller, Johan Hillary/Haldex  
and iStockPhoto



On February 15, Haldex inaugurated a new state-of-the-art facility dedicated to the production of the latest generation of electronically controlled limited slip couplings and differentials in Irapuato in Mexico.

Haldex increases its manufacturing footprint in Mexico through the completion of the new plant. The main reason for the establishment of the facility is the growing demand Haldex sees in terms of the use of car platforms that include limited slip couplings and differentials.

The plant is in the Castro del Rio Industrial Park in Irapuato, in the Mexican state of Guanajuato. The facility comprises manufacturing, warehousing, logistical functions and administrative space for 70 employees with room for future expansion. It is located near several facilities operated by automakers and suppliers.

"The creation of this world-class facility underlines the company's unbridged commitment to excellence not only in the area of innovation, but also in the realization of modern and efficient manufacturing facilities on a global basis" says Joakim Olsson, President and CEO of the Haldex Group.

This new Mexican entity offers a major production capacity in terms of the fourth generation, electronically





controlled, limited slip couplings and differentials (eLSD), while also serving a number of All-Wheel Drive platforms at General Motors. These platforms comprise several General Motors brands. In this way, the General Motors worldwide assembly plants will receive torque transfer technology manufactured by Haldex Irapuato.

"We began searching for a suitable place in Mexico to locate our new plant after we were nominated supplier to General Motors," says Ulf Ahlén, Head of the Haldex Traction Systems Division. "We deliver our products, which are manufactured in the new plant, to American Axle, which makes car rear axles. For us, it was very fitting, and made a lot of sense, to locate our plant very close to American Axle's factory in Mexico."

The facility will ramp-up its output all through 2008 as additional All-Wheel Drive models are launched by the General Motors brands. It also constitutes one of the pillars for Traction's continued strong expansion and growth in the Americas with General Motors and other automakers.

"Haldex Traction already had reached a powerful position in Europe," Ahlén says. "Our next strategic step is to expand our operations in North America. The plants in Europe and now in Mexico truly fit both our needs and the ones of our customers."

Ahlén points out the importance of the strategic ambition to offer Haldex' extensive global customer base a local presence and manufacturing capabilities for products, such as the limited slip coupling and differentials.



"It is crucial to have operations close to the markets in order to be able to understand customer needs and being able to serve them in the best possible way," he explains. "Thanks to our new location, we can understand the market even better, and we can have more and easier connections with our customers."

The first vehicle model to feature the systems produced in Irapuato is the recently introduced SAAB 9-3 XWD.

"In North America, there is a large need for four-wheel drive systems, while there is also a need to reduce the costs for these systems," Ahlén says.

Ahlén adds that General Motors also has a plant in Mexico where future models of SAAB and other GM brands will be manufactured.

"We have now installed two new and identical assembly lines at our plants in Landskrona and in Irapuato," he says. "This ensures that we have the latest technology in terms of assembling the products." ■



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Ulf Ahlén

## Strawberry region is Mexico's automotive Silicon Valley

LOCATED AT THE FOOT of the Arandas mountain in the south central region of the Mexican state of Guanajuato, Irapuato is renowned for its strawberry production. It is sometimes even given the title of strawberry capital of the world.

However, the agricultural business is being heavily rivaled by the steep rise of companies in the automotive industry locating in the area. Guanajuato is one of three states that comprise Mexico's emerging high-tech region.

Today, Guanajuato is especially known for extensive, high technology investments by global vehicle manufacturers and suppliers.

Ulf Ahlén, Head of the Haldex Traction Systems Division, mentions for instance that systems supplier and integration partner for transmission and drivetrain systems, GETRAG Corporate Group, is present at the Castro del Rio Industrial Park in Irapuato. The Schaeffler Group, which is a leading worldwide manufacturer of rolling bearings and

linear products, also has started operations at Castro del Rio.

"We evaluated several different alternatives for establishing a plant in Mexico," Ahlén says. "We found that the city of Irapuato was the best option." ■

