

# CHAPTER 6

## From the Edge of the Abyss to Global Expansion 1977-2009 DESMI A/S

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### Summary 1977-2009

In October 1979, Denmark's minister of finance commented that 'some like to say that we are on the edge of the abyss. We are not. But we are heading towards it, and by now we can even see it'. The comment described the situation in the entire country, including the situation for *De Smithske*.

A long period of growth was ending by the end of the 1970s. At the same time the opening of markets with the creation of the European Union proved that Danish industries were not competitive in foreign or domestic markets. The abyss was particularly apparent in Aalborg. Most of the heavy industries in Aalborg – the city of the smoking chimneys – had disappeared while only a few of the old factories remained including *De Smithske*. It is remarkable that *De Smithske*, the oldest of all the companies, not only survived the crisis in the late 1970s but even managed to develop into a truly global company today. However this was not on the cards until the mid 1990s.

When the production of cement in *DAC* was closed, *DAC* bought *De Smithske* with the remaining funds. The new owners concentrated all their efforts on the production of pumps and closed all other productions in the entire group that were not directly linked to the production of pumps. At the same time, significant investments were made into new production machines.

In the early years, the new strategy did not work out very well. Downward trends in market conditions and the closure of several shipyards combined with increasing challenges in the fisheries made it impossible to create sufficient profit to pay interest on the new production machines. By the end of 1980, share capital was lost, debts were cancelled and *DAC* and *PKA* had to invest significantly more funds in the company in order to maintain a minimum level of share capital.

Throughout the 1980s the company slowly created a foundation for a viable business, and from 1988 production even yielded a profit. Significantly, when *De Smithske* bought *Thrige Pumper* in Odense in 1993, the production of pumps was strengthened to such an extent that they were now competitive on a global scale.

Aside from pump production, *De Smithske* began investing in equipment for the combating of oil pollution. The first oil skimmers were produced in 1978, but it was not until the catastrophic oil spill of the Exxon-Valdez in Alaska in 1989 that they captured significant market shares. In cooperation with the Roulunds Fabriker in Odense,

*De Smithske* created the company *RO-CLEAN DESMI*. In 2005 *DESMI* became the sole owner of the daughter company which is one of the leading companies in its field on a global scale.

In the spring of 2003, *De Smithske* changed its name to *DESMI*, the name the company had always used in international business. Aside from now having a name that can easily be pronounced in many different languages, the name change also marked a change to a new era for the old company. A number of employees invested in shares and in the spring of 2008 they owned the bulk of the shares. Today 80% of the share capital is owned by a group of leading executives in the company, while the rest is owned by a local investment fund. As had happened so many times before, it was feared that *De Smithske* could not survive the 1970s. But as had also happened many times before, the challenges were overcome by structural changes and by identifying new niche markets. Today *DESMI* develops, produces and sells pumps to marine and offshore industries, and other supply industries. The company also sells equipment to combat oil spills. The group has daughter companies and offices in Denmark, USA, China, United Kingdom, Germany, Holland, Norway, Ecuador and Korea and employs around 500 people worldwide.

The most recent financial crisis from the autumn of 2008 that is challenging *DESMI* will be overcome by looking outwards, not inwards, and by selling pumps on a global scale. *DESMI* has survived many financial crises by maintaining a flexible production that is always ready to explore new niche markets.

## *The New Factory by Aalborg Airport*



The 'topping out' ceremony for the new factory was on August 12th 1977 and the new buildings were officially opened on May 30th 1978. The buildings were designed by the architects Friis and Moltke and cost around 20 million DKK. *De Smithske* made 3.7 million DKK from selling the old factory and the old site, but *DAC* still had to provide a loan guarantee of 10.5 million DKK. In effect it meant that it was necessary to pay back both this amount and everything else that was not funded.

*DESMI's headquarters in Lindholm near Nørresundby were built in 1976-1977. Immediately in front of the car park is the cafeteria and the administration building. Behind these buildings is the large production facility. At the far back are the service and repair facilities and a storehouse, 2008.*

The new building was 8,350 m<sup>2</sup>. With 5,186 m<sup>2</sup>, the production hall made up more than half of the total space. This production hall was even expanded later to add a storeroom of 3,450 m<sup>2</sup>. The administration building and the cafeteria made up 3,164 m<sup>2</sup>. The total area was more than twice the size of the previous factory, and it seemed very big after a drastic reduction in staff as a result of the downward trend that characterized the end of the 1970s. Enthusiasm was limited on the day of the opening. *DAC's* brass band entertained, but what should have been a day of joy and celebration proved to be the first day in the most challenging times the company had ever faced. The deficit in 1977 was 4.7 million DKK, 9.6 million DKK in 1978, 2.1 million in 1979 and 8.7 million DKK in 1980. Shares and net capital were lost and

quotations reached their lowest point ever at the end of the 1970s. The company withdrew from the stock exchange and was then reconstructed with DAC as the sole owner. It was difficult to see the light at the end of the tunnel: 2/3 of the employees had been dismissed. Whether or not the company was to survive was completely up to the new owners in DAC.

### *DAC and De Smithske*

When Finn Walther resigned on October 20th 1977, the Managing Director of DAC, Hans Erik Frost, took up the post as Managing Director of *De Smithske* until a new qualified candidate was found via a professional consulting agency. On April 1st 1978 Ole Hoeg Olesen, an engineer and director of sales at Pasilac A/S in Silkeborg took office. Frost offered to continue to assist the new managing director, and in practice Frost served as finance director and daily leader of administration, whilst Hoeg Olesen took care of sales. However, sales did not improve significantly and on April 1st 1980 Hoeg Olesen resigned and Frost replaced him formally as the Managing Director of the company.



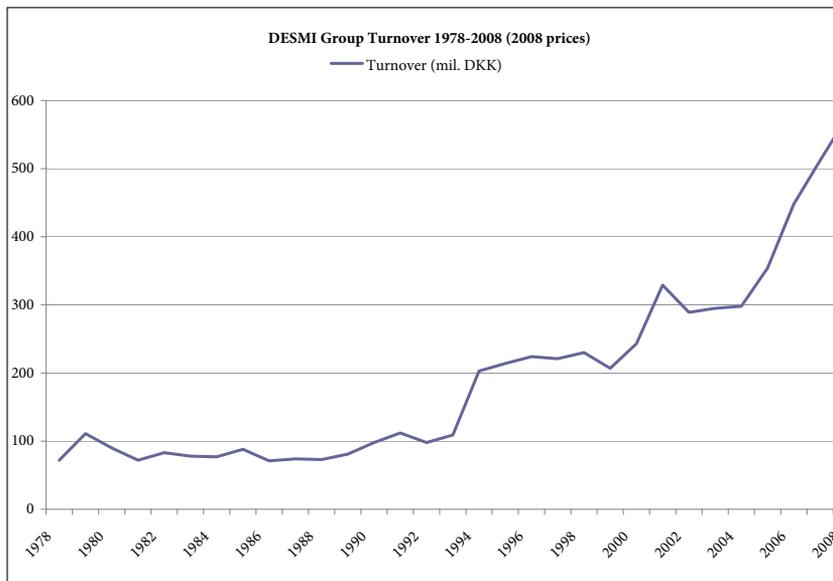
*Hans Erik Frost was born in Lindholm in 1934 and was the managing director of De Smithske from 1977 to 1978 and again from 1980 to 1996. He was originally from DAC where he had been both the financial manager and the managing director.*

*Photograph from 1996.*

**Hans Erik Frost**, was the Managing Director of *De Smithske* from 1977 to 1978 and again from 1980 to 1996. He was born in Lindholm on May 20th 1934 on Banevej across the street from DAC. After graduating as a Bachelor of Commerce in Aalborg he returned to Lindholm in 1966 and became the financial director of DAC. In 1972 he became a member of the management and in 1975 he accepted a position as the Managing Director in DAC. Since its beginning in 1913, DAC had been the only cement factory in Denmark that was not owned by the *F. L. Smidth group*. On the contrary, it was founded as a co-operative society with the purpose of breaking *F. L. Smidth's* monopoly. It turned out to be such a success that DAC produced 25% of the cement in Denmark. When the Danish cement industries were deeply hurt by the energy crisis and the crisis in the construction sector, *F. L. Smidth* bought DAC. The factory was closed shortly after in 1978 and the entire production of cement was focused on *Aalborg Portland*. DAC carried on its production of paper bags till 1995. Also, DAC continued to exist as an independent company with Frost as the managing director till 1979 and then as chairman of the board of directors. The company grew and had more than 100 employees and a turnover of more than 100 million DKK when it was sold in 1999 to IBS (*International Business Systems*). In the same period of time, from 1980-1996, Frost was given the main responsibility for getting *De Smithske* back on track. Massive investments of the funds from DAC played an important role in making this happen – even though it was not fully approved by the board of directors for DAC. Due to the internal inconsistencies, Frost was completely dependent on support from the chairman of the board of directors. From 1980-1994 the chairman was Mogens Olesen and he fully supported Frost. Mogens Olesen was born in 1925 and was the Managing Director of *DLG (Danish Agriculture Feedstuffs)*. As shown in the graphs below, the good times did not come overnight. It took more than a decade to get *De Smithske* back on track. However, in the end, they did succeed.



