



FARMING, CRANES AND BOOMS

Steven Liu is the founder and co-owner one of China's leading self-propelled aerial lift manufacturers Sinoboom. In rare interview he spoke with publisher Leigh Sparrow and revealed details of his upbringing, career and what led to him starting and building up one of the world's leading aerial lift manufacturers in just 15 years.

Steven Liu was born in 1967 in the small mountain village of Sanlin, Ningxiang, outside of Changsha, in the state of Hunan, China. His parents were farmers growing rice, wheat, sweet potatoes, vegetables and soybeans selling them at the local market. There was, however, no mechanical equipment in the area apart from the occasional rice thresher. Lui attended the local school and in the evenings and holidays helped out on the farm with anything from planting rice to bringing in the harvest. The idea that he would follow his parents and become a farmer clearly never appealed to him. From a relatively young age he began to realise that to get the most out of life he would need to find a way to leave the village and find his way to the big city.



Steven Liu

As he grew older he could see that one of the few tickets out of town was to excel at school, pass all his exams and win a place on a four year course at university. His life on the farm helped develop an interest and an aptitude for all things mechanical, especially agricultural equipment with which he was becoming increasingly familiar. When the time came to sit his high school exams he passed them at a level that provided the opportunity to choose what and where he would study. It seems that he had few doubts and decided on a course in mechanical

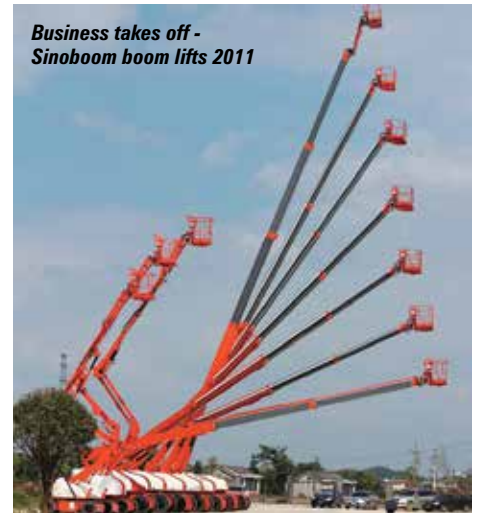
engineering at Changsha Communal University. It would also be useful because his interest was to design equipment that would help farmers become more efficient while making their work easier and their lives better.

The four year course covered the design and maintenance of off highway construction and railway equipment with key elements including hydraulics and electrics. The time at university transformed him and the opportunities that would be opened to him.

After graduating in 1990 he secured a job in the crane industry, joining the engineering department of the Puyuan Crane Co, in Changsha, which at the time was one of the top two telescopic crane manufacturing companies in the country, later being acquired by Zoomlion.

When asked what it was like working in a large company such as Puyuan he said: "I learnt an enormous amount about design and production and the processes that go with it, as well as what life was like in a big company as one young person in a team. I enjoyed it and was excited by all I was learning."

"Time went by and the benefits of working on new models each year while developing and improving the technology in the existing product line was really enjoyable. As I became gained more experience and knowledge I was promoted to more senior roles and was given responsibility for managing people in my own team. When I started out, I never imagined that I would one day become a boss, but I had!"

Business takes off -
Sinoboom boom lifts 2011Liu studied
mechanical
engineering
at Changsha
University

So how did you find the work as you gained more seniority?

"I had mixed feelings, you could say half and half, but I kept on learning new things, which was good, however, I began to become frustrated with the slow progress we were making as a company. We had a very keen, hardworking and talented engineering team that was full of ideas and really wanted to expand the business and our place in the industry at a faster pace than was happening. The company's senior managers seemed to be constantly putting the brake on things and were often resistant to new ideas. In addition, we had some great new products, but the sales and marketing performance did not make the most of all of the work that we were putting in. So, in 1996, having recently married Susan, I decided to leave the company and managed to get a job



An early Sinoboom boom lift - 2009

with another crane manufacturer, the privately held company Sany, where I worked for the next six years."

"I was then approached by the management of Puyun who asked me to rejoin the company in order to design and manage a brand new product line - wrecker trucks for recovering vehicles from private cars to heavy trucks following breakdowns or accidents. It was a fantastic opportunity for me, and I would be senior chief design engineer. So I accepted. We did all the research in order to understand the market and what was required and then designed a new product which did well, it was a great a success."

