

# Continental AG: Leading the industry into the future



*Continental has been in business for nearly a century and a half. Founded in 1871, the technology company offers safe, efficient, intelligent, and affordable solutions for vehicles, machines, traffic, and transportation.*

*Continental develops sustainable technologies and services for connected mobility of people and their goods. In 2017, Continental generated a staggering USD \$50 billion in sales, and currently employs more than 244,000 people in 61 countries and markets across the globe.*

*Their division, ContiTech, is a leader in rubber and plastics products, such as industrial hose and hydraulic hose and equipment, which are both produced and sold across the planet.*

*Hose + Coupling World had the great opportunity to speak to Continental's Karina Robinson, Marketing Director-Industrial Hose for North America, and Jarek Zakrzewski, Digital Solutions Manager-Industrial Fluid Solutions, to discuss the company's accumulative USD \$50-plus million investments, elaborate expansions at their Mount Pleasant facility in Iowa, and their path breaking cloud-based crimping solution the Continental Smart Crimper.*

*By Sanket Sharma*



## **An industry leader**

Continental is considered one of the pioneering companies of the rubber and industrial PVC hose business. "Continental is considered both a North American and global leader for several reasons, but primarily due to our extensive product breadth and overall high quality and performance of our hose products," says Karina.

The extensive product portfolio is unique and impressive in itself, and it includes both PVC and rubber hoses. Only recently, Continental invested USD \$10 million in PVC hoses and USD \$8 million in rubber hoses to boost productivity and expansion on both fronts, which ultimately led to the company possessing the largest hose portfolio of product offerings and solutions in the global hose market.



Continental offers a profoundly extensive product offering and manufacturing capabilities; from the smallest of diameters all the way up to 82-inch inside diameter (I.D.), with working pressures of 15,000 psi. The company provides the market with high-performing engineered hose products for specific market needs such as flexibility, abrasion, and durability. These factors provide an opportunity for Continental to offer its customers one of the most diverse and high-performing hoses, along with optimum products and solutions.

“Continental is not just a rubber and plastic company, it is also one of the leading technology companies. We continue to invest in our plants and people,” says Jarek.

### Global admiration and staying on top

Continental has been leading the industry race for a long time, and for the last two years, the company has consecutively featured in Fortune Magazine’s “Most Admired Companies” list, while also being named in Forbes’ “America’s Best Employers.” While recognition is welcomed and cherished, the most important goal for the organization is to provide the best services and products to its customers. Karina mentions, “Continental is not just committed to our employees, but also to our customers to provide them with the best hose products and solutions. The company has made three major investments of more than USD \$50 million in the last four years in North America within the Industrial Fluid Solutions (IFS) business unit for both industrial and hydraulic hoses. We embrace, ‘In the market, for the market.’”

The IFS is an integral unit of the Continental division of ContiTech, which is a specialist for plastics technology and is one of the leading suppliers of technical rubber products and overall manufacturer of rubber in the non-tire sector. They conceptualize, develop, and produce functional parts, components, and systems for machine and plant engineering, mining, the automotive industry and other related industries. Karina sums up, “We are virtually in every single market.”

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### Significantly enhancing the whole system

The latest growth for Continental is in their PVC hose business in North America as they expand their manufacturing and production capacities into a new state-of-the-art competence center at its upgrade plant in Mount Pleasant, Iowa. This is Continental’s largest industrial Hose Plant with production capacities for both spiral and PVC hoses. With an approximate area of 250,000-square-feet, and close to 300 employees, the plant provides top-notch services and capabilities to customers, and is a hub to store stock. An investment in excess of USD \$8 million was made at the rubber spiral industrial hose plant to provide



20% more capacity to the market. Another investment of USD \$12 million was made in PVC hose overhaul plant to build a state-of-the-art competence center to modernize the PVC manufacturing process. This investment has afforded Continental access to new and improved PVC equipment and technology which lends itself to improved output and renewed focus on new hose solutions for the market with in-

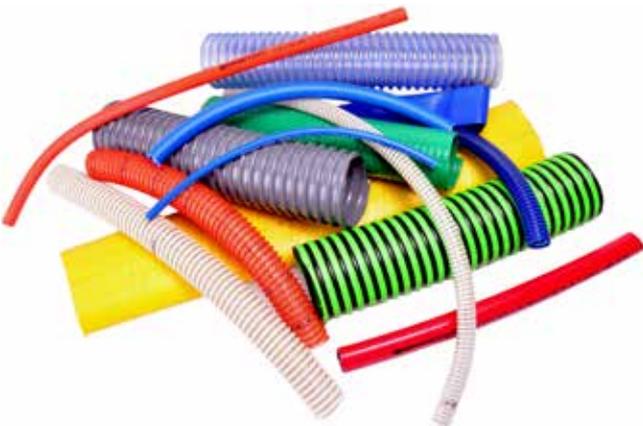




creased manufacturing capabilities and R&D support. These updates consist of new and high efficiency equipment, the latest technology in quality controls and complete upgrades of all existing lines.

