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# Milestone forward

**The global mining industry may have been doing it tough when Miroslaw Bendzera took on the CEO role at FAMUR Group, but he was far from fazed. Two years on, the Group is ready to take on the world’s giants.**

IMAGES FAMUR GROUP

When Miroslaw Bendzera took the reins at Poland’s FAMUR Group in October 2014, the global mining industry was in the thick of a difficult time. Nevertheless, he took an expansive view, setting his sights on broadening into new sectors and new international markets. Two years down the track, the FAMUR Group is a leading manufacturer and supplier in the mining industry sector, a fast-growing company in surface exploration, transportation and handling systems, and coal preparation solutions for conventional power plants. With its acquisition of Kopex by FAMUR’s owner, TDJ S.A., the possibility of combining assets of FAMUR and Kopex will put the FAMUR Group in an even better position to take on the world.

**The CEO Magazine:** Could you please tell us about your professional background, before you took on the CEO role at FAMUR Group?

**Miroslaw:** I graduated from the University of Economics in Kraków with a management and marketing specialisation. My career history includes management and supervisory roles for companies such as Ponar Wadowice, Ponar Silesia, and Toyota Motor Poland. Most recently, I was CEO of Polish Foundry Group (PGO), Iron Foundry Srem, and Pioma-Foundry. As the CEO of PGO, I began the process of restructuring in 2008. Within two >>

## FAMUR

**Name** Miroslaw Bendzera  
**Company** FAMUR Group  
**Position** CEO  
**HQ** Katowice, Poland  
**Employees** 2,500+







years, we undertook deep restructuring associated with each area of the company's operations — from operational issues, production processes, to administrative and financial ones. The result was that

*"Committed to continuous growth at outstanding performance and quality while providing turnkey solutions, Mr Bendzera's business philosophy for FAMUR Group has proven to be ambitious yet highly successful." – Kruno Pranjić, Managing Director & Owner, Elektro Elektronik Pranjić*

it became one of the most powerful operators in the foundry industry in Central and Eastern Europe. We also undertook a stock market listing of PGO. In 2013, with the acquisition of Glinik, PGO expanded its activity to the production of forgings. I think we chose the right direction of the development because since 2011 the value of PGO shares has increased five-fold.

**What were the opportunities you saw for yourself and FAMUR Group when you took on the CEO role?**

When I took on the CEO role, there were number of challenges ahead for the Group. First, we wanted to maintain the long-term development of the company at a time when the global mining industry was facing difficult market conditions. At the same time, we were aiming to develop new international markets and expand the

FAMUR product portfolio, not only in underground mining but also in new sectors such as the energy sector, transport industry, and open-cast mining. We wanted to introduce new acquisition processes and restructure and optimise the organisational structure and the operating costs of the company and ultimately build a strong Polish company that could challenge the world leaders in our industry. Today, FAMUR is a leading manufacturer and supplier in the mining industry sector as well as a fast-growing company in other industrial fields — surface exploration, transportation and handling systems, and coal preparation solutions for conventional power plants.

The highest priority I set for myself was to gain people's trust and to build a strong, integrated team ready to pursue the common goal of creating a global



company. I believe people are the greatest value of our Group.

**What do you consider your standout achievements since joining FAMUR Group?**

Thanks to the Internal Integration Program introduced in 2014, our structure now reflects the current market situation. We have a stable financial position that gives us a firm foundation for growth via further mergers and acquisitions. It helped us to extend our product offerings and increase sales, including in foreign markets. FAMUR's revenues are growing and we are generating profit.

Our acquisition of Famak company in late 2014 expanded our competence in the market of machinery and equipment for the power sector, open-cast mining, and handling. As a result, we are able to offer our customers even more comprehensive solutions. The new segment of our business is developing rapidly, resulting in a steady increase of revenue from both domestic and foreign markets.

**What are the plans for the company's growth in the next three to five years?**

In the next three to five years, we would like to continue our strategy towards foreign expansion. In the

decade since we listed on the Warsaw Stock Exchange, we have accomplished a number of positive indicators including a rate of return of 88 per cent; more than PLN1.3 billion [€300 million] of paid dividends; 11 successful acquisitions; continuous expansion of our product portfolio; significant foreign expansion; as well as high efficiency achieved by constant optimisation of management costs.

These past 10 years have proved that a deliberate development strategy along with a reasonable approach to risk allows for a consistent upturn in the company's value, even in the presence of the extremely difficult market conditions impacting the mining industry in recent years. Looking forward, we are aiming for further foreign expansion in line with our Go Global strategy. In 2015, exports accounted for a 27-per-cent share of our revenue, while in the third quarter of 2016 it was 33 per cent. In the next five years, our aim is to grow exports to a 50-per-cent share of revenue, and in the long term even 70 per cent.

