

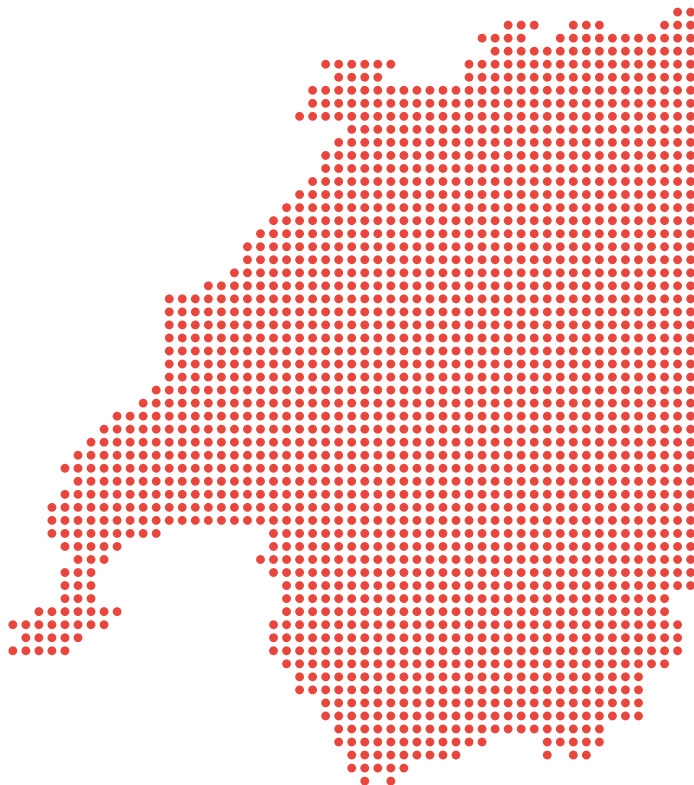
# ceo

The magazine for decision makers

## Visionary family businesses



# Swiss family businesses: vision thanks to tradition



As diverse as the family businesses in this issue may be – they have one thing in common: a passion for a specific trade and the distinction with which they carry out their craft.

Traditional and artisanal at heart, these businesses with a long tradition, these businesses display a profound respect for their company histories. Nonetheless, they remain wide open to modern society.

This makes them visionary – and internationally successful.

In this issue, we introduce 15 distinctive Swiss family businesses, who stand for many more such examples across the country.



## Have you seen? The ceo magazine is online!

Sit back and browse through the pages of our magazine on your train ride, at the café, or on your own couch. Get the tablet and smartphone issue here: [magazine.pwc.ch/en](http://magazine.pwc.ch/en)

In addition to the articles included in our print issue, the online magazine features even more insights into what makes Swiss family businesses so innovative and successful. This includes:

- even more photos that show more facets of the featured companies
- videos that go behind the scenes to reveal what's behind their success, and
- links to PwC studies and other interesting articles, giving you a wide range of background information

## And there's more. Ever wondered...

what a pharmaceutical company sounds like?  
what sound is typical for a textile producer?  
what noises characterise a wine cellar?

Listen in to our ceo sound library and take a guess – on [magazine.pwc.ch/en](http://magazine.pwc.ch/en)

Audio samples of the companies featured in the magazine give you a special, acoustic glimpse into each family business.

*Publisher:*  
PwC, Birchstrasse 160, 8050 Zurich, Switzerland

*Layout:*  
PwC, Katrin Baur, Birchstrasse 160, 8050 Zurich, Switzerland

*Graphics processing/print:*  
Linkgroup AG, Mühlebachstrasse 52, 8008 Zurich, Switzerland

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Markus Bertschi for Hälgi Building Services Group

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The opinions expressed by the interviewees may vary with those of the publisher.

This issue of our ceo magazine is available in German, French and English.  
*Circulation:* 18,000.

**“Success runs in the family” – there’s more than just a grain of truth to this old maxim. Family businesses constitute the backbone of Switzerland’s economy. Eight out of ten Swiss companies are in family hands. They generate close to 60 per cent of the country’s gross national product and employ almost two-thirds of the working population.**



**Urs Honegger**  
CEO PwC Switzerland

Good reasons, therefore, to devote this issue of ceo Magazine to the Swiss family enterprise – an invaluable member of Switzerland’s economy and our society as a whole. We define family businesses as those companies in which the founder, owner or their descendants hold the majority of shares.

For this edition of our periodical, we interviewed numerous owners and representatives of family businesses that differ greatly in size and operate in totally different industries. But one thing they all have in common is a visionary mindset, combined with traditional stability and flexible pragmatism. Contrary to generally held opinion, family enterprises are indeed visionary, precisely because of their constancy and traditional approach to doing things. They unleash their innovative power not in the form of major coups but rather by taking small yet highly inventive steps. This vision – one of steady transition – keeps them successful over generations.

People represent the very heart and soul of any family enterprise. Be they the owners, successors, employees, business partners or fellow citizens – family businesses live, thrive and survive only thanks to the people who invest their “sweat equity” in the company, meaning their time, work efforts and loyalty. In return, the company invests in them, because those people are the ones who create value and add to it.

Developing further from generation to generation is one of the key tasks for entrepreneurial families. And in rising to that challenge, they can count on PwC’s Family Business experts for assistance. In our thesis paper entitled “Megatrend Business Location – Succession planning at family businesses”, we’ve shed light on the succession planning at family owned and operated companies in Switzerland. And in our “Swiss Champions 2016” study, we delve into the question as to why a small group of Swiss companies are especially successful on the international stage.

With this new edition of ceo Magazine, we wish you visionary insights into a world that combines tradition with innovation just as cleverly as it does heritage with the future.

Urs Honegger



# Stability gets things moving

The family business model is not known for its innovative capacity. Yet according to PwC Family Business Experts **Norbert Kühnis** and **Marcel Widrig**, this form of organisation offers precisely the right conditions for innovation.



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*What do you find so fascinating about working with family businesses?*

**Marcel Widrig:** When providing advice to a family business, both aspects are always important: the interests of the family and the interests of the business. It's our responsibility to take both into account at the same time. Depending on the situation, it might be necessary to focus more on one than on the other – that's what makes our work so interesting.

**Norbert Kühnis:** We don't just deal with a company, but with the family that is behind the company. We grow and develop alongside the family members over a number of years. I find it very rewarding to help all the different stakeholder groups – the owner family, the management and the employees – to reach the next level together.

*In your view, what makes a family business visionary?*

**Marcel Widrig:** Visionary family businesses are businesses that have a clear picture of what the family and the business might look like in two or three generations' time, and of the role the business plays and will play in society. A vision is essential for guaranteeing cohesion over several generations.

**Norbert Kühnis:** If it isn't obvious before then, you can tell whether or not a company has a vision when the next generation steps in. And if it doesn't have one, by then it's often too late.

*Family businesses are reputed to be stable, but not particularly innovative. What do you think about that?*

**Norbert Kühnis:** Family businesses are very innovative precisely because they are stable and traditional, and stand on a solid footing. Tradition leads to innovation. Family businesses are constantly evolving as they develop solutions for their customers. It's less of a big bang, and more a case of taking small innovative steps.

**Marcel Widrig:** In family businesses, innovations are generally based on an existing product and service portfolio; innovation is not about launching new products, but about creating better products. That's precisely where the company's vision comes in: its strategy and its market and product focus set a clear course that prevent it from becoming distracted.

*How are Swiss family businesses doing today?*

**Marcel Widrig:** There are three issues causing uncertainty: the Swiss franc shock, various political initiatives and the increasing formalities. Switzerland has become too expensive for repetitive activities. But transferring jobs abroad is difficult for family businesses because they feel a great sense of responsibility towards the local community.

Tax formalities are constantly on the increase. The Swiss Corporate Tax Reform III and BEPS are the main issues at the moment. What's happening is that the authorities are introducing more and more standards about how companies should plan and act – regardless of whether they are under private management or listed on the stock exchange. This restricts the freedom of action of the owner or entrepreneur, and compromises the long-term thinking and planning that family businesses have always done so well in the past.

**Norbert Kühnis:** Many people think that the mass immigration initiative mainly concerns large international companies, for example. But family businesses are affected just as much, because they rely on the skills of highly specialised engineers from abroad. If a key competence can't be provided by the right people, family businesses run into problems too.

*Family businesses are regarded as the backbone of the Swiss economy. Will that still be true in ten or twenty years' time?*

**Marcel Widrig:** Yes. But things like the inheritance tax initiative don't make it easy for them. Family businesses are at a competitive disadvantage compared to public companies. Larger companies that are listed on the stock exchange can react to change a lot faster because they often have a foothold abroad.

*As a business location, what role does Switzerland play in encouraging innovation in family businesses?*

**Marcel Widrig:** A very big one, thanks to the dual education system.

**Norbert Kühnis:** The dual education system is firmly established in family businesses. Many companies offer so many apprenticeships that it would be a real disaster for the local region if they moved away. The same is true in virtually no other country except for Germany. Wherever there is stability, there is innovation. And only then are investments made in jobs for young people.







# From backwoods baker to booming bonbonnière

*Within the space of three generations, family-owned and operated Ricola evolved to become a world-leading provider of herbal bonbons – thanks to clever entrepreneurialism and successful innovations, as CEO **Felix Richterich** explains.*

## **Felix Richterich**

Felix Richterich is Chairman of the Board and CEO of Ricola. Earlier in his career at this family-owned and operated company, the 57-year-old graduate in business economics (University of Basel) took over the post of COO from his father, Hans Peter Richterich, in 1991. Last year, he won the ISM Award 2015 at the International Sweets and Biscuits Fair in Cologne, Germany. Felix Richterich is married and the father of two children.

**Text:** editorial staff ceo Magazine

**Images:** Markus Bertschi, Ricola AG, Laufen; Markus Bühler-Rasom, Zurich

One doesn't happen to stumble across rural Basel's Laufenental every day of the week. But this somewhat remote nook of Switzerland is home to a successful family company whose products are known and fancied throughout the world: Ricola herbal cough drops. These throat soothers help even the most famous celebs to keep their perfect pitch – pop star Madonna, renowned tenor Plácido Domingo, and the list goes on.

The first chapter of this success story starts in a humble bakery. Emil Richterich took over the shop in 1930 – virtually out of need. Those were tough economic times and he had a family to feed. Somehow. He planned to broaden the assortment of breads but also harboured a hankering for sweets. So about ten years later, he conjured up a recipe for candy cubes made out of 13 different herbs. Thus was laid the cornerstone for Ricola, the name being an acronym for Richterich and Co. Laufen. "My grandfather had the entrepreneur gene: he was an innovative, restless type of guy who liked to create things", recalls Felix Richterich, who now represents the family's third generation to run the company.

## **Herbal candy as a core product line**

Today, Ricola products are sold globally in more than 50 countries. Until the 1980s, the company generated almost two-thirds of its revenues with one single article: the original Ricola-brand herbal candy. But for the company to hold its own in the competitive world of sweets, new ideas were called for. "At Ricola, an innovation team selects the best proposals", explains Richterich. In 2013 alone the company brought to market 17 new products, including a liquorice bonbon sweetened with stevia as well as liquid-filled herb drops in various flavours like "Glacier Mint" and "Honey Lemon".

New flavour variations play a key role in these innovations – and according to Richterich, there are endless possibilities. But the novelties can also be introduced to address new areas of application. For instance, Ricola has developed a powder-filled bonbon with ginseng and vitamins – for that vitalising effect. And of course the form of the product can be changed. But not all of these innovations have been hits. For example, chewing gum didn't work. Richterich regrets that. After all, from the twinkle in a flavourologist's eye through to market readiness, a new article with a different taste takes about a year to develop. And if it requires a new technology, a prototype needs to be produced, its storage life tested, and the whole process drags on for up to three years.







The herbs for Ricola products are harvested only once they have reached their peak savour and effectiveness.

*“We continue to produce in Switzerland because of our highly trained, long-standing workforce.”*



© Ricola AG, Laufen



*“My grandfather had the entrepreneur gene: he was an innovative, restless type of guy who liked to create things.”*

© Ricola AG, Laufen

The quality of the herbs is constantly monitored – from planting, to harvesting, to processing.



## Herbs from the Swiss Alps

Ricola insists on quality. “We sell only top-notch bonbons with the very best flavour profile”, Richterich is convinced. The company uses natural ingredients to the greatest extent possible and has control over the entire production process. This Basel Land based family enterprise has been sponsoring herb cultivation in the Swiss mountain regions for more than 30 years now. All of the alpine herb growers apply bio methods and naturally forgo the use of pesticides. But not only the basic ingredients for the bonbons come from Switzerland; the end products are also made from start to finish in Laufental – and that won’t change in the future. “We have a highly trained, long-standing workforce”, Richterich emphasises as one of Ricola’s advantages.

That Ricola has evolved into a globally present enterprise is also attributable to another factor: the succession planning at this family company has always run smoothly and without conflicts. Other companies frequently falter when it gets to that point. Ricola has been very fortunate in this regard as each family member has found a place within the company according to their skills and inclinations. For instance, Ursula – Felix Richterich’s sister – discovered her passion for herbs and proceeded to develop the company’s herbal research garden. His brother Lukas is chairman of the family’s holding company, which is also involved in cultural endeavours: Ricola has built an outstanding collection of contemporary Swiss art including works by adherents of the Zurich school of concrete art, Richard Paul Lohse and Camille Graeser.

Also, cousins Eva and Markus Richterich hold a seat on the board of Ricola (Eva) and the family holding entity (Markus). And with Felix Richterich’s son, Raphael, who currently works in the Marketing department, the fourth generation of the family is already active at the company.

Thanks to good role planning, Ricola has cemented the foundation for its next 100 years of successful operation: the family members need to be of a like mind in matters that count and place the company’s interests above their own. “That’s the case with us”, says Richterich.

*“We sell only top-notch bonbons with the very best flavour profile.”*



From Laufental out into the big, wide world: Ricola bonbons, packaged in their famous flip-top boxes.

