A MATCH MADE IN AUTO HAVEN

Mando-Hella Electronics pursues a spirit of integration in its quest to grow in – and from – Korea

Network. Marriage. Raising a child. These are the words Markus Stehle, the co-CEO of Mando-Hella Electronics Corp. (MHE), uses when describing his business. Like any good marriage, he says, MHE is a 50-50 partnership between Korea’s Mando Corp. and Germany’s Hella KGaA Hueck & Co. The automotive industry, he says, is above all a network, and it is MHE’s goal to become a sustainable and reliable partner in this global network. Building a new company, especially in a joint venture, is like raising a child. You crawl, walk, run and develop competence, Stehle says. “It’s so amazing to do this in an environment in Korea, which is very spontaneous, which is very open for a new technology. And comparing this with other regions, this is very supporting, that you can work in this environment,” said Stehle. Established via a joint venture in 2008, MHE is a manufacturer of advanced electronic automotive parts. Mando Corp. manufactures automotive systems. Hella, which has a second joint venture in Korea, is an automotive supplier and provider of driver assistance systems.

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Markus Stehle
Co-CEO of Mando-Hella Electronics Corp.

The venture merged both companies’ expertise in chassis systems, electronics and driver assistance systems. The goal was to supply for Hyundai / Kia Motors and other customers. “We want to be close to the OEM,” said Stehle. “We want to understand well the planning in the automotive industry. To develop a new car, it’s not like in the consumer industry, it’s not short term.”

Today MHE manufactures brake systems, steering systems, sensors and driver assistance systems, with business functions including research and development and sales. The company opened a second location in 2011 in Su Zhou, China. More than 100 of MHE’s 900 employees are there. The company’s strategy is to start and center all product development in Korea and to expand MHE’s “global footprint” by growing from Korea, into other regions.

The Korea-China free trade agreement, to go into effect this year, will facilitate MHE’s business with China. “We can better develop production strategies,” Stehle said. “You have a higher flexibility. And this helps to plan and to structure business globally, much better for us.”

MHE as a group generated turnover of about KRW 430 billion (USD 390 million) last year. Quality is the key factor, not just one of the factors, for the company, said Stehle, and it all starts way before the production stage. “It begins already with the product concept. Here, we are applying the highest standards for functional safety to ensure that equipment operates correctly in response to its inputs, including the safe management of likely operator errors, hard-ware failure and environmental changes,” said the co-CEO. MHE is one of the first companies in Korea to be qualified and audited for functional safety.

Since the start of production in 2010, MHE has also enjoyed a couple other facets. It is the first company in Korea to supply a 24-gigahertz radar for blind spot detection and lane change. Hyundai / Kia Motor’s K9 was the first car in Korea equipped with the technology, said Stehle. MHE is also one of the first companies to locally manufacture what’s called a “power pack” for steering that helps save fuel. Instead of hydraulic steering, which would involve constantly running a hydraulic system, the technology uses an electric motor that kicks in only during steering. Manufacturers want to lower emissions and fuel consumption, and one way to do this is through electrification. “And we will bring, in the future, more products, especially in the field of energy systems for fuel saving as well as more functionalities that are a step toward autonomous driving,” said Stehle. “As you can imagine, if you want to move on to fully autonomous driving, you need a lot of sensors detecting your environment.”

As cars produced nowadays involve a lot more electronics and software than they did back in the 60s and 70s, MHE is investing to grow in terms of both electronic capabilities and software. Calling Korea’s automotive market a “very mature market,” Stehle said that growth here is centered on finding opportunities to develop new products. And this is where being close to your customers makes a difference. “Localization not just for Korea, but also for any other areas is, I would say, at the end, mandatory to be successful,” said Stehle. “We are located in Korea, so we are very much a Korean company.”

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Did you know?
- Mando-Hella Electronics is located in Incheon, Korea.