

SDLG celebrates a year of expansion and development in 2014

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The past 12 months for Chinese equipment giant Shandong Lingong Construction Machinery Co., Ltd., (known as Lingong), have seen the company expand internationally; launch numerous machines; and develop several initiatives to build its brand and support its industry and community. SDLG has also been named one of Asia's Top 500 brands and one of China's Top 50 construction equipment manufacturers.

Lingong manufactures the SDLG range of construction equipment which includes one of the world's biggest selling lines of wheel loaders, as well as excavators, backhoe loaders, road machinery and more. The machines are built at its central factory in Linyi, China, while there is a further manufacturing plant for its excavator line in Pederneiras, Brazil, which opened in 2013.

Recent years have also seen the SDLG brand steadily expand its international sales. It is the leading wheel loader brand in Russia as well as several Middle Eastern, Latin American, African and Southeast Asian countries. Last year the brand was introduced to the North American market and it continues to grow in popularity in Australia also.

Wang Zhizhong, chairman of Lingong, said the company's ongoing expansion is all part of journey to bring SDLG to a predetermined point.

"Our clear goal is to establish SDLG as the leading Chinese brand of construction equipment," he said. "To do that, we know we need not only the right products, but the right distribution network and the right customer support. We have worked hard on developing our business and I am proud of what we have achieved so far. But we are only part of the way. It's important that we build on what we've accomplished and push SDLG's growth even further."

Formula for success

Lingong has a clear understanding of who SDLG customers are and what they need from a machine. Typically, SDLG customers want a high level of value in their equipment, meaning a fast return on investment. Lingong provides that and more, with machines that also deliver reliable and robust performance on the job site.

The company's Lingong Production System is at the heart of its ability to offer productive, high quality machinery without a high price tag. LPS encompasses an advanced design and manufacturing program,

using lean production techniques, to deliver reliable machines in the most efficient manner. There are also advantages of economies of scale, as the huge 1 million m² factory in Linyi can produce tens of thousands of machines a year. Considering the high volume, excellent value and robust performance of SDLG machines, it's easy to see how the brand became the number 1 choice of wheel loader in so many countries around the world.

Building the brand

One of the biggest initiatives from SDLG in the past year was the brand's sponsorship of the AFC Champions League, a prestigious region-wide football competition run by the Asian Football Confederation. SDLG became the first equipment brand to sponsor the competition, raising its profile among football lovers from across the continent and wider region. Teams were involved from Australia up to Japan and South Korea, stretching through China and other APAC countries on to the Middle East. SDLG was a prominent sponsor throughout the competition and Lingong hosted customers and dealers at games. This year's contest concluded on November 1, with the Western Sydney Wanderers becoming the first-ever Australian side to take the title in a 0-0 draw with Al Hilal of Saudi Arabia – but winning 1-0 on aggregate.

Shaohua Guo, brand and communications director at SDLG, said the company had enjoyed its first year of sponsorship of the AFC.

"Supporting the AFC Champions League has been a huge success for SDLG in terms of exposure for our brand and associating with our customers," he said. "Football is the world's most popular sport, accessible to all people. We have the same philosophy with SDLG. We have a wide range of equipment, suited to all kinds of industries that appeals to the mass market. Our company has a long association of supporting football and we look forward to continuing our sponsorship of next year's AFC Champions League."

Offering support

And while the AFC sponsorship initiative was clearly a commercial move, other initiatives from the company are aimed at supporting the construction industry and the wider community. To drive better safety on site and improve operator efficiency for equipment users, SDLG has its China Top Driver Club. The club incorporates the SDLG Top Driver Championships, which is an annual contest where operators compete to determine who has both the best skills and the best temperament. This is combined with the Top Driver Club Foundation, an associated charity that raises money for operators who have been involved in site accidents. In 2014, over 6,000 contestants registered for the contest and it attracted the attention of state television broadcaster China Central Television (CCTV).

Another initiative from Lingong lies somewhat outside the construction industry, but is equally worthy as it focuses on providing school facilities for children in deprived areas. SDLG's Hope School charity is a non-government, privately-funded program that it started in the 1990s but which it extended in 2013 by partnering with Guo Mingyi, a celebrated factory worker and national celebrity, who has been awarded the Worker Model of China (the highest honor that can be given to a communist-party enlisted worker). Earlier in 2014 the second Hope School developed in partnership with Guo Mingyi was opened in Butuo, 500 km south of Chengdu in the Liang Mountains region of China.

Growing globally

While China remains SDLG's largest and most important market, the company is committed to developing its international customer base and bringing the benefits of consistent performance and unbeatable value to a broader range of customers. In most international markets, SDLG products are sold and serviced through proven, established equipment dealers giving customers reassurance that parts will be readily available whenever needed.

Using the combination of excellent equipment together with solid customer support is proving a winning formula and the company was able to announce a number of notable international achievements in 2014. Most significant was probably in Russia where the company celebrated 10 years of business and secured a number of large orders, including a single order for 96 wheel loaders from GBU Zhilishnik. SDLG remains the best-selling brand of wheel loaders in Russia.

Another major market for SDLG is the Middle East and over there business remained buoyant. As interest grows in the company it is introducing more products and in October this year, Lingong announced the launch of a new line for the region (also for Africa and Indonesia): the B877 backhoe loader. There is already strong interest in the new machine and the company also displayed it at a trade show for the first time, when it appeared at bauma China 2014 in Shanghai at the end of November.

In Asia, SDLG celebrated becoming the number 1 Chinese construction equipment brand in Indonesia and Malaysia, as well as gaining significant traction in India, the Philippines and Thailand. After signing a new dealer in Timor-Leste, the first SDLG unit – an LG936L wheel loader – was sold to Mira-Mar Bloco to support its concrete block fabrication operations. To better support its customers in the Southeast Asia region, SDLG opened a new parts warehouse in Singapore in August for faster spare parts delivery.

Having launched the SDLG brand in North America last year, 2014 saw further growth for the company in the U.S. and Canada, with four new dealer appointments in Canada and two more in the United States. In addition, a new product, the LG948 wheel loader, was also introduced.

Looking to the future

With all the developments of 2014 it's clear that SDLG is a company on the rise and it proved this point by taking one of the largest booths at China's leading construction equipment show, bauma China. In addition to showing machines from across its product line, including a number of its popular best-sellers, Lingong also offered some insight into what may lie ahead with the presentation of two prototype machines. The LG6460E excavator and the LG9120F wheel loader are towards the larger end of the scale, with the excavator having a 46 t rating and the wheel loader a 12 t rating, but with their advanced design and excellent capabilities they suggest an exciting future lies ahead for SDLG customers. The company is clearly planning for more growth and given the success of 2014, it will be interesting to see how it surpasses that in 2015.