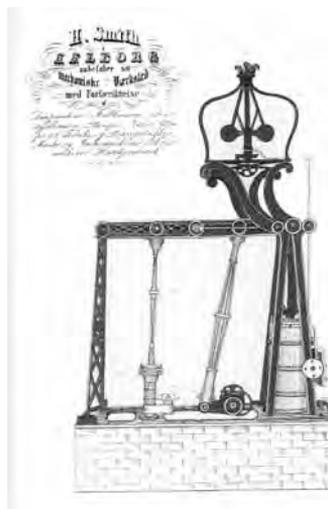
DESMI's annual results in current prices (blue) and in fixed 2008 prices (red). As shown, there are serious deficits in the 1980s and until the mid 1990s. Since the mid 1990s there has been a remarkable increase every year, especially after 2005. Figures are based on the annual accounts.



The annual turnover in 2008 prices corresponds with the annual final results: from 1978 to 1993 hardly anything happened, while the turnover doubled when De Smithske merged with Thrige. From 2000, and especially from 2005 growth increased significantly. The turnover measured in fixed prices doubled by a factor of 6 from 1993 to 2008. Figures are based on the annual accounts.

### Reconstruction in 1981

On April 11th 1981, the local newspapers reported that *De Smithske* had lost its entire share capital and that the company's listing on the stock exchange in Copenhagen had been suspended. 10 million DKK of share capital had been devalued to nothing. At the same time the local bank released *De Smithske* from a debt of 5 million DKK, and DAC released *De Smithske* from a loan of 10 million DKK. 4 million DKK were converted to new shares. With liquidity improvements, sales of depart-



Steam machine for pump systems at the liquor factories 1844



Manual pumps in cast iron, approx. 1880



Steam driven pump for waterworks, 1895.



Small self-priming horizontal centrifugal pumps for readiness and defense purposes, 1947.



Horizontal self-priming Modular S. Pump for water for ships and industries.

ments and reductions in costs for product development, *De Smithske* managed to create a net capital of 10 million DKK. This injection of capital also explains why the company managed to yield a profit in 1981 but not in the years to follow. *De Smithske* chose the safe way and chose to limit production to pumps and gearboxes at the new factory. However, even though the company did not give a profit until 1988, the investors and shareholders still believed in the project. Each year investments in the company increased. Hence, in June 1982, the share capital increased to 20 million DKK and to 30 million DKK in 1984. Both years, 60% of this capital was from *DAC* while the remaining 40% was from the nurses' pension fund. Yet, it was not until 1988 that liquidity was fundamentally improved, when the day-to-day production resulted in a surplus. The share capital was lowered to 15 million DKK. In order to take over *Thrige Pumper* in 1993, the share capital was raised to the current level of 27.4 million DKK.

This expansion was central to the future success of the company as it provided the basis for independent expansion.

### *Pumps*

#### **Scandinavia's biggest producer of horizontal self-priming centrifugal pumps**

Even though *De Smithske* did produce some manual or steam-driven piston pumps in 19th century, it was not until 1939 with the introduction of gas driven engines and electric motors that the production of pumps really got started. The first pumps to be produced were self-priming centrifugal horizontal pumps in many different sizes: ranging from small transportable gas or fire-driven ship pumps to electric or diesel-powered industrial pumps. In addition to this were small pumps for basements and water supply plants and small moveable diaphragm pumps both driven with manual power and engine power.

Pumps made up 20% of the turnover in the 1950s. In the 1970s this number had increased to 40%. At the same time exports increased from 25% to 75% of total production. In advertisements from the 1960s and 1970s, *De Smithske* claims to be the leading international producer and the only producer of self-priming centrifugal pumps in Denmark. They promised to keep on developing their pumps so that the customer could always expect improved products from *De Smithske*. The pumps were indeed improved as the output was improved while the consumption of power was decreased. However, it was still very small pumps that were produced and they were largely limited to pumping water. The original self-priming centrifugal pumps are still in production today under the name SA pumps. The small transportable ones (80 m<sup>3</sup>/h) are still used for fire fighting and for fuelling whilst the larger ones (400 m<sup>3</sup>/h) are primarily used for pumping cooling water on ships.

### The vertical centrifugal pump (1975)

In 1974/1975 *De Smithske* bought and successfully took over the rights of production of pumps from the company *Myhrwold and Rasmussen* in Copenhagen. The factory was founded in 1921 and had developed a programme for very powerful vertical centrifugal pumps. This type of pump – that now pumps up to 4000 m<sup>3</sup>/h – is essentially forming the core of pump production even today. Today, the pumps are primarily used for cooling or ballast water on ships, but they are also used for district heating stations or water supply plants. They are known as NSL pumps.

While *Myhrwold and Rasmussen* sold its primary pump programme to *De Smithske*, the rights for another pump programme, the Rotan pump, was sold to *Thrige Pumper* in Odense.



Vertical in-line centrifugal pump NSL for ships, public supply stations and industry.

### The Rotan pump (1994)

This unique internal gear pump was invented by the Danish-American Jens Nielsen. Jens Nielsen (1854-1930) emigrated from Western Zealand to the USA in the summer of 1870. He traveled with his parents, wheelwright Peter Nielsen and Ane Nielsen. Jens Nielsen was the second oldest of 6 siblings. The family settled in Cedar Falls in the eastern part of Iowa together with around 2,000 other Danish emigrants.



ROTAN internal gear pump type GP (General Purpose) for clean liquids.

Advertisement for the rotating internal gear pump, ROTAN, which was the basis for the machine workshop *Myhrwold & Rasmussen* in Copenhagen. The pump is described in an advertisement that was printed in 1930. The company had bought the patent from the inventor of the pump, Jens Nielsen, who had had the patent in Denmark since 1912. He took out the patent in USA in 1904. This was the beginning of what is one of the most important pump producers in the world today, *Viking Pumps Inc.* in Cedar Falls, Iowa.



**DESMI ROTAN ED Pump**

Rotan pumps from DESMI are used for many different purposes depending on the specific type of pump:

GP (General Purpose)

CC (Close Coupled)

CD (Chemical Duty)

CD (Heavy Duty)

ED (Environmental Duty)

PD (Petrochemical Duty). Petrochemical Duty means the ability to pump dangerous liquids of high viscosity in completely closed systems.



The Danish-American Jens Nielsen in Cedar Falls, Iowa, took out a patent on his rotating pump in Denmark in 1912. The rotating pump was called the Rotan pump and is produced by DESMI today.



Odense's industrial entrepreneur Thomas B. Thrige (1866-1938). Photograph by Nørmark.

In 1886, Jens Nielsen established a limestone quarry that would provide materials for the construction sector. The main problem he faced was the stream that filled the quarry with water. The water he pumped out of the quarry was filled with stones so he needed a pump that could deal with them. As there was no such pump on the market already, Jens Nielsen invented his own. It took many models and many failed attempts before he found a solution. Finally, in February 1904 he was able to take out an American patent on the Rotan pump or what he called 'an internal gear machine having two gear wheels which mesh with each other' or 'a-gear-within-a gear rotary pump'. Together with other Danish Americans, mechanic P. C. Petersen, shoe seller Georg With and the local doctor, W. L. Hearst, Jens Nielsen launched a small pump factory in 1912 named 'Viking Pumps Inc'. The principle behind Jens Nielsen's pump has survived until today when Viking Pumps is the world's largest producer of internal gear pumps.

Jens Nielsen took out a patent on the Rotan pump in Denmark in 1912 and in 1921 he sold the rights to Myhrwold and Rasmussen. In 1975 the rights were sold to Thrige Pumper in Odense, and finally De Smithske bought the rights in 1993. This pump is so robust that it can pump almost anything: asphalt as well as chocolate. In 1993 when Thrige Pumper developed a magnet-driven pump system that allowed the pumps to be completely isolated, it was possible to pump much more sensitive and dangerous liquids such as mercury and pesticides as it was guaranteed that the entire process was completely isolated.

