



# LMG Manufacturing GmbH Hoym: Back on track for success with the help of its partners

The management team, employees and partners of the specialist aluminum die casting company LMG Manufacturing GmbH Hoym, which is based in the municipality of Seeland in the Salzland district, gathered to celebrate the company's first anniversary. Rapid, dedicated action was taken to put the automotive industry supplier back on track for success within only a year of its insolvency and it now has excellent financial prospects.

The guest of honor at the celebration was **Dr. Jürgen Ude, state secretary in the Saxony-Anhalt Ministry of Economic Affairs, Tourism, Agriculture and Forestry**, who also handed over grant approval for an investment in the company. As he emphasized: "I am impressed at the speed of the company's transformation. Saxony-Anhalt needs bold, dynamic entrepreneurs and we will make every effort to support them."

**Christina-Susanna Tirnaksiz, CEO of LMG Manufacturing Hoym**, accepted the grant approval during the celebration and explained: "We were only able to complete this Herculean task with the help of all our partners. I would particularly like to thank our 170 employees who have been committed to making the necessary changes."

Together with the **mayor of the municipality of Seeland, Heidrun Meyer, Marc Pappert, authorized officer and head of the investor service at the Investment and Marketing Corporation Saxony-Anhalt (IMG)**, also attended the celebration and the subsequent tour of the plant. He said: "For us at IMG, this is an excellent example of how, by cooperating closely on a state and municipal level, the business development teams can provide companies with targeted support during difficult times. We look forward to supporting future projects run by LMG Manufacturing GmbH."

## Background:

The success story of LMG Manufacturing GmbH Hoym:  
A return to solvency in just a few months

Transparency, realistic figures, communication and solidarity are the factors that enabled an insolvent company to be returned to solvency in a very short period of time. LMG Manufacturing GmbH (Light Metal Germany) in Hoym, a district of the municipality of Seeland in the north of the lower Harz region, is an example of best practice in this respect. Only a year after its takeover, the slogan of the specialist aluminum die casting company "Success from the same mold" is once again being turned into reality.

## Aluminum die casting for the automotive industry and other manufacturers

Rough castings and the accompanying tools have been developed and manufactured to customers' specifications at the site in Hoym since 1999. The site, which houses a smelter, foundry and machining facility, has plenty of room for expansion. Around 170 employees generate an annual turnover of 25 million euros. Despite a strong order book and long-term customer relationships, the company's predecessor Pressmetall went into insolvency twice in just a few years. The current investors were encouraged by customers to take over the plant. During an initial inspection in June 2020, the advantages of the site became obvious. In addition, the committed workforce, many of whom had been with the company for a long time – around 20 percent for more than 20 years – had a huge amount of knowledge at their disposal. However, the problems were also clearly obvious. A significant investment bottleneck, poor management, planning errors and costly processes were responsible for the company's previous difficulties.

## Cost savings without compulsory redundancies

The shareholders of LMG Manufacturing GmbH, which are all manufacturing companies, saw the potential of the business. The new company was launched on October 1, 2020. A small management team and, in the early days, some external consultants were able to put the business back on its feet very quickly. Sales, management and project planning teams were created and a new ERP system with a connection for electronic data interchange was installed. In addition, the processes were made more efficient. This allayed the customers' main concern, which was that Hoym would continue to be simply an outsourcing location. By improving its processes and renegotiating contracts, the company was able to cut its costs by 1.3 million euros in the first six months of 2021.

Furthermore, no compulsory redundancies were needed. In fact, quite the contrary. "I'm immensely proud of how the workforce has turned the company around," emphasizes CEO Christine-Susanna Tirnaksiz. "We have only been able to complete this Herculean task with the help of the shareholders, the municipality, the state of Saxony-Anhalt, the Investment and Marketing Corporation and, most importantly, the employees." In addition, the flexibility of the workforce brought benefits for the new owners. "Everyone here was used to improvising and making something out of nothing," said Tirnaksiz. Beforehand, she had not dared to hope that the workforce would have such incredible hidden potential.

## Building trust with transparency and communication

A lot of efforts at persuasion were needed in the first few months in particular. The purchase and the initial investments were funded entirely from equity capital, with the support of the Saxony-Anhalt Investment Bank. However, 99 percent of the suppliers required advance payment, which amounted to a full month's turnover of the capital. Initially, credit insurers were not even prepared to enter into discussions. But realistic planning, the full disclosure of the figures and a lot of meetings helped to convince the skeptics and advance payments have not been needed since the start of 2021. This has made investing to safeguard the company's future much easier. As well as resolving the investment bottleneck and stabilizing the existing business, two further stages of investment will allow up to six die casting cells, additional buildings and a separate logistics area to be constructed by the end of 2024. One major success is the recently acquired IATF 16949 certification. Less than a year after the company was taken over, the quality management systems are already meeting international standards. This has led to LMG Manufacturing GmbH now being listed in a global supplier database.

Many people have been amazed by the speed of the transformation and the determination shown. The larger customers in particular were surprised, because the new processes took effect before the information had reached all their departments. Looking back, Christine-Susanna Tirnaksiz said with a smile: "If everyone is working toward the same goal then it's really not so difficult." This shared goal is now growth. It will be interesting to see how LMG Manufacturing in Hoym continues to expand.

### Information about the company

LMG Manufacturing GmbH  
Zur Selkeue 1  
06467 Seeland/Hoym  
Germany  
+49 34741 785 0  
www.lmg-gmbh.com

- CEO: Christine-Susanna Tirnaksiz
- 170 employees
- Annual turnover of 25 million euros
- Founded on October 1, 2020, following the purchase of Pressmetall Hoym (established in 1999)
- Aluminum die casting, supplier to manufacturers, including the automotive industry
- Developing and manufacturing rough castings, tools, molds, surface treatments and many other products and services
- Smelting capacity up to 70 metric tons; die casting with a clamping force up to 900 metric tons, in future up to 1400 metric tons

- 5.6 hectare site with 4.6 hectares of space for expansion

**Your contacts at IMG:**

Sabine Kraus, press officer

Tel: +49 (0) 391 568 99 20 | Mobile: +49 (0) 172 322 16 94

E-mail: Sabine.Kraus@img-sachsen-anhalt.de

Frauke Flenker-Manthey, press officer

Tel: +49 (0) 391 568 99 71 | Mobile: +49 (0) 151 526 264 69

E-mail: flenker-manthey@img-sachsen-anhalt.de

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