## Ricola

With its workforce of roughly 400 employees, Ricola generates annual revenues in the vicinity of 320 million CHF (2014); more than 90 per cent of that total is attributable to foreign sales. The Laufen, Baselland based family company sees its greatest future potential in Asia and Latin America. But also in Europe, e.g. England, the company is looking to expand its market position. In any case, profitable growth is the goal. Acquisitions are out of the question.

[ricola.com](http://ricola.com)

The highly concentrated extracts of Ricola's herbs are premixed with other natural ingredients and sweeteners and then cooked to form a bonbon mass.









# ***“It’s much riskier to take no risks.”***

To thrive and survive in the face of global competition, **Christiane Leister** resolutely relies on innovation. In doing so, the owner of Leister Group works together closely with both her team and her customers. And success has proved her right: in the field of plastic welding machines, Leister is the worldwide market leader.

Application laboratory for laser welding systems.





### Christiane Leister

As owner and chairman of the board, Christiane Leister's decisions steer the destiny of Leister Group. It all started with the sole proprietorship established by her husband, Karl Leister. Following his death, she took control of the company in 1993 and built it into a group enterprise which today consists of eleven companies active on three continents. The distribution network of this manufacturer of plastic welding machines, process heating components, laser systems, gas sensors and micro-optics spans 130 sales and service centres in more than 100 countries. Thus it should come as no surprise that Christiane Leister, an economics graduate and technophile, is frequently to be found in some foreign land. "I've already visited 60 countries", she mentions with no small measure of pride. "I love my work. How else could I ever have had the opportunity to tour a gold mine in Mongolia or a gigantic metro construction site in New York?"

Aside from travel, sport is also one of Christiane Leister's passions. And that can take the form of rowing, surfing, snowboarding or even – believe it or not – Swiss wrestling ("Schwingen"): "I'm fascinated by our national sport as it also personifies the values and attitudes of our corporate culture at Leister Group."

[leister.com](http://leister.com)



**Text:** Vanessa Georgoulas

**Images:** Markus Bertschi and Leister Group

"In German, 'leistern' is another word for 'to weld'", explains Christiane Leister with a modest grin. As sole proprietor of Leister Group, she's alluding to her globally leading role in the plastic welding machine market. "In a position like that, you'll always have competition – especially from the Far East", she admits. For that reason, her engineers have developed a less expensive, fully functioning production line to meet the increasing demand in the emerging markets: "If we don't act, others will jump in – and then there's always the danger that new players will eventually improve their quality and start to penetrate our business niches."

Exports today account for 98 per cent of Leister Group's sales. Nonetheless, Switzerland is a key location for the company: "Our headquarters is situated in Kägiswil, Canton Obwalden, and Switzerland is still our most important production site", emphasises Christiane Leister. That can't be taken for granted, given the high costs involved, but Leister is no stranger to the unconventional. For instance, until 2011 she headed all divisions of Leister Group as its sole proprietor – and to this day she remains silent on the question of revenues and earnings. "As new activities came into play, we established companies here as well as abroad and subsequently created a group structure", she says. "Our organisational configuration and transparency have improved, but as an unlisted company, we don't need to constantly disseminate information for securities analysts and investors. Like I always say: We're comfortably free and independent. By not having to be concerned about the price of our shares, we can conceive long-term strategic plans and stay focused on our operative business."

*"It's the same as in sports – you need willpower, discipline, stamina and courage."*

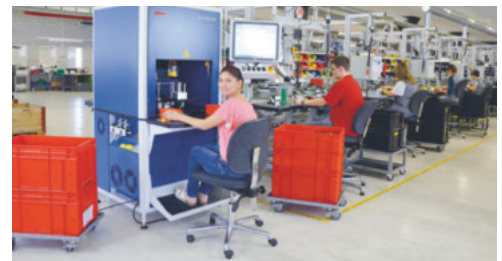


# *“Switzerland is still our most important production site.”*

## ***Transformation, but in small steps***

Success has proven her right: since 1993, when Christiane Leister took over the helm at the company founded in 1949 as Karl Leister Elektro-Gerätebau, this sole proprietorship has grown to become an international enterprise. How does one do that? “It’s the same as in sports – you need willpower, discipline, stamina and courage. Because you have to take risks and be able to deal with defeats. Seeing as how the business world is in a constant state of flux, I think it’s much riskier if you take no risks than perhaps occasionally having to correct a wrong decision”, says Leister. And she places her bets squarely on innovation. For example, more than 10 per cent of her workforce at headquarters is involved in research and development. “We try to avoid disruptive shakeouts by continuously identifying new potential and opportunities. That’s how we steadily evolve”, explains Leister.

The corporate culture at Leister Group is another success factor: “We’re all pulling in the same direction. It doesn’t work any other way, as no ruler can reign lastingly against the will of his people. That’s why at Leister Group we follow the motto of: ‘Unity is strength.’” This is just one of the ten guiding principles that the Leister team jointly formulated. Another one is: “Business interests over self-interests.” Christiane Leister is convinced: “To be successful on a sustainable basis, that maxim is one of the crucial elements of a corporate culture.” As is proximity to the customer: “When we open up new markets, we need to be the first movers – and the same applies in terms of innovations. Closeness to the customer doesn’t mean just knowing the electrical voltage in a given country. An American may have different requirements for our products than a European or Asian does.” For that reason, Leister listens very closely when she visits her customers – so that the Leister brand name will remain synonymous with plastic welding also for the next twenty years.



Impressions – from top to bottom:

- Wafer production in the cleanroom of Axetris AG, a Leister Group company.
- Construction site visit in Doha, Qatar: Sealing work to prevent the penetration of ocean water.
- Assembly of automatic welding machines and hand extruders.
- Assembly of welding machines and air heaters.
- Open workstation – assembly transfer conveyor.
- Leister exhibition stand.
- Leister Corporate Center in Kägiswil.



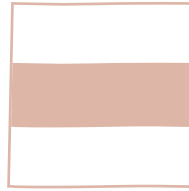


*“We are pleasantly free  
and independent.”*









# “Manager by day, shareholder by night”

*Thomas Schmuckli, Chairman of the Board of Directors, and David Dean, CEO of the Bossard Group, speak about the privileges enjoyed by family members, advantages during acquisitions, and the company’s innovative partnership with Tesla, the Californian electric car maker, since day one.*

## Bossard

Bossard is a leading supplier in the fastening technology sector. It employs around 2,000 people, has 70 sites around the world and generates annual sales of 660 million CHF. Its roots go back to 1831, when a small hardware store was opened in Zug. Bossard adopted a global strategy in the 1970s, and in 1987 it was floated on the stock exchange under the auspices of the then CEO and Delegate of the Board of Directors, Heinrich Bossard, a 6th generation descendant of the company founder. At the time, his brother, Peter Bossard, held the position of Chairman of the Board of Directors. In 2001, Peter Bossard was killed in the attack on the Zug cantonal parliament, and just three years later, Heinrich Bossard died in a plane crash. The company is listed on the Swiss stock exchange, but representatives of the different branches of the Bossard family control 56.1 per cent of the votes thanks to preferential voting shares worth 27.9 per cent of the share capital.

[bossard.com](http://bossard.com)

**Text:** Sandra Willmeroth

**Images:** Marc Wetli, Tesla Motors

**Mr Schmuckli, how difficult do you personally find it to keep your family and business lives separate, or to combine them?**

**Schmuckli:** It varies. I do admit that sometimes ideas pop into my mind during family gatherings about what needs to be done and what needs to be discussed. But that’s what our family days are for.

**By family days, do you mean Christmas or other bank holidays?**

**Schmuckli:** No, those are institutionalised meetings. We hold at least three events a year, two of which are for general meetings and are therefore organised for business reasons. We also make sure that we have at least one real family day when we can spend time catching up on both private and professional matters. We also discuss fundamental issues such as what it really means to be a businessman. We refer to it as the honour and burden of being a businessman.

**Mr Dean, can any family member with the necessary training choose to work for Bossard?**

**Dean:** Every member of the family has the privilege of being offered a chance in the company. But when they join the firm, they have to make their own way, just like anybody else.

**Schmuckli:** The very fact that they want to do so is a step in the right direction! (Laughs.) But of course they have to have the appropriate skills as well. And working for Bossard is one thing, but at what level? That is a completely different question.

**What happens if the person fails to live up to your expectations?**

**Dean:** That is something that has never happened before, but we would have to talk to them about it, just like we would with any other member of staff.

**Schmuckli:** It’s the family’s responsibility to prepare the right people to enter the company, and to introduce them to the burdens of entrepreneurship. Within my generation of the family, the 7th generation, we’ve had some serious discussions about what it means to manage a company with 2,000 employees. Now, as the 8th generation steps in, we need to start the process all over again.

**Mr Dean, as CEO and a non-family member, you interact with family members who are also company owners with leading roles in the company. Isn't that a different kind of interaction than with "normal" members of staff?**

**Dean:** There are currently two representatives of the Bossard family on the Board of Directors. Three family members work for the company at an operational level, effectively as my subordinates. The situation may seem conducive to conflict, but we have very clear rules that prevent members on the

**Dean:** In Switzerland, that has more to do with history, and doesn't really depend on whether or not the company is a family business. But our company definitely looks after its employees very well. Our corporate culture means that people enjoy working for us and tend to stay for a long time. We have of course had employees who have been headhunted away from us. Some of them have even come back later on. That's a very positive signal and makes an extremely good impression on the rest of the staff.

## **"The company would not have survived for 185 years if we didn't live for innovation."**

operational side of the business from contacting the Chairman of the Board of Directors directly, and playing him off against the CEO as it were.

**Schmuckli:** Just over ten years ago when the current management took over, we made sure we knew what it meant to be shareholders in the evening, and managers and members of the corporate management or board of directors during the day. We discussed this perception of roles in detail to determine which hat one I would have on when, and which hat one I should wear for different types of communication.

**Mr Dean, is the market an easier place for a family company like Bossard? Do you have a more solid reputation?**

**Dean:** Our specific structure as a hybrid company has definitely helped us during a number of acquisitions. A company owner prefers to sell to a buyer with a good reputation amongst his staff, an employer that his employees would want to continue working for. I'm convinced that in more than one instance, this was why our offer to purchase was accepted rather than a competitor's, even if they were offering a slightly higher price.

**Employees play an important role in family businesses. Is the cliché true that when you work for a family company, you stay there for your whole life?**

**Schmuckli:** It's all about give and take. A real shock wave went through the company during our company crisis in 2005, when two deaths occurred within a very short time. First the Chairman of the Board of Directors passed away, then the CEO. The two main pillars of the company suddenly weren't there any more. And to be honest, if Bossard pulled through, it wasn't thanks to the family, but thanks to its staff. Everybody knew and could feel that the family was facing a crisis. It was the employees who kept the company afloat, while the family was self-absorbed and preoccupied with its own problems.

**To what extent does the family shape the corporate culture today?**

**Dean:** The foundations for the current corporate culture were mostly laid by the 6th generation. Brothers Peter and Heinrich Bossard and their brother-in-law Jost Grob-Bossard were remarkable characters, who were very present in the company. As a result, they had a significant impact on the culture that was and is still maintained by the 7th generation.

**Will this still be the case in the future? Will Bossard remain a family business?**

**Schmuckli:** Definitely. Bossard will stay Bossard! (Laughs.)



The collaboration with e-car manufacturer Tesla ranges from design and development, to prototyping, to the supply of fastening components.



**David Dean**

David Dean (\*1959), has been at the head of the Bossard Group business since 2005 as CEO. He joined the group in 1992, initially working as Corporate Controller and serving as CFO from 1998 to 2004. Before moving to Bossard, he was a member of the executive committee of an international logistics group and, as a qualified auditor, worked for PwC Switzerland in various functions. David Dean is a member of the Industry Executive Advisory Board and Executive MBA Supply Chain Management of the Swiss Federal Institute of Technology (ETH) in Zurich.

