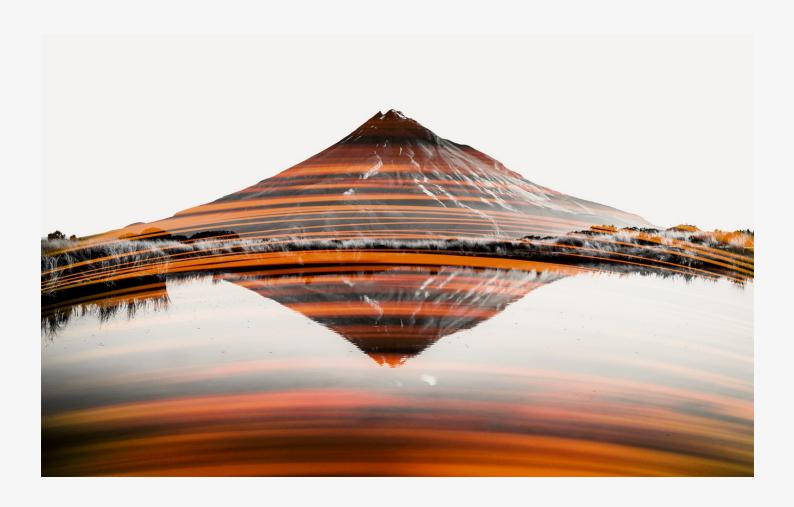
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THE POWER OF SOLUTIONS TAKEN FROM THE MOUNTAINS



AN INTERVIEW WITH ANDRZEJ HERBOWSKI

THE FOUNDER OF ELHAND TRANSFORMATORY

The power of solutions taken from the mountains



You have been in the market as an entrepreneur for 42 years. You have built a company that creates solutions for some of the largest companies in the world. What qualities have helped you to reach the top?

Andrzej Herbowski: I think persistence and courage, not being afraid of failure. Every action is fraught with risk, but if you are courageous, you do not see this risk. You can't be afraid of what is risky, and you have to be brave enough to meet the requirements set by the customer. Courage to take risks is, to a large extent, taught by the mountains. If you overcome something very difficult in mountain conditions, then later, at the bottom, you say: "oh well, I can handle anything".

In the mountains as well as in business, the peak is reached step by step. What were the beginnings of Elhand?

As it usually happens, the way was winding, not obvious and the terrain difficult. I started my adventure in 1973 as a teacher. After that, I worked in local businesses and even went on what I called "saksy". It was cutting grass in Germany and that allowed me to put aside some money for my first investment in my own business. I was ready to go!

Running a business, just like the mountains, teaches humility and thinking. It requires stamina and knowledge of the area. Its environment is like the weather in the mountains: it can be capricious, unstable and unpredictable. Such is also the nature of business, its beauty and charm. This is where the fascination and willingness to take on new challenges, achieve goals or conquer new peaks comes from.

On the power of the mountains which bears fruit in business. On determination and courage on the way to the top and values that have remained the same over the years we talk to Andrzej Herbowski – founder of Elhand Transformatory, Tatra guide and mountain enthusiast.

There were 644 churches in the whole diocese of Opole at that time, on which the lightning protection system had to be checked within a year, and on some of them new installations had to be made. I had a meter for measuring earth resistance and an aluminium ladder (climbing equipment from the period when I climbed mountains and worked as a Tatra guide). It was a chance I had to take.

I can proudly say that the traces of my work at that time are still visible today: the lighting and power supply for the cross on the tower of Jasna Góra Monastery in Częstochowa, the lightning protection on the cathedral in Nysa with a roof area of 0.50 hectares, and the lightning protection on the church of St Peter and St Paul in Gliwice.

And that was the beginning of the adventure, the beginning of the Elhand Transformatory company?

Both yes and no. Originally (since 1980) it was a oneman business which I ran for 3 years under the name ELEKTROMECHANIKA. Later on, you couldn't do high altitude work by yourself anymore, it was forbidden by law, so I started employing people. Besides, I was looking for an idea for a stable business that was not dependent on the weather.

And so, in 1987, I stopped concentrating on lightning protection installations and expanded my company's offer to include the testing and industrial measurement of electrical installa-tions. At that time, carrying out protective measurements of electrical installations generated a good income and allowed me to buy a plot of land and build a modest hall.

In 1990 a completely new perspective appeared... the production of low-power transformers designed for the German market, which, thanks to contacts, was soon launched in a small hall at PCK 24. So the company starts a new business, and as it was necessary to give the enterprise a short name, I thought: why not an acronym EL - for electrician, H - for Herbowski, AND - for Andrzej, producing what? - Well, transformers. Elhand Transformatory:)

The time has come to expand the plant and hire new staff

Yes, at a high speed. After 4 years of the company's operation the hall at PCK 24 was too small for us and in 1994 we moved to a rented hall. After another 3 years, in 1997, we moved again: to a factory built from scratch at 22 PCK, with an office building, a social building and a production hall with an area of 800 m2.

The further development of our plant resulted in the addition of another hall in 2005 (also with an area of 800 m2), in which we continue to work until 30 October 2014.

