



THE SKY'S THE LIMIT

Sonepar is the world's number one distributor of electrical products but CEO Philippe Delpech isn't satisfied yet – he wants the company to be the 'La Référence' for industry standards.

PHILIPPE DELPECH / CEO Sonepar

Frenchman Philippe Delpech is a mechanical engineer by education but has spent most his working life in executive roles with big corporations like UTC Group, where he thrived for almost two decades. He was appointed CEO of independent family-owned Sonepar at the end of 2017 and his international experience allowed him to hit the ground running.

The company's healthy bank balance is credit to Sonepar's 48,000 associates who work for 170 operating companies with almost 3,000 branches spanning 48 countries on five continents. The "unlimited growth potential" is one thing that attracted Philippe to Sonepar and when he was offered the role it was a no brainer, especially as it meant a

homecoming. After years working in locations such as Japan, Shanghai, Hong Kong, and Sweden, he was ready to return to France with his family.

"The success of the company is largely down to the trust of shareholders and their long-term view," Philippe says. "What I bring to the table is my experience working for listed companies – I have pushed things like management team alignment and a real commitment to hit targets. The market we serve is huge and worth over €400 billion, and even though we are number one, the sky's the limit. We're developing both organically and through acquisitions, we have a very strong focus on top line growth and a great ability to translate this into cash flow. Today my →



Teamwork: Sonepar has over 48,000 associates

objective is to continue this growth agenda by strengthening processes in the company, the quality of the leadership team, and leveraging the huge potential we have in front of us.”

Way back when

Sonepar’s journey started just over half a century ago in 1969, when 11 people from the Coisne and Lambert textile-making families, who had been in business together for more than a century, set about starting something new in France. Instead of making things, they wanted to make things happen, more specifically making suppliers’ lives easier. They called themselves the Société de Négoce et de Participation (Sonepar) and branched out into the fledgling field of distributing electrical materials to professionals, before moving into solutions and services. The two families bought a company called Comptoir d’Électricité Franco-Belge, which operated from a dusty Parisian warehouse, and their venture soon took off.

After becoming the biggest distributor in

France, Sonepar set its sights on the Netherlands and Germany with the acquisition of Otra, which doubled the company’s size. In fact, Sonepar had been doubling in size every two years for a decade at this point and was now officially international.

In 1998, the daughter of founding member Henri Coisne, Marie-Christine Coisne-Roquette, was appointed group chairman in 1998 as it went stateside. When the new millennium arrived, Sonepar had plenty to celebrate, notably its first steps into Asia. Next came South America, beginning with Brazil, and as it

“ All 48,000 associates are pushing in the same direction, we are incredibly unified ”

has expanded into new territories the company’s revenues have skyrocketed.

Going digital

Growing quickly creates challenges, especially in 2020. Sonepar serves about one million customers around the world every day, mostly electrical companies, so the delivery chain needs to be faultless. “Our distribution model is pretty complex because people like to visit our branches and pick products up themselves, they like to buy things online, and they like to place orders on the phone so we’re building a digital environment to make it easy for our customers to communicate with us,” Philippe explains. “It’s very complicated to digitalise our infrastructure to a high level, this is one of our main challenges – it requires big investment and you need to teach people how to use artificial intelligence.”

Philippe explains that the family ownership, working culture, and strong alignment between the shareholders and executives is what sets Sonepar apart from its competitors. “This

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makes us a very robust corporation, with €24 billion revenue we’re among the top 300 companies in the world,” he says. “What’s more, we are more or less a mono-activity organisation, we are a B2B distributor of electrical products, so everyone is focused on the same challenge, has a mutual understanding of what we want to achieve, works in the same field, and speaks the same business language. Sonepar is incredibly unified. The thousands of associates are sensitive to the loyalty that forms the backbone of Sonepar, which means we have a better workforce than our competition.”

Sonepar is, most of all, about people: its customers, employees, and suppliers – and it strives to share its success with everyone it works with. The suppliers are the linchpin of the enterprise because Sonepar is an extension of these companies. For example, fitting an office building with lighting, plugs, cables, and all things electrical will typically involve 300-400 suppliers – it doesn’t make sense for so many to sell directly to the contractor, which is where Sonepar comes in. “We are the interface, we need to be close to our suppliers, we are con-

tinually building and improving upon existing business relationships, it’s paramount that there’s mutual respect because these companies are incredibly important to us, there’s no plan B,” Philippe explains. “We make sure we only work with compliant suppliers and people who respect international law. Our logistic processes are very sophisticated because we handle so many orders a day and our customers expect the same level of service as Amazon is

“ Our logistic processes are very sophisticated because we handle so many orders a day and our customers expect the same level of service as Amazon is known for ”

known for: best in class, delivery in the morning, and fully digitalised.”

The company’s comprehensive strategy and ongoing success are enabling it to reach new heights and shape the future. With an emphasis on profit reflected in its drive for sustainable growth, Sonepar is being strengthened by a digital transformation and the fact it is continuing to set industry standards. The organisation is a global benchmark for its peers, otherwise known as “la Référence.”

Future prospects

“Since its creation, Sonepar has demonstrated its unique ability to continuously anticipate trends and turn them into business opportunities,” Philippe says. “Given that the digital transformation is probably the single greatest challenge the business world has ever faced since industrialisation, the entire company created ‘impact,’ our very first compliance-based strategic plan with four pillars: People, Performance, Customer, and Planet. With impact, Sonepar will successfully navigate its digital transformation and consolidate its position as world leader.” →



Going forward, Sonepar is always looking to expand. At the beginning of 2020 the company announced it was taking over the electrical distribution activity of Marchiol kft. – the Hungarian subsidiary of the Italian company Marchiol S.p.a. It has a significant market position in the Budapest area and is worth €11 million with 33 associates in one location. The move has strengthened Sonepar’s competitive advantage while improving customer service and adding density to its Hungarian network.