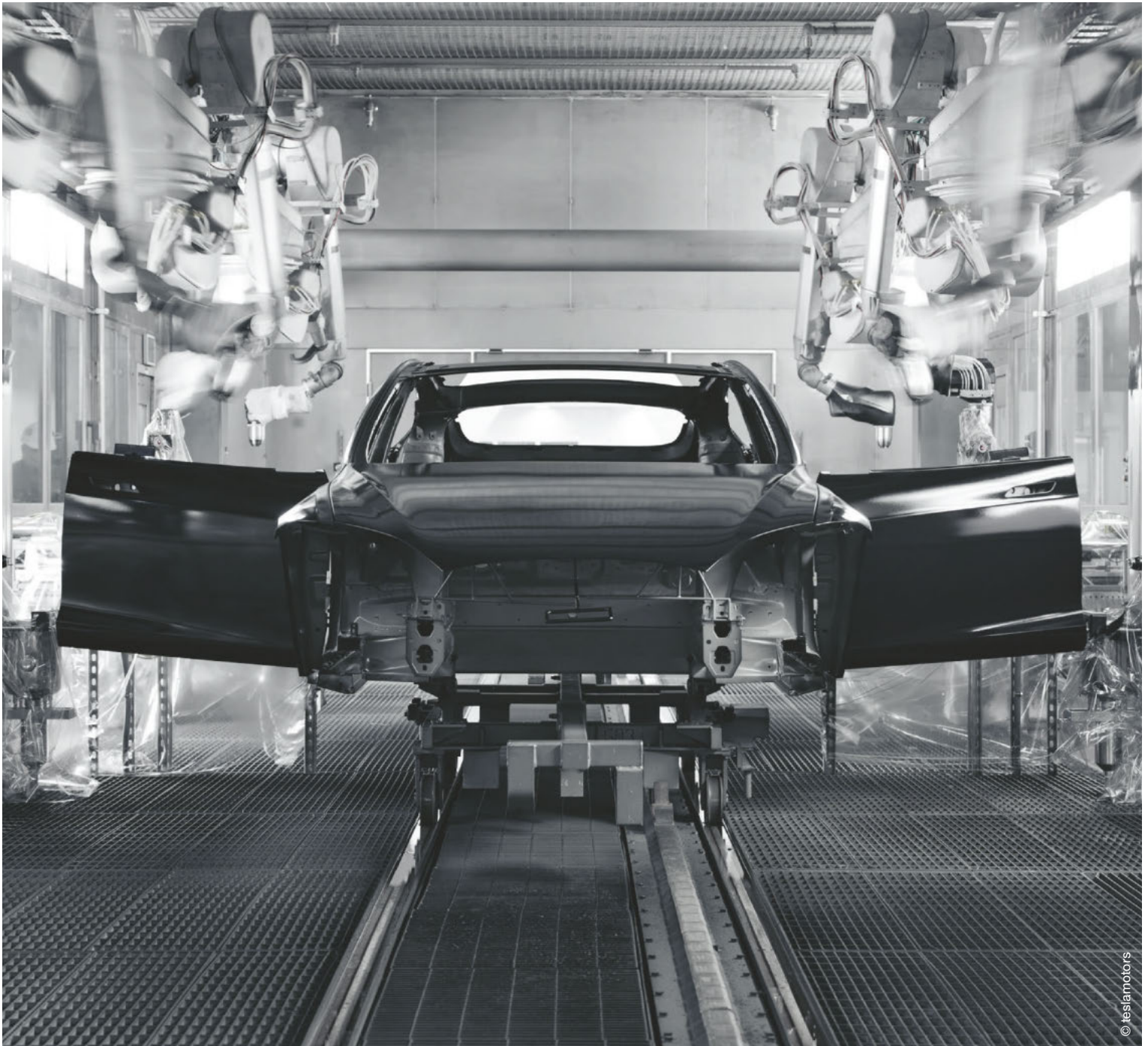
**Dr. Thomas Schmuckli**

Dr. Thomas Schmuckli (\*1963), a trained jurist and lawyer, has been a member of the Board of Directors of Bossard Holding AG since 2000, and has chaired the committee since 2007. He is married to Susanne Grob Schmuckli, the niece of the late Peter and Heinrich Bossard and daughter of Susy Grob-Bossard, and represents the 7th generation of the Bossard family. He previously held various management positions at Credit Suisse. From 2005 to 2007 he headed the Corporate & Institutional Clients legal department of Credit Suisse in Zurich. He then took charge of the Legal and Compliance Asset Management division in Zurich (2007–2013) before being appointed as a Managing Director.



## “Swissness is a special quality.”

Bossard has been at Tesla's side since day one – amongst other things, thanks to its entirely new approach.





**And will Bossard stay in Switzerland?  
Despite the exchange rate difficulties?**

**Dean:** We generate around 80 per cent of our business outside Switzerland, so the floating of the exchange rate has not hit us too hard. Our main concern is actually how our domestic clients are affected. If we had no customers left in Switzerland, we would lose the Swiss part of our business in Switzerland.

**Schmuckli:** We're committed to Switzerland as a business location. Just two years ago, we invested around 25 million francs in the expansion of our central warehouse in Zug.

**Why is having a Swiss business location so important to you?**

**Schmuckli:** Swissness is a special quality. Time and time again we realise that people want us as a partner because they believe in us, they trust us and because we deliver what we promise. In my opinion, the other main advantage of Switzerland is that we produce high-quality products here. We are simply very good at research, be it in life science, technology or the machine industry.

**As a manufacturing SME, do you feel that you are sufficiently understood and represented in Swiss politics?**

**Schmuckli:** I'm very concerned by the increasing formalities, which are real innovation killers. The administrative burden is growing, and customs issues are becoming more and more complicated. I think that in this area, less would be more. Everyone in politics is talking about liberalising the markets and removing trading

barriers, but unfortunately it doesn't seem that way to me.

**Do you think this problem is specific to Switzerland, as a result of its special political status in Europe?**

**Dean:** The degree of freedom we enjoy in Switzerland has been a definite competitive advantage in many areas. But now, we've come to a point where we're imitating the EU

by reproducing its laws, and then adding a Swiss finish just to make things really complicated.

**You mentioned innovation. How would you describe the innovation culture at Bossard?**

**Dean:** The company would not have survived for 185 years if we didn't live for innovation. Fastening technology may not seem as dynamic as electronics, but new developments and far-reaching innovations are taking place in this sector too.

**Do you have a specific example in mind?**

**Dean:** We helped to develop the first Tesla from the ground up for example. Tesla founder Elon Musk specifically came looking for a specialist in fastening technology that didn't yet operate in the automobile industry. He wanted someone who could contribute a completely new approach. As a result, we've been on board since day one. We produce all the Tesla parts related to screws.

**Schmuckli:** There's a very innovative spirit in our company. One day, an employee came to see the management because he wanted to invent a new bore rivet. And we helped him to do so. He identified a gap on the market and saw what was needed to fill it. We motivate people and give them the freedom to carry out research and try out new things.

**What happens then? Is the employee released from his duties?**

**Dean:** It depends on the project, but in general, he's released from his duties for a while. Because somebody who comes up with an idea like that also has the necessary dedication to put the idea into practice. That's how the best modern products came about, not through a formal process.

**If a product is successful, does the employee responsible for the idea share in the success?**

**Dean:** We have various concepts for remunerating ideas and creativity.

**Schmuckli:** In many cases, employees are more interested in recognition than in money. Appreciation often matters more.

**“In many cases, employees are more interested in recognition than in money. Appreciation is essential.”**



# The secret to success: sharing the load

*With a history that goes back 147 years, the Frutiger Group today is a major force in the Swiss construction industry. With **Thomas and Luc Frutiger** in the vanguard, the company has experienced an impressive surge in growth over the past decade. The two cousins, who took over the reins at this family-owned enterprise in 2001, admit that the economic recovery has played a role in Frutiger Group's success. But they're certainly not complaining.*

## Thomas and Luc Frutiger

Thomas and Luc Frutiger represent already the fourth proprietor generation to head the Frutiger Group. The two cousins are almost the same age and grew up next door to each other. Both attended the Rudolf Steiner School before their ways parted: Thomas Frutiger took the business economics route. The career of the 49-year-old led him first to St. Gallen, then to Brazil and Poland, and ultimately back to the family-owned company. His one year younger cousin, Luc Frutiger, went far afield to gather important experiences in business life: he became a construction engineer who wended his way from Munich to Taipei before returning to Thun.

**Text:** Vanessa Georgoulas

**Images:** Marc Wetli and Frutiger Group

The fourth generation at Thun-based Frutiger Group are focusing on growth. And that's also reflected in the numbers: since Luc and Thomas Frutiger ascended to the executive suite in 2001, this family company's workforce has more than doubled. Through takeovers, the Group now encompasses 25 subsidiaries in the construction and excavation, real estate development and building-related niche businesses. The list of high-profile projects in which the company has been involved is indeed impressive: the Gotthard Base Tunnel, the Westside shopping center in Bern, and the new logistics and production facility of a major heavy equipment manufacturer are just several examples of what these Bernese Highlanders have accomplished.

"Granted, the buoyant economy has also contributed to our growth", explains Thomas Frutiger. As a business economist, he is in charge of the Group's finances and real estate development activities. The company has grown in step with the market and is entirely self-financing. Luc Frutiger adds: "Healthy

growth strengthens a family enterprise and lends a very special kind of dynamism. We're under no pressure at all to grow further; but if an opportunity arises, we take advantage of it."

## Magnanimity in minor matters

In contrast to his cousin, Luc Frutiger took the technical route and became a construction engineer. Accordingly, he devotes his efforts mainly to the bricks-and-mortar side of the business and, as Delegate of the Board of Directors, also heads the Construction Specialties division. The latter comprises the Flooring Technology and Building Protection Materials business lines, as well as the Diamantbohr unit, which is the Swiss market leader in diamond bit/blade concrete drilling and cutting equipment.

Each of the two cousins holds a 50 per cent share of the company. "That's one of our success factors: the ownership structure is simple", Luc Frutiger is convinced. "Another advantage is that our father didn't lay down any rules when we took office. So our





**“We’re under no pressure at all  
to grow further;  
but if an opportunity arises,  
we take advantage of it.”**

company tradition hasn't hindered us in developing the Group", he notes.

Thomas Frutiger concurs with him: "There are many things that we do differently than our predecessors. We don't view ourselves as conservators." But he acknowledges: "Naturally there are a few leftovers we've kept in our portfolio. We see to it that we make the best out of them."

The two relatives also share the management tasks, as their fathers did before them: "We take turns; for example when it comes to preparing for and chairing Management Board meetings. To coordinate those activities, we sit together each Friday for a couple of hours and swap inputs", says Luc Frutiger. But the Friday discussions are not always just about business: "Sometimes we simply talk about God and the world." The benefits of this job sharing approach are obvious: the two Frutigers are jointly and severally available for any number of issues – provided, of course, that the internal communication is in sync.

"You can't get hung up on the small stuff", asserts Luc Frutiger; his cousin Thomas elaborates: "Needless to say, it only works if you share the same values and leave each other enough legroom." As you might imagine, each of them has different priorities and pet projects. Luc Frutiger concentrates on the construction aspects; Thomas Frutiger on the real estate development and general contracting activities. "Co-managing a company calls for a certain measure of magnanimity", claims Luc Frutiger. Thomas Frutiger grins as he admits that both CEOs are condemned, so to speak, to get along with each other. "We need to interact without friction. Both of us are stubborn blokes and by no means do we always have the same opinion; but we're able to restrain ourselves", he chuckles.

**"We need to build more densely if we want to avoid having the urban sprawl consume even more rural land."**

Work at the Gotthard Base Tunnel.



© Frutiger Group

Work at the Gotthard Base Tunnel.



© Frutiger Group



## Innovation rooted in Far Eastern philosophy

The two proprietors also grant the greatest possible leeway to the other managers in the widespread Group: the 25 Frutiger subsidiary companies are individual profit centers and they work their markets independently. Only the very large projects are coordinated centrally at the Management Board level.

That's how the two entrepreneurs ensure dynamism within the Group – a decisive factor, given the tremendous price pressures in the market. And for the same reason, they introduced “progresso”, a quality-enhancement programme aimed at constantly fostering optimisation in all of the Group's divisions. This philosophy of continuous improvement harks back to the methodology of the Kaizen concept, which is rooted in the culture of Japan and has been adapted by a major automobile manufacturer for use in the business world. Here, it's mainly a matter of avoiding wastefulness. “This mindset is something we want to establish at all levels

of our enterprise. That of course takes a lot of time and energy and needs to be driven proactively by top management. But it's well worth the effort”, Luc Frutiger is convinced.

Then comes Frutiger Group's resolute approach to health management, which is aimed at protecting the company's most important asset: its employees. “When our people feel good, they can cope more easily with the enormous time pressure in our industry and are less often sick”, explains Thomas Frutiger. For the same reason, an adept foreman should also have the good sense to send a construction worker home early if he notices that the man has a fever: “In the past, that wasn't done. And what happens? The worker gets really sick and ends up being off the job two or three days longer.”

Innovations are also essential in other areas, be it in terms of processes, materials or the equipment used: “Only in the real estate business do we offer a bespoke product; for example, a condominium.” Here, the innovations lie mainly in the energy concepts: “Currently, we're in the process of complet-

ing a residential project in Bern that meets the Minergie A standard, meaning that the entire complex is energy-neutral over the course of a year.”

But the way the two cousins see it, land-use planning for the future presents an even greater challenge than the energy issue. Thomas Frutiger pleads the case: “The law envisages a dramatic reduction of zoned areas. Ergo, we need to build more densely if we want to avoid having the urban sprawl consume even more rural land. Skyscrapers of course have zero tradition in Switzerland, but eight-storey buildings would be an ideal solution. The per-acre utilisation rate for developable land has to be increased. And density also has its positive side, as can be seen in Bern's Old Town or for example the village centre of St. Moritz.” But concerns are rife amongst the general populace; concerns that should be taken seriously, yet overcome. Which vision for the future does Luc Frutiger embrace? “It would have a tremendous impact if each house were built just one storey higher.”

Construction site for the new logistics and production facility of a major heavy equipment manufacturer in Pratteln.



The “Johnsonhaus” residential and commercial complex in Köniz.





### Frutiger Group

In its 147-year history, the Frutiger Group has grown to become a heavyweight in the Swiss construction industry. Headquartered in Thun (BE), the Group today comprises 25 companies active in the areas of civil engineering, construction, excavation, roadmaking, general contracting and real estate development, as well as in building-related niche businesses. The Group has grown significantly under the leadership of its owners, Luc and Thomas Frutiger: since the two cousins took over the helm in 2001, the company's workforce has increased from 1200 to a current total of almost 2500 employees.

[frutiger.com](https://frutiger.com)

Rhone viaduct in Les Evouettes, Rennaz.







“Co-managing a company calls for  
a certain measure of magnanimity.”





# *“Family governance” is assured*

As CEO of Syma-System AG, **Werner Stucki** heads a family business which today is one of the global leaders in exhibition and event services. When the best of light is to be shed on innovations and products at trade fairs or in museums around the world, lightweight metal structures and know-how from eastern Switzerland almost always play a starring role in the show.



## Syma

Based in eastern Switzerland, Syma AG offers on a worldwide scale system solutions and services for trade fairs, store interiors, point-of-sale fixtures, displays and museum exhibits, as well as for machine safety walls. The self-developed and patent-protected modular system components made of lightweight metal are manufactured at the company's own facilities and those of licensed distributorships. Founded in 1961, family-owned Syma today has a workforce comprising more than 1000 employees. In addition to its headquarters in Kirchberg (SG), Syma has subsidiaries and offices at 14 locations in Switzerland, Europe and China.

[syma.ch](https://www.syma.ch)

Swiss National Museum:  
Temporary exhibition in the National Museum Zurich.





Exhibition booth for BUICK at the Auto Shanghai.  
Design: BELLPRAT ASSOCIATES

**Text:** editorial staff ceo Magazine

**Images:** Marc Wetli and Syma

On the outskirts of Kirchberg, a community situated at the egress of the Toggenburg valley, huge machines in the Syma-System AG workshop whirl away as they tool aluminium into millimetre-precise profiles. Those profiles represent the genesis of Syma's success story: within the space of just several decades, a humble family-owned and -operated business has evolved into an internationally active company in the field of exhibition stand construction.

