



Belle rings the changes

Robert Aplin talks with Dr Mohed Altrad, CEO of Altrad, and Ray Neilson, MD of Belle, about the restructuring of Belle following its acquisition and the phased introduction of Altrad products to the UK.

Since making his first acquisition in 1984, Dr Mohed Altrad, the Syrian born, French educated founder and CEO of French-based Altrad, has taken over more than 60 companies or brands around the world. Specialising in the manufacture and sales of scaffolding, mixers and wheelbarrows — describing its scaffolding and mixer market share as “world class” — Altrad’s annual turnover reached €445m in its financial year to August 2008.

The Altrad name was largely unknown in the UK until January this year, even though it had acquired mixer manufacturer, Baromix, in 2002. At the start of 2009, Altrad put itself on the UK hire map with the £10m purchase of Belle, one of the key brands serving our industry, thus ending over 50 years of independent ownership by the Blackhurst family. In addition to the purchase price, Altrad is providing a permanent loan facility of £1 Om. It does seem that Mohed Altrad has had to be very patient in his pursuit of one of our industry’s longest-established manufacturers, admitting that he “had kept an eye on Belle for 15 years and there has been continuous dialogue since 2005.”

The reason that we have heard so little since January is that Altrad has spent the last six months restructuring the Belle business to match its activity levels. According to Mohed Altrad, “at the time of the preliminary agreement signed in August 08, Belle was a growing business, especially its export operation. By the time the deal was concluded in January, Belle was in a different situation. Without our support, it would have suffered badly.”

With Belle’s turnover down by 50% over last year, the restructuring has resulted in a cut in its UK workforce of 100 staff, including some high profile directors. These reductions have been achieved through a combination of natural leavers, as well as voluntary and compulsory redundancies. Belle’s spare parts, warranty and diamond blade sales operation, based in Leek, has been closed and integrated into its Sheen head office, as has Avon Equipment Ltd, its sales company supplying DIY mixers to the retail market under the ‘Mastermix’ brand.

As we published in our August issue, Altrad has also transferred production of the Baromix range from its small Alcester facility to Sheen, thus retaining both mixer ranges in its product portfolio. Belle’s manufacturing plant in Poland, opened in April 2004, also remains, although it is now, obviously, under Altrad control.

Continuing to build each product group

Ray Neilson is also still at the helm of Belle as MD, having joined the company in 2001. Hitting back at competitors that have said otherwise, Ray is adamant that “we continue to build each of Belle’s product groups — mixers, compaction, sawing, diamond blades, hydraulic breakers, wet concreting and the mini dumper. We will continue to fight for increased market share in each of these ranges. There is evidence that hirers’ utilisation is increasing and our sales in September this year were higher than 2008.”

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Manufacture of Baromix mixers have been transferred to Belle's Sheen factory

Obviously best known for its mixer range, Belle's production, both in the UK and Poland, adds about one third on top of Altrad's own mixer production of around 230,000 units annually, with Baromix contributing just 6,000 machines. Mohed Altrad admits that the purchase of Baromix was "a mistake. The plan was to have a foothold in the UK and expand from there, but it didn't happen. With the Belle brand, we will achieve a large market share throughout Europe and beyond".

Cross-selling between Belle and Altrad

The ability to cross-sell products between Belle and Altrad is the key to Belle's future success, both in the UK and the rest of the world. For example, France was Belle's fastest growing export market for many of its product ranges, and with Altrad now providing its sales network for Belle products, Mohed Altrad believes "we can quickly become market leader with several of its product ranges."

Altrad's sales network will also take responsibility for Belle products in several additional European countries, whilst Belle will continue to sell direct in the UK and Ireland, North and South America, Scandinavia, Australia, New Zealand, South Africa, and the Middle East, as well as sharing several Eastern European countries, including Russia, which are supplied from both the UK and Poland.

Belle is also about to start offering several Altrad product ranges in the UK. According to Ray Neilson, "we can bring in any Altrad product from around the world. There is enormous scope in Altrad's scaffolding ranges and UK & Eire Sales Manager, Bob Williams, is visiting hirers to determine which products will suit their needs. We are getting positive feedback about the modular Facade scaffolding range. Hirers like the fact that it is easier, and safer, to erect than system scaffolding, and you don't need the same level of expertise to do so. Safety features include the ability to construct safety rails on the higher levels before you climb the ladder and enter through the internal safety door. You can also build it as high as you like and as long as you like. You can walk a 12m run without opening gates. We are told that the Facade is also cost effective and is fit for purpose."

"Larger stand than ever before"

Whilst scaffolding accounts for 70% of Altrad's turnover, it also produces 750,000 wheelbarrows each year in different factories. "Pallet loads of wheelbarrows are already being delivered directly to dealers and hirers, as these products were previously available from Baromix," states Ray Neilson. "We offer every type of wheelbarrow, from gardening to construction use. At the 2010 Executive Hire Show in February, we will be taking a larger stand than ever before at this vital exhibition to launch this increased range of Altrad products that are now available from us."

Altrad has also had to undertake restructuring of its own. This resulted in a fall in turnover of 20% in its most recent financial year to August this year. Mohed Altrad expects to see "a few percentage points improvement in this new year" and, in spite of the necessary restructuring at Belle, he is "happy that there are enough elements to give us comfort to develop from here."

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Executive hire show

www.executivehireshow.co.uk



“The acquisition of Belle was a big step forward as it takes us to a new level. We expect Belle’s export market share to expand in many countries and we look forward to establishing Altrad products in the UK market.” Still acquisitive, Mohed Altrad is looking to grow market share in the UK. Don’t be surprised if something else new turns up on the Belle stand at the Executive Hire Show next February.

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