

# Henkel: No Limits in Sight

**F**or homeowners, Henkel means Clorox or Dial or one of many other personal care or household products. For electronics companies, Dusseldorf, Germany-based Henkel ([henkel.com/electronics](http://henkel.com/electronics)) is a catchall term for Multicore solders, Loctite adhesives and Hysol semiconductor materials. CIRCUITS ASSEMBLY recently caught up with Electronics Group president Patrick Trippel. Excerpts:

**CA: What's your top priority right now?**

**PT:** My top priority is ensuring that the Henkel team has the tools necessary to continue increasing global market share across our core products in the semiconductor and board assembly markets. We've added manufacturing facilities in several regions to support our customers locally, we continue to add distributors globally and have committed countless resources to develop market-leading materials for next-generation manufacturing applications.

**CA: Henkel has had notable successes with lead-free alloys (e.g., Motorola recently qualified a SAC alloy from Multicore). Will you try to narrow your efforts to those pastes that are first to be adopted?**

**PT:** Yes and no. Obviously, once you develop products that work very well for key customers, the goal is to roll those products out across the global market. We've had success stories with many customers and are certainly promoting those products for broad market use. But Henkel is always developing new and better products that can handle more diverse applications.

**CA: Assemblers generally consider themselves at the mercy of component suppliers, who hand down decisions on everything from package dimensions to lead styles and compel their customers to go along. What is the materials supplier's place in that hierarchy?**

**PT:** The two core markets for Henkel's products, semiconductor packaging and circuit board assembly, are each different in terms of hierarchy. On the semiconductor side, materials suppliers are fairly high in the pecking order. In the last few years, component suppliers have become even more dependent on companies like Henkel to help them solve problems and provide technically robust materials, which bodes very well for our business going forward.

Board assembly is another story. Materials suppliers are definitely part of the hierarchy, but to a lesser extent than in semiconductor packaging. This is changing, however, as we see growth in  $\mu$ BGA, CSP and other advanced technologies at the board level. Henkel believes that over the next few years, assemblers will

become more reliant on materials suppliers as advanced technology reaches the PCB.

**CA: Will there be a point at which Henkel would stop producing an extensive line of lead-free solders to achieve economies of scale, even at the risk of alienating a major customer?**

**PT:** I don't think so. Consolidating our offerings to, say, two or three products would not really achieve huge economies of scale. For different customers or different market requirements, there are slight variations of the powder and flux combination and there wouldn't be an advantage to limiting our product line. Henkel will continue to support our customers – no matter how large or small – with the products that they require to make them competitive.

**CA: From your perspective, how far along is each region toward lead-free conversion? What concerns you about the conversion process?**

**PT:** Japan is definitely the furthest along, followed by Europe and the U.S. Most major companies have already qualified their lead-free pastes at this point. Although there has been recent focus on the subject, this is not new to Henkel. We've been developing Multicore lead-free pastes for several years and that R&D has yielded materials that are comparatively equal to the performance of lead-rich pastes – in some cases, better. We have customers that have replaced tin-lead pastes with Multicore lead-free pastes because they perform better, not because they are necessarily trying to comply with any legislation.

As far as the conversion process is concerned, I don't think it's a major issue to make the switch to lead-free paste. Customers certainly have to be educated about production modifications but, from a product performance standpoint, it is not a significant leap. The exponential increase in materials, manufacturing and, ultimately, end-product cost is the most concerning aspect of the move.

**CA: Is Henkel committed to its distributors, or are you looking to expand the direct sales channel?**

**PT:** Henkel is very committed to our distributors. In fact, we have been adding to our global distributor channel. We have a new internal, focused distribution group made up of managers and salespeople to effectively support the distributor network. Distributors are an important part of our business and plans for future growth.

**CA: Are too many materials vendors fighting for too small a market?**

**PT:** Definitely, and we think that at some point there will be consolidation in the supply base, just as occurred in the customer base. If the market softens at all, I expect there will be some supplier consolidation – especially among smaller, regional supplier operations.

– Mike Buetow



Henkel's Patrick Trippel