**Taking over Thrige Pumper 1993/1994**

In a press release on December 30th 1993, the board of directors of Thrige-Titan in Odense and De Smithske in Lindholm announced that De Smithske had bought Thrige Pumper with all 150 employees (100 in Odense and 50 in 6 different service centres across the country) for 47 million DKK. That was quite a big deal. As a consequence of this expansion, De Smithske doubled its production, the number of employees more than doubled from 130 to 280, and turnover doubled from 100 to 200 million DKK. With Thrige's market shares, De Smithske now controlled more than 75% of the market for district heating in Denmark. In addition, De Smithske gained the rights for the magnetically driven Rotan pump, which is known today as the ED-pump (Environmental Duty) – a name that fits nicely into De Smithske's involvement in the environmental sector.

Thrige Titan in Odense was originally two independent companies: TITAN in Copenhagen which was established in 1897 when a number of machineries in Copenhagen merged into one company, and THRIGE in Odense which was established in 1894 by Thomas B. Thrige (1866-1938), who had returned from the USA after having served as an apprentice for the great innovator, Thomas Edison. Both THRIGE and TITAN focused on development and production of electric motors and were considered as the leading producers of pumps in Denmark from

1908 up until 1966 when the two companies merged. Whilst their headquarters were in Odense, the company completely dominated the entire market. However, things went wrong for this large company and from 1968 until 2005 several parts of the company were sold. The company still exists today as *T-T Electric* with their headquarters by the Charles De Gaulle airport in Paris.

After taking over *Thrige Pumper* a number of structural challenges followed for *De Smithske* and their pump production. Despite profits in both companies before the merger, the first three years resulted in a deficit. Once again, *De Smithske* reached the conclusion that two separate production facilities, this time in Odense and Lindholm, were not profitable. Therefore, production was moved to Lindholm in 2000.

While the merger did not yield profit in the short term, it has proved to be a wise investment in the long run for the production of pumps in Denmark. The merging of *Thrige's* production of onshore pumps with *De Smithske's* production of offshore pumps had significant advantages for knowledge sharing and production. This positive spillover effect enabled *De Smithske* to establish a strong cooperation with the Odense-based company *Roulunds Fabriker* for the development of oil spill equipment.



*Thrige-Titan's headquarters in Odense in 1966. The houses in the front disappeared when Thomas B. Thrige Street was constructed a few years after this photograph was taken.*

*Photograph from the Museums of Odense.*



*Thomas B. Thrige's first factory from 1898 is in the foreground. To the right is the factory from 1920 and in the background a high-rise block from 1960.*

*Photograph by DESMI.*



The first task is to contain the oil spill. This is done by using booms of various sizes. In the photograph above a RO-BOOM made of strong rubber is put in place. The RO-BOOMS can be up to 3.5 metres wide. However, small tasks on beaches, lakes and in harbours are handled with other more mobile versions of RO-BOOMS. Below an A-BOOM is carried to the scene of an accident by two men.



When the oil floating on the sea is contained it is removed by a 'skimmer' such as the one in this picture.



### *Oil Spill Equipment 1989: the Gateway to the Global Market*

Even though 1978 was one of the worst years in *De Smithske's* history, it was also the year in which the company launched the first prototype of an 'oil skimmer'. This was a special pump that was based on the fact that spilled oil in the ocean floats on the water. The idea was to confine the oil and then remove the oil on the surface by using pumps from *De Smithske*. However, the system remained an idea only as it had yet to be tried out in practice.

When the French tanker *Betelgeuse* exploded on January 8th 1979, in the port of Bantry near Cork in Ireland, *De Smithske* got a chance to test its oil spill equipment. The ship broke in two, 49 lives were lost, and 40,000 tons of crude oil were floating towards the coast. Less than a year before this happened, *De Smithske* had established a daughter company, *DESMI Ltd.*, in Newcastle so the local authorities in Cork knew where to seek help. From January 10th 1979, oil skimmers were flown from Aalborg to Cork and in just 14 days, *DESMI Ltd.* managed to remove so much of the oil that the Irish coast was not severely polluted. After this success the system was renamed DESTROIL SKIMMER SYSTEM and many potential customers expressed a considerable interest in the product. Due to *De Smithske's* weak performance in general these years, it was very hard for the company to follow up with a batch production of the system. One of the conditions for economic reconstruction in the spring of 1981 was that *De Smithske* did not 'develop more projects that



*the press would talk of as very promising, but where the results are not in line with expectations'.*

While *De Smithske* concentrated solely on the development of pumps, the most important competitor in Denmark in the field of oil spill equipment, *Roulunds Fabriker* in Odense, developed their system further. They focused in particular on floating booms, RO-BOOM, that were used to contain the oil. However, it was hard for *Roulunds* to gain ground on global markets.

Therefore, *Roulunds Fabriker* and *De Smithske* chose to cooperate. The combination of *Roulunds'* floating booms and *De Smithske's* oil skimmers was demonstrated for the first time in Malta in 1979. However, cooperation did not last and the two factories continued to compete with each other instead.

*Roulunds Fabriker* which had originally been established as a rope walk in 1736, expanded its production by the end of the 19th century with conveyor belts and driving belts. In 1903 the company changed its name to *A/S Roulunds Fabriker* and expanded the production with brake linings, fire hoses and rubber boots. From 1962-2005 *Roulunds Fabriker* were technically owned by the *A. P. Møller Mærsk group*.

From 1978-1990 the director of the agency for environmental protection in Denmark was the former minister, Jens Kampmann. He thought it was a waste of good resources that 2 Danish companies were competing against each other producing the same products for a global market. Therefore, on December 15th 1982 he called for a meeting with the 2 companies at the agency. He suggested that all the resources be united under the agency for environmental protection in the company *Oilchem Recovery Denmark*. His idea was that this company would buy the hardware from *Roulunds Fabriker* and *De Smithske*. In this model both companies could continue their innovative efforts in the field of oil spill equipment and when a number of severe oil catastrophes took place at the end of the 1980s both companies were also engaged. By then they had both made international names in the field of combating oil spills.

International public awareness did not surface until March 24th 1989, when the oil tanker Exxon Valdez grounded in Prince William Strait in Alaska and leaked 38,500 tons of crude oil. Not only was it the most serious oil spill catastrophe ever in American waters, it also hit 6,700 km of vulnerable arctic coast line. Both *Roulunds Fabriker* and *De Smithske* contributed to the cleanup with their floating booms and oil skimmers. The next oil spill crisis soon took place, later the same year. On December 29th 1990, the Spanish tanker Aragon leaked 25,000 tons crude oil close to Porto Santo near Madeira. By now an EU task force knew how



*The picture shows a skimmer before use. The red pontoons enable the pump in the middle to float.*



*This pump is a vertical Archimedes screw pump that 'screws' the thick oil through the pump. When the operation takes place in arctic waters the oil is mixed with ice.*



*'Power packs' that can easily be moved to particularly vulnerable sites. The power packs are ready with engine, skimmer, pump and booms.*



*The vignette for RO-CLEAN DESMI shows a skimmer, an oil boom and a ship that can be used when fighting oil spills. 'RO' is for Roulunds Fabriker which came up with the idea of the RO-booms initially. 'CLEAN' is for cleansing and DESMI is for the production of the skimmers and pumps. The two companies cooperated from 1995, but from 2005 RO-CLEAN DESMI became a daughter factory owned completely by DESMI.*

and where to get help, which came quickly from Denmark, France and the United Kingdom.

Oil pollution during the first Gulf War proved to be the worst ever. When the Iraqi army had to withdraw from Kuwait on January 26th 1991, between 700,000 and 900,000 tons of crude oil flowed into the Persian Gulf. De Smithske and Roulunds Fabriker contributed in the oil spill cleanup efforts with 17 skimmers and 4 km of floating booms. Likewise, the 2 companies have operated in Siberia, Ecuador, Galapagos, Brazil and Japan and even in Denmark when the tanker Baltic Carrier collided with another ship in the waters south of Denmark. However this also meant that the need for real cooperation between the two competing companies became clearer. Therefore, the two companies bought Oilchem and in 1995 they established RO-CLEAN DESMI A/S – Oilchem was kept as a second name. Jens Kampmann played a significant role in the establishment of RO-CLEAN DESMI, so I will now let him address the history of the company.

