

With experience from the 2008 crisis and its early experience of the effects of Covid-19 in China, GYS is kickstarting the business back into action.



Saint-Berthevin Factory

Established in Mayenne (France) with factories in France & China (Shanghai) and sales subsidiaries in Europe, the GYS group, which specializes in the design and manufacture of welding equipment, battery chargers and body repair systems found itself in the front row to see the pandemic wave unfold. At the helm of the family business, Bruno Bouygues learned the lessons of 2008 and has adapted his strategy to limit the damage and to get the international company ready to go again.

«We closed for two weeks and then reopened our factory in the Qingpu district near Shanghai. Now, all employees have returned to work, all the suppliers are operational and the customers are active and buying again. Business is picking up again. We're starting to win tenders... and now, the reopening of schools in the Shanghai region has been announced for May 4. The crisis will have lasted 100 days. In some European countries, deconfinement dates are beginning to be announced. Based on a benchmark of 100 days, it is reasonable to imagine that France, which has been confined since March 16, should be deconfined around June 15,» hopes Bruno Bouygues, CEO of GYS a 650-strong group which distributes its welding equipment, battery chargers and body repair systems in 124 countries around the world.

Minimising damage

«In only a few days, the order book fell by 90%», recalls the Mayenne boss. Only the re-opening of its distributors operating in the construction and agricultural markets made it possible to limit the damage to -75%. A small comfort for this company which manufactures its professional and industrial equipment in France, with some of its hobby/ craftsman range manufactured in its wholly owned factory in Shanghai.

In the last year and a half, GYS has launched new advanced welding equipment to enter the more industrial market and has been extending its distribution network to accommodate this.

A strong investment in more innovation ahead

«What I learned from the 2008 crisis was the need to build up a solid cash position. On the one hand to be able to get through the crisis and, on the other hand, in the months following this period, to be in a position to make acquisitions of players who may be of complementary value to us. If, despite the drop in revenue, you have the means to maintain fixed costs, to protect your human capital and to continue to do research and development you can maybe get 18 months ahead of your competitors in the innovation cycle. While other companies who are maybe less structured will take twice as long to recover», Bruno Bouygues says. Between 2009 and 2020, the family owned company has always given itself the means to constantly maintain investment in R&D and business expansion. Due to the virus the first mission was to relaunch the Chinese factory (120 people) to supply the domestic, European and world markets. Completely closed for two weeks at the time of the Chinese New Year, then disrupted by the lack of transport or the ban on travel from one region to another the activity gradually resumed with a workforce that has now stabilized at 90 people

with the implementation of appropriate health measures (temperature testing, masks, etc.). At the end of February-early March, Bruno Bouygues divided his time between the relaunch of the Chinese plant and, under the pressure of Covid-19 the closure and reduced operation of subsidiaries in Italy, Germany and the UK.

Gradual recovery in Mayenne on 27/04

We made a lot of preparations to close or reduce our business operations properly. When the decision came to 'lockdown' we were ready. People were working from home and skeleton staffing was retained where necessary. Four weeks after China, the production plant in Saint-Berthevin and the logistics centre in Changé were, in turn, put into reduced operation. «The severity of the containment was not the same from one country to another. In Germany, they have left the large DIY stores open while maintaining social distancing. They have kept the construction, agricultural and automotive sectors running. The GYS company (70 people) has been able to maintain a minimum of activity by managing part-time work sharing and use of holidays» says Bruno Bouygues. In Italy, for example, where all the companies have been closed, the GYS team, reduced to a minimum (7 people), has been refocused on the massive task of document and system translation to make good use of the time available. «Here, we organized a Cloud and undertook the Italian translation



Bruno Bouygues, CEO

project of many documents, technical notices, our ERP, our website... which we hadn't had time to do until then. In a matter of weeks the team will have achieved what it might have taken us two years to do», From the end of March, the Qingpu factory is back to operating at 100% and is again supplying orders in China and France. The main French plant will reopen in stages, with many safety measures, from the 27 April. Initially this will be for sub assembly production. The full resumption of production will be spread over three weeks. «The objective is to get everyone back to work quickly. We are asking staff for versatility and flexibility. In April-May, we will deliver what we had in stock but, due to a lack of orders, the drop in turnover will be around -60%», he

observes. It is difficult to know the sales level that we will see in June. GYS had started the year on a high note with a «record» first quarter with growth of +15% given to return to normal sales figures by the end of the year. «The second quarter may be at -50%, the third at -25% and the last at zero... Mathematically, we expect a year at -20%», estimates Bruno Bouygues.

Thinking about new digital tools

For him, this crisis highlights the need to invest, at all levels in digital tools. «In the history of GYS, we've never had so many people working outside the plant for so long,» he says. The experience of GYS Italy has highlighted the difficulties of secure communication and data sharing between headquarters and teleworking employees. «We therefore need to reflect on the multilingual use, organization and security of data for marketing, sales and other departments. When people are far away, we also need better internal communication. Digitally we are facing two challenges: firstly, to accelerate the design of intelligent and connected machines and, secondly, to be able to take control remotely in order to communicate more effectively. Customers, suppliers and prospects have also had 6 to 8 weeks to think about this,» says Bruno Bouygues.

Having become a technology leader with a turnover of 100 million euros (44% in France, 56% in export), GYS has grown its status in recent years from historically being a smaller less advanced company to now being regularly consulted on technical projects by major global technology companies for which it was not looked at yesterday. «There will probably be fewer of us (manufacturers in our sector) tomorrow. The impact on cash flow due to the crisis is going to force some more consolidation», predicts the boss of GYS, who, after having built an 11,000 m² logistics centre in Changé has had to postpone the extension of his Saint-Berthevin factory. Initially planned for the summer, this 40,000 m² production unit should finally be operational in the autumn. «And we're going to need it,» he says, He has also postponed the creation of a subsidiary in the United States by one year, to 2023.