

A Hit, not only for Horses

This young company stands for innovation in keeping horses



Thorsten Hinrichs

The number of horses kept for sport and leisure has been growing quickly since the 1980s. Traditionally, horses are kept in single stalls. The horse however is a herd animal whose natural preference is to live in close company with others of its kind. Thorsten Hinrichs' HIT Active Stable has revolutionized the way many owners keep their horses and provided his young company with a brisk business.

Out of one man's hobby - a new solution for thousands

In 1997 Thorsten Hinrichs and his wife decided to buy two horses for their personal use. They kept the horses in nearby stalls. During the summer months when it was possible for them to spend time on the fields, the horses were satisfied and healthy. During the winter however when they were cooped up for months on end, the horses became visibly discontented and suffered from the dust and vapors they were subjected to in their stalls.

Hinrichs thought back to his time studying agricultural sciences at the end of the 1980s and remembered a visit he made to the German Federal Agricultural Research Center. He happened to become acquainted with a study on a new system for keeping horses in a fashion more appropriate to their needs, featuring an 'active stable' and a computer-controlled feeding system. After spending weeks searching through old college papers and technical literature (Google hadn't been invented yet) Hinrichs decided to move the horses to his own land and keep them in a way more in accordance with their nature.

Nobody at the time had a plan for realizing the active stable concept.

Hinrichs contacted a number of specialists to help him realize his vision. None of the consultants he spoke with however was able to help him design or build an active stable. Not being a man to give up easily, and determined to give his horses a better life, Hinrichs travelled throughout Germany and Austria, visiting the best stables, talking with known experts, and in time developed his own concept for the optimal way to keep his horses.

In the Fall of 1988 Hinrichs built his first active stable. At its center he installed an automatic feeding system – a prototype from the Austrian company Wasserbauer.

After going into operation, the active stable began to attract attention from the neighbors, many of whom wanted to keep their horses with the Hinrichs family. Within a

brief time the family stable had gone professional, and with a total of 13 horses, the Hinrichs began to gain experience in dealing with horses and their owners.

The Road to Independence

„At the time I was employed as Product Manager for a company which builds stables for other kinds of livestock”, says Thorsten Hinrichs. “The Managing Director asked me to think of a way to expand the product range, so I developed a concept for horses. The main attraction was going to be the active stable. Management decided to proceed with the idea, but to keep it on the backburner, so I decided to leave the company and start HIT.”

Thorsten Hinrichs' decision to start his own company came from his conviction that he'd 'found' something great. He says he felt that he could “make a significant contribution to the future development of an entire industry; not only to sell products but to promote the well-being of these animals in ▶

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MASTHEAD

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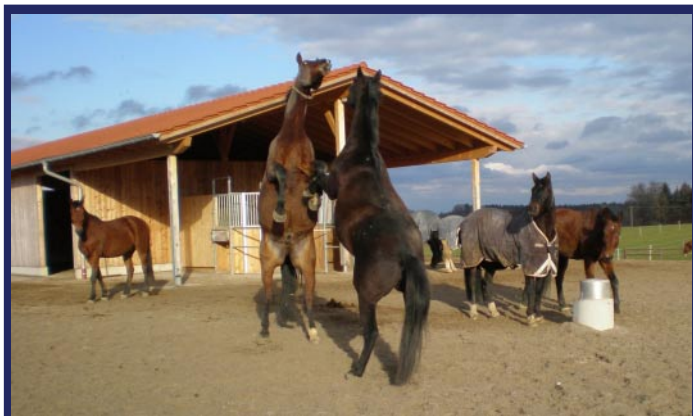
our care. This motivation was only possible because I was offering something brand new that none of the traditional suppliers in the market had.”

The prospects for developing the market appeared to be very good although at the time the traditional stall construction was dominant and very few horse owners were even aware of the ‘active stall philosophy’. Because Hinrichs specialized from the very beginning in keeping horses in groups, he was able to gather detailed theoretical and practical knowledge throughout the entire subject.

From the very beginning, Hinrichs focused on keeping horses in groups.

All of HIT’s employees are themselves horse owners and either operate their own or use an HIT active stable. By virtue of their identification with the HIT philosophy, a tremendous capacity in terms of knowledge and motivation helps the company to maximize the value it provides its clients. Within nine years, the company’s turnover has grown by a factor of ten. In its first year 2001, HIT had sales of 300,000 Euros, in the year 2009 its sales were 3 million. The company employs ten salaried workers and ten freelance consultants.

„Much more important than data and hard facts are the soft factors” says Hinrichs.



Instead of spending the entire winter in their stalls, horses can move about freely throughout the year.