*The history of RO-CLEAN DESMI A/S by Jens Kampmann*

*RO-CLEAN DESMI A/S is a child of the public debate that characterized the 1980s about system export companies. The Danish Ministry for Environment initiated the establishment of a Danish system export company in the field of oil spills. The Ministry for Environment had the necessary expertise in terms of readiness while a number of Danish companies could contribute with their expertise and oil spill equipment once the damaging oil spill had occurred. The idea was to make a framework in which the public and private sectors would cooperate. Two consultancies, VKI (member of the academy of science) and Oilconsult (member of the association for advising engineers), and the Ministry for Environment cooperated in getting the software in place, while Roulunds Fabriker and De Smithske took care of the hardware. PKA, a major pension fund contributed with significant investments. The board of directors represented the different stakeholders. The managing directors of De Smithske and Roulunds Fabriker as well as the chairman of the board of directors in De Smithske became very central figures.*

*The development at the beginning of the 1990s meant that De Smithske and Roulunds were both contributing with system solutions. Thus, at the beginning of 1995, the two companies started negotiations with*

*the aim of establishing one united organization which could make an international name. When the deal was negotiated, the other shareholders were bought out and by the end of 1995 the new merged company, RO-CLEAN DESMI was a reality. The corporation was created within the framework of the old Oilchem which means that it still exists today and Oilchem is the corporation's second name.*

*The three most central actors continued their cooperation until 2005 when Roulunds and Clas N. Andersen left the company. Personally, I also left in 2005 after having been the chairman of the board from the very beginning. I was replaced by Henrik Sørensen. When he took office, RO-CLEAN DESMI A/S owned all the shares. As chairman of the board of directors in DESMI I continue to have a strong interest in following the future developments of RO-CLEAN DESMI A/S.*

### *De Smithske is renamed DESMI in 2003*

In the spring of 2003, *De Smithske* changed its name to *DESMI*. The term *DESMI* had been used from the very beginning when *De Smithske* entered international markets, because it can be pronounced in many different languages.

However, the change of name also marked the transition to a new era. In 2003 some of the leading employees in *DESMI* bought a significant number of shares, and in the spring of 2008, the employees took over the controlling interest of *DESMI* with 80% of the shares. The remaining 20% was owned by a local investment fund. Finally, the change of name marked the fact that the group was now truly global and not just regional in its scope.

While the name changed in 2003, development had been taking place since the mid 1990s. It happened when 2 new figures took over the helm: Henrik Sørensen as the managing director in 1996 and Jens Kampmann as the chairman of the board of directors in 1994.

### **New managing director and chairman of the board**

**Henrik Sørensen** became managing director by the end of 1996. On August 29th 1996 the chairman of the board of directors since 1994, Jens Kampmann, announced that a selection committee had selected Henrik Sørensen as the new managing director for *De Smithske*. Henrik Sørensen was born on September 11th 1957 in western Zealand – coincidentally in the same parish where Jens Nielsen, the inventor of the ROTAN pump, had been born 103 years before. Henrik Sørensen's family was in the agricultural business and Henrik Sørensen himself was first trained as a blacksmith in the field of agricultural machines and then later became an engineer following training at the Technical University in Copenhagen.

Before coming to *De Smithske*, Henrik Sørensen had worked as a sales engineer at *Modulex*, as manager of the factory *Novenco*, and consultant for the *Danish Technological Institute*. In the years before joining *De Smithske*, Henrik Sørensen was the managing director of *Rimatic A/S* and *Vertriebsleiter* in *Badische Maschinenfabrik Durlauch* in Germany under the



*Henrik Sørensen (born 1957) has been the managing director in the DESMI Group since November 1996. He has been in charge of the company in a time when it has transformed from a local business to a global actor in the field of pumps and oil spills. Here, he is standing next to 3 of the vertical centrifugal pumps that are used on ships, in the industries and in water works and central heating stations.*

*A. P. Møller Group*. When Henrik Sørensen took office on November 1st 1996, he immediately announced that his goal was to make the group truly global in its scope and soon thereafter the group started expanding internationally. While this development was only made possible by a strong team effort and highly qualified employees, the chairman of the board of directors, Jens Kampmann, also played a significant role in the transition. As a former minister Jens Kampmann had a network in Danish society that the company had not had access to since the era of the Simoni brothers in the 1850s and 1860s.

*Jens Kampmann (born 1937) gave birth to the concept of 'environmental awareness' in Denmark. He was Denmark's first minister for environmental affairs and subsequently the director of the agency for environmental protection as well as director in a number of boards. From 1990 he became a director in the board of directors in DESMI and from 1994 he served as the chairman of the board of directors. He played a key role when DESMI merged with Roulunds and Thrige. Particularly the integration of the different methods of production has created the foundation for DESMI's remarkable entry to the global market in the last 15 years.*



**Jens Kampmann** was born on March 30th 1937 as a son of the future Danish Prime Minister, Viggo Kampmann (1960-1962). Jens Kampmann was elected to the Danish Parliament as a member of the Danish Social Democratic Party in 1966. From 1971-1973 Jens Kampmann was the first minister for the environment in Denmark and from 1977 to 1979 he served as minister of taxation. As a minister for the environment he established the agency for environmental protection in 1972. Jens Kampmann concluded his active political career in 1979 when he stepped down from elected office and accepted a position as the director of the agency for environmental protection. He held this position from 1979-1990. In 1991 Jens Kampmann launched the company *Invest Miljø A/S*. The aim of the company was to invest in companies that act environmentally responsibly. Throughout the 1990s, Jens Kampmann accepted a number of seats in boards of directors especially in companies that produce and sell products related to the environment and companies that had an interest in environmentally responsible investments. Hence, it seemed to be a natural 'next step' when Jens Kampmann joined *De Smithske's* board of directors representing the pension fund *PKA*, which was at the time one of *De Smithske's* 2 major shareholders. In 1992 Jens Kampmann became the vice chairman of the board, and in 1994 he became the chairman. The goal for the future development of the group was global in its scope. This resulted in significant expansion in terms of the establishment of a number of daughter companies worldwide. Most of them have been established after 2000.

### *Employees*

The third and most important explanation for the success of the company is obviously the employees. From the very beginning 175 years ago, the employees have not only been in the company for most of their working life, their positions have also been handed down from father to son, generation after generation. We have not been able to interview all the employees, but fortunately Steen Andersen, representative for the union of semi-skilled workers was interviewed by the local media institution in August 2004.

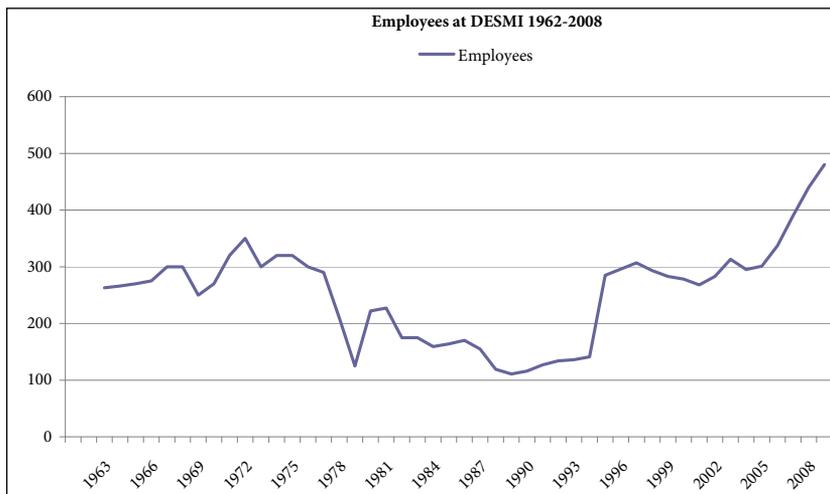
”It has definitely been a workplace that has understood how to adapt to modern times – that is both good and bad. Many of our products have been taken out of production. Previously we would produce cranes, but we do not do that anymore. We also used to produce gearboxes for machines in the agricultural sector, but when we could not sell our products because the production of agricultural machines declined, it was not profitable, so the company decided to concentrate on the production of pumps instead.”