From 2 November 2014, we started work, in the currently built from scratch, new plant at 60 Klonowa Street inLubliniec, located within the Katowice Special Economic Zone.

In November 2021, the Board of the Katowice Special Economic Zone awarded our company with the title of the Brand Ambassador of the Katowice Special Economic Zone. The award for many years of cooperation and contribution to the development of the economy of our region means a lot to us.

A "privateer" in the People's Republic of Poland must not had an easy time. It was a bit like an unknown valley, where the first steps were made. What challenges did you face then?

Those were difficult times... As craftsmen (in the People's Republic of Poland we were called "privateers"), we often had to face unfavourable officials who constantly suspected us of bad business dealings.

Another difficulty we faced at the time was insufficient supplies of fuel. In those days you had to buy it with ration cards. A popular car used to have 20 litres of fuel a month, and that wasn't even enough for a one-day trip to a few churches. So I bought a Polonez and replaced the petrol engine with a used Mercedes diesel, because oil was more easily available.

Time, which is now so important in business, had a completely different dimension in those days. To arrange something, it was easier to drive 11 km than to call someone. You had to wait 5-7 hours for a phone call, whereas a call to Germany took up to 3 days. That's why we used a telex. Later it was easier, because it was by fax.

VISION & MISSION

What was your vision for the company at the time?

To create an enterprise which would run for many years and allow me to survive until retirement:) In those days, business was thought of simply, without embellishment.

What was your mission?

Whatever you do, do it well so that you can sleep soundly. I have always tried to pay attention to how I work and how others work and, of course, what the result of that work is. That is also what I have learned from the mountains. In the mountains, half-measures can cost live.





QUALITY MEANS COMPETENT AND COMMITTED STAFF TOGETHER WITH PROCESS CONTROL

To set sail together on a journey, often an unknown one, you have to trust each other. How have you built trust and relationships with your clients in such challenging times?

As both the company and the product were just entering the market, I believed that the easiest way to reach the customer would be to gain their trust by giving them my technical knowledge. Knowledge of the transformers on offer and how they could meet the customer's expectations. And so we did, we shared our knowledge. Today, I would immodestly say that we are specialists in what we do, and we are able to convince the technical staff of our product.

In the mountains as well as in life, I was always ready to cooperate. By working together, you can constantly develop, go further and higher. Cooperation is a source of new, fresh ideas as well as feedback from product recipients, which is worth benefiting from.

One of the keys to success of any expedition is making sure it is safe. In business, safety is often synonymous with quality. From the very beginning, Elhand has been associated with high quality. How was it done in those days? How were innovative and solid products created, when what mattered was the fact that they existed at all?

If a company doesn't have a long history and a lot of capital behind it, then you have to follow the example and watch the compe-tition. We learned good quality from our German partners. This is how we distinguished ourselves from the Polish competition.

Our first shipment to Bittburg in Germany included 2,500 transformers for powering razors. Machines intended for soldiers in the US Army who took part in the Gulf War. Unfortunately, I had to bring them back. Due to improper packaging and poor road conditions, the paint had worn off the cases. This needed to be repaired very quickly, because after all the war was still going on. But we coped with the problem.

However, it was an expensive school of packaging and carrier selection (the distance to the customer was 1,100 km).

Good quality also means a competent and committed crew - this is what I have always counted on. When hiking in the mountains, only with such people you can reach the peaks safely.

Another proof of the high quality of our products is the lack of complaints. And just as in the mountains we inspect the equipment we use, so in our company we inspect the internal production processes and the final product. Although the devices used for this cost a lot, it is always less than losing the trust of the customer.

ONLY WORKING TOGETHER, YOU CAN CONSTANTLY DEVELOP, GO FURTHER AND HIGHER

CREATIVITY AND INNOVATION ARE A NECESSARY DUO, NOT ONLY IN THE MOUNTAINS

What was the turning point in your business? A breakthrough on the way to the top?

At first, the company produced transformers exclusively for one customer. At some point it was necessary to find new customers. One day I read in a newspaper that the Polish shipyard was to receive a large loan. The logical consequence had to be the construction of new ships. So I went to meet the head of supply in Gdynia Shipyard, who after my presentation said that I was a godsend. A well-known German supplier made a serious mistake on a ship under construction and they had to replace about 3000 transformers. We made them quickly and from that moment our adventure with shipyards started. An adventure that continues till today, but in a wider scope and with good references confirmed by numerous certificates of maritime classification societies such as RMRS, PRS, DNV-GL, BV, LRS or ABS.

It is the outstanding quality of our products and our excellent references that make us a reliable supplier for various customers:

- from the shipbuilding industry segment our transformers float on more than 800 seagoing merchant ships, cruise ships, nuclear-powered icebreakers and warships,
- from the oil and gas exploration segment Elhand transformers and higher harmonic filters are currently used on oil rigs and in land-based oil and gas extraction stations. Our products are used by the Polish company Petrobaltic (now Lotos Petrobaltic), as well as Russian and Arab companies operating in Siberia, the Persian Gulf region, Africa, the Americas and many other regions of the world.

