



Boucherie and Borghi Join Forces!

The beginning of May saw the advent of the Boucherie-Borghi Group, bringing together two of the world's major manufacturers of brush-making equipment. Reason enough to talk to Mr. Bart Boucherie Jr., President of the Boucherie Company in Belgium, and Mr. Enzo Ferrari, President of the Borghi Company in Italy.



The announcement of the merger of both your companies was certainly a historical event of grand scale for our industry. What prompted the start of the discussions that finally led to both of you joining forces and who approached whom?

Enzo: This is not at all the result of big strategic studies prepared by some consultant, but rather the result of some reflections of two colleagues who, in their hearts and their thoughts, do like to build machinery for their customers in the brush industry. And these reflections led to the conclusion that a smart combination of both our entities creates tremendous potential for both our companies, our employees, and of course our customers. To be frank, after the very first meeting Bart and I knew we wanted to do this. And if you ask me why, well, the answer is: "Because we want this". It is a once in a lifetime opportunity for both of us.

What is the structure of the merger and who are the shareholders that have a stake in the new company?

Bart: This is not a very complex merger. In fact, it is very easy: the basic principle is equality amongst partners. Both the Belgian and Italian entities of our Group have the same shareholders. To be honest, the legal structure of the Group was one of the smaller issues in the total scope of events. Most of our time we spent talking about machines and especially about new developments.

What do you hope to accomplish with this merger?

Bart: We want to combine the 150 years of experience we together have in this industry, into one company, with all 420 employees and to the advantage of all our stakeholders.

Will any of the operations at either location be shut down? Will you consolidate any positions?

Enzo: We look for opportunities, not for disruptive situations. Both of our companies have their own strengths. We want to learn from each other and concentrate on the best of both worlds. The aim is not to close or shut down things. Of course we will look how and where we can improve our organization, but always keeping very strong focus on our customers. Also, we are very happy to be able to start this new era of cooperation with well filled order books both in Italy as well as in Belgium, which allows us to focus our energy on what's important.

Do you see potential for growth from the merger?

Enzo: We are active in a niche-market and that market is tough. Growing in such a situation is a challenge. That is why, in fact, this will be one of the most important and first topics we will concentrate on together.

How do the entities intend to work together?

Bart: It is obvious we will each keep our strengths and specialisms as they are. Each entity will keep its own identity and will keep using its own name, but always with a link to the Boucherie-Borghi Group, to which we both belong.

What about the language barriers?

Bart: This is indeed a challenge. But at the other hand, we see a lot of companies doing business in the Far East where language barriers of a much greater magnitude exist and still they are very successful. Nobody complains about these language issues. Anyway, I believe this will be a short term issue when I see that some of our people already have installed language courses on their iPads. And after all, all our people speak the language of the brush-maker and that is a universal language!

I have to admit that after one or the other meeting, I promised Enzo that I was going to take a crash-course in Italian. I am afraid he may hold me to that. (smiles)

How will you overcome the fact that just yesterday you were still competitors?

Enzo: Well, let me first of all say that we both share a feeling of deep respect for each other's company and for each other as a person. Respect is a key factor in making this kind of operation a success. But, yes, in the past, we were indeed using our energy to compete against each other. From now on, we will use our combined energy to better satisfy our customers' needs.

Bart: Yes, there is mutual respect. One big advantage is also that there is really less overlapping between our machine-programs than one would think. On the contrary, our machinery lines are very complementary.

How will your customers see this merger?

Bart: It is up to us to keep convincing our customers that we are here to serve them, as we both have done in the past. Customer focus is very high on our agenda and our permanent concern to meet our customers' expectations is one of the reasons behind this decision. We are convinced that we can do that in a better way by joining efforts.

Is there anything else you would like to say about the merger?

Enzo: People may speculate as to who is in control of this merger and we wish to inform them that this is truly a partnership based on equality between Boucherie and Borghi. Bart and I and our teams will be in constant communication working together for the benefit of the Group and our customers. Our customers will continue to contact the same people and our teams will be working together to make sure that our customers' best interests are served.

Bart: This is a very big step for both our companies and for all stakeholders in and around both our companies. But, as we say in Flemish, sometimes in life a train stops in the railroad station unexpectedly and then you can either jump on it or not!

boucherie

Borghi