*With regard to the flow of information in the company Steen Andersen said:* ”We are often asked about our positions. I feel like we are consulted and that the management listens to what we have to say. I think it is good when the management listens to the opinions of shop floor workers. That is really good. Fortunately, we can also always go to Henrik Sørensen and ask him directly whenever it is necessary. Yes, it is indeed a very open company”

*When asked about whether the employees consider the factory in China as a gain or a threat, Steen Andersen said:* ”When you ask a normal shop floor worker, he would not tell you that he feels threatened by the factory in China. After all, we still have our production in Lindholm. And I think we will continue to have the factory in Lindholm – even though nobody knows what the future – like the next 10 years – will bring. So, no, we do not fear that the entire production will move to China”



*Steen Andersen has worked in the company for more than 25 years. He was originally hired for Skalborg Maskinfabrik in August 1977, he continued working for DESMI where he serves as a foreman today. The father of Steen, Peder Andersen, worked at Skalborg Maskinfabrik from April 1965 to December 1985 as a warehouse assistant and as a porter. Steen has two brothers, Jørn and Møller, who have both worked at DESMI for more than 25 years. Jørn Andersen started in December 1971, and Møller Andersen started in May 1976.*



*The difficulties in the 1980’s were reflected in the decreasing number of employees that was reduced to approx. 150. In 1994, when DESMI merged with Thrige, the number of employees doubled. In the most recent years, the rapidly increasing turnover and the launch of additional daughter companies means that DESMI now have almost 500 employees.*

### Concentration on Pumps

Steen Andersen mentions that DESMI chose to focus on the production of pumps and therefore sold the production related to gearboxes and transmissions. Initially the production of these products was an integrated part of the company’s focus on machines for the agricultural sector. However, when it was decided that it was not the main focus of the company, the production of gearboxes was sold to *Randers Tandhjulsfabrik* in 2001-2002. This was a company that had specialized in

this field since 1920. *De Smithske* chose to narrow the focus to the production of pumps. Therefore anything that was not related to the production or sale of pumps was sold in order to release resources, whilst a number of daughter companies were established.

*The international offices and divisions of the DESMI group*



### *Daughter Companies 1978-2009*

The restructuring of the group at the end of the 70s had eliminated almost all daughter companies from the previously complex network. Now, when the concentration on pumps was clear, it was necessary to create a number of sales offices around the world and daughter companies that could take care of preparation of pumps wherever it was needed. The first daughter company was established in the United Kingdom in 1978. Even though all other companies were being sold or shut down at that time, there were good reasons to establish a daughter company in the United Kingdom.

#### **DESMI Ltd, Newcastle (1978)**

The United Kingdom was a very important market for *De Smithske's* pumps. Until the mid 60s it was the British company *Vanroy Ltd.* that sold pumps on the British market. However, in 1978 *Vanroy Ltd.* was bought by *Thrige Pumper* in Odense. *De Smithske* reacted immediately by establishing *DESMI Ltd.* in Newcastle, and successfully convinced 9 out of 10 workers at *Vanroy Ltd.* to join the newly established daughter company. Therefore most of the old network was maintained despite the entry of a new competitor to the market. The daughter company rented some offices in Newcastle and was quoted on the stock exchange on September 15th 1978. The primary focus of the new company was the British marine market and the oil spill equipment from *RO-CLEAN DESMI*. The crisis in the shipyards in the 1990s had negative spillover effects on *DESMI Ltd.*, but by the end of the 90s the company had grown strong again. Progress was marked by the opening of a new factory. The company has continued to grow and, in 2008 *DESMI Ltd.* was asked to produce the pumps for HMS Queen Elizabeth and HMS Prince of Wales for £ 3.3 million. This is the biggest order *DESMI* has ever re-



*DESMI Ltd. in Newcastle, England*

ceived for the maritime market. In 2002 the British daughter company even established its own daughter company.

#### ***DESMI FHS Ltd. (2002)***

FHS is an abbreviation for Fuel Handling Systems. The company sells pump applications for fuel. The primary clients are the defence and emergency aid operations in remote areas.

#### ***DESMI Inc., USA (1991)***

The breakthrough for the oil skimmer programme DESTROIL in the USA after the catastrophe in Alaska in 1989 required a platform in North and South America. Hence, *De Smithske* entered negotiation with the American dealer since 1969 the producer of pumps and water cleaning systems *Hyde Products Inc.* in Cleveland, Ohio (originally founded in 1865 in Bath, Maine). Following negotiations over the option of a joint venture *DESMI Inc.* was finally established as daughter company only of *De Smithske*. The company was quoted on the stock exchange October 1st 1991.



*DESMI Inc., Chesapeake, Virginia, USA*

When *De Smithske* took over *Thrige Pumper* in 1993-1994 the selection of pumps increased dramatically and the number of daughter companies abroad increased as *De Smithske* also took over *Thrige's* American and German daughter companies. In the USA it was *Rotan Inc.* in Monroe, North Carolina, which merged with *DESMI Inc.* in 1994. They both moved to Norfolk, Virginia. While it has been difficult for the company to break through in the American market, the last five years have been characterized by growth and profits and the company has moved to larger premises.

#### ***DESMI GmbH Rotan Pumpengesellschaft in Hamburg, Germany (1993)***

*Thrige's* most important foreign market was Germany (15% of the turnover) so when *De Smithske* merged with *Thrige* in 1993 it also took over *Rotan Pumpengesellschaft Myhrwold & Rasmussen GmbH* in Hamburg, *Thrige's* daughter company in Germany since 1975. In the 1980s the company had already experienced great progress from selling Danish Rotan pumps in Germany for industrial purposes for industries for everything from tiles, soap, chocolate and cars. When *DESMI* took over *Mess- und Födertechnik Gwinner GmbH & Co.* in 2000 the selection of maritime pumps expanded significantly and the division in Hamburg was given its current name *DESMI GmbH Rotan Pumpengesellschaft*. Today the company has 21 employees and at the beginning of 2009 it moved to larger offices in Seevetal close to Hamburg. Besides the production and storeroom in Seevetal the company also has sales offices in Taunusstein in south Germany and Utrecht in Holland. The latter because cooperation between the German and the Dutch daughter companies was intensified from 2006.



*DESMI GmbH Rotan Pumpengesellschaft in Hamburg, Germany*

#### ***DESMI K&R Pompen B.V., Utrecht, Holland (2002-2006)***

*Kuyl & Rottinghuis Pompen BV* in Utrecht in Holland was founded in



*DESMI K&R Pompen B.V. in Utrecht, Holland*

1945 right after the end of the Second World War. Everything was literally flowing around in this low-lying country and pumps were desperately needed. At the beginning of the 1950s *K&R* developed its own pumps for river boats and fishing boats, while they were also selling centrifugal pumps from *De Smithske* to both the Dutch navy and the boats that installed gas pipes in Holland. Thus *K&R* was the main agent in Holland for pumps from *De Smithske*. After long and complicated negotiations from 1998-2002 *K&R Pompen* was taken over by *De Smithske* and went from being an independent producer of maritime pumps to being a sales office for the DESMI Group. From 2006 the office in Holland became part of the German daughter company. A similar sales office was established in Norway in 2002.



*DESMI Norge A/S in Kristiansand, Norway*

#### **DESMI Norge AS (2002)**

On October 1st 2002 a sales office in Kristiansand in Norway was opened. It was centrally located in Norway and not far from the headquarters in Lindholm. *De Smithske* already had offices in Norway back in the 19th century. Further they already sold marine pumps and oil spill equipment in Norway, but when the sales figures were declining, they decided to open a sales office in Norway. After some challenges at the beginning, the Norwegian daughter company is now working according to plan and turnover has increased especially as a result of more repairs of marine pumps. From 2008 the sales of oil spill equipment have increased, but the big venture however, is taking place in China.

#### **DESMI Pumping Technology (Suzhou) Co., Ltd., China (2005)**

*DESMI Pumping Technology (Suzhou) Co., Ltd., in China east of Shanghai*



When the Chinese economy was gradually opened to the rest of the world in the 1990s and accepted as a member of the World Trade Or-

ganization (WTO) on December 11th 2001, the country became an increasingly interesting target for foreign investments and outsourcing of production. More than half of Chinese industrial exports are produced by Chinese based daughter companies of foreign companies. China was particularly interesting for *DESMI* because significant parts of shipbuilding on a global scale take place in Asia. At the same time the rapidly growing cities in that part of the world need pumps for infrastructure projects such as supply of clean water, waste water and heat. A number of orders from European shipping companies for ships in China lead to contracts for Danish pumps between *DESMI* and the Chinese shipyards. Hence, the next step was to consider how *DESMI* could benefit as much as possible from this new market opportunity – was it by maintaining the cooperation or by launching a factory in China? *DESMI* decided in favor of a factory in China and in September 2004 a managing director for the project was named.

The first task was to find a suitable location for the factory in the Shanghai area. After having considered the Nordic Industrial Park in Ningbo and industrial sites in Wuxi, the choice fell to Suzhou east of Shanghai. *DESMI* rented a building of 4,500 m<sup>2</sup> and a market survey was initiated. The conclusion was clear: the market conditions were very good and the demand for pumps was definitely in place.