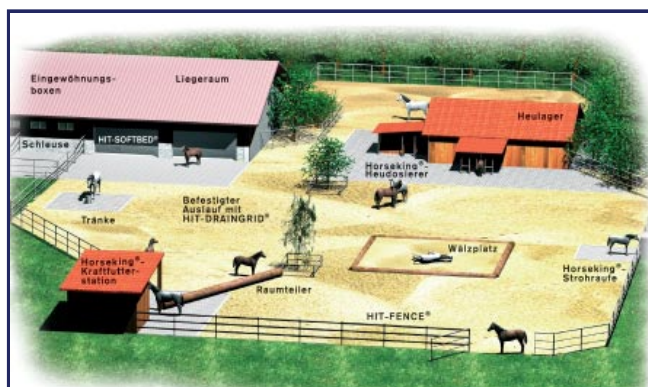
“HIT has become a trendsetter for everybody interested in keeping horses in an animal-friendly environment. This image value can’t be overestimated, since it will have the greatest influence on our long-term success.”

Those ten years spent as Product Manager in an international company are paying off for Thorsten Hinrichs. Among the lessons learned were to concentrate and instead of “watering in a fine, even spray” to “pour it on thick and heavy in one place”. It was this basic maxim that made it possible for a small startup to be noticed by the target market at large.

HIT’s program of products and services had a special, unique position in the market from the very first – whether admired by the early adopters and free-thinkers among horse owners or dismissed by the traditionalists – HIT got noticed.

The Target Market

Keeping horses healthier and happier is important for horse friends in general, so HIT and its active stable concept is of interest to a large group of potential clients.



The HIT Active Stable concept allows horses to move about and to interact freely with each other.

The company’s marketing efforts are primarily directed at stable operators, as the company presents these clients with the greatest potential added value.

During its first years in business, HIT mainly provided con-

versions of existing agriculturally-oriented stables. Today however most of its business involves conversion or new construction of commercial riding and stable operations. The indirect market comprises the stables’ clients, the horse owners who want the best for their animals and therefore that they be kept in an active stable, preferably one of their own built on their own land.

The Crucial Problem

As described at the beginning of this article, health problems occur relatively frequently among horses kept in conventional single stalls. While every horse owner wants to do whatever he can for the health of his animals, keeping horses in groups, in open stalls, carries with it the image of ‘mud runs’, of dirty animals and the real physical danger of fights between horses.

Appropriately designed and equipped, HIT active stables significantly reduce, even eliminate these problems, and turn this problem into one of HIT’s best sales arguments. The highly positive evaluation and reporting in the specialist literature and relevant internet sites has led to greater acceptance among horse aficionados with the result that demand for the active stable system continues to rise.

In addition to the aspects ‘healthy horse’ and ‘satisfied owner’, the idea of ‘profitable stable operator’ is driving HIT sales. Because more and more horse owners are asking for “HIT active stable”, it just makes sense for stable operators to give their

clients what they want and to adopt HIT systems, thereby winning more clients and maintaining a profitable price level. HIT finds that emphasizing these business benefits in its marketing helps to get the point across.

The Innovations

„Since nobody had sold such a concept with all the requisite products in the entire horse stable business” explains Thorsten Hinrichs, “we ended up developing the concept and most of the components ourselves.” He names a number of the innovations HIT has developed inhouse: development of the active stable concept and the computer-controlled feeding station (2001). With the development of the computer-controlled ‘hay dispenser’ in 2002 came the breakthrough among commercial stable operators, as it became possible for the first time to provide roughage to individual horses living in groups.

Development of a proprietary ‘drain grid’ to provide a permanently stable foundation to enclosures and paddocks (2003). Development of an innovative copyright-protected rubber ground element for horses to lie on (2004). Development of ‘group feeding’: horses take their hay simultaneously on time-controlled racks; adjustments in the amount dispensed take place during the individual feeding (2005, 2006).



Area partitions create incentive to move: by for example increasing the distance to the food supply.

Development of a patented layer separation grid with water drainage function (2007). Development of the water-saving drip feeder for stable floors using the new, patented layer separation grid (2008). Development of an HIT-specific Client Utility Strategy (CUS) based on Prof. Wolfgang Mewes’ theory of constraint-oriented strategy (2009).

Cooperative Strategy

„We consider ourselves to be a service provider, not a manufacturing company,” says Thorsten Hinrichs. “The products we’ve developed are manufactured by selected suppliers who are innovative and effective in their own areas of expertise. Our long-term, friendly relations to these companies guarantee that the products are of highest quality, in accordance with our company’s philosophy and mission.

HIT’s Triangle of Success: healthy horses, satisfied owners, and profitable stable operators.

