

eMarket Services makes it easier for you to use electronic marketplaces for international business

CÉSAR RODRÍGUEZ, CEO OF MACHINEPOINT: “WE HAVE ALWAYS CONSIDERED THE WORLD AS OUR MARKET EVER SINCE WE STARTED”

By Inés Ramírez Nicolás
eMarket Services Spain

www.emarketservices.com

November 2011

César Rodríguez is the founder and CEO of [MachinePoint](#), an electronic market for used machinery from the plastics, packaging, food and beverages industries.

César is a multilingual entrepreneur with a strong financial background and an expert commercial engineer, who specializes in the sectors in which his company operates.

He also has extensive experience in negotiating, and corporate rescue and restructuring, as well as opening new business units, implementing new capabilities in companies as a leader and initiator.

MachinePoint's annual sales are between 10-12€ millions and they generate about 10,000 leads per year. The site has 30,000 specialized visits annually, with a 45% bounce rate, and an average of 4,5 page views per visit with an average time on site of 2 minutes.



eMarket Services: Where did the idea come from to create an electronic market for used machinery?

César Rodríguez: There were no competing sites offering used industrial machinery when I first launched the MachinePoint website in 1998. Three months later my search engine found 300. I realized that thousands were going to enter the market but none would have sufficient visibility. We therefore decided to create a marketplace that would aggregate the entire supply of used industrial machinery.

The machinery offered in your marketplace focuses on the plastics, packaging, and food and drink industries. Why these sectors?

We began in the world of plastics because it's where the initial MachinePoint team came from, reflecting our experience and technical knowledge. We have expanded into other markets naturally and as a result of synergies that we've discovered with the plastics industry. Packaging came first, followed by food, where we began, because there was high demand for packaging equipment in this sector. We then expanded into specialist machinery for this industry such as fillers, processing equipment, etc.

How does the process work, from the moment that a company decides to purchase a machine on your platform, to actually receiving it?

It begins with a search for the machinery, for which the Internet is a key tool, because the machinery is very specific and the supply of used machinery is limited. It is also restricted to a specific moment in time, which requires an intensive Internet search.

It's important to understand that we're talking about industrial equipment that is technically very complex, which means that there is a need for significant offline support and advice for buyers so they are able to find the equipment that genuinely suits their requirements and budget.

Furthermore, the fact that the majority of cases involve several people from different countries, with different languages and cultures, means that a structured and methodical approach to coordinating these projects is essential; especially when you consider that we receive a huge number of purchase requests every day.

We therefore use a very comprehensive CRM application that enables us to track the project, from the moment that the client makes the request for information to the final delivery of the machinery to the end destination. The CRM tool allows us to coordinate vendors from different countries, the marketing team and the logistics team, all of whom are necessary to complete a project.

Does the platform also support the payment process?

No. Payments for machinery are mostly made through letters of credit.

How do you carry out the logistics for such voluminous and delicate products such as industrial machines?

The logistics for industrial machinery are highly complex depending on the weight and size of the machinery. If you combine this with the complexity of international trade, different languages, different legislation, etc. the process becomes increasingly complicated. This is a service that we organize for our clients, which adds value. We therefore have specialist technical teams around the world that are coordinated by an internal team that specializes in logistics and international trade, as well as the linguistic support of the sales team.

What are the principal benefits for companies that use your platform, both buyers and sellers?

Sellers obtain instant visibility over the Internet through a specialist platform such as ours. In our highly international business, the Internet is our key tool, because it provides an affordable way of being present in numerous markets, compared to the cost of other more traditional marketing tools. Furthermore, the significant investment we make in online and offline marketing makes us leaders when promoting machinery, which translates into efficiency for the vendor.

MachinePoint Used Machinery is the company that has managed to professionalize the used machinery market, providing a huge amount of security and professionalism to operations. Buying and selling through us is secure for both buyers and sellers.

Secondly, buyers benefit from having the best machinery for sale in the market concentrated in a single website, which combined with our professionalism, once again becomes an advantage of greater expertise and efficiency compared to traditional intermediaries or dealing directly.

We combine this with the specialization of our sales teams in different geographical regions, which means that in the majority of cases, both buyers and sellers deal with their fellow countrymen, which facilitates the negotiations in terms of language and culture. In recent years we have invested in opening our own local sales offices in different countries. This enables us to get closer both geographically and culturally and to offer more appropriate after-sales machinery services in each region.

In addition to the companies that access your electronic market to sell their machinery, do you actively search for new products?

The MachinePoint Group is currently structured into two main business areas for plastics and drinks. MachinePoint Used Machinery focuses on buying and selling used machinery for the plastics and drinks industries, while MachinePoint Food Technologies offers solutions for lines, plants and even complete factories for the agrifood industry. Although they are two different businesses, they are also complementary because we sell new machinery through MachinePoint Food Technologies. Furthermore, our range of products is constantly growing because in many cases we help our clients buy new equipment if they

can't find what they need in the used market or if they prefer to get advice from an independent distributor that understands the market.

Your platform also operates outside of Spain. Where are you present?

We have a local presence in Turkey, India, Tunisia and Mexico, with an ambitious expansion plan to increase our local presence by opening new sales offices over the next few years.

Our platform will then operate at a global level, although to date we have sold machinery in more than 80 countries. Our sales team is specialized by sector and geographically in order to operate in Russian, German, French, English, Spanish and Polish.

How did you plan this internationalization process? Has it been complicated?

Our business is international by nature, since it consists of selling excess machinery from one country to another. For reasons of competitiveness, clients always prefer to sell their used equipment outside of their local markets. That's why we've never limited ourselves to the Spanish market. We have always considered the world as our market, ever since we started.

Although that's the reality, it's also worth noting that to really penetrate a market, you need a specific team and strategy for that specific market and that's costly in terms of resources and planning. Our approach is mainly to invest in local personnel in the markets that we want to enter, with strong support from marketing and product managers.

It has been and continues to be complicated and there is still a long way to go in some markets, so we continue to invest.

The international nature of the platform – how does that benefit the companies that use MachinePoint?

Our global presence in our market is unique, thanks to our strong web position. We try to remember that MachinePoint started as a unique project in our industry and we were the first to use the Internet to sell machinery and equipment.

This means that searching for machinery for sale via MachinePoint is one of the first options that buyers look at when searching the Internet. For sellers of used machinery, this enables them to offer their machinery for sale immediately, to a global market, at no cost.

Furthermore, our penetration by geographical region allows them to benefit from our expertise in closing transactions in different markets. This provides security to buyers and sellers in the transaction, but also gives sellers access to markets where they would otherwise not have a presence.

You have recently redesigned your website. What improvements have you made?

We have adapted it to the requirements of Web 2.0. We have made our website easier for users searching to buy machinery. We have improved the presence of the machinery in terms of photos and videos, which now provides more information about the equipment, making the purchasing decision easier. We have begun a social networking strategy and have updated the style of the site, to better adapt it to the MachinePoint Group in 2011, which is no longer just a company that buys and sells used machinery, but now includes a new company dedicated to selling complete plants projects for the agrifood industry. We are now an industrial group, not just a trading platform for used machinery.

What are the company's plans for the future?

To continue to grow in two areas.

Firstly to implement our international expansion plan, which will give us a greater local presence in key geographical regions, since this enables us to provide the necessary local services after the machinery has been bought or sold and provides better market penetration.

And secondly, to continue expanding our range of products and services, adding value for our clients based on the machinery needs that we already work with.