By July 2005 the new facilities opened and soon after in October 2005 *DESMI* delivered the first pumps produced in China to the mother company. The following year in 2006 the factory produced and delivered 1,000 pumps, and in 2007 this number had already increased to 5,000 pumps including the entire programme for vertical centrifugal pumps. Since then both the horizontal modular programme and Rotan pumps for thick liquids have been set up for production in China. Thus the production facility includes significant parts of *DESMI*'s entire production so, as always, more room was needed. In 2008 *DESMI* rented an additional 3,200 m<sup>2</sup> and the factory now employs around 100 workers and has a dense network of subcontractors. Further production expansions in Asia are necessary. The first step on this Asian journey was taken when *DESMI* opened a division in Korea.

### ***DESMI Korea, Goyang (2009)***

On January 1st 2009, *DESMI* opened its division in Goyang near Seoul in South Korea. This division sells all *DESMI*'s products from the factories in China and Denmark: Centrifugal pumps, Rotan pumps and oil spill equipment from *RO-CLEAN DESMI*. Particularly in this latter field the competition from Japan is tough, but it is important to capture market shares as Korea is one of the most important shipbuilding nations in the world. Even during the crisis, world trade must be kept on track by building ships – and all ships need effective pumps.

### ***DESMI Danmark A/S (November 2006)***

When *De Smithske* and *Thrige Pumper* merged in 1993-1994, 80% of *Thrige*'s sales were in the domestic markets. 80% of the pumps were sold to Danish waterworks, waste water and central heating stations.



*Grand vertical in-line centrifugal pumps – DSL – 4000 m<sup>3</sup>/h for ships, waterworks, and central heating stations*

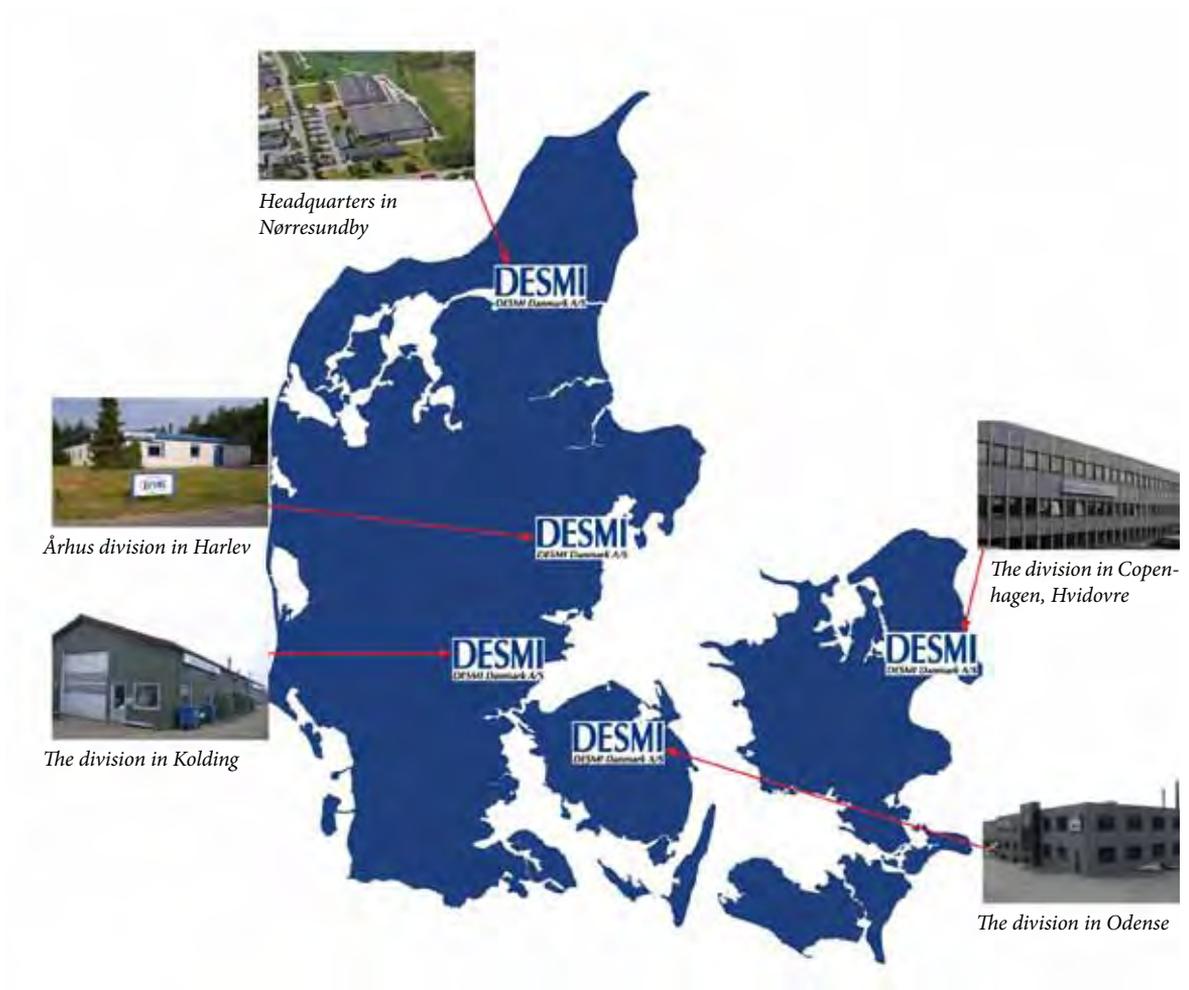


*Magnet-driven Rotan ED pump for closed systems for toxic liquids*



*DESMI Korea in Goyang by Seoul*

*Thrige* had its headquarters in Odense with a dense network of offices for sales and service in Copenhagen, Sakskøbing, Kolding and Århus. From 1998, the sales department became a division, and by the end of 2006 it became an independent daughter company: *DESMI Danmark A/S*.



At the end of 2008 the company moved to new buildings next to the mother company's headquarters in Lindholm where a central workshop and a storehouse had been built for pumps and spare parts for the pumps.



One of the cars that maintain pump systems all over Denmark

Today all service cars have laptops that are constantly connected to headquarters. The company has a national number that is open 24/7 so clients can and do receive help and guidance no matter what time, or from where, the client is calling - either over the phone or from one of the service cars. The phone is always answered directly by employees from *DESMI* and not by an external service centre with no expertise in pumps.

Compared to previous business models, when sales and service were conducted by a number of different agencies, *DESMI Danmark A/S* created a national service net that ensured that products were closely followed by the company's own service centres. Not only does this provide

the client with increased safety, it also guarantees long term service contracts for *DESMI*. When it comes to public water and waste water works and central heating stations they simply have to work. If they break down, they must be fixed immediately regardless of time and location. *DESMI* delivers orders for pumps and pumping systems for the supply sector, which is an area that continues to grow. Growth is enhanced by the fact that municipalities across Denmark have been forced to ex-



*Pumps for waste water Århus creek (Rotan)*

pand the sewers as a consequence of heavy rainfall in the last few years. Hence, the number of employees has increased from 50 in 2006 to 70 in 2008, and turnover has increased from 70 to 123 million DKK. Waste water related issues make up 70% of turnover and *DESMI Denmark* has captured the majority of the market shares in this field, so many municipalities have *DESMI* pumps.



*Centrifugal pumps for central heating*



*Centrifugal pumps in the central heating station in Hals*

***DESMI Contracting A/S (1998)***

*DESMI Contracting A/S* is based on *DESMI Invest A/S* (1994-1998). The purpose of the latter was originally to find business opportunities for dealing with oil spills on land. However, their activities were overtaken by *RO-CLEAN DESMI*, and the focus was widened remarkably. *DESMI's* knowledge of all elements of a pump system for water and waste water enables the

company to participate actively in development work in cooperation with the Danish national development program and other non public (or “private”) development organizations. The question of how to finance projects like this is challenging, but that is exactly what *DESMI Contracting* tries to solve. The first development project of this type had already been carried out in Thailand in the 1970s. In the 1980s *De Smithske* worked with *Grundfos* on establishing an assembly plant in Mozambique. After the end of the cold war the Danish government engaged in a number of development projects in the former Central and Eastern European countries through the organization *DANCEE (Danish Cooperation for Environment in Eastern Europe)* under the guidance of the Danish minister for environment, Svend Auken. Until 1998 these projects were carried out directly by the mother company. But as the work was so fundamentally different from what was going on in the rest of the company and in order to increase transparency, the functions were separated in an independent division that was established as a daughter company in 1998.

The new daughter company was very successful from the very beginning as it negotiated a contract worth 120 million DKK for the development of agricultural education in Thailand in the fields of farming, water management, grain cultivation, juice production, and pig breeding. Whilst the majority of Danish development aid was directed to Asian countries such as Thailand and Vietnam at that time, the focus has now shifted more in the direction of Africa. Markets for projects vary and *DESMI Contracting* has been maintained as a way to maintain a flexible organization that can adapt to periods of low activity levels.