The easily and rapidly assembled lightweight aluminium profiles can be found today throughout the world at every major trade fair, as well as in museums and the showrooms of manufacturers from a wide array of industries. Syma builds multilevel, intricately designed structures such as those to be seen at the world's largest watch and

jewellery exhibition in Basel, elegant platforms for luxury cars displayed at automobile shows as far away as Shanghai, or even complete product landscapes – for instance, the pavilion conceived for a high-tech company and installed in a 6000 m<sup>2</sup> exhibition hall at the

Barcelona Mobile World Congress.

But the company's range of products also includes standardised modules which trade fair organisers offer their customers as a

Carefree Package so the exhibitors can concentrate 100 per cent on their show. Apart from the "hardware" that can be either purchased or rented, Syma offers numerous services that help to present the exhibitor's products in the very best light. That differentiates the company from its competitors and has met with success on every continent.

In the main production hall at Syma's headquarters in Kirchberg, Werner Stucki gathers a handful of scrap pieces and shavings. As a valuable raw material, they're collected and sent to an aluminium recycler. But for the 54-year-old CEO, who as a non-family member has headed the company for a decade now, even more valuable are the in-house specialists at Syma. Innovations are something he defines as "successfully realised and deployed ideas". His job – and his quest – is to cultivate a seedbed in which ideas and creativity flourish.

### *Customer proximity is crucial*

"Devising pragmatic solutions for real challenges in trade fair construction – that's our form of innovation", says Stucki. He's convinced that active, face-to-face customer care, a keen understanding of their assignments, and a commitment to rapid implementation are prerequisites for innovative thinking. Last year, Syma invited 50 of its employees to voice their wishes, ideas and suggestions on various topics. The more than 200 responses were then grouped into 50 clusters – internally referred to as "market-places" – and afterwards prioritised.

In the meantime, there has been a lively exchange of thoughts in these "market-places". The discussions range from the company's image to the acquisition of orders, to the development of new products. Pragmatic innovation: in dedicated projects, the Syma employees translate the concepts into reality, step by step. Today, exhibition stands need to be set up and dismantled with just a few twists of the hand – after all, time is money. But the installations also have to generate a return and if possible be reusable.

***"Innovations are successfully realised and deployed ideas."***



*“My job is to cultivate a seedbed in which ideas and creativity flourish.”*



## *Growth in China*

Logistics is one of the main reasons why Syma is present on all continents these days. Roughly 80 per cent of the company's revenues are now generated outside Switzerland. Although the growth opportunities are limited in its home market, where cutthroat rivalry prevails, Syma sees new chances in emerging markets such as Qatar/UAE or countries that are in the process of opening their borders, e.g. Iran and Cuba.

Already at an early date, the company put out its feelers in Asia. Since 1984, Syma has its own subsidiary in Hong Kong and has also been present in Beijing and Shanghai since 1991. Meanwhile, China has become one of the most important markets for the company: due to the enormous consumer demand for brand-name products and China's transition to a domestically driven economy, manufacturers from around the world want to showcase their products at trade fairs and exhibitions in the Middle Kingdom.

### **Werner Stucki**

Werner Stucki has been with Syma for more than 30 years and has headed the company as its CEO since 2007. He is married and the father of two children. In his free time, Stucki is a passionate mountain biker.



Syma's network of distributorships and partner companies also spans the globe today, but its roots and heart are and will remain deeply seated in Kirchberg. From his office, CEO Werner Stucki can gaze across the rolling hills as they wend their way to Lake Constance. In the rooms, one clearly senses that the values of this family enterprise are practically engrained in the woodwork. Here, long-term thinking and dealing is the norm, *nota bene* without the pressure of stock exchange regulations and quarterly reports. Self-financing and organic growth form a solid fundament.

## *Balanced interests*

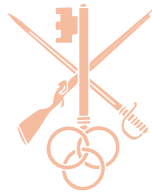
Company founder Marcel Strässle, who headed the company for 45 years and turned it into a major force in this niche business, still feels a strong bond with the company: at the age of 79, he drops by the offices almost daily. Strässle attended to the succession issues in a timely manner and has not been operatively involved at Syma for ten years now. Nevertheless, thanks to representation on the board of directors and by other relatives who work at the company, "family governance" is being preserved. Werner Stucki is convinced that the interests of the owner family and those of the company are well balanced.

Stucki proudly mentions the major contract Syma was awarded in Dubai, a request for offers in which the company competed against firms from Germany, France and China. The contractor, Dubai's World Trade Center, will be hosting the next World's Fair in just several years' time. Apart from having the best and fastest component connection technology as well as the experience gained from the Worldexpo in Shanghai, Syma got the nod mainly due to the added value it offers. That includes not only proactive advice on process flows and the utilisation of Syma's global network, but also the exchange of views on business models and how to develop them. Only with an innovative, comprehensive package can a company with Swiss cost structures hold its own in international competition, Werner Stucki firmly believes.



“We make watches thinner, however we include more parts, which makes it even more complicated to put them together.”





# Setting trends in fine watch making

*Audemars Piguet is one of the big names in Swiss and global fine watch making, producing 40,000 watches a year. It has been run for over 140 years by the same families and prides itself on being a trendsetter. So how has Audemars Piguet stayed at the top of its industry for so long, and how does the business, with CEO François-Henry Bennahmias at its helm, merge tradition with change?*

## Audemars Piguet

Audemars Piguet is one of the oldest family run watchmakers in Switzerland. The company was founded in 1875 by two childhood friends Jules Louis Audemars and Edward Auguste Piguet. Set up in Le Brassus in the Jura Mountains, the business soon became known for precision and complex movements. Audemars Piguet now produces 40,000 watches a year.

The company is still an independent family business and headquartered in the same village it was founded in. The Audemars Piguet families like to view the company not as merely something they own, but as a vehicle to sustain traditional skills and the future of fine watch making.

[audemarspiguet.com](http://audemarspiguet.com)

**Text:** Gill Parker

**Images:** Marc Wetli and Audemars Piguet

## Tradition and creativity

Audemars Piguet is a company that takes pride in its traditions. Its headquarters are still perched high above Geneva in the Vallée de Joux, in the same place where Jules Louis Audemars and Edward Auguste Piguet set up the company 141 years ago. It's still run as a family business and clearly has the same drive and passion for watch making as the forefathers who founded it.

Surprisingly perhaps, watch making hasn't changed a lot since then. Yes, there are computers and technology, which help the staff to work better and quicker. For instance, computers can help to predict potential problems before the very complex watches are assembled. But the fundamental process is still the same. The watchmakers even still make their own tools.

But nevertheless some trends have brought change to the industry: "speed and access to technology", CEO François-Henry Bennahmias explains. "We make watches thinner, however we include more parts, which makes it even more complicated to put them together."

## Trendsetters not followers

Finding a new design can take years. Last year the company launched a chiming watch, which took eight years to get from the drawing board into production.

"We are very proud to say that we set our own trends", explains Bennahmias. "We are not followers. We write our own history."

Perhaps the best example of this is when the Swiss watch industry was seriously challenged by the development of quartz watches manufactured in Asia during the 1970s and early 1980s. The Swiss watchmakers continued to manufacture mechanical watches, but this left many companies in Switzerland fighting for survival.

Audemars Piguet's response was a radical design, the Royal Oak. With a sporty steel case, octagonal bezel and integrated bracelet, it brought a brand new style to the watch industry. It was the first time that a fine watch maker made a steel sports watch with integrated bracelet. Although the Royal Oak wasn't an immediate hit when it was unveiled at the Switch watch Show in Basel in 1972, it became a true icon in the long run.

The company likes to give its designers freedom to work outside of any planned project. Watchmakers and designers are

### François-Henry Bennahmias

François-Henry Bennahmias joined the company over twenty years ago as a director of sales in France, and has also worked for the company in New York, Singapore and Switzerland. François-Henry Bennahmias took over the role of CEO in 2012, working closely with the Audemars Piguet families. He lists his interests as philanthropy, golf and music, and believes the key to success lies in always thinking you can do better. “Do or do not, there is no try”, he says.

# AUD

Restauration workshop in the Audemars Piguet Museum – Le Brassus.





“We are not  
followers. We write  
our own history.”

# Audemars Piguet

*Le Brassus*





Audemars Piguet produces 40,000 watches a year.

encouraged to work on their own, giving free reign to their creativity.

“I would say for people who are close to creativity and design or innovation, they’ve got what you call the obligation to deliver certain things, but I want them to also have as much time as possible to set their brain free”, Bennahmias explains. This approach is meant to encourage his creative staff to experiment with new designs, with no boundaries or limitations, to create what they think could become the next best-selling watch.

Jules Louis Audemars and Edward Auguste Piguet always looked for what could be done better, and that’s a driver for creativity that permeates the company today. When it comes to motivating the staff, Bennahmias says, “We tell them to never forget where we’ve come from and who we are, always think of tomorrow. We mean that no matter what happens, you have to think that you can do better.”

### **The resilience of a family business**

Bennahmias believes being a family business brings great strengths. First, there’s a clear message that is passed through the generations. There’s a clear framework and direction of where the company wants to go.

It’s also a lot easier for Bennahmias to get decisions approved:

“When I have to make a decision that could have a major implication on the outcome of the business, I’m just one phone call away and one meeting away. In larger companies, I’d have to go through a lot of committees. And by the time it came back down to me it would be either too late or changed so much that the idea would actually be diluted.”

### **New trends, new challenges**

Looking to the future, the company recognises that even at this high end of the market, the customer has a lot of choice. “People have so much choice, so you have to remain the relevant choice”, says Bennahmias. “If we once said that the customer was always King, the customer has become God.”

There are also new trends such as the smart watch. These are still aimed at the lower end of the market, but that may change and it’s difficult to judge what effect they may have on the top end of manufacturing. “There are new players in town. So far they touch the low end, but who knows?” Bennahmias explains.

Going forward he believes the industry will experience much consolidation, fewer brands and less distribution. But for Audemars Piguet, the best way forward is to simply stick to what they are good at. That is making very limited quantities of watches and keeping them relevant.

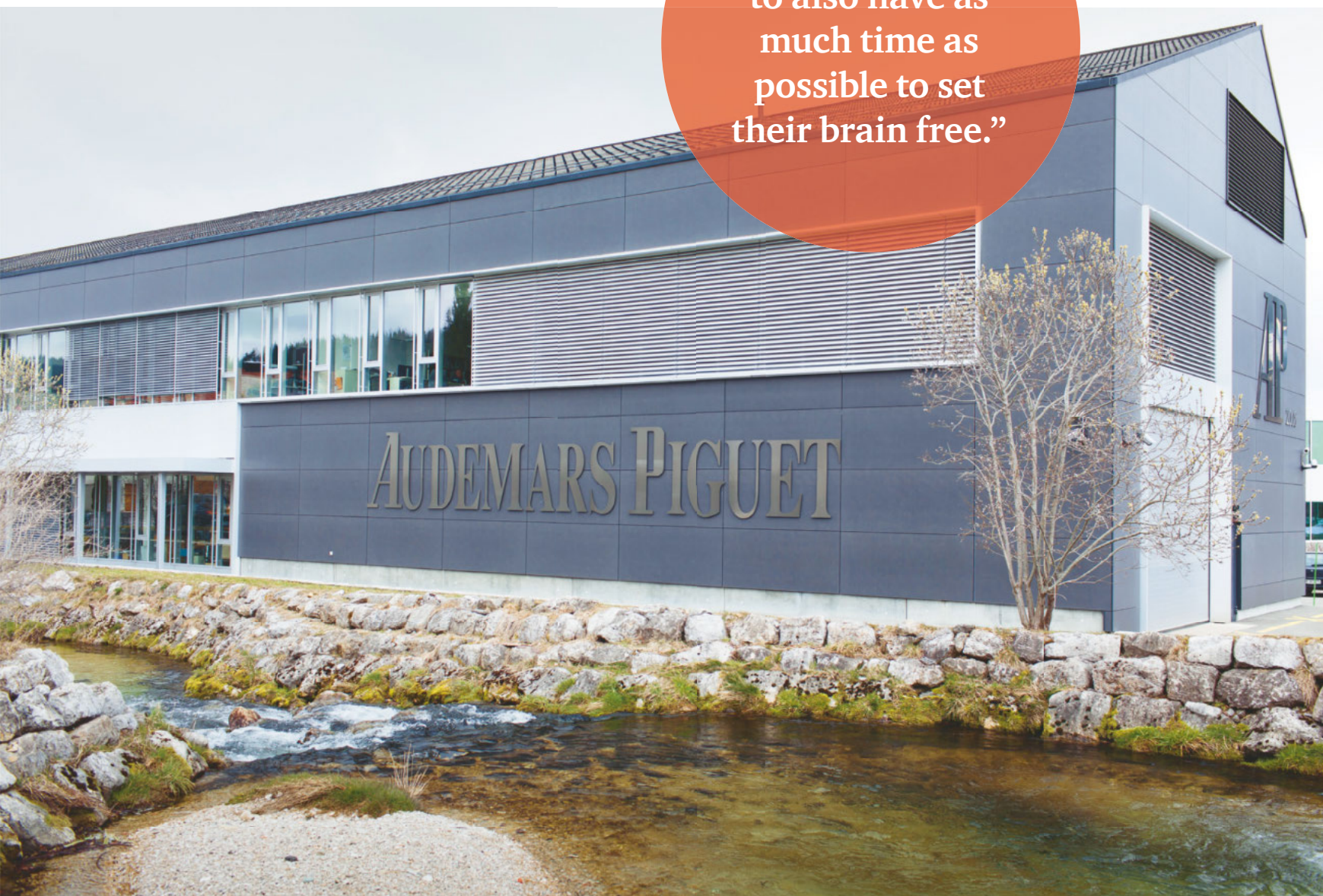
What’s more, Bennahmias says, the company should also remember what the founding fathers would be doing today. “I always say that if Jules Louis Audemars and Edward Auguste Piguet were alive today, they would be travelling the world in a quest for the new best possible watch. Even though we are having success with our watches, they would always be thinking about what could be done better.”

