

# Mankiewicz

## Sure Thing: You Can Rely on Mankiewicz in Times of Crisis



*A robust, global setup means it can be relied on even in times of crisis: The Mankiewicz rail coating portfolio*

The global procurement market has been anything but smooth in the past two years and currently remains off track, not least due to the war in Ukraine. The rail industry is also feeling the effects of this, among other things in the form of supply chain problems and bottlenecks in obtaining paint. With its corporate strategy, Mankiewicz, Hamburg-based paint manufacturer, offers security and flexibility in the supply of coatings even in times of raw material shortages and global crises.

If you take a walk through the purchasing departments of manufacturers, you are likely to see concentrated and worried faces, because the last two and a half years have taken their toll on the procurement market. The reasons? First and foremost, of course, Covid-19, which caused

major and lasting disruptions to the global flow of goods. The shipping accident in the Suez Canal in 2021 also put further and enduring pressure on logistics chains; not surprising as the canal accounts for 12 percent of global trade. And as if that were not enough, a war with global repercussions has now

ignited between Russia and Ukraine. The conflict is not only causing enormous political tensions and humanitarian emergencies, but is also further exacerbating raw material shortages, particularly in the chemicals industry.

This ongoing period of crisis is

causing the heads of those in purchasing departments to whirl and those of production managers as well. The daily rebalancing of supply chains is like one juggling act followed by another: goods are becoming more and more expensive and delivery dates increasingly more difficult to calculate – if the raw materials required are available at all.

## Covid as Trigger, the War in Ukraine as Catalyst

The crises over the past two and a half years have badly hit the global chemicals market in particular, and this is having a serious impact on the rail industry. Adhesives, resins for GRP components and coatings for finishing – there are shortages everywhere you look. According to the ifo Institute in Munich, for example, around 90 percent of companies in the automotive, mechanical engineering and electrical industries have reported supply problems. In the chemical industry, the proportion has risen from 58.4 percent to 70.5 percent. As a general rule in economics, scarcity naturally drives up the prices of raw materials: The rapid rise in the price of oil, the raw material for making binders and additives, in the wake of the war in Ukraine illustrates the problem by itself. The chemical supply industries are therefore under enormous pressure – and this is also being felt by the major OEMs, where all the components ultimately have to come together. Any prospects for improvement? Not right now, because it remains impossible to predict when the economic and political turbulence will end.



*With an expert eye and precision tools, Mankiewicz works with rail customers to develop customised systems that can be manufactured locally and deployed globally*

## Reliability as the Currency of the Hour

Of course, global paint manufacturer Mankiewicz, which also develops efficient coating solutions for the rail industry, has not remained unaffected by the crises. However, the group of companies founded in Hamburg in 1895 has found a way to successfully counter the massive challenges by developing an extremely robust setup for production. In some cases, this also leads to Mankiewicz stepping in when other paint suppliers have delivery bottlenecks

in order to keep the customer's production running. How does Mankiewicz manage it? Unlike many other internationally operating paint manufacturers, the company relies on a globally uniform coatings portfolio that has evolved over decades, hand in hand with the rail industry.

In turn, this has required a clear, long-term strategy and especially at present it demonstrates the added value of the organic growth that Mankiewicz has consistently pursued. While other coatings manufacturers have acquired companies with their own country-

specific portfolios, Mankiewicz has relied on a uniform standard in the product range, regardless of production location. Due to paint specifications that vary nationally, it is a challenging task for the R&D teams to develop broadly based paint systems that can sustain OEMs and railway operators globally. However, this is precisely the strategy that Mankiewicz has been applying for decades – establishing a product range that has a high bandwidth of specification approvals. It is certainly no accident that the Hamburg-based company has the reputation for having “Europe’s most approved coating systems.”

## Process-Sure Product Portfolio

Thanks to this approach, Mankiewicz’s global range of rail coatings covers the three main areas needed by the rail industry: interiors, exteriors and structural components, such as bogie frames and wheelsets. Not only are sustainable standard systems used in these areas, but also special functional coatings, such as anti-

graffiti paints and FST coatings. These can be manufactured equally at any of our global production sites in the USA, Europe or China, all based on our modular development and production methods. It is precisely this harmonised technical production setup that is a big plus for the Hamburg-based company: by using the same production machines, the same SAP system and uniform incoming goods, processing and testing processes, all ensure a high and consistent standard of quality globally, from the incoming raw material to the outgoing paint containers.

## Win-Win Situation for Customers and the Paint Manufacturer

The effort required to implement this strategy has proven worthwhile, and for everyone involved. Especially in times of crisis, Mankiewicz is able to exert strong leverage on raw material suppliers, by requiring only a smaller number of raw materials compared to other manufacturers. In return, however, Mankiewicz orders lot sizes that are

attractive for distributors. Another advantage of the smaller number of raw materials is that Mankiewicz can invest more time in building up a reliable supplier network, thus avoiding the dangers of single sourcing in the event of price and supply uncertainties.

Overall, this approach facilitates difficult procurement and ensures a stable supply of raw materials. Of course, customers also stand to benefit, because they can rely on secure procurement and supply of coatings as well as when there is no raw material scarcity. For their production, a reduced and tailored product portfolio also means significantly less product juggling on the paint line. Finally, two aspects come together that have the highest priority for every company and every customer: high quality of the products for processing and security of supply in their procurement. In both these, Mankiewicz qualifies as a reliable partner for the railroad industry.



*At the end of the supply chain is a functional and visually appealing surface finish that enhances the comfort of passengers*