#### **RO-CLEAN DESMI A/S (1996)**

*RO-CLEAN DESMI's brand new headquarter opened in Odense in January 2009. From the very beginning in 1996 the company was located where Roulunds Fabriker used to be a few blocks down the street.*



*RO-CLEAN DESMI* is one of the biggest companies internationally in the oil spill industry and has already gained significant market shares globally. One of the most important orders was the delivery of 130 skimmer systems for *TRANSNEFT* in Russia.

Other important companies in this field are *LAMOR (Larsen Marin Oil Recovery)* in Borgaa in Finland that was founded in 1988 and changed

to its current name in 1995, and VIKOMA on Isle of Wright from 1967. RO-CLEAN DESMI's strong position on the market is founded on good durable pumps that are able to pump almost anything. However, the global market was not in reach until the company merged with other actors in the field. On April 1st 2007 RO-CLEAN DESMI took over what was left of Roulunds' activities in the field, including the RO-BOOM. From January 2009, RO-CLEAN DESMI has had its own headquarters in Odense with subdivisions and daughter companies in the United Kingdom, Ecuador and the USA and representation in Indonesia.



*RO-CLEAN DESMI Ltd. in Southampton in England. The company moved in 2008 to the centre of the British oil industry. The company was originally a sales office for Roulunds Fabriker.*

**RO-CLEAN DESMI Ltd. (1996)** was established in 1996 in Tonbridge Wells south of London as a sales division for RO-CLEAN DESMI A/S. It was a continuation of the sales division for Roulunds Fabriker's oil spill division in England, OMI. Production continued as a part of OMI, as a part of Roulunds Fabriker and as a supplier for RO-CLEAN DESMI A/S until RO-CLEAN DESMI A/S took over OMI in 1999.

In 2008 it was decided to move RO-CLEAN DESMI Ltd. to new office buildings in Southampton which is where the centre of the British oil industry is located. The office is on the harbour next door to OSRL, which is the world's largest Oil Spill Response Organization, owned by the leading oil companies. The company is primarily related to companies linked to the United Kingdom.



*RO-CLEAN DESMI LATINOAMERICA S.A., Quito, Ecuador*



*AFTI (Applied Fabric Technologies Inc.) in Buffalo, New York*

*RO-CLEAN DESMI ASIA, Jakarta, Indonesia*



**AFTI (Applied Fabric Technologies Inc) (2008).** AFTI is located in Buffalo, NY, USA. Aside from industrial textiles the company has mainly worked with oil spill equipment for rivers and lakes. This is a good supplement to the mother company's production of equipment for off-shore solutions.

**RO-CLEAN DESMI LATINOAMERICA S.A. (2009).** Since 2004 RO-CLEAN DESMI has had representation in Quito, Ecuador. This is now a daughter company that serves the purpose of selling DESMI's products in Spanish speaking Central and South America and some parts of the Caribbean.

**RO-CLEAN DESMI ASIA (2008).** RO-CLEAN DESMI ASIA is the name of the representation in Jakarta, Indonesia. It has a similar purpose to RO-CLEAN DESMI LATINOAMERICA, only sales efforts are focused on China, South East Asia and Oceania.

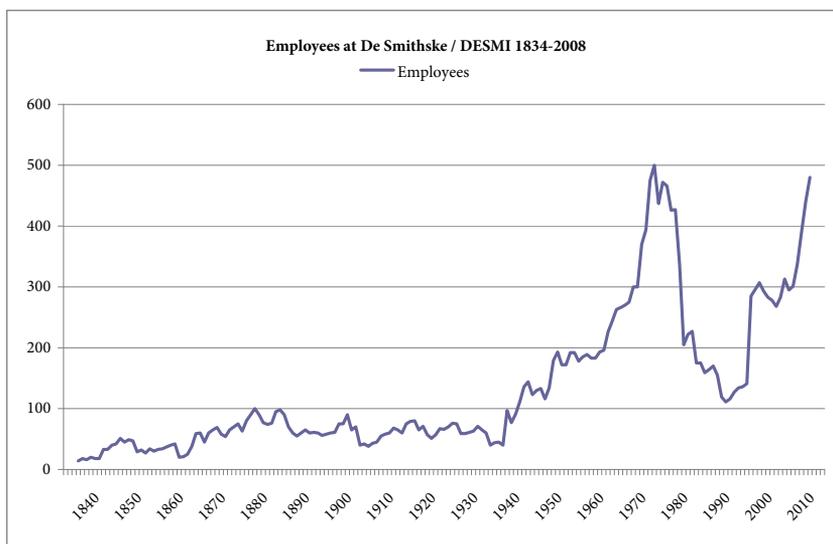


## The Future

Even internationally there are only very few companies like *DESMI* that can record the development in the number of employees for 175 years – from 1834 to 2009. This is only possible due to the company's well preserved records and regular reports to the public sector.

Roughly speaking, the graph for *DESMI*'s development can be divided into two: before and after 1935. In the first 100 years, the company was challenged by a number of returning crises but generally the number of employees remained stable at around 50-100. The employees kept the foundry and machinery running and made sure that demand from the local market was met. It was only in the era of church bells that the company reached beyond the local market and acted on a national level. As the graph below shows, after 1935 the company experienced remarkable growth. This growth was based on a number of specialized products. In particular, centrifugal pumps and mechanical peat diggers reached markets beyond the domestic sphere as they manifested *DESMI*'s role as a key player in northern Europe. However, it was not enough to fight the recession that followed from the energy crises and globalization after 1975. Hence, the following 20 years were characterized by deep crisis. But it was already during these critical years of the crisis that the foundation for the focus on niche markets was laid, when the focus on equipment for combating oil spills was intensified and the company chose to buy *Thrige Pumper* in 1993.

The remarkable growth that is reflected in the graph must be interpreted in the light of these conditions. *DESMI* has stated its name on the global market with competitive solutions for pump systems and oil spill equipment.



After 175 years as a company that has produced everything from cast iron, steam engines, pumps, steel constructions, heating machines, church bells and peat diggers, DESMI has definitively chosen to focus on the production of pumps during the last 70 years.

Just as cast iron and steam engines were driving forces in industrialization in the 19th century, the pump is at the heart not only of industrial processes and transportation, but also of our supply chains and ultimately our homes. **Similar to the human heart, it is not something we think about as long as it works, but everything stops when the heart or the pump suddenly stops.** Clients' requirements are therefore for reliable pumps that simply do not stop and use a minimum of energy combined with a guarantee of immediate help if something does go wrong. The pump cannot be too expensive either, but the most important thing is that the clients trust the product and service of the company both before and after they buy a pump. *DESMI* has many years of experience, but has proven to be quick to adapt to new situations: experience and flexibility are needed in today's climate.

During 2008 a global financial crisis hit the world. Declining consumption rates, and therefore declining production rates, combined with increasing unemployment and less shipping on international seas. *DESMI* is also influenced by the crisis: it has been as tough for *DESMI* as for many other companies. However, as this book has shown, it is not the first time by far that *DESMI* has been hit by an international financial crisis. Each time it has come up with an inventive response in terms of strengthened marketing based on a solid confidence in the mission of the company.

With regard to the current financial crisis, the management sees expansion as the solution. This belief is based on a solid trust that the company is well positioned in the global competition and is able to capture market shares wherever system solutions with pumps are needed. Hence, in the near future the sales department will be strengthened and new daughter companies are opened in the year of the 175th anniversary. I am certain that the company will look back at this economic crisis with renewed strength and I look forward to celebrating the 200th anniversary.