And he believes the key to success is a continual spirit of creativity and discovery.





“I want them  
to also have as  
much time as  
possible to set  
their brain free.”

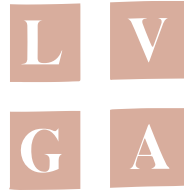






“Helsinn is a family-run  
company built on  
values of integrity, quality  
and respect.”





# Building on family foundation

*The third-generation Group Vice Chairman and CEO of the pharmaceutical group Helsinn, Riccardo Braglia, has melded the legacies of his father and grandfather, and then grown on beyond. His family was, is and will be central to the company's success.*

**Text:** Eric Johnson  
**Images:** Marc Wetli

**Your father started a two-person pharmaceutical licensing business in the 1970s. Now you employ 600+ people around the world. What happened?**

Actually my grandfather brought the family into the business. He had been a broker at the Milan Stock Exchange, which after World War II was nearly destroyed, so he teamed up with a University of Padua professor to produce biotech pharmaceuticals. In the mid-1970s that company was laid low by several crises in the Italian pharma-sector, so my father decided to move to Switzerland to create a licensing business here. At that time, this was not a common business model. Since then our licensing business has grown, but has also been back-integrated in manufacturing, regulatory approval and research & development. You could say that in the end, we have come to a blend of two business models, the kind that my grandfather would have wanted plus the one that my father started.

**Is that business a generalist or a niche player?**

Clearly we are in an oncology [cancer treatment] niche, and we keep ourselves focused on it, from research to commercial operations. In the oncology space, there is a large, growing need for products that assist patients in coping with anti-cancer therapies. This market is relatively small and lower margin than the main oncology market, which is multi-billion and dominated by Big Pharma. We're recognised as the leader in this quality-of-life niche.

**A lot of pharma firms were started by families. What are the advantages and disadvantages of that?**

There are many examples, such as Roche, Johnson & Johnson, Boehringer Ingelheim and of course Helsinn. Our first advantage is that of family values. Our family stands for quality, integrity and respect for our employees, customers and everyone in-between such as regulators and doctors. We take our reputation very personally. Second, our decision-processes are short and simple. Whether it's an acquisition, a license or an investment, we can move much faster than a

## Riccardo Braglia

Riccardo Braglia's (\*1960) destiny was always to lead the enterprise that his grandfather had started in post-war Italy and his father had in the mid-1970s transplanted to Switzerland's Ticino. Helsinn started as a pharmaceutical in-licensor, and has grown into a fully-integrated drug company. After earning an MBA at Milan's Bocconi University, Braglia worked his way up through Helsinn's ranks, becoming CEO and primary shareholder in 2007.

Big Pharma company could. Third, there are less politics involved. The disadvantage of a family firm is that we are limited in our capital assets. We have less access to markets and banks, and we don't have the leverage in the deal-making market that public companies have.

**Did you always know that you would follow your father and grandfather into the family business?**

Completely. My father encouraged me to study business and take over the company. When I graduated, after about one week of vacation, I started work at Helsinn, and 30 years later, I am still here.

**What about your children?**

My father's expectations were normal in his generation, but times have changed. For my two sons, who are now in university, it is their choice whether they want to join the company or not. They are very welcome if they opt to join, but they know that they must have the skills to be successful. Management roles today typically require a higher level of professional education than years ago. If they don't join, they can still remain as shareholders and hire professional managers to operate the company. Already I have stepped back somewhat from daily operations, and left this role to Giorgio Calderari, as the Group General Manager.

**“Helsinn has become a blend of two business models, the kind that my grandfather would have wanted plus the one that my father started.”**

Lab technician at work in the Helsinn Advanced Synthesis facility in Biasca.







Innovation for patients is at the core of the company's vision.

**helsinn.com**

### **Helsinn**

As more and more people outlive encounters with cancer, a niche has developed for drugs that help them suppress therapy's negative side-effects: nausea, vomiting, diarrhea, severe dehydration and weight loss. These have become the focus of Helsinn's 600-odd employees in product development, manufacturing and licensing. Headquartered in Switzerland's Ticino, with significant operations in Ireland, the United States and China, Helsinn also has products for treatment of pain and inflammation and for gastroenterology.

### **Would you ever sell the company to non-family or to the public?**

This is a question I hear at least once per month. For the time being, the answer is no. I like what we are doing here at Helsinn with our staff, partners and patients and we've got some interesting projects on the horizon, especially in the USA. To go public, I'd need some really good reasons, such as being in need of additional capital or wanting to do a major merger. The downside of going public is that you lose autonomy, and you enlarge the decision making process.

### **How important to Helsinn is innovation?**

Innovation for patients is at the core of the company's vision, how we perceive the world in our laboratories, our production and our licensing. To be prosperous, we must innovate. We're always looking for new ideas, and we reward those who find them. The company is changing continuously. We're not what we were five years ago, and we're not what we'll be five years from now. That said, we are careful not to change just for the sake of change. Changes need to be positive, and we must avoid destructive changes.

### **How important to your company is its location in Switzerland?**


This has been a fantastic place for Helsinn and my family. The entrepreneurial environment is much better than that of Italy, where we were before. However, even Switzerland has changed a lot throughout the years. The Franc's high valuation is problematic and most of all, government seems to be more passive and less pro-active than it used to be. Switzerland belongs to a global environment which involves a lot of stakeholders and different interests.

### **Is the digital revolution changing your business?**

Historically, patients do not choose their drugs, and they don't pay for them. In the past, if you had a cancer diagnosis, you simply had to listen to the doctor and do what he or she said. Now, people go home and search for their illness and its therapies on the Internet, then they go back to their doctor with all sorts of ideas and suggestions. Thanks to this digital access to information, patients are becoming much more active, far less passive. And this activity can only increase to the patients' benefit.

### **What can public corporations learn from family companies like yours?**

We can learn from each other. From them, we can draw lessons about how to integrate operations across geographies and cultures. From us, they can learn to make quick, non-bureaucratic decisions.



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“Switzerland has been a fantastic place for Helsinn and my family. However, Switzerland has changed a lot throughout the years.”



# What concerns family businesses the most?

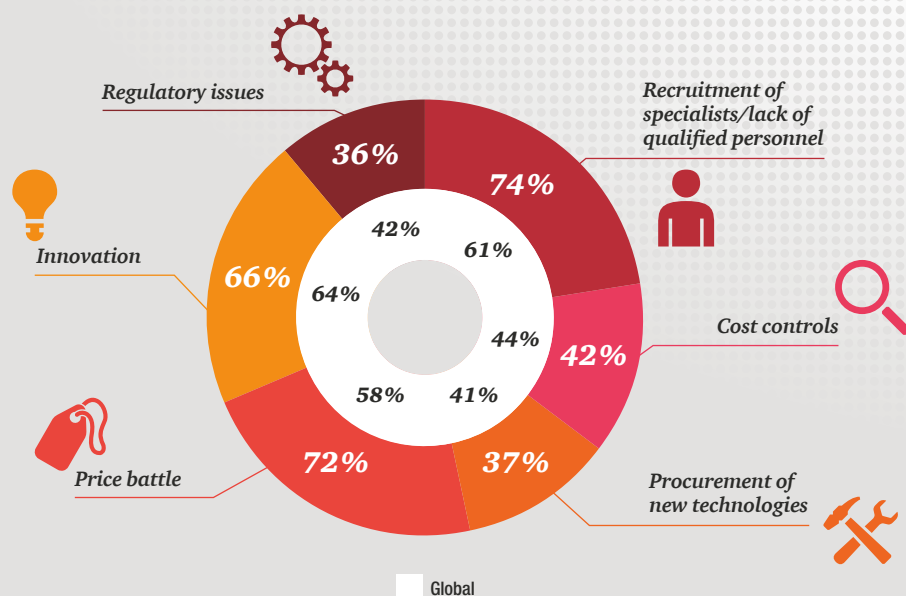
Succession planning, the recruitment of qualified specialists, as well as fierce price competition in the market are important issues for family-owned enterprises – both here and abroad. The following infographic shows what else they have on their minds.

## Current priorities of Swiss family businesses

- **40 %** of the companies are focusing more intently on their competitiveness.
- **11 %** of the family companies are concerned about their access to international markets.
- Most of the family-owned enterprises view flexibility as being their greatest advantage.
- **25 %** of the companies have a documented succession arrangement.
- **87 %** of the Swiss family companies know how their family plans shape up:
  - **42 %** want the ownership and management to pass to the next generation.
  - **30 %** want the ownership structure to stay the same but change the management.
  - **16 %** plan to sell their company.



## Key challenges in the next 5 years – in Switzerland and Global



## Where are our showcased family b

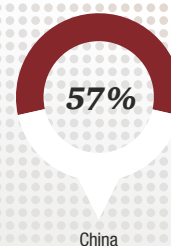
- Ricola – *Laufen* (page 6)
- Leister – *Kägiswil* (page 12)
- Bossard – *Zug* (page 16)
- Frutiger – *Thun* (page 22)
- Syma – *Kirchberg* (page 28)
- Audemars Piguet – *Le Brassus* (page 32)
- Helsinn – *Palazzo* (page 38)
- Kuhn Rikon – *Rikon* (page 46)

• Ricola

SCHULER St. Jak

• Frutiger

• Kudelski



## Global developments

Above all in China (57%), the Middle East (40%) indicated that they want to achieve significant

Those family businesses that intend to invest th found in emerging markets like Romania (88%) ambitious in this regard are Ireland (45%), the

## businesses located?

- Läderach – **Glarus** (page 52)
- Forster Rohner – **St. Gallen** (page 58)
- Hälgi – **St. Gallen** (page 64)
- Sky-Frame – **Frauenfeld** (page 68)
- Jansen – **Oberriet** (page 72)
- SCHULER St. JakobsKellerei – **Seewen** (page 76)
- Kudelski – **Chesaux-sur-Lausanne** (page 80)

Sky-Frame •  
Kuhn Rikon • Syma •  
Forster Rohner/Hälgi •  
Jansen •  
Bossard •  
Schuler St. JakobsKellerei • Läderach •  
Leister •

Helsinn •

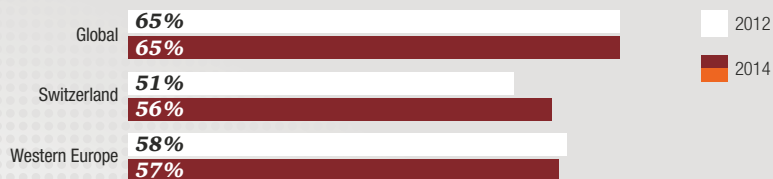


0%) and India (40%), family-owned companies at growth.

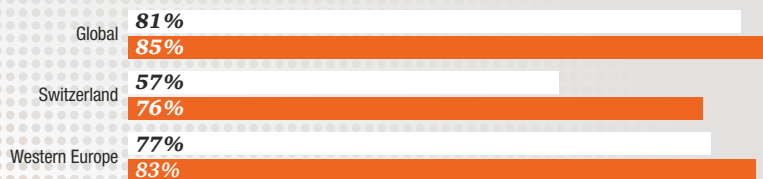
the most aggressively in digitalisation are to be (%), China (77%) and India (69%). The least the UK (45%) and Canada (38%).

## How family businesses fared in 2014 – in Switzerland and around the world

### Revenue growth in the most recent financial year



### Growth goals for the next 5 years



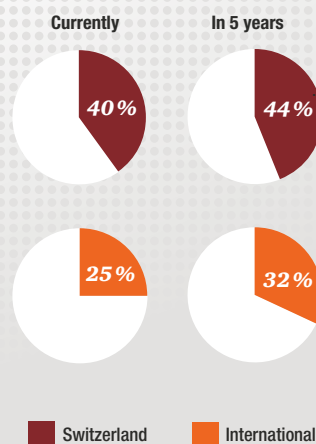
At **91%** of the surveyed businesses, family members hold a management/executive position.

Almost **89%** of all Swiss businesses are family-owned.

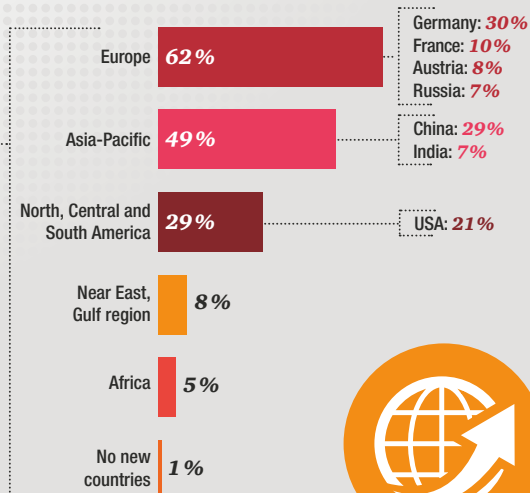
## Export proportions

### Average percentage revenues attributable to exports

(based on all companies, i.e. all exporting and non-exporting companies)



### Regions with the highest expected growth in terms of Swiss exports



Sources:

PwC Global Family Business Survey 2014, PwC study «Schweizer Familienunternehmen 2014 and SME study, HSG



F.Ace 471.7g / 460ml  
o.g.: 278.6g / 290ml

②: 456.3g / 390ml  
①: 356.2g / 340ml

380ml / 408.3g

304.6g



# What's cooking?

*Kuhn Rikon stands for kitchen innovations just as much as it does for cultural openness. That's why there are things like pressure cookers in Swiss kitchens and a Buddhist centre in the midst of the Töss Valley, as **Dorothee Auwärter** tells us.*

**Text:** Sandra Willmeroth

**Images:** Markus Bertschi

A cooking pot whose metallic composition changes as of a certain temperature so that it loses its magnetic properties and then can no longer be heated by the induction cooktop. The hob turns itself off automatically until the metal cools down, thereby preventing undesirable overheating, burning or even a grease fire. Sounds a bit like futuristic cooking, but precisely this is what's being cooked up in Switzerland's Töss Valley. At Kuhn Rikon, engineers and product designers have been researching and dabbling for decades to create intelligent pots, pans and cooking accessories that make life in the kitchen simpler and less consternating, even as they reduce energy consumption and prevent, yes, the occasional scorched scallop. "People have been cooking for aeons and you would assume that at some point there's nothing more to invent. But that's wrong – technological evolution continues, even in the kitchen", says Dorothee Auwärter, Chairwoman of Kuhn Rikon AG.