A cooperative, trusting relationship has been developed, especially in the process of developing new products. The basis for future projects is laid, the prospects are more than promising. Cooperations are in place for a number of areas including the automated feeding technology which is supplied by Wasserbauer in Austria. The plastic layer separation grids are delivered by Kronen-Hansa in Lohne and Wefoba in Gaildorf near Schwäbisch-Hall. The rubber ground elements are supplied by GKT from Gärstenwalde near Berlin. HIT realizes nearly 90% of its turnover together with these three suppliers.

“Several years ago while working with him on a project overseas, I became friends



The computer-controlled individual food dispenser is a central feature of the HIT Active Stable.

with Uwe Kraft, who has built a successful international business around equestrian sport equipment,” says Thorsten Hinrichs. “Since then we have been working together, throwing ideas back and forth, and sharing information about projects and clients around the world.” One of the many positive results arising from this cooperation was HIT’s largest order so far, the foundation with layer separation grids of an enclosure in the Emirate of Qatar on the Persian Gulf in an order worth about 300,000 Euros.

Communication

HIT has always emphasized a pragmatic and authentic representation of its concept. In addition to the standard media such as website and print, HIT has had great success at fairs with its realistic mini-version of an HIT Active Stable replete with live horses. Such a live presentation of its concept attracts a tremendous amount of attention and generates its own competitive advantage as compared with conventional tradefair booths.

Another forum for client consultation are the HIT Active Stables operated by HIT employees and consultants. The advantage of this forum is that prospective clients can observe at first hand how the concept works in real life. The atmosphere is relaxed and intimate, a perfect setting for an informative conversation. A large number of stables are operating with the HIT Active Stable system and serve as references and word-of-mouth advertisement for the company.

Strategy and Vision

After eight years of building up his business, Thorsten Hinrichs decided in the Summer of 2009 to withdraw from the daily business to develop a strategy for the next phase of his company's evolution. "The inspiration for these considerations" explains Hinrichs "was a conversation I had with one of our clients from the Czech Republic, Mr. Nader Safari, who told me about EKS. (Constraint-oriented Strategy) I worked through the relevant principles and phases of the EKS process and developed an entirely new strategic approach for my company's future activities, which I call Client Utility Strategy CUS."



Stables and professional riding operations comprise the primary client segment for the HIT Active Stable.

The continued development of HIT is influenced by the following philosophical points:

Fundamental Values

Appreciation for the natural requirements of all living beings. Economic activity in consideration of ethical principles.

Mission

Significant increase in client utility through constant development of innovative ideas toward the improvement of existing products, systems and concepts.

Vision of the Future

Long-term and best solution-provider in all HIT core areas, ie. world-wide market leader.

The HIT Client Utility Strategy CUS established in the Summer of 2009 is still being implemented. The objectives for 2010 are clearly defined: the realization of the 'Triangle of Success', creation of regional consultation centers (team responsibility instead of individual responsibility), implementation of the demand generation system, increased website activity and HIT InfoCard for knowledge transfer, promotion of employee

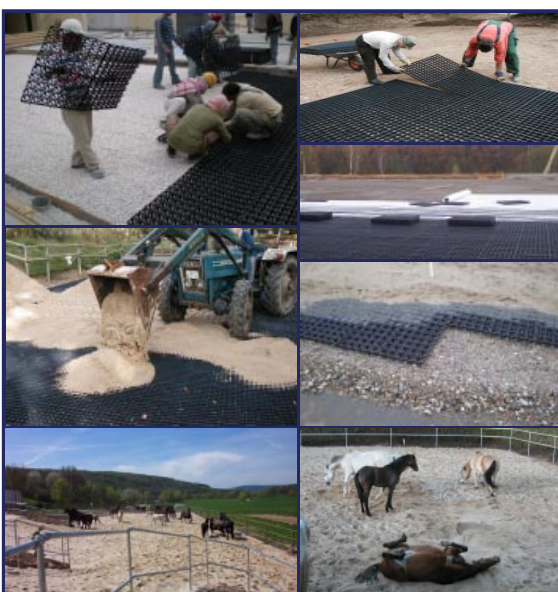
skills, introduction of an 'active service' for the technical customer service, pushing on with product optimization, and concentration on the core product program.

The constant, significant improvement of client value is one pillar of the HIT philosophy.

Thorsten Hinrichs is more than optimistic, "The EKS concept came to me at just the right time. We are going to concentrate exclusively on our strengths. We will primarily focus on just one market segment and their special requirements. And instead of keeping our attention on turnover or turnover-related goals, we will focus on increasing client utility as the measure of everything we do." ■

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Patented layer separation grids provide a permanent foundation to paddocks and corrals and supplement the value of many HIT innovations.