*Henning Bender*

## *Chairmen and Directors of the Board of Directors*

**A/S De Smithske Jernstøberier og Maskinværksteder 1875 – 2003  
(from 2003 DESMI A/S).**

<b>Chairman 1875 – 1888</b>	<b>Businessman Christian Simoni</b>
1875 – 1879	Businessman Mikael Herskind
1875 – 1878	Bank Manager Ludvig Hartvigsson
1878 – 1905	Consul C. Th. Malling
1879 – 1890	Businessman Carl M. Schmidt
<b>Chairman 1888 – 1905</b>	<b>Consul C. Th. Malling</b>
1888 – 1898	Pharmacist J. J. K. Stroeberg
1890 – 1932	Businessman J. Chr. Simoni
1898 – 1898	Consul Balthazar Worm
1898 – 1904	Managing Director E. Schneider
1904 – 1934	Customs Inspector C. F. T. Christensen
<b>Chairman 1905 – 1934</b>	<b>Customs Inspector C. F. T. Christensen</b>
1906 – 1923	Bank Manager Johan Knud Petersen
1923 - 1960	Consul P. E. Rützebeck
1932 – 1960	Lawyer Knud Grünwald
<b>Chairman 1934 – 1960</b>	<b>Consul P. E. Rützebeck</b>
1934 – 1941	Engineer T. K. Thomsen
1941 – 1946	Engineer H. K. Wright
1947 – 1959	Managing Director, graduate engineer H. Marcus
1959 – 1975	Managing Director, engineer Poul Egenfeldt
1959 – 1972	K. T. Malling
1959 – 1974	Erling Rützebeck
1960 – 1974	N. B. Rützebeck
1960 – 1970	Engineer Vilhelm Olsen
<b>Chairman 1961 – 1971</b>	<b>Lawyer Eivind Helsted</b>
1968 – 1974	Ole Mørch
1971 – 1980	Managing Director H. J. Esmann Olesen
<b>Chairman 1972 - 1974</b>	<b>Managing Director Poul Egenfeldt</b>
1973 – 1990	Businessman, Consul Erik Emborg (Deputy Chairman 1975 – 1990)
1974 – 1974	Mechanic Kaj Poulsen (elected by the staff)
1974 – 1975	Mechanic Jørgen Christensen (elected by the staff)
1974 – 1980	Verner Sørensen (elected by the staff)
<b>Chairman 1975 - 1978</b>	<b>Timber Merchant Henry Kjeldsen</b>
1975 – 1979	Managing Director Hans Erik Frost
1975 – 1997	Lawyer Børge Nielsen
1975 – 1980	Farmer Martin Nielsen
1976 – 1977	Pattern maker Nikolaj Thomsen (elected by the staff)
1978 – 1981	Sales Engineer Kai Larsen (elected by the staff)

<b>Chairman</b> 1979 - 1979	<b>Managing Director Hans Erik Frost</b>
1979 - 1984	Timber Merchant Henry Kjeldsen
<b>Chairman</b> 1980 - 1993	<b>Managing Director Mogens Olsen</b>
1980 - 1989	Mechanic Kjeld Nielsen (elected by the staff)
1982 - 1998	Lawyer Hans Philip
1982 - 1989	Union Representative Tage Lem Christiansen (elected by the staff)
1982 - 1983	Gitte Gaden Jensen (elected by the staff)
1984 - 1984	Ole Brøndum (elected by the staff)
1985 - 1991	Managing Director Jørgen Østerheden
1985 - 1997	Managing Director Ole Ravn
1985 - 1992	Chief Buyer Peter Opstrup (elected by the staff)
1990 -	Managing Director Jens Kampmann (deputy chairman 1991 - 1993)
1990 - 1993	Semiskilled worker Steen Andersen (elected by the staff)
1990 - 1997	Mechanic John B. Larsen (elected by the staff)
1992 - 1996	Farmer Martin Nielsen (deputy chairman 1994 - 1996)
1993 - 1993	Head of Division Flemming Hvidbak (elected by the staff)
<b>Chairman</b> 1994 -	<b>Managing Director Jens Kampmann</b>
1994 - 2002	Managing Director Jørgen Østerheden (Deputy Chairman 1997 - 2002)
1994 - 1999	Mechanic Knud Bonnesen (elected by the staff)
1994 - 1999	Mechanic Hans Peter Galdiers (elected by the staff)
1997 - 2000	Managing Director Bent D. Wisborg
1998 - 2002	Managing Director Per Skov
1998 - 2000	Technician Jørn Andersen (elected by the staff)
2001 - 2008	Managing Director Søren Vinther (Deputy Chairman 2005 - 2008)
2001 - 2004	Mechanic Per Ottesen (elected by the staff)
2001 - 2004	Semiskilled worker Steen Andersen (elected by the staff)
2003 - 2004	Managing Director Ole Mølgaard Kristensen (Deputy Chairman 2003 - 2004)
2003 -	Managing Director Henrik Sørensen
2005 - 2008	Deputy Director Lars Tønnesen
2005 - 2008	Mechanic Leif H Jepsen (elected by the staff)
2005 -	Buyer Steen W. Lassen (elected by the staff)
2008 -	Mechanic Per Ottesen (elected by the staff)
2008 -	Managing director Eigild B. Christensen

*Managing Directors of the Factory 1833 - 2009*

***Aalborg Jernstøberi 1833 – 1856***

***I/S Det Smithske Jernstøberi og Maskinværksted 1856 – 1875***

***A/S De Smithske Jernstøberier og Maskinværksteder 1875 – 2003***

***DESMI A/S 2003 –***

- |     |                         |                       |
|-----|-------------------------|-----------------------|
| 1)  | 21.12.1833 – 29.01.1856 | Henning Smith         |
| 2)  | 01.07.1844 – 10.11.1856 | Anthon Julius Schmidt |
| 3)  | 10.11.1856 – 04.04.1858 | Christian Simoni      |
| 4)  | 10.11.1856 – 04.04.1858 | A. H. Wulff           |
| 5)  | 04.04.1858 – 01.08.1861 | J. Thorsøe            |
| 6)  | 04.04.1858 – 16.07.1862 | Henrik Simoni         |
| 7)  | 04.04.1858 – 16.07.1862 | Michael Herskind      |
| 8)  | 01.08.1861 – 01.04.1896 | Johan Gaarn           |
| 9)  | 16.07.1862 – 01.01.1893 | Carl Wendt            |
| 10) | 01.01.1893 – 09.11.1926 | C.F.L. Sørensen       |
| 11) | 09.11.1926 – 31.12.1935 | P. Broe               |
| 12) | 01.01.1936 – 30.06.1970 | Poul Egenfeldt        |
| 13) | 01.07.1970 – 30.06.1972 | Hans J. Esmann Olesen |
| 14) | 01.07.1972 – 20.10.1977 | Finn Walther          |
| 15) | 20.10.1977 – 01.04.1978 | Hans Erik Frost       |
| 16) | 01.04.1978 – 01.04.1980 | Ole Høegh Olesen      |
| 17) | 01.04.1980 – 01.11.1996 | Hans Erik Frost       |
| 18) | 01.11.1996 –            | Henrik Sørensen       |

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*Aalborg Public Archives:*

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Book of citizens 1777 – 1825

Census 1818

### **The City Archives of Aalborg**

Archives of A/S De Smithske.

Articles of association with various changes 1875 – 1929

Various papers 1834 - 1875

Circulars and official orders 1862 – 1917

Minute-book with minutes from the general meetings 1856 – 1875, 1875 – 1911, 1912 – 1957

Minute-book for the general meetings 1912 – 1957

Various concerning the extraordinary general meeting 1898  
Minute-book from the works committee 1947 – 1971  
List of shareholders 1875 - 1900  
Employment- and apprenticeships contracts 1875 – 1933  
List of names of the employees 1897 – 1936  
Calculation-books 1880 – 1900  
The case of the harbour, shipyard and slipways 1902 – 1913  
List of the steam engines produced 1875 – 1903  
List of manufactured bells, boilers, peat-machines, and pumps 1900 – 1957  
Price lists 1884 – 1952  
Balance sheets and accounts 1857  
Annual accounts 1882 – 2008  
Annual reports 1892 – 2008  
Letter-books 1857 – 1861, 1867 – 1868, 1890, 1923  
Printed advertising material for bells, stoves and pumps 1860 – 1977

### **DESMI A/S, Nørresundby**

Minute-book for the board of directors 1938 – 1941, 1941 – 1954, 1966 – 2009  
Minute-book for *Skalborg Maskinfabrik* 1966 - 1979  
Annual accounts from *Thrige Pumper* 1990 – 1993  
Letter book 1880 – 1881  
Scrap books 1972 – 2009

### **Contributions from persons in or linked to DESMI A/S**

*The Board of Directors: Managing Director Jens Kampmann*  
*Representative: Semi-skilled worker Steen Andersen*  
*DESMI Contracting A/S: Managing Director Erling Pakula*  
*RO-CLEAN DESMI A/S: Managing Director Dennis W. Larsen*  
*DESMI GmbH Rotan Pumpengesellschaft: Managing Director Axel Küpper*  
*DESMI Ltd.: Managing Director Roger Flegg*  
*DESMI K&R Pompen B.V.: Financial Director Andries van Bruggen*  
*DESMI Norge AS: Managing Director Ove Mårtensson*  
*DESMI Inc.: V. P. of Sales and Marketing Dale Evers*  
*DESMI Pumping Technology (Suzhou) Co., Ltd.: General Manager Kaare Petersen*  
*DESMI Danmark A/S: Managing Director Michael Lassen Schmidt*  
*DESMI Korea: Sales Manager Bum-Jo Lee*

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