

40 PESMEL YEARS

Pesmel will turn 40 at the end of 2018. The company has reached a respectable age, but is as innovative and passionate about creating new engineering solutions as ever.

THE EARLY YEARS

Pesmel was founded by two sets of brothers, **Hannu** and **Jari Mäki-Rahkola**, and **Pekka** and **Pauli Rahkola**. They first provided electrical installations for both consumers and companies, but machine industry was on their minds from the start. It all really kicked off when Jari started working full-time at Pesmel in 1980.

Quite soon, the Rahkola brothers moved on to other challenges, selling Pesmel to Hannu and Jari, who became the face, body and soul of the company.



Jari Mäki-Rahkola and Hannu Mäki-Rahkola 1980

“When the operating personnel heard that there is programmable logic in the equipment, they believed that no less than an engineer could use it. However, the only thing to use in automated equipment was a switch that had to be turned when the equipment was started. This problem has been eliminated by involving the operating personnel in the trial run.” (Hannu Mäki-Rahkola, presentation on the automation of a storage and conveyor system for parceled goods, 1984)

Ekokem 1984



1980s: THE BEGINNING OF AUTOMATION KNOW-HOW

Pesmel's first machine workshop was in a barn in 1981, where Pesmel took its first steps as a pioneer in material handling. In the early 80s, wired relay technology was becoming obsolete with the arrival of the first programmable logic controllers. Hannu quickly learned about PLCs to get a head start over the competition.

One of the first deliveries with a modest logic was a stacking machine for Rauma-Repola in 1980. Slowly, the machine industry side expanded, with automation increasingly involved. The electrical department grew simultaneously.

The first notable delivery was an extensive waste handling system for Ekokem in 1984, which included an innovative Ex zone.

“There wasn't much knowledge of Ex zones in Finland. We investigated thoroughly and created one as part of the very first, very big waste material handling systems,” says Jari Mäki-Rahkola. “The performance of the facility was our first real test.”

On the electrical engineering side, the biggest project was at the Shemyakin Institute in Moscow, which employed 25 electricians for a year in 1988-1989.

“Compared to the Ekokem project's Ex zone and dirty surroundings, this was the opposite. Shemyakin is a bio-organic chemistry institute with cleanrooms. We always say that we take the most difficult projects,” says Jari.

In the 80s, Pesmel had many big machinery projects in the Soviet Union. At the end of the 80s, Pesmel built a film wrapping machine for Metsä-Serla, and another for Rauma-Repola. After that, there was a break in deliveries – the innovation came too early.

“We were ahead of our time,” says Jari. “Customers didn't believe that you could wrap paper products with anything else than paper. At the turn of the decade, we were like missionaries preaching about film wrapping. When the change happened, it was of course a benefit for us that we already had the solution ready.”

In the mid-80s, Pesmel employed programmers, and Hannu and Jari focused on sales and running the company.

“In the 80s our 'engineering drive' was born. With the people we had, we felt that nothing was impossible,” says Jari.

1990s: ECONOMIC DEPRESSION AND STRONG COMMITMENT

“Without the 80s boom, we probably wouldn’t have survived the 90s,” says Jari.

The financial crisis that Finland faced and the fall of the Soviet Union were tough for Pesimal: Hannu and Jari didn’t pay themselves any salary, some people worked on partial salary, and others were laid off. These measures helped them through three hard years.

“We survived three years, but we wouldn’t have made it through a fourth,” says Hannu Mäki-Rahkola.

The first international contract was a film wrapping machine for the Aussedat Rey in France. After this, many more projects followed, for example the first wrapping machine delivery to East Asia in 1993.

After the recession, digitalization moved forward. Drafting tables were replaced when computer-aided design took off. Pesimal had already gained a position at the forefront of automation, and the increased use of automated process handling systems made it possible for the company to grow. Here, Pesimal also became aware of the possibilities of digitalization. Competitors had to outsource automation design, whereas Pesimal had their own resources.

“The principle has always been that we kept whatever we got, whether it was money or people,” says Hannu. “Our people are extremely committed, which makes it possible for us to gain more experience, which in turn makes possible to develop new things.”

“Our people are engineering-driven. That spirit has always been overwhelmingly in the development of technology,” says Jari.

During the 90s, Pesimal made acquisitions. Pesimal AS is a production facility in Estonia, acquired in 1996. AWA Advanced Warehouse Automation delivered warehouses for the paper and metal industries, and later merged with Pesimal. Cimcorp manufactures automated robotic solutions for intralogistics in many industries, and Pesimal complements the deliveries by building the needed conveyors.



Aussedat Rey 1992

2000 & 2010: TRUE GLOBALIZATION

In the 2000s, Pesimal’s quality system was certified. Projects for the metal industry started to grow and expand to Europe, with warehouse projects for Outokumpu strongly influencing this. There were many deliveries for the parceled goods industry, and exports grew to 80% of sales. Also, the IT design department developed in huge steps.

“The financial crisis of 2008 hit sales, and Pesimal had to rethink its position in the world,” says **Tony Leikas**, CEO of Pesimal. “We reorganized the company: the core remained, but functions were renewed.”

In 2011, Pesimal renewed its strategy considerably, selecting the customer branches in which they wanted to operate: paper and metal.

“We are at our best in highly automated systems: internal logistics, packing and warehouse solutions. In these we are competitive; they are demanding, and that suits Pesimal well,” says Tony.

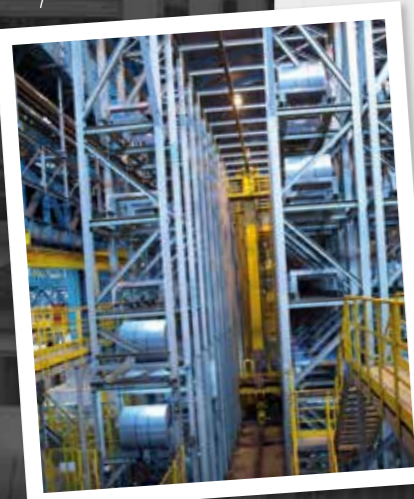
In the early 2010s, Pesimal’s focus was on Asia. In 2014, 75% of the turnover came from India and China.

“We have moved from machinery and small production lines to comprehensive systems thanks to digitalization and our ICT knowhow. We have succeeded in genuinely integrating machines and ICT, because we have all the needed resources and knowledge in-house,” says Tony.

Pesimal has been growing strongly since 2013, and in 2017 the company’s turnover exceeded EUR 50 million.

“Currently we deliver to the Americas, Asia and Europe. We have become truly global.”

CSC Taiwan 2010



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