Custom Machining Services, also known as Custom-Crimp, located in Valparaiso, Indiana, was acquired in late 2017 to strengthen the company's crimping service capabilities in North America, as well as to add manufacturing capabilities of hose assembly equipment and crimpers. Jarek comments, "This location enables us to expand our services for hydraulic and industrial hoses." CustomCrimp adds assembly equipment to their portfolio which they now offer as a package. Jarek adds, "The coupling process is one of the most important steps in the value-added chain, this means we can significantly enhance the whole system."

Customers directly benefit from the investments made for PVC and rubber hose, as Continental increases their capacity and quality control measurements, and also brings forth fresh market hose solutions which leads to higher performance and safer products. Continental packages products and solutions to offer integrated system from one manufacturer.



### Ubiquitous market presence and leading technological advancements

Continental is continuously expanding their PVC offerings. Some of the exclusive products that they offer today are; the Spiraflex HT, the only suction hose that maintains a full vacuum at 150 degrees F; Cold Blue, the most flexible PVC suction hose in cold temperatures and; Arvac, the most abrasive resistant material handling hose on the market. Additionally, they also offer a large variety of highly flexible lightweight PVC air hose, FDA, and NSF61 products, all made with non-phthalate materials.

The company is also considered a leading technology company with specialization in the tire industry, as well as in the self-driving technology, and vehicle automation and safety. The company was recently honored with the Innovation Award at Consumer Electronic Show, CES, for the safe and convenient Intelligent Door System.

### The Continental Smart Crimper and digitalizing the selling process

Continental now also offers a new cloud-based crimping technology. Last year at NAHAD, they launched Continental Smart Crimper, a fully managed cloud-based solution. The smart crimper is equipped with CrimpIQ controller that connects to the CrimpCloud software platform. The CrimpIQ controller provides customers with instantaneous updates to the crimper, reducing costly downtime while simultaneously boosting efficiency, safety, quality, and speed at customer operations. The platform offers the crimper to receive new features, updates on specs, backs up data, logs on historical data, among others. The sophisticated software doesn't require any manual labor to manage the data and also offers secure and complete solutions to all customer devices regardless of location. All these features are designed bearing in mind the customers valuable time and money.

Specs offered on this product are:

- User-friendly and high resolution 10" touchscreen – a simple touch helps you navigate specifications, notes and relevant crimping tutorials
- The complete integration with MyCrimp app for updated crimp specifications
- The CrimpCloud integration for software upgrades and back up of data
- Remote diagnostics and technical support

This product generated an extremely zealous reaction from users. Customers responded largely to the user-friendly, high connectivity, transparency and quality



of the product. Traditionally, crimping where fabricators couple hoses and fittings, is a process that gets carried out manually, leaving much of the process vulnerable to human error. The cloud-based software transcends this process and offers a major advancement to the customers, providing them with storage of historical crimp data for quality purposes and providing info on past crimp users.

The company's vision and capabilities are beyond hose and assembly equipment as they are committed to offer enhanced efficiency, safety, quality and speed to their customers operations. They are also committed to enhance their core products by growing their digital ecosystem and solutions. They offer a wide range of applications and web-based tools to give their customers the ability to speed up their process of selecting Continental products. Jarek states, "There will be more than 50 billion devices and machines connected by 2020. Digitalization and digital opportunities are growing at accelerating rates. We continue to bring innovative solutions to our customers," he added, "We are digitalizing the selling process."

#### Distribution and end user applications

Continental supplies hoses on a global scale through a variety of channels. For their North American market, they work closely with their distributors, who are their primary channel, to provide end users safe, reliable and high-performing products. Distributors may offer the full spectrum of hose solutions or specialize in key markets such as oil & gas, mining, petroleum

dispensing or welding. Their constant expansion to different regions and market requirements at different stages also mean that they use several distribution channels operating on a wide spectrum.

Continental hose products are used in several sectors of the market like, air, water, petrochemical, oil and gas, offshore oil drilling, food and beverage, material handling, mining, hydraulics, and construction, among others. Key end user example applications are transferring steam, processing chemicals, gasoline dispensing, brewing, robotics, fracking and welding. An almost ubiquitous presence in the market, end user applications differs from user to user. With hydraulics and industrial hose the company is touching every industry and is used in several applications. Karina sums it all up, "From MRO to OEM to home users, Continental hose is used everywhere."

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#### Looking ahead

Continental is thoroughly committed to continuously bring forth new PVC and rubber hose solutions, at the same time are very devoted to bringing smart solutions beyond rubber to their partners of choice and supplier.

Continental's move forward in the digital space coupled with their invested of well over USD \$50 million in the last four years at their various plants and locations only proves their elaborate plans to bring the best quality products and services to their customers. "Our investments allows us to attain new, high efficiency equipment and the latest technology in quality control to remain the number one PVC industrial hose supplier in the world in regards to product offerings, quality, and market share."

