

Stamex: from start-up to success

By Liselotte van Steenis

Hidden somewhere in Isaan lay the premises of Dutch company Stamex, a leading starch equipment manufacturer. The language spoken? “Gronings”, the owners say with a smile and heavy accent. Stamex has a fascinating story to tell: learn about their adventurous winning spirit, how trust is the binding element in all aspects of their business and the wobbly road of starting a company in Thailand.



Mark Schuur and Henk de Vries

The master plan

One does not end up becoming a successful starch equipment manufacturer in Thailand overnight. The history of colleagues Mark Schuur and Henk de Vries with starch machinery goes way back in time and distance. They both worked as Dutch manufacturer of equipment for the (potato) starch industry. As the European market declined due to a decrease in subsidies for potatoes, the company tried to expand in Asian markets where tapioca is the raw material for starch. Mark was sent to Thailand to explore the market and quickly started to build a network. He quickly realized that prices of machinery made in Europe were not competitive against local producers, despite a clear quality advantage. Together with Henk, he developed a plan to produce the equipment in Thailand. Their master plan included a production cost low enough to enable the company to become competitive in the Asian market. But, their employer did not show any interest in producing in Thailand, so Mark and Henk decided to just “to do it themselves”. Taking their two hometowns as inspiration for their company name, Stadskanaal and Meeden Export became: STAMEX. As true pioneers they said goodbye to Groningen and Friesland to start their own company in the land of smiles.

Name versus Reputation

So far so good; the business opportunity was there, as well as the profound knowledge of, and a remarkable network in the starch industry. But that alone does not make for a successful company. The company had a name, but not yet a reputation. Mark smiles: “We were engineers, we knew everything about starch, the machines and the needs of our clients, but we had no clue how to set up or run a company.” They rent a house in Nakorn Ratchasima, the centre Thai starch industry, and used their 15m2 living room as an office. Henk: “I remember the first copy machine we bought; it was a difficult decision as it was really expensive. A big investment at that time.”

Stamex started with designing new machines, but still needed a customer network that would actually buy its designs. To build credibility and trust, the company sold spare parts and when these proved competitive and reliable, the relationship evolved so that the next time around the customer would buy an entire machine. Mark: “The first year was exciting, we had to get the orders in without having any references for our company. That was hard.” It took 1,5 year before a leading Thai starch company gave carte blanche to Stamex with the following simple assignment: “build me a factory”. Mark and Henk were delighted. They worked side by side, day and night, to pull off the big project that would give them good credentials to conquer future customers. From that point onwards, it started rolling and the decision dilemmas moved away from copy-machines to ‘the real stuff’ of managing a business.

“We want to focus on business”

Stamex was rapidly gaining market share by offering innovative, state-of-the-art machines. The company moved to larger premises and hired more staff. But growth came with new challenges such as the one called paperwork. “We want to focus on the business, and not on the paperwork” says Mark. As a consequence nobody read some of the small print and Stamex initially lost out on important benefits offered by the Board of Investment. Henk: “We had to learn the hard way that paperwork is important.” Mark: “My advice now: if you think of setting up your business abroad, make sure you get good legal advice from a well established law firm. Let others do the paperwork so you yourself can focus at what you’re good at. A lot of small companies might think that hiring that service is too expensive especially in the beginning of a project. But do it, in the end it will pay off.” Is this really an engineer talking, or a businessman?



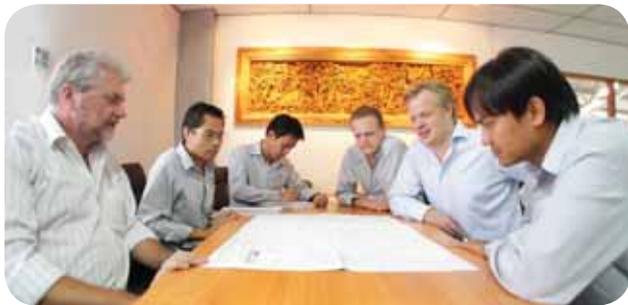
The Stamex factory

“If you have a problem, just solve it”