True commitment

Philippe explains that commitment is a hallmark of Sonepar and deeply rooted in the company’s values. Each employee is motivated by respect – for the law, all stakeholders, and the environment. The products and services that Sonepar offers to its customers promote eco-efficiency and comply with the underlying principles of sustainability. He also outlines that the company’s ambition to stand as “la Référence” applies to compliance and integrity as well. In fact, in 2019, Sonepar became the



OVER 100,000 PRODUCT REFERENCES AND SOLUTIONS

With Sonepar’s large catalogue of products and services, it aims to be “La Référence” – the standard setter – in the industry



A FAST-DEVELOPING GROWTH MARKET

Although it is currently the market leader, the group owns less than 10% in market segment share so its growth potential is almost limitless



DEVELOPING FUTURE ENERGY-EFFICIENT SOLUTIONS

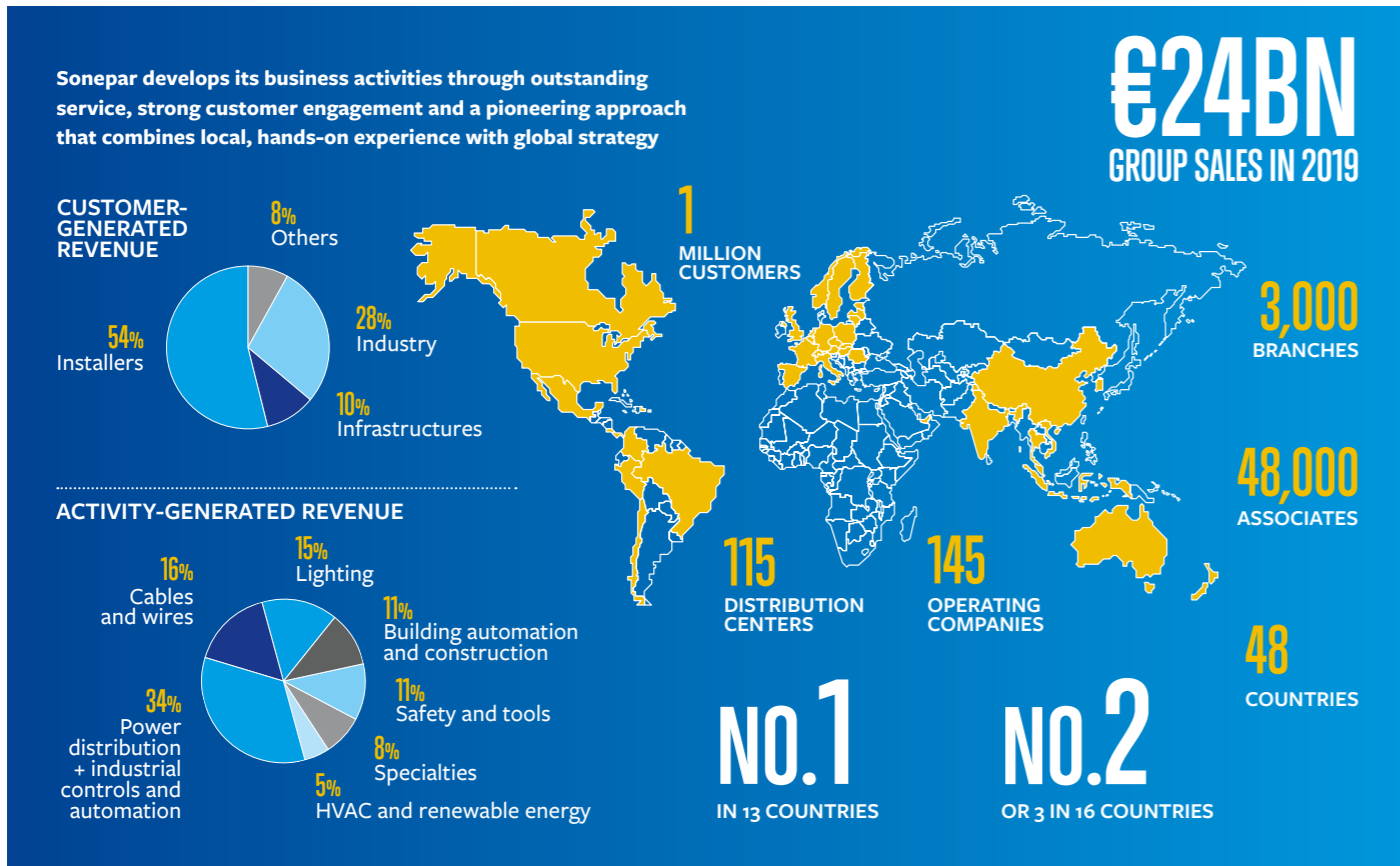
Sonepar strives to limit its daily impact on the environment and promote sustainable products and solutions

first group in France to be officially declared compliant with all the requirements of France’s Sapin II anti-corruption law. The decision was handed down on July 4, 2019 by the Enforcement Committee of the French Anti-corruption Agency (Agence Française Anticorruption

– AFA). Sonepar has rolled out all of the eight measures and procedures required: code of conduct, whistleblowing scheme, risk map, third party due diligence procedures, accounting control procedures, training programme, internal disciplinary procedure, procedure for

internal monitoring, and assessment of these measures.

Sonepar is committed to the highest ethical, social, and environmental standards and aims to behave as a responsible corporate citizen in all countries where it operates. 🌱






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