

What's Spanish for Parquet?

– Greenkett!

The IG group-Maderas Iglesias parquet brand has been so successful in Spain that the name 'Greenkett' has now entered the language as the generic term for engineered wood parquet flooring. Here, Marcos Gándara Alvarez, recently appointed general manager at Maderas Iglesias, S.A. talks about the company and its future plans.



If you ever travel to Spain by car, you will probably see some of huge bulls-like posts, just like this along the main roads. They used to be a billboard for an important liquor company from the south. They soon became so much a part of the landscape that when the government threatened to put them down there was such a public uproar that politicians changed their mind.

Environmental positioning

The raw materials for Maderas Iglesias' annual 4.5 million square metres production of Greenkett flooring mainly come from North and South America and Eastern Europe. All the wood is bought from FSC certified forests – a fact that has become increasingly important to mention in all market communications. Marcos explains, 'It is very important to have a strong environmental position – we simply must buy wood from renewable sources'. He stresses that the Brazilian company, which supplies wood for Greenkett three-ply parquet, is especially conscious of environmental issues. And the warehouse provides ample evi-

dence of this, packed as it is from floor to ceiling with pallets bearing the FSC stamp. IG-Group was actually the first Spanish manufacturer to achieve environmental certification and today adheres to international environmental standards in order to manufacture products that will meet with worldwide acceptance. 'This applies to the treatment products (which must be low emission varnish and adhesives) as well as the wood itself', explains Marcos.

Growing the market

Looking at the Spanish market for different kinds of flooring, laminated floors currently account for about 40% and wooden parquet for about 5%. By

providing wood parquet floors at an excellent price:quality ratio and delivering them with a 25 year guarantee, Greenkett intends to bring about a switch in consumer preferences. Marcos is confident that parquet's slice of the cake will expand, as will the overall market size, 'With good marketing



FSC certification is a must for today's manufacturers.

information, and consumers will learn to appreciate the difference between laminate and real wood. We have already seen how Spanish consumers are shifting focus. To begin with they were only interested in price. Now they are also starting to appreciate quality. Still, solid wood is beyond the means of most normal people. That leaves parquet as the best option, providing the same lifespan and creating the same effect, but at a manageable price.'

Future ambitions

To summarise the company's future plans, Marcos and his colleagues look forward to wider product ranges, better environmental credentials and expanding overseas markets. What will it take to achieve these ambitions?

1. Moving the manufacturing

For a start, Maderas Iglesias currently has four manufacturing plants in Spain and two others in the US in Nashville (Tennessee) and Mobile (Alabama). In future the company aims to take its production closer to the raw materials source, i.e. to Brazil where it recently established a joint-venture with a Brazilian Company, and in Poznan, Poland where it has acquired a new plant (100% owned by Maderas Iglesias). In future, the Spanish plants will be dedicated to assembling finished products, applying the varnish and making the profiles.

2. Developing distribution channels

From a distribution point of view, the IG-Group successfully leverages its longstanding relationships with distributors of solid wood flooring to reach modern parquet floor buyers.

Among its main customers are Parquets Tropicales (a floor-installation

Company owned by IG-Group), that is Europe's biggest professional installer covering an annual surface area of 1.5 million square metres. 'Generally, this market is quite fragmented, so we would like to work with customers in other countries that are as big as Tropicales. We expect to develop strongly in the area of distribution and installation over the next couple of



Colour coding on timber tips indicates where the wood came from.

years,' says Marcos, 'Improving our logistic distribution in North Europe and Russia, will make our strategic position in Poland stronger. And in the US, the IG-Group recently partnered M-D Building Products of Oklahoma City, a manufacturing company with a good and long standing reputation in the flooring industry. M-D is an example of Maderas Iglesias' current effort to develop distribution channels in the strong US hardwood market.'

3. Growth in DIY

Having products with different kinds of profiles makes it possible for the IG-Group to sell to the DIY market as well as to professional installers. In addi-

tion to traditional tongue and groove profiles, they also manufacture flooring with the patented click system, Uniclic, which is ideal for DIY customers. In fact Maderas Iglesias has recognised good growth opportunities in the DIY market, which although small in Spain, is much bigger in the US and other parts of Europe. 'Bona can help us to develop here by creating bridges between Maderas Iglesias and the DIY customers and distributors in e.g. the US and South America.'

Bona as a partner/supplier

When asked why the IG-Group chooses to work with Bona, my guide replies, 'When IG was looking for a supplier in 1995, it was important to find a company with a local presence on all our important markets. Bona had this, plus a strong reputation in Europe and the US that could open doors for us. Bona is innovative in areas such as scratch resistance and reducing emissions. They can help us for example, with the development of a ceramic coating for the US market. They give us support, such as testing for scratch resistance and different surface appearances. They are always a step ahead, always innovating. Plus of course, we have friendly relations between our two companies... which always helps.'



Marcos Gándara Alvarez, recently appointed general manager at Maderas Iglesias.