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.

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.
In the 2000s, Pesmel’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 parcelled 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 Pesmel had to rethink its position in the world,” says Tony Leikas, CEO of Pesmel. “We reorganized the company: the core remained, but functions were renewed.”

In 2011, Pesmel renewed its strategy considerably, selecting the customer branches in which they wanted to operate: paper and metal industries. “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 Pesmel well,” says Tony.

Pesmel 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.”

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 Pesmel. 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 these 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. Pesmel 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, Pesmel also became aware of the possibilities of digitalization. Competitors had to outsource automation design, whereas Pesmel 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, Pesmel made acquisitions. Pesmel 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 Pesmel. Cimcorp manufactures automated robotic solutions for intralogistics in many industries, and Pesmel complements the deliveries by building the needed conveyors.

2000 & 2010: TRUE GLOBALIZATION

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“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 Pesmel well,” says Tony.

In the early 2010s, Pesmel’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.

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