The year 1994 brought dynamic development of the company and Elhand's products found application in further branches of industry, i.e:

- mining- transformers for mining equipment, including longwall shearers,
- railway- initially transformers for heating turnouts, e.g. 100 units for the flooded railway station in Gdansk (they are still working today), traction transformers, transformers and chokes used in rail vehicles, also outside Poland, e.g. in the underground in Qatar, Kiev and other ones,

- industrial electrical drives- transformers, higher harmonic filters and chokes for many applications, including the responsible market of alternative energy production,
- medicine- transformers for non-stop power supply in operating theatres or for devices used to treat cancer.

As you can see, creativity and innovation are not only useful in the mountains. In business, creativity allowed me to quickly and flexibly analyse situations both inside and outside the company. And when opportunities arose, an open mind suggested how to take advantage of them. Combining creativity with innovation is a chance to create a product range that no one has invented yet. It's like discovering a new trail.

What determines the success of Elhand? Thanks to what do you achieve your goal?

We have found a niche in which we could start our production. It is difficult to find it these days. But with a good product and good service, you can maintain a high position in the supplier ranking. To achieve this, the right staff is essential. A company means the people who work in it. Technical competence and a friendly working atmosphere are half the way to success. I was fortunate that people with certain competencies, which could be developed, applied to us. Also, we have always been open to young people with receptive minds, who, interestingly, often wrote their theses, whether engineering or diploma, precisely on the subject of Elhand equipment. In this way, we built a favourable atmosphere for creating an interesting product. A product created by young people, which is later developed. This is encouraging for everyone. To see the products that we create, to see where they end up, on what responsible devices, and all over the world-it is something that binds strongly.

TECHNICAL COMPETENCE AND A GOOD WORKING ATMOSPHERE ARE HALF THE WAY TO SUCCESS

"I prefer to do something well in order to sleep soundly"

AMAZING PEOPLE ARE BEHIND EVERY PRODUCT

You have lived through many stories, not just mountain ones, which could be examples in many businessman's textbooks. Modern textbooks say that business is about relationships. Was that also the case in the past?

I would not say that. Relationships were important, but they always came second. What came first was always the profit for the customer's company, that is, the quality of the product, its reliability and, of course, the price. For us, ensuring the right quality meant customer peace of mind and our own peace of mind. I have always had the motto: I prefer to do something well in order to sleep soundly'. I think that every entrepreneur wants this peace of mind, whether they are running a manufacturing or a service company, and to have as few complaints and dissatisfied customers as possible.

And this motto continues to guide the company till today despite the passage of years of different times

Is there something that nobody knows about Elhand Transformers? Some hidden trail in the mountains that puts you ahead of your fellows?

Progress requires constant training and improvement of qualifications. We are well aware of this, which is why our technical staff cooperate with technical universities in Poland and Switzerland, and also take advice from Polish and foreign consultants. An important role in the development of our products is played by the comments and requirements of our customers.

We are talking during the Christmas season, a period with which we often return to tradition. What are the traditions and values of Elhand that you would like to see being continued for years to come?

These traditions and values are:

- reliable workmanship, good product quality and care for this good quality,
- · product responsibility,
- good customer relations. I would like us to continue to be a recognisable company.

I would like the commitment of our employees to what they do to be as high as ever. I would like them to be as diligent in their attitude towards their duties as they are today.

This is how we work to this day, regardless of position. For this I thank the staff very much.

Since we are talking about people... Is it not thanks to the fact that Elhand is a family company that it has a strong sense of identification and a unique organisational culture, which encourages the transfer of knowledge, exchange of experience, development of new products, entering new markets and overcoming barriers?

Yes, it is true. A family atmosphere fosters the relationship between employees and the work-place, but the conditions the company creates for its employees are also important. The problem in private companies is the moment when the company's achievements are transferred to another person. I am lucky to have a wonderful son-in-law, who started working for our company and is now its CEO. My son-in-law, Adam Matera, values people as much as I do and has the same approach to them. He is guided by the same values: focus on quality, reliable work, trust and respect. This gives me full satisfaction and confidence that the company is in good hands.

"To remind them that people get rich through hard work. Of course it takes a long time, but it gives stability and satisfaction from what you do"

ADVICE TO THE NEW, YOUNG GENERATION

What are you most proud of when it comes to Elhand?

I'm proud of the recognition of our products on the international market and their quality. The commitment of our employees to their tasks and their competence. The dedication and reliability with which they approach their duties. I also appreciate the constant striving for perfection and product development.

What do you wish for yourself, the company and the people working in it in the new year?

In the new year 2022, I wish our employees, their families and myself health, peace of mind and the enjoyment of life:)

For the company? Execution of plans:

- 1. Strengthening its market position by building the best possible relationships with its customers.
- 2. Seeking new customers for the products offered.
- 3. Implementing new products (medium voltage).
- 4. Improving products by finding new design solutions.
- 5. Working effectively to develop both our employees and the company as a whole.
- Building an internal organisation within our company that is able to meet the constant challenges posed by the market and competition.

Thank you for the interview and inspirational story.

