

MALTE HAANING PLASTIC A/S EXPERTISE LEADS TO BEADS

A GLIMPSE INTO THE LIFE OF A TOY SME



FROM DRINKING STRAWS TO BEADS

From modest beginnings, with a DKK 2,000 investment and one machine, Malte Haaning Plastic now produces pegboards and beads in around 55 different colours.

As a young man, Malte Haaning wanted to do something different than his parents, who owned a small shop, but he could not decide whether to produce cheese, candle or plastics. Eventually, in 1961, he bought a small company and began producing plastic drinking straws with a single machine. He rapidly expanded his range of plastic products to include cocktail sticks and fly swatters, for example. A decade later, his customers' needs led him to change the focus of his production to concentrate on small plastic beads and pegboards for children to create their own pictures. These beads became quite successful and the HAMA brand was registered in 1984. One of Malte's daughters, Lene, took over the company in 1999 and the company continues to focus on beads and pegboards today. HAMA's beads are now available in around 55 colours and three different sizes for children over the age of three.



LOCAL ROOTS



Malte Haaning Plastic was founded in Nykøbing Mors, a small town in the Northern Region of Denmark, in 1961 and has been expanding ever since. Around 60 employees contribute to the production of around 75 million beads per day. Having all aspects of production under one roof means that the company's comprehensive internal safety and quality control system is more manageable. This set-up drastically reduces production time and enables the company to quickly customise products to meet clients' needs, which is very important for the company to stay competitive on the global market.

In 2013, Malte Haaning Plastic increased its production plant in Nykøbing Mors to 1,300m² and now produces more than 13 beads per Danish person per day.

EXPORT-ORIENTED

External factors such as unpredictable exchange rates can have a significant impact on Malte Haaning Plastic's exports.

As Denmark is a relatively small market, soon after its foundation Malte Haaning Plastic began exporting its beads internationally in order to continue to grow. Nowadays, around 85% of the company's turnover results from exports to over 50 countries worldwide. The SME is present in countries as far away as Australia, Japan and Vietnam. However, the three biggest European toy markets, namely Germany, the UK and France, remain the main destinations for HAMA's beads.



DEPENDENT ON A WELL-FUNCTIONING SINGLE MARKET



As trading internationally can often be very time consuming and burdensome for a small company, Malte Haaning Plastic sees the Single Market of the European Union (EU) as a great opportunity. However, the company is concerned that the free movement of goods is being prevented by the different interpretation and implementation of

toy safety rules across Europe. For example, some retailers ask the company for technical documentation, which the company is not legally required to provide and which contains commercially sensitive information. Such requests risk breaking confidentiality and also increase the burden on the SME when operating across the EU. This can be very problematic considering the importance of its exports to other EU countries.

PILLAR OF THE LOCAL COMMUNITY

In 2004, Malte Haaning Plastic received an award from the Confederation of Danish Industries for its successful development strategy.

Kindergartens and schools in Denmark and further afield use HAMA's beads to help encourage children's creativity and dexterity. In order to allow more children to benefit from its products, Malte Haaning Plastic regularly donates beads to various charitable organisations. The company offers its beads during national and regional events, such as the regional Energy Fair 2013 in Nykøbing Mors. In addition, it sponsors the local handball team, which plays in the Danish Handball League, and children can play with HAMA's beads during home games. In 2004, Malte Haaning Plastic received an award from the Confederation of Danish Industries for showing outstanding initiative and diligence, which created a strong basis for growth.

'Differing interpretation and implementation of rules within the EU is burdensome and a huge problem for Malte Haaning Plastic.'

Lene Haaning, CEO



With around 0.9 million children under 15 (17% of the population), annual toy sales in **Denmark** reach around €265 million. The main toy region is based in Southern Denmark.

The **European Union** (EU) is the largest toy market in the world (27% of global sales), meeting the diverse and evolving demands of its 79 million children. Over 99% of the almost 5,000 toy companies are small and medium-sized enterprises (SMEs). With over 220,000 people working in the sector in the EU, toy companies play a key role in Europe's economic fabric. The toy industry is highly international and is one of the most dynamic business sectors in Europe: around 60% of toys on the market each year are newly developed. The sector is also highly seasonal, with consumers making the majority of purchases during the Christmas period.

Legetøjsbranchen (LEG) is the Danish association for the toy industry, including retailers, importers and manufacturers. Legetøjsbranchen represents the interests of the industry towards politicians, authorities and the media. Malte Haaning Plastic is a member of LEG.

Toy Industries of Europe (TIE) is the trade association for the European toy industry. Members include companies and national associations from across Europe, including LEG.