She shares the mindset of her great grandfather, Heinrich Kuhn, who sparked the growth of the company back in 1926. At the time, the electric hob had found its way into the kitchens of Swiss homes. But alas, the conventional pots and pans of the day – with their curvaceous bottoms – didn't sit well on the new-fangled, utterly flat heating elements. It took a clever Heinrich Kuhn to come up with the first electro-hob compatible cookware starting in 1927. He dubbed it "Duro".

## **Dorothee Auwärter**

Dorothee Auwärter (\*1979) presides over the board of directors of Kuhn Rikon AG and is a council member of Swissmem (the Swiss Mechanical, Electrical and Metal Engineering Federation), as well as a trustee of the Winterthur-based Brühlgut Foundation, which champions living and working places for disabled people. Dorothee Auwärter studied law at the University of Neuchâtel (lic. iur. 2003) and business management at the University of St. Gallen (Executive MBA HSG 2012). In 2006, she was admitted to the bar and today is a partner at Schiller Rechtsanwälte AG in Winterthur.

*"My great uncle Jacques engineered quite a few things and had tremendous success. He designed many of our products."*











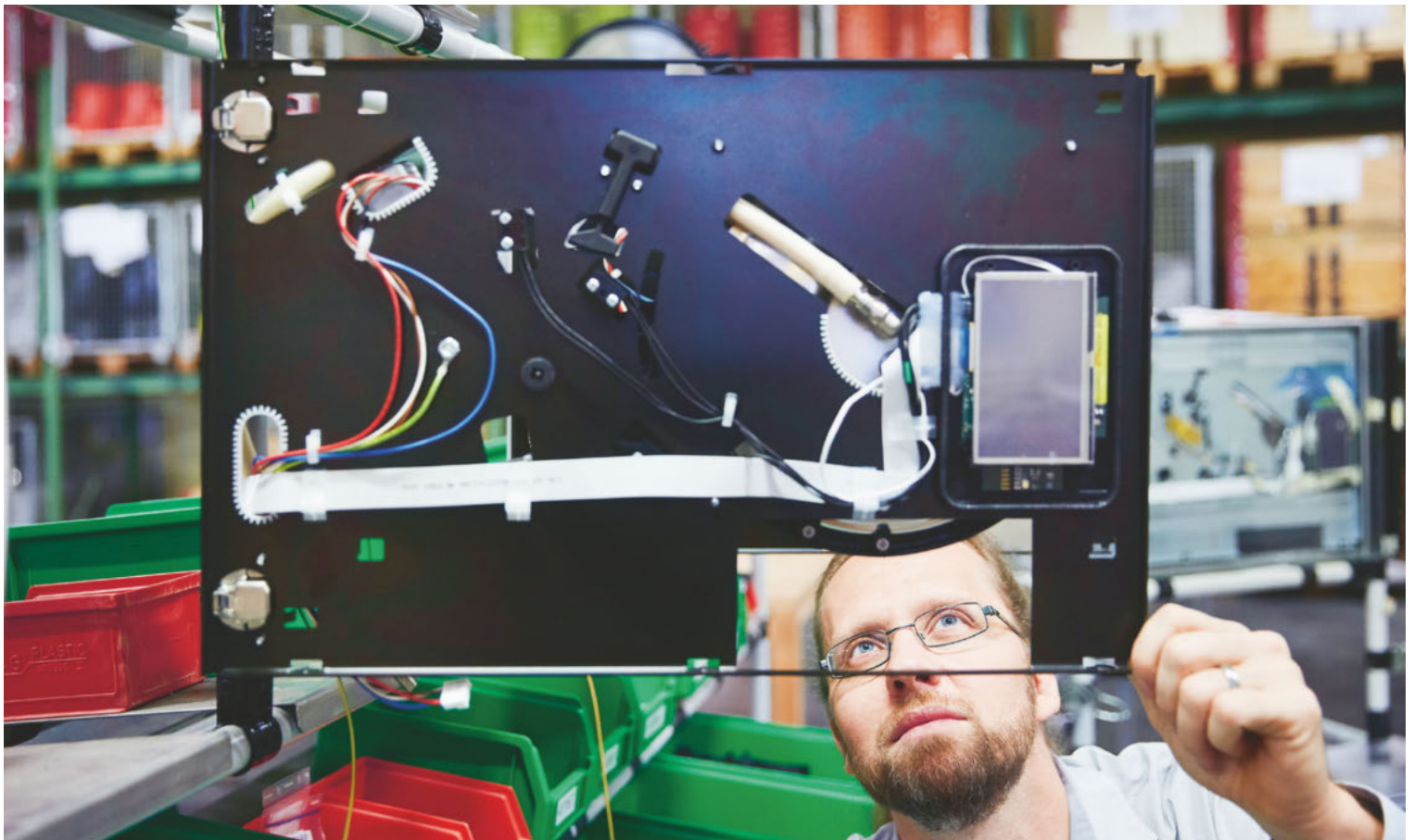
## Practical ingenuity

But the actual success story of Kuhn Rikon began with an inveterate bachelor. Company founder Heinrich Kuhn suffered a sudden early death and his eldest son, Henri, took the reins of the company already at the age of 19. Henri's younger brother, Jacques, was away in America for a number of years and ultimately earned a degree in engineering. Upon his return to Switzerland, he lived with Henri and his wife in the same house – right behind the factory – but had his own separate quarters and cooked for himself. So he knew first-hand what was lacking in the kitchen, as well as what made things difficult or unnecessary. And because – just like anyone else – he didn't fancy washing up and also got annoyed when whatever he cooked was only lukewarm after he had transferred it from pot to porcelain serving vessel, he invented a decorative, dual-wall lidded pot that could be placed directly on the table and kept food nice and warm for more than an hour.

"My great uncle Jacques engineered quite a few things and had tremendous success. He

designed many of our products, including the Duromatic pressure cooker", Dorothee Auwärter states with no small measure of pride. Today, Jacques Kuhn is 97 years old and still lives next door to the factory. At 87, he married for the first and only time and, in collaboration with his wife, he's now writing the "Tösstal" series of crime novels.

Other engineers, technicians and product designers see to the innovations at the company these days. And of course innovation need not be just of a technical nature; it also can lie in the form or function of something. "On average, we generate roughly one-third of our revenue with products that are not older than two years", says Auwärter and emphasises that there is still room in the kitchen for many new conveniences and accessories. "We've designed a new ratchet system for pepper mills, cheese graters and even salad spinners. The drive mechanism isn't turned but instead ratcheted back and forth. Not only is the lever movement ergonomic; the mechanism is also extremely efficient. And the products are a hit!" the young Chairwoman is pleased to note.



Quality assurance of the DUROMATIC Relax Powersteamer door module.

## Clear majority

In 2014, Dorothee Auwärter assumed that post at the age of 34 as successor to her father and since then bears ultimate responsibility for the company. “But I’m not alone: my brother as well as two of my cousins are board members. We also have three outside directors who provide important advice and inputs”, says the former law student. The family history is closely tied to the history of Kuhn Rikon – and vice versa. After an imbroglio in the late ‘90s, the voting majority now lies with the Auwärter-Kuhn family. “Our forefathers arranged things such that, in worst case, we couldn’t be in a voting clinch with each other”, explains Dorothee Auwärter, who for several years now has been living again in Rikon.

“We kids from both families grew up here together. We played hide-and-seek in the factory and were occasionally allowed to roller-skate in there. That special smell in the workshop! I guess you’d call it an olfactory stimulus we share”, she says with a grin. Almost as formative in her childhood was the exotic culture of Tibetans. In the 1960s, Kuhn Rikon had a shortage of employees and a huge order backlog. In effort to attract new workers to the out-of-the-way Töss Valley, the company intentionally built new residential dwellings. Then, when the refugee drama in Tibet escalated as of 1964, the Kuhn brothers thought they could be of help to the outcasts – as well as the company. “That first step was certainly not unselfish”, admits Dorothee Auwärter. But what was to follow certainly was.

## Tibetans in the Töss Valley

The cultural integration of the Tibetan workers was more challenging than initially thought. “It became rapidly clear that these people were missing something important, both culturally and spiritually”, Dorothee Auwärter recalls. So the Kuhn brothers sought the advice of the Dalai Lama and in 1968 established the Tibet Institute in Rikon. To this day, it remains the spiritual and cultural centre for exile Tibetans in Switzerland.

The Dalai Lama has visited the Töss Valley on several occasions. “There’s a photo where you can see my grandmother taking a stroll with him through our garden”, Dorothee Auwärter muses. She, too, has experienced His Holiness in person: “He impresses me greatly; all of us always had high regard for this culture”, she says. Today, the first generation of Tibetan workers is already in retirement. There are still some 20 Tibetans working for Kuhn Rikon, most of them in production but also several in administration. “I always had the feeling that Swiss and Tibetan people are somewhat similar. Both are essentially a mountain folk surrounded by huge countries”, laughs Dorothee Auwärter.

*“We kids from both families grew up here together. We played hide-and-seek in the factory and were occasionally allowed to roller-skate in there.”*



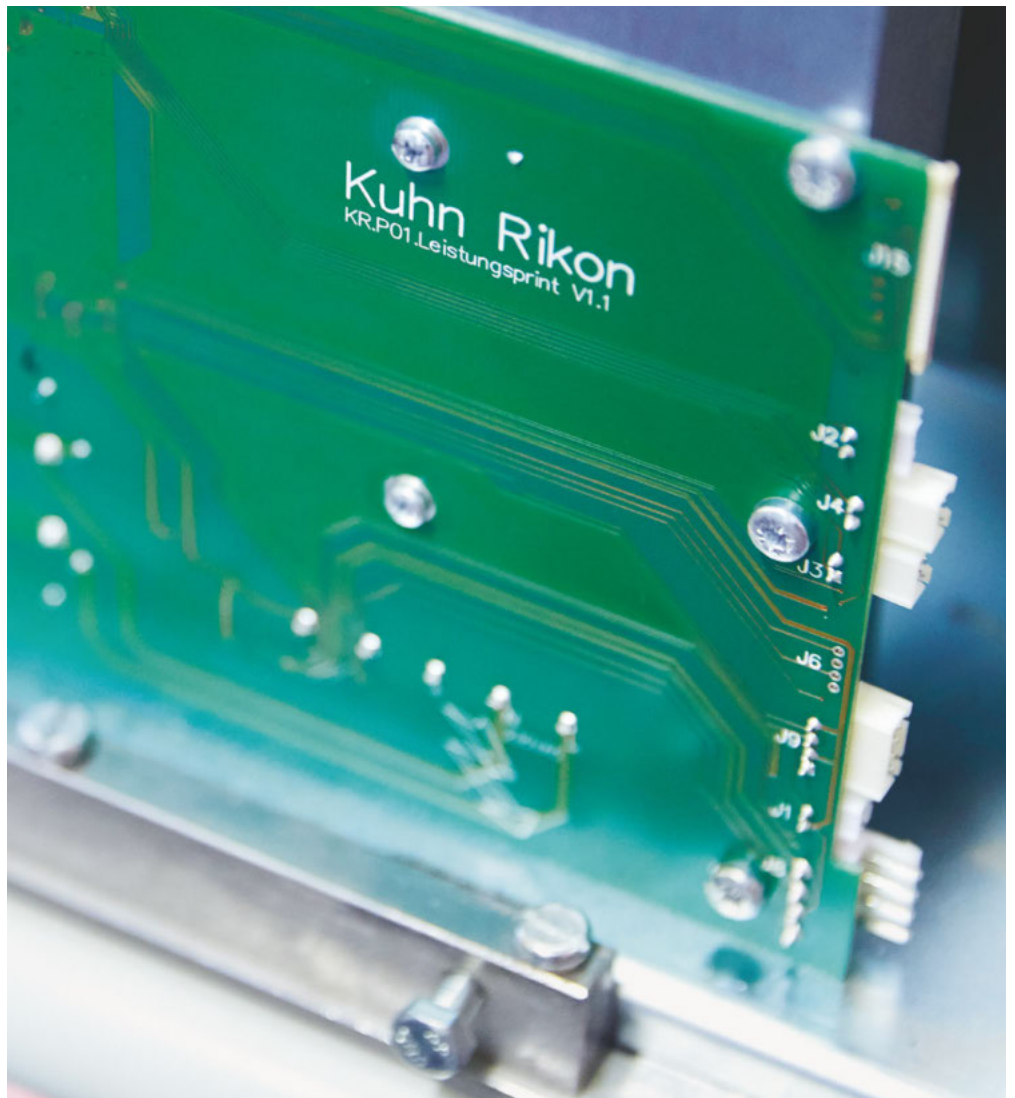
Bracket for pressure hull assembly.



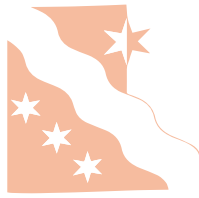
kuhnrikon.com

### Kuhn Rikon

Heinrich Kuhn bought a steel and copper pan manufactory in the Töss Valley village of Rikon back in 1926. Following his premature death, Kuhn's firstborn son, Henri, took over control of the company at the tender age of 19 and was later joined by his younger brother, Jacques. In 1984, Henri Kuhn's son, Hans Heinrich, and son-in-law, Wolfgang Auwärter, became the third generation to run the company – jointly – until the late '90s when it was suddenly faced with a crisis. At that point, Hans Heinrich relinquished his post and Wolfgang Auwärter concentrated entirely on his tasks as chairman of the board, with an outsider taking over responsibility for operative management of the company. In 2008, Wolfgang Auwärter's daughter, Dorothee, joined the board of directors and assumed the chair in 2014. Today, with close to 220 employees, Kuhn Rikon AG manufactures and distributes high-quality cookware on a global scale. It has subsidiaries in Great Britain, Spain and the USA, as well as a worldwide partner network of distributors and specialist retailers.