The issues with the BOI did not distract Mark and Henk. “If you have a problem, just solve it” is their simple approach. This has helped them to overcome many more challenges over the years. Like setting up an IT and accounting system. “If you only have a few clients and suppliers you can easily monitor your cash flow, but as we expanded rapidly, this kind of infrastructure had to be put in place.” Human resources management also provided the team with

some interesting challenges: Stamex once faced a full-blown strike of its staff; on other occasions, staff would just not show up at work. "At some point we thought we had come up with a good and positive incentive structure, but the staff reacted very negatively. It is very cultural sensitive. They are very proud." Henk assures. "We have now a Thai production manager, so we can discuss and test our HR ideas with him first instead. This filter helped remarkably."

Every step in the life of a company comes with its challenges. At present, Mark and Henk are still involved with the start-up of their machines meaning that they are physically present at customer site during the first weeks of the usage of the machines. Henk: "This is very useful because we can be sure it is done the right way but it is very time consuming as well. At some point we have to start delegating this part without compromising quality. That is really the next challenge ahead."



Stamex team meeting

Ambition to win

Stamex is currently in the top 3 of starch machinery producers in the world. What else could the owners wish for? Mark's eyes start to twinkle "Money is not the main driver behind our business. It is the competition; it is the ambition to win; to pull it off; the kick to get your projects in; it is the challenge and ambition to be number one in our market."

Export has become an important driver of Stamex' growth. "Our machines are of excellent quality, so you can only sell them once. At one point the local market is saturated for a few years, which is why we're now expanding to Indonesia" Mark explains. More than 50% of Stamex' machinery is being exported. Investing in R&D, coming with ever better quality and reliability should keep Stamex in the race in Indonesia and many other countries in Asia.

Thailand/Stamex is Quality

The Stamex brand stands for quality, just as all products made in Thailand should be, according to Mark. Have our starch machinery engineers turned out to be great marketeers? Mark smiles: "Well, you do have to brand yourself. If you want to be taken seriously as a reliable and high-quality company, you should communicate that consistently even with minor things like uniforms or coffee cups. There is nothing more to it." The same should go for Thailand. In the opinion of Mark, the image of Thailand as "cheap" needs to be replaced by "Thailand is quality".

By making machines and parts of better quality and that last longer, made in Thailand, Stamex intends to be an example.

It's a long way

The first turbulent years are now well behind the Stamex team; the company has become much more mature. From their spacious office, Mark and Henk have the view on the factory floor. It is hard to imagine them discussing their first copy machine. "Looking back it may sound like everything was very well planned and thought through. But actually it is our combined experience of 45 years in the starch industry, continuous learning by doing, quick decision making and solution oriented approach that led us through these times. You can't build a company overnight. You have to be patient and persistent, and willing to make a sacrifice. It is a long way."

Maturity

With Stamex, Mark and Henk are racing in the international world markets on their way to become number one. However, in their private live, they are taking it easy settling down in Khorat. Mark recently became a father of baby Stijn and Henk is constructing a new house. Mark often goes to Bangkok to enjoy the pace of the big city and combines this with client visits. Meanwhile Henk prefers to stay in Isaan touring through the friendly country-side with his new trike. However, both Mark and Henk admit that there is nothing romantic about living in Khorat.



They explain that there is not much to do in the area and that it is quite isolated. It does allow them to focus on Stamex as they usually work more than twelve hours a day. "It is not the case that we go play golf at 2 in the afternoon" says Mark with a slight tone of sarcasm in his voice. Then he elaborates: "There is always something to do, it is never finished. It is hard work, but that is also how you achieve results. It does not just grow from a tree."

Whether they should be regarded as engineers, businessmen, Groningers, entrepreneurs or pioneer, if you have to choose one category that fits them, it is: success built by their own hands. Mark and Henk have focus, dedication and ambition. With their down-to-earth mindset, a Northern sense of humor and winning mentality they will face every challenge that comes their way.