PLANTING THE BOOM LIFT SEED

"Sometime later, maybe 2005 or 2006 I think, some of our engineers visited Intermat and came back with brochures of various self-propelled boom lifts that had been on display at the show. We had never seen anything like this before and were intrigued. Looking through the brochures I got really excited and this new product idea never left my mind."

"I sketched out some thoughts and ideas and eventually approached the company's senior managers suggesting that we design and manufacture this type of equipment ourselves. I could really see the potential for it. We had fantastic telescopic boom knowledge and experience, both in design and manufacture so it was a perfect new product line for us. But they were not enthusiastic at all, pointing out that there was almost no market in China for such things at the time. While this was true, I felt that it was the future and it would become an important product in China but there was no changing the company's mind on this."

"Well after thinking it through and learning more about the concept, I and some friends began developing and drawing up some ideas, talking about how we might make such products. Initially it was just something we did in our spare time at home. But we had the idea, the dream, to make a fresh start and set up our own business. By this time Susan was a sales and marketing executive with the company, having previously worked in a similar role for Foton Motor. On evenings when my friends and I would sit around at home talking about setting up our own company and discussing what products we would start with, she was always very supportive and even encouraged us with our pipe dream."

So how did that turn into Sinoboom?

"I looked at where people were using the few units that had been imported in the region, there were no rental companies in China then. We saw that a shipyard had purchased a 30 metre boom lift from one of the western manufacturers, so we



Sinoboom's first proper factory 2013

began designing a similar product and spoke to the shipyard, asking how it found these machines were to work with. We also asked if they would be interested in buying a local machine if it was designed to meet their specific needs? The response was quite positive and gave us the confidence that we needed to make the jump, which we did in 2008."

And how did you think you would fund such a start up?

"It was not so expensive to build a prototype, and having saved up a little money we purchased the parts, which was actually quite a challenge as there were few local supplier of such components. We also benefited from a local government incentive that made small factory units available on subsidised rents for startup companies. So, we were in business. We talked to the shipyard again confirming everything they liked about their machine and what we could do better and built our first unit. We called the company Sinoboom because telescopic boom lifts were what we were making."

"After a couple of years, we realised that the shipyard market was limited and we would need a wider customer base if we were to succeed, so we approached companies making port cranes and built a larger 38 metre boom lift which helped fuel our growth. Susan began looking at the export market using the experience and knowledge she had gained at Foton. We ploughed on but really struggled with the supply chain, finding companies that manufactured the more specialised components back then was hard. Items we could find were expensive and lead times long. We had to spend a lot of time developing good suppliers."

"Things began to change in 2015 as 'globalisation' became a thing and rental companies began to emerge in China, but you still could not rely on the home market. By 2017 however rental really began to take off, fuelling massive growth potential for us, we also began developing scissor lifts."

So what changed to cause such rapid market growth?

"As is often the case, entrepreneurs began to see the opportunities presented by the massive building boom and investors began looking how



Steven Liu opens the new factory - 2013



Sinoboom's team in 2013



Steven and Susan with employees - 2018

they might benefit. Safety also became much more of an issue than it had been, along with the need for more efficiency as wages increased."

So how did you manage to fund the rapid growth, expanding the production and designing new models etc..?

"Well finance companies and banks spotted the massive potential and began throwing money at rental companies, all of whom were racing to a market leader and buying equipment as fast as it could be made. So, our cash flow at that time was fantastic. On top of the local market boom we really began to get some traction on the export side, as buyers began to realise that our machines were actually quite well made and reliable."

"In 2013, Ningxiang Industrial Park was officially opened and became home to the first phase factory of Sinoboom Intelligent Equipment. In 2017, the intelligent scissor assembly line was added with the boom lift assembly line opening the following year. In December 2021, the fourth phase of our intelligent manufacturing park opened on a 300 acre site, representing a total investment of CY6 billion (\$800 million)".

So what is the breakdown of sales today between exports and domestic sales?

"In the last full year 70 percent of our sales still came from China with 30 percent going overseas. We hope that by expanding our sales network and marketing outside of China we might be able to reach 50 /50 by the end of 2025." ■



Staff with the Sinoboom GBTZ42 - 2018

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