Power electronic.



# “We rely a great deal on our gut instinct”

*A new brand profile is designed around the kitchen table, agreements are sealed by handshake: everything is done a little differently in the Confiseur Läderach family business. And that's precisely why it's so successful, says CEO Ralph P. Siegl.*

**Text:** Tina Fassbind

**Images:** Marc Wetli and Confiseur Läderach AG

**Mr Siegl, you've been at the helm of Confiseur Läderach AG for ten years now – and you're the first CEO from outside the founding family. Did you already know the Läderachs?**

Only in passing. A headhunter drew my attention to the position. After ten years with Nestlé, I was looking for a career change. I can still remember the first time I met Jürg Läderach. I came to see him in his office, a room with a dark wooden coffered ceiling, just like in his father's day. It was all rather unusual. But we got on well right from the start.

**The company has gained its current internationally renowned brand profile during your time as Läderach CEO. Was that your doing?**

No. It was a joint project that first took shape around the Läderachs' kitchen table. We were sitting together, and we got talking about the family values that should be incorporated into the brand. We made sure the third generation was involved in the process as well. Together, we spent 16 months outlining the company's visions and its new guiding principle, and putting them down in writing.

**That all sounds very harmonious. Were there never times when your vision for the company differed from the ideas of the Läderach family?**

Not really. We didn't need to reinvent the wheel at Confiseur Läderach. There were already a lot of excellent measures in place. My role was to put a modern slant on everything. And I knew right from the start that as the CEO of a family business, I would never be the boss. I am simply the owner's adviser or coach, alongside the external board and the management. But Jürg Läderach not only accepts our help, he actually comes looking for it, and he trusts us. We make sure we're honest and direct with each other. That's one of the many qualities about this family business.

**What other differences do you see compared to large companies?**

We constantly have to ask ourselves how much bigger we can get without jeopardising the corporate culture. That's why we don't ask our employees and business partners for process-oriented, straight-line thinking, but expect cooperation, mutual trust and pragmatism from them. That also means we can usually seal a deal with a handshake.

## **Ralph P. Siegl**

Ralph P. Siegl has been CEO of the Glarus family business Confiseur Läderach AG (the parent company of the Confiseur Läderach Group) since 2006. He graduated in Political Science and International Relations from St. Gallen University and the London School of Economics. Siegl started his professional career in the Integration Office of the Federal Department of Foreign Affairs before working for Nestlé for ten years, both in Switzerland and abroad. 49 years of age, he also holds positions on various Boards of Directors. He lives near Zurich with his wife and two children.











Production of  
fresh chocolate in the  
"Choco-Atelier".

**"I'm not worried  
about ever running  
out of ideas."**

**Don't you draw up written contracts?**

We do of course have to draw up agreements such as leases and employment contracts. But apart from that, we rely a great deal on our gut instinct when it comes to business relationships. The main focus is on the people. Läderach has been working with some of its partners for over 20 years without a proper contract. The emphasis on interpersonal relationships is refreshingly simple, and that's the secret to the great loyalty our employees and partners feel towards the company.

**You've made an unusual choice for the company's headquarters too. While other companies are moving abroad for cost reasons, Läderach has kept its chocolate factory, as well as its distribution and service headquarters, in the Glarus region. Why?**

The future of the company is always closely connected to its history. It would destroy the soul of the family business to tear the company away from the Glarus region. As one of the largest employers in the region, we also have a social responsibility.

We employ over 400 people in Ennenda and Bilten. In 53 years of company history, we've never had to fire anybody for operational reasons.

**You worked abroad yourself for years. Now the centre of your work is in the middle of the Glarus region. Do you find inspiration for innovation here?**

I'm actually away on business more often now than I was when I worked for Nestlé. We want to become the world's reference brand for hand-made Swiss chocolate. That requires intensive international development work. We're in close contact with our business partners in Switzerland and abroad. At the same time, the Glarus region represents a solid basis. This is where we find our inspiration and ensure ground contact with the entire team. Plus our employees in Glarus are extremely motivated and do a great job.

**The company was founded by Rudolf Läderach in 1962, which makes it very young compared to other Swiss chocolatiers. Yet Läderach already has around 50 of its own chocolateries in Switzerland and abroad. What is the secret of your success?**

It's true that we're a teenager in the Swiss chocolatier business. Since the founding of the company, we've not only made the bold move of inventing our own brand rather than simply supplying specialist customers, we've also managed to maintain our independence. That's the main aim of a family business. We've controlled everything from the purchase of cocoa to the production and sale of chocolate in our own shops ever since 2012. Our customers know that the Läderach family name represents sustainability and fairness when it comes to manufacturing and processing products.

**How do you make your products stand out from the competition in Switzerland, the land of chocolate?**

We're in a different league to the big industrial firms. In terms of hand-made chocolate, Läderach is one of the top companies in Switzerland. We make the vast majority of our products by hand, using high-quality raw materials. That's why you can't find our chocolate in the supermarket. It needs to be specially stored and cooled. Our customers are prepared to pay more for this freshness. Freshness is our niche. We'll take our company into the future by building on the quality of our traditional chocolate-making skills.

**Is it even possible to continue developing a product like chocolate?**

There are unlimited possibilities for getting more out of chocolate. Each year, there are around 150 projects for new Läderach products, for example. We keep an inquisitive mind and are always trying new things. It's a continual process. I'm not worried about ever running out of ideas.

In conjuring up the finest  
chocolate creations, only the  
most carefully selected and  
freshest raw ingredients are used.

**“We’re a teenager  
in the chocolatier business.”**

The finely ground chocolate meal forms the basis for a wide array of sweet persuasions.







### Confiseur Läderach AG

Chocolatier Rudolf Läderach jun. founded the company Confiseur Läderach AG in Glarus in 1962. It now operates around the world. In 1994 he handed the business down to his son Jürg, the current owner and Chairman of the Board. Ten years on, the family business began building up its own national network of shops, and in 2008, it developed the “Läderach – Chocolatier Suisse” brand. The company opened its own chocolate factory in Bilten in 2012. The head office of Confiseur Läderach AG and of the chocolaterie group, which employs over 700 people, remains based in the canton of Glarus.

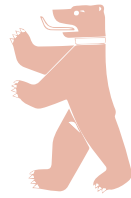
[laederach.com](http://laederach.com)

### Is innovation more to do with the product, or its production?

Innovation is about everything. It's also about the experience. Customers shouldn't just leave our shop with one of our fresh products, but should also take a good feeling away with them. Our mission is to bring people “moments of happiness”. We want to make an impact on people and be authentic. That's why we don't run elitist chocolate boutiques, but modern, down-to-earth shops. This concept makes us different from other companies. And we'll remain committed to it in the future.

### And where will the Läderach family business be in ten years' time?

By then, the third generation will be at the head of the company. The necessary conditions are already in place: 29-year-old Johannes Läderach is currently our Managing Director in Germany, and 27-year-old Elias is a creative, prize-winning confectioner who is now completing further training in the field of business administration. Apart from that, we want to come even closer to implementing our vision of positioning Läderach chocolate as Switzerland's top hand-made brand around the world. We're all working together to achieve this goal.



# *High-tech fabrics with a long tradition*

For the Forster Rohner Group, being innovative and flexible on demanding markets is the key to a successful future. Brother and sister **Emanuel** and **Caroline Forster**, the fourth-generation managers of the traditional St. Gallen embroidery company, specialise in embroidery for Haute Couture, lingerie and technical textiles.



## **A long tradition of embroidery**

Emanuel A. Forster (41) and Caroline Forster (35) are Co-CEOs of the Forster Rohner Group. The Forster Rohner Group, based in St. Gallen, is one of the largest, most traditional companies in the Swiss embroidery industry. Its customers include a number of reputed companies from the fields of Haute-Couture, Prêt-a-porter and Lingerie, such as Dior, Louis Vuitton, Prada and Victoria's Secret. Creations from fabrics by the Forster Rohner Group have been worn by America's First Lady Michelle Obama (at the investiture of the US President) and George Clooney's wife Amal Alamuddin (at their wedding).

The company was formed from the merger between Willi & Co. AG, which was founded in 1904, and Jacob Rohner AG, which was established in 1873. It has been managed by the fourth generation, the great-grandchildren of the founder, since 2007. The Forster Rohner Group now has eight production and distribution companies in Switzerland, Romania and China, which together employ around 850 people.

An example of St. Gallen etched embroidery – a technique in which the stitches look like they were sewn in thin air.





Yarn bobbins await their duty in the embroidering machine.

**Text:** editorial staff ceo Magazine

**Images:** Markus Bertschi, Forster Rohner

**Despite your young age, you took on responsibility in the family business several years ago. How did this succession plan come about?**

**Caroline Forster:** We both grew up with the business. Family members were always discussing embroidery and the company. We wanted to be a part of that. We studied business at St. Gallen University before completing work placements in the company and with clients abroad.

**Emanuel Forster:** Once we realised that we liked working for the company, we started talking to our father about it. He was very receptive to the idea. He let us take on management positions in 2007. But we'd actually been on board for a while by then.

**Family businesses like the Forster Rohner Group that have a long history are a combination of tradition and innovation. How do you handle this area of tension?**

**Emanuel Forster:** There is no future without a past. The company's long tradition is a source of inspiration to us. We dug our archives out of the museum-like basement and turned them into a creative workshop with a stimulating working environment.

This textile collection of over 400,000 patterns, which is now a central part of the company, gives us countless ideas for new things. Many of our clients, including big names in the sector, come to St. Gallen especially to look for inspiration. And when it comes to technical aspects, we owe it to our customers to develop innovations. And to go on doing so on a regular basis.

**The textile industry is particularly affected by globalised competition. How does the Forster Rohner Group deal with this fast-moving social, technological and economic change?**

**Caroline Forster:** We don't have any reservations about change. Coping with it is part of our job. And it's nothing new: I've never known things any differently.

**Emanuel Forster:** Our customers come from all over the world. That's typical of our business. In Switzerland, the textile industry learned to face up to international competition and technical progress early on. With a few exceptions, all our competitors are based abroad, many of them are located in Asia and Eastern Europe. We got used to that a long time ago. The Forster Rohner Group has had manufacturing sites in China and Romania for over 20 years.

**What does innovation mean to the company and to you personally?**

**Caroline Forster:** Fashion is basically a constant search for new ideas. When it comes to design, it's all about playing around and trying things out. The same is true of production. To create something innovative, you need the freedom to come up with an idea and to implement it. Often, the only limits are set by limited resources.







### Multi-functional fabrics

High-quality bed linen featuring points of light to create a special atmosphere in the bedroom, cases and covers that recharge mobile phones or other devices thanks to decorative solar cells, and items of clothing that can have patterns and writing projected onto them. These and many other applications for “smart clothes” or “intelligent textiles” are possible using fabrics from Forster Rohner Textile Innovations (FRTI), a company created in 2012 which integrates electronic functions into textile surfaces. The incorporation of technologies, sensors, LED light sources or heating wires into textile structures also has applications in medicine or security technologies. The materials and combinations of materials are washable, printable, resistant to temperature and chemically stable. In 2013 the company received a Design Prize Switzerland nomination for the FRTI “E-broidery” process, which is the first symbiosis of light and textile an industrial manufacturing process.

[forsterrohner.com](http://forsterrohner.com)

The „E-broidery” process enables a unique symbiosis of light and fabric.

*“There is no future without a past. The company’s long tradition is a source of inspiration to us.”*



**There's even a company within the Group that has "innovation" in its name. Why was this aspect outsourced?**

**Emanuel Forster:** Forster Rohner Textile Innovations was created quite recently. It focuses on conductive textiles, in terms of light, heat and sensory technology for example. People like interior designers and architects are interested in that kind of thing. This type of fabric is being used more and more frequently in fashion. There is also interest in carbon fibres. We work with another start-up in this field, Bionic Composite Technologies AG. Carbon fibres have fascinating properties that make them suitable for use in the cycling industry, for instance. Materials like this are also used in measurement technology and in the machinery industry. Unlike fashion, these areas involve highly specialised technology and engineering work. The applications and markets are very different from our core business, embroidery.

**What are the characteristic visions of the Forster Rohner Group and how do you implement them?**

**Emanuel Forster:** Thanks to our creative platform, our aim is to become the number one source of ideas for all the big names in the fashion industry. It's also important to us to maintain and promote St. Gallen as the centre of the embroidery industry when it comes to both fashion and technology. We're investing – in technology and in the design process – to make this possible. We want to use the technical advance we have gained to offer high-quality products and be a leading player in our markets.

**What do you see as the biggest opportunities and challenges for your company?**

**Caroline Forster:** It's important not to cling on to what we have, but to remain reactive. That's a permanent challenge. Fashion is a short-term business. We have to work to win the trust of our customers over and over again, and we have to adjust to constantly changing conditions.

**You mentioned the extremely international structure of the Forster Rohner Group. How important is Switzerland to your company as a business location?**

**Emanuel Forster:** It remains very important for our Group to have production facilities here in Switzerland, particularly in the high-end segment, with its short development cycles. We benefit from the experience and flexibility of our highly qualified staff. Time is usually very short before the big fashion shows in Paris. We're capable of reacting right up until the very last minute. Research and development are based here in St. Gallen. As are creation, marketing and administration.

**Caroline Forster:** We've outsourced high-volume production to Romania and China, particularly for the lingerie market. We manufacture a large proportion of products for the Asian market in China.

**What are the prerequisites for guaranteeing the business location in the long term?**

**Emanuel Forster:** Good employees! They determine the success of the company with their dedication. It's important to strengthen this knowledge base. We carry out a lot of training ourselves, and we work closely with the textile schools. The average age is comparatively low. Lots of people who did their apprenticeship with us now hold higher positions within the company. Language skills and international experience are also very important for a global firm like the Forster Rohner Group.

