

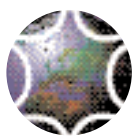
Success in a difficult climate

Not many, if any, brand new tannery operations have taken root in Western Europe in the closing quarter of the 20th century. Against the odds, Südleder GmbH & Co has. Several German leather and hide businesses, seeing an existing and rising potential in contract tanning, joined forces and formed a new company, Südleder, in Rehau in May 1979, using the then redundant buildings of the closed Josef Linhardt tannery. Südleder is essentially a contract tanner.

It is probably fair to say that the rapid success of the enterprise exceeded the expectations of the owners. Within six months of foundation 50 people were at work and six years later the former tannery buildings of the adjacent Ernst Linhardt company were acquired. In 1998 the original premises were demolished and extensive purpose-built production and storage facilities were erected in their place. Yet more production and warehouse space was added in 1999 and 2001. Today, in its 26th year, Südleder's 270 employees, working six days a week, 52 weeks a year, on a two shift basis, daily process more than 140 tons of raw material, turning about 3,000 bovine hides into leather. Normally, approximately half of the throughput is made up by contract wet blue and crust production. The remainder consists of finished leather manufactured to customers' specifications, chiefly for automotive and furniture leathers where there is an increasing demand. Leathergoods and upper leathers also play a part in the product profile and the semi-finished products have found markets in many countries around the world.

Rising manufacturing costs, ever more demanding social and environmental legislation and apparently dwindling ➤





About Rehau

Even though Rehau is a rural town in a remote corner of the Federal Republic, a few miles from the Czech border, it is an industrial location with a long history of diverse manufacturing activities. Settlement in the area dates back to 500 BC and Rehau was officially designated a town in 1427. Cattle trade with Bohemia and Saxony became a significant activity bringing affluence and later leading to the development of the town into an industrial location.

Today, with a population of about 11,000, some 700 companies employ several thousand people in industries including plastics, leather, textiles, metalworking and timber.

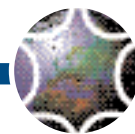
Industrial scale leather making started in 1888. The tannery, then established, became the Linhardt companies, where the tradition of chrome tanning in Rehau was born in the early part of the 20th century. After the demise of the Linhardt factories Südleder came along to take up the town's leather banner.

market opportunities were countered by massive investment exceeding €25million in modern premises and machinery. State of the art manufacturing philosophy, total quality assurance, ideal location, leadership in waste treatment and, last but not least, highly motivated management, have all taken Südleder to the fore.

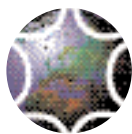
Manufacturing and quality

The first priority in the development of the manufacturing base was to keep pace with the growing demand for Südleder products and to always keep a step ahead of output requirements. The most productive and technically advanced machinery was therefore installed. The large 'green field' areas available and created in the renewed buildings provided the opportunity to position equipment in a logical production flow, optimising transport and work in progress. Examples of its progressive approach are the whole hide eight-table vacuum drying machine and the Autosplit lime splitting machine, the latter developed in Germany by Dr Dorstewitz using totally new engineering concepts (see *World Leather* February/March 2003 for a technical report on this machine), both recently put into service. The splitting machine, after a period of evaluation, has proven advantageous in its operation, with very satisfactory splitting results, particularly when dealing with difficult materials. Wet shop process programming and control was adopted early on. The up-dated Prosys PPS 2000 automatic system now makes a rapid response to clients' orders a matter of routine, bridging performance with the monitoring of quality. Every production step is checked and documented, specific production techniques and all product formulations are traceable based upon quality assessment. Commitment to Certification started in 1995 with compliance with DIN EN ➤





ISO9001:94, continuously maintained and now up-dated to DIN EN ISO9001:2000. Extensively equipped laboratories are not necessarily common in contract tanning operations but Südleder has all the instrumentation to analyse and monitor product specification, as well as inspecting chemicals used, both physically and chemically. The science (or art) of leather making, ancient as it may be, continues to change and evolve and Südleder has the resources to carry this forward. An important factor from cost, product end-quality and environmental considerations is the ability to receive fresh, unsalted hides thanks to the relative proximity of abattoirs and access to a motorway network. Processing of the raw material starts without delay, again contributing to the final product quality, quite apart from being able to guarantee the fast delivery expected from a contract tanning supplier. Südleder holds all currently required registrations and licensing and complies with veterinary legislation. ➤



Location

Whilst the existence of empty tannery-type premises in Rehau was a good starting point, the decision to locate it in the Northern Bavarian town was significant. An ongoing background of leather making dating back at least to 1888 and continuing into the 1970s, until the closure of the Linhardt factories, obviously helped in establishing a skilled labour force. Ample water supply close to the tannery was also an advantage. The local administration welcomes and supports industrial development and immediate direct access to the national motorway system is particularly important in a contract tanning operation.

Environment and pollution control

The protection of the environment in converting raw hides into wet blue or finished leather has many facets, all addressed by Südleder. To mention the principal ones, the company has established approved safe handling of chemicals, it is aware of the economical use of the natural resources required and of the implementation of legislation. It minimises the creation of waste and recycles, much of which cannot be avoided and, finally, pays attention to the economic use of packaging materials. Anticipating what will confront the leather industry in the future, Südleder is participating in a German Federal Ministry for Formation and Research (BMBF), a supported joint venture project entitled 'Production Integrated Environmental Protection in the Leather Industry.'

The company operates its own wastewater treatment site with a capacity of 2500m³ per day, acquired from the local authority in 1986. More than 99% of harmful substances and more than 90% of effluent load is removed and dewatered in filter presses. Shavings, a solid waste material, are transported to specialist firms for recovery.

Management

Peter Pöppel, an engineer with extensive tannery engineering experience, took charge of the operation from the outset, gradually building up a dedicated team. He is the managing director of Südleder and has put his stamp on this highly productive organisation. He told *World Leather* that he fears difficulties in the future of the leather industry, particularly if some of the current negative factors are not addressed in time.



◀ Pöppel sees global and European challenges, even for a business whose main strengths are quality, reliability and awareness of the protection of the environment. Globally, the concepts of just-in-time and ecology are becoming meaningless when contemplating the course of a European hide processed in the Far East and the return of the end product to Europe. Pöppel would paint a scenario where a German hide, after additional preservation, which ultimately puts more load onto the environment—is transported to X, partly tanned at Y, finished out at Z, cut and made up in another country and finally returned to Germany to be fitted into a vehicle or supplied as finished upholstery furniture leather. A few euro saved and a vast extra burden onto energy consumption.

On the EU enlargement, he comments that it can only be welcome if it does not result in brutal competition for the existing EU tannery countries. He feels REACH, the proposed chemicals regulation will put the leather industry in great danger. The consumer reaction to these factors is already making itself felt in terms of falling sales. Nevertheless, despite all the difficulties, Südleder customer service will continue to be that of a contract tanner of the highest order, Pöppel states. ●