**What are the biggest challenges to those plans?**

In December 2016, our owner, TDJ company, took control of Kopex S.A. This transaction opened up the opportunity to link the potential



**“The highest priority I set for myself was to gain people's trust and to build a strong, integrated team ready to pursue the common goal of creating a global company.” – Miroslaw Bendzera**

of FAMUR and Kopex. It will allow us in the future to offer a broad portfolio of products and services, and the market-specific procedural models, developed over the years.

This offers us huge potential to create a strong Polish company, with a modern and competitive offer, which is ready to run complex mining and energy projects. Thus, we will be able to accelerate the implementation of the Go Global foreign expansion program and compete effectively in the global market with the top players.

The main challenge now is to finalise the Kopex project and successfully integrate the two companies. We expect that the integral concept will be developed by the first half of 2017. We believe this will help us to effectively implement our strategy. >>



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**How do you ensure operational excellence by identifying efficiencies across FAMUR Group's operations; inducing collaboration; and achieving supply-chain excellence with external partners? And how does that all combine to differentiate FAMUR Group from its competitors?**

Regarding our offer, we are not only a supplier of solutions for the mining industry. Thanks to our mergers and acquisitions in the past three years, we entered the energy market. Today our broad portfolio also includes machines and services for open-pit mining and

*"CELMA INDUKTA SA has worked closely with FAMUR Group since 2001. Our shared experience in manufacturing products for the mining sector has contributed to the development of top-quality mining equipment. Our products enjoy a strong reputation all over the world." – Mariusz Kozica, President of the Management Board, CELMA INDUKTA SA, Cantoni Group*

the energy sector, especially in the field of transport and bulk handling. We have created a comprehensive platform that has the ability to provide comprehensive support for investment projects that are initiated in many places in the world. Potential contractors expect not only the supply of machinery and equipment but also solutions related to employees' training as well as investment financial models.

Our headquarters and production plants are in Poland, but we have five foreign branches that allow us to maintain supply-chain excellence with external partners. We can deliver our products and offer technical support all over the world. The FAMUR Service Centre operates 24 hours a day, seven days a week. We work closely with customers as well as using modern diagnostic and monitoring solutions to optimise the work of machines. Our

products are based on more than 100 years of experience, innovations and modern technology. They work reliably for customers from all over the world, even in the most diverse geological conditions. Our partnerships include not only delivery of machines; we also help to assemble them and train the crew. We constantly expand our offering and develop solutions to provide to customers. Moreover, we offer tools for financing the investment; we accompany our partners at every stage of the projects. We build relations on the best quality, flexibility and reliability. Our partners appreciate it and want to continue to cooperate with us.

**What operational benefits has FAMUR Group seen as a direct result of strategic supplier relationships?**

Advanced relationships with strategic suppliers is a critical step when we



**"I am convinced that after the possible integration with Kopex, we will be able to handle most of the mining and energy projects that emerge in the global marketplace."** – Mirosław Bendzera

think about performance improvement across the supply chain. A well-planned structure of those relationships definitely leads to greater cost-efficiency and enables our business to grow. Considering our experience of working with partners around the world, I can recognise a few operational benefits that result from long-term cooperation with strategic suppliers.

First, reduced costs and increased efficiency. As a part of our Go Global strategy, we deliver our products all over the world, and frequently we are forced to face the problem of the set-up costs in the initial phase of the contracts. In order to avoid pointless costs, we try to establish

and cultivate long-term relationships with our suppliers. The longer such cooperation lasts, the deeper our common understanding of the markets and business. It allows the better identification of our needs and leads us to stronger integration of specific business processes.

Moreover, it results in supply-chain consolidation. This allows both parties to look for areas of consolidation across existing products and services as well as the potential addition of new ones. For us, consolidation is a way to reduce supplier numbers and improve operational efficiency. In this field, key factors are economies of scale and leveraging expenses.

**What are the key areas of focus for you to improve over the next 12–18 months?**

The key area is to maintain and develop our business model based on five elements: advanced know-how; top-class production facilities;

strong balance sheet; low costs; and a business philosophy focused on customer satisfaction. The combination of these elements will make us a strong and real competitor for all foreign companies in the machinery market. I am convinced that after the possible integration with Kopex, we will be able to handle most of the mining and energy projects that emerge in the global marketplace.

With the combined potential of FAMUR and Kopex, we will have a chance to be present in 30 countries on five continents. One of the challenges is the consolidation of our foreign potential and the creation of the most effective model for our worldwide business models. ■

*"Success in business is always vested in the consolidation of competence of individual parties as well as in the trustful and respecting relationship between them. In an increasingly globalised market we're happy to find these criteria within FAMUR."*  
– Axel Fuisting, Managing Director, TIEFENBACH Control Systems



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CELMA INDUKTA SA  
Poland, 43-400 CIESZYN, 19, 3-Maja St.  
tel.: +48 33 470 17 00, fax: +48 33 470 18 06  
[www.cantonigroup.com](http://www.cantonigroup.com)  
e-mail: celmaindukta@cantonigroup.com