**Ms Forster, your commitment goes beyond the management of the company. You are part of the economic umbrella organisation *economiesuisse*, for example. What makes you so enthusiastic about such things?**

**Caroline Forster:** I'd been involved in the Swiss Textile Association for a long time when they asked me to represent our industry in the umbrella organisation. Meanwhile, I'm also active on the executive committee of *economiesuisse*. It's an exciting role, and I see it as an opportunity. I don't just represent the interests of the textile industry, but also those of small and medium enterprises, family businesses and the younger generation, not to mention women in management positions.



**Mr Forster, what does family mean to you personally and to your company?**

**Emanuel Forster:** For me, it's about two different things. Firstly, I try and spend as much time as possible with my wife and two children, who are still only little. That's very important to me, even if it's not easy to combine family and business on a daily basis. Secondly, we maintain the family's entrepreneurial tradition. That's quite an obligation.

**What about "Family Governance"? How are decisions made within the family, taking your parents' generation into account as well?**

**Emanuel Forster:** We know the values that have been handed down from one generation to the next. The real family constitution dates back to our Grandmother, our father and his two brothers. But a constitution has to move with the times and needs updating regularly. That's our job.

**Caroline Forster:** There are four of us altogether. My brother Emanuel and I play a very active role in the company. Our second-eldest brother, who's a lawyer, is a member of the Board of Directors. Our sister chose not to become involved in the company. Fortunately we have the same opinions about a lot of things. We continue to give the older generation all the important information. That makes our father particularly happy. We're glad that he keeps up with what's going on.

***"Fashion is a constant search for new ideas. When it comes to design, it's all about playing around and trying things out. The same is true of production. To create something innovative, you need the freedom to come up with an idea and to implement it."***



Collection samples by this richly traditional St. Galler company.





**“It would totally  
alter the genetics  
of our company  
if outside investors  
came aboard.”**





# Committed to comfort

*Ever since its founding almost 100 years ago, Hälg Building Services Group has been devoted to achieving the same goal: bringing comfort to Swiss homes. Brothers **Roger and Marcel Baumer**, proprietors of this family-owned business, accomplish that by offering a one-stop shop for a broad range of innovative products. For a number of years now, the St. Gallen-based building services provider has pursued a course of steady growth. And going forward, nothing is about to change in terms of its group structure or ownership status.*

## Roger and Marcel Baumer

Roger (48) and Marcel Baumer (47) have headed the Hälg Building Services Group since 2008 when they took over the reins from their parents. The two siblings and sole owners also sit on the company's five-man board of directors. Great grandsons of the founder, both of them gained professional and management experience in other industries and companies before joining the family enterprise. Marcel Baumer is married and the father of two; Roger Baumer also has two children.

**Text:** editorial staff ceo Magazine

**Images:** Markus Bertschi

The vision of Hälg has endured for almost a century: firmly rooted in St. Gallen and today run by brothers Roger and Marcel Baumer, the company aims to provide its customers with comfort. And that was the order of the day already back in 1922 when the boys' great grandfather established Ferd. Hälg Zentralheizungsfabrik to produce a new-fangled thing called a central heating system, at the time a quantum leap in Swiss homeowners' quality of life. "In the meantime, customers of course have come to demand a much broader array of creature comforts such as ventilation systems, climate-control mechanisms and sanitary installations", says Roger Baumer, CEO of Hälg Building Services Group. The company's new name reflects its transformation into a comprehensive services provider.

But not only have customer demands become more sophisticated over time; the relevant technology has also progressed in leaps and bounds. For instance, today's home heating and ventilation units can be monitored and maintained via remote control. Soon, that should also be the case for entire buildings and their security systems. The path to the "smart home" – a dwelling that can independently analyse and regulate its own energy consumption, steer the ventilation

and ambient light, as well as control all entryways – is just around the corner.

## Intelligent interaction

Whilst specialised manufacturers are responsible for delivering the various technological gadgets, Hälg continuously optimises the interplay between the individual components. "For us, it's a matter of interlinking things intelligently and offering customers a single source for all of the related services", states Roger Baumer. In connection with its growth strategy, the company has drawn on outside know-how. "With Brunner Haustechnik and, more recently, GOAG, we've broadened our offering to cover the laboratory and hygiene-measurement market segments, respectively", explains Chief Operating Officer Marcel Baumer. And Hälg is not lacking for other takeover opportunities. The company receives many enquiries from Swiss companies, especially those confronted with succession issues. If it actually comes to a takeover, the two brothers want to preserve the character of the acquired company. "Given the fact that our business is decentral by its very nature, there can and must be differences", emphasises Marcel Baumer. Group management merely set the guidelines and are open to input from the subsidiaries.



Modern buildings not only consume energy; they produce it as well – for instance, by means of photovoltaics.

## External investors change the “genetics”

Despite its continuous growth, the Hälg Group has remained a family-owned and -operated enterprise. And there are certainly no plans to change that in the future: “It would totally alter the genetics of our company if outside investors came aboard”, says Roger Baumer. The Baumer brothers concentrate on long-range planning; they think in terms of generations, not quarterly reports. “We’ve got the willpower to build a business that needn’t be profitable right from day one”, he adds. Moreover, the employees know just as well as the company’s customers that they can count on the two sole proprietors.

The brothers constantly exchange insights and ideas with each other. But when it comes to specific areas of responsibility, they both observe clear lines of demarcation that are drawn according to their respective skillsets. “We complement each other well and therefore can accomplish a greater number of tasks”, says Marcel Baumer. Nonetheless, in order to avoid the menace of “family myopia”, the owners – as did their forebears – have appointed an external supervisory board. “We’ve got a firm grip on everything that happens within the company, but there’s still a body that keeps an eye on us and is free to challenge our decisions”, Roger Baumer points out.

## Complex succession issues

At the present time it is an open question whether the fifth generation will ultimately take over the helm at Hälg Group – especially since succession arrangements within the family are anything but simple, at least as far as the tax aspects are concerned: “The prevailing circumstances are so complex these days that the matter can hardly be approached properly without the help of an entire team of specialists”, admits Marcel Baumer. There is even the risk that a company collapses due to succession issues.

Currently the business is running well for the Baumer brothers and their personnel, despite the generally uncertain economic situation. Thanks to today’s low interest rate environment and the Energy Strategy 2050 envisioned by the federal government, lots of money is flowing into real estate and energy efficiency, and that of course has a positive influence on the company’s order book. But margins are under pressure: “That’s a challenge our company and the industry as a whole has been facing for decades now”, Roger Baumer muses. Owing to procedural and process enhancements, though, Hälg has continuously boosted its efficiency. “Those measures have helped us to stay ahead of the curve”, says Baumer.

### Hälg Building Services Group

Family-owned Hälg Building Services Group is active in the fields of equipment manufacturing, heating, cooling, ventilation, climate control and sanitary installations. As the company’s focus is on the entire lifecycle of those systems, it simultaneously offers consulting/engineering, building automation and integrated facility management services. At its 19 business locations across Switzerland, the group enterprise employs a total of 900 individuals and in 2015 generated consolidated revenues of 274 million CHF. The subsidiaries of Hälg Group include Hälg Holding AG, Hälg & Co. AG, Klima AG, Zahn + Co. AG, Hälg Facility Management AG, Brunner Haustechnik AG and GOAG General Optimizing AG.

[haelg.ch](http://haelg.ch)





**“We complement each other well and therefore can accomplish a greater number of tasks.”**



Impressions – clockwise from the upper-right:

- a) The vehicle fleet stands ready for deployment at all times.
- b) Only properly calibrated equipment can actually save energy.
- c) Regular servicing and maintenance ensures long-term value retention and reliability.
- d) Modern planning tools are the norm in all process steps.



# *The leeway to realise visions*

**Beat Guhl** took a small business and turned it into today's globally active Sky-Frame. The family company has been the "garage" where this erstwhile tinkerer began to translate his visions into reality and ultimately generate sustained revenue growth through the design and manufacture of frameless sliding windows. Regardless of its success, the company will remain family-owned also in the future.

## **Sky-Frame**

Sky-Frame, based in Frauenfeld (TG), is the successor company to R&G Metallbau AG, which was set up by Beat Guhl and Jakob Rüegg in 1993. The first Sky-Frame unit was installed in 2002. Frameless sliding windows represented the breakthrough for the company and today, with its worldwide distribution network, Sky-Frame is a leading provider in this niche. In 2015, the company took up occupancy of its new headquarters in Frauenfeld. With a workforce of roughly 120 individuals, Sky-Frame generates annual revenues in the vicinity of 32 million CHF.

[sky-frame.com](http://sky-frame.com)

**Text:** editorial staff *ceo Magazine*

**Images:** Markus Bertschi

Boundaries become indistinguishable; walls vanish. Thanks to the ceiling-high sliding window panels from Sky-Frame, the inside of a home appears to flow seamlessly into the outdoor world. This company based in Frauenfeld (TG) doesn't sell windows to its customers (mainly architects and general building contractors) – it sells views! "The enthusiasm I witness when those professionals first step into a room that has been outfitted with our windows is the thing that keeps spurring me on", says Beat Guhl, CEO and owner of Sky-Frame.

The company's progenitor, R&G Metallbau (est. 1993), specialised in the manufacture of casement windows, stairs and railings. "I strove to develop the best-possible sliding windows and doors. That vision drove me; fascinated me. I wanted to set something in motion", recalls Guhl. For years the metals technician dabbled with the one or the other innovation. But after he completed postgraduate studies in 2000, the breakthrough was not long in coming. Since then, Sky-Frame has grown from a small business to become an eminent SME with close to 120 employees and a product offering revered throughout the world.





### *Poised for further growth*

Beat Guhl took a bold step in early 2015 by moving the company's headquarters from Ellikon to Frauenfeld. He had already scrapped the idea of relocating to southern Germany: there, it would have been necessary to build up the crucial workforce know-how from scratch. As a company situated in Frauenfeld, Sky-Frame also benefits from Switzerland's reputation as a paragon of technological innovation. Sky-Frame has invested a total of 35 million francs in eastern Switzerland.

At its new location, Sky-Frame is poised for further growth. It does business in a niche market that is influenced only to a minor extent by the normal construction cycle. "People who want our sliding windows are frequently inclined to build countercyclically", notes Guhl. Also, light and quality of life are factors that have tremendous potential in the world of architecture. Here, exports play a key role – already today, the lion's share of orders for Sky-Frame windows comes from abroad. Depending on the specific region, good insulation characteristics or novel designs are in demand. And with its sliding windows, Sky-Frame satisfies both of those desires. Thus Guhl is confident that the company's new headquarters building and growth strategy have set the stage for a bright future.

The father of three children gets a helping hand at the company from his wife: the two of them were the movers and shakers who actually built up the company in the first place. Additional key players are eight other entrepreneurs who meet regularly to swap ideas. Similar to an ad hoc supervisory board cum think tank, the members of this clique discuss their individual concerns and frequently come up with viable solutions.

### *The leeway necessary for visions to be realised*

Guhl is convinced that Sky-Frame's corporate structure is a key component of the company's success. "As the owner, I've got the licence and the leeway to realise my visions – at least most of the time", he chuckles modestly. And for employees, a family company offers a very stable environment. Many workers appreciate having the opportunity to get to know the proprietor personally – with all of his positive and negative sides. "I give them clear guidance in this regard", Guhl smiles wryly.

Given Sky-Frame's rapid growth, the CEO has had to reorganise his own activities on a regular basis. Whereas back in the early years all of the decisions rested on Guhl's shoulders, today he shares that responsibility with his team of seven senior managers.

At the same time, he needed to adapt his leadership style and also occasionally scale back his demands. "I always want to optimise a product; my inventor gene won't have it any other way. But when a product is finally ready for serial production, it takes other characters – people who define a process and then execute it equally well every time", Guhl explains.

Also in the years to come, Sky-Frame should continue to exist as a family company. This especially since the conditions in Switzerland for such enterprises are indeed favourable thanks to the high level of education and the conducive circumstances for entrepreneurs. Guhl has yet to determine who his successor will be at some point down the road. In any case, his kids are not under

*"I strove to develop the best-possible sliding windows and doors."*

pressure to follow in his footsteps. "I want them to be able to live out their dreams. Whether it's here at the company or somewhere else is irrelevant."

### Beat Guhl

Beat Guhl (50) is the CEO and owner of Sky-Frame AG. After vocational training as a metalworker, he studied metals engineering and completed postgraduate studies at the University of St. Gallen. Guhl is married and the father of three children aged 21, 20 and 18. He built the company together with his wife Karin, who today heads Sky-Frame's human resources department.

Sky-Frame entrance area in Frauenfeld.



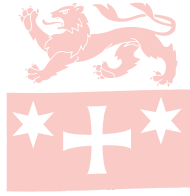


*“I want my kids to be able  
to live out their dreams.  
Whether it’s here at the  
company or somewhere else  
is irrelevant.”*









# Side by side – for generations

*At Jansen, an eastern Switzerland steel tube and profile manufacturer, not only does the third generation of the family head the company; many of the employees were already there back in Grandpa's days. And the company as well as its workers benefit from this longstanding solidarity. It especially paid off during the turbulent years of the financial crisis, as **Priska and Christoph Jansen** explain.*

**Text:** editorial staff ceo Magazine

**Images:** Marc Wetli

Steel tubes are not just tubes made out of steel. The production process, tensile strength, exact processing or even the lightest possible weight turn a commodity item into a precision product – one that customers are willing to dip a bit deeper into their pockets to obtain. At least that's the case at Oberriet (SG) based Jansen, a globally leading manufacturer of steel tubes and steel profiles for the construction and automotive industries. "We sell high-performance, comprehensive solutions. The innovations are to be found in the products themselves, the uses or the processing techniques", explains co-CEO Christoph

Jansen. But when it comes to product optimisation, the employees play a decisive role: each year, they submit up to 1000 improvement proposals. "Innovations can occasionally also entail challenging changes; but because we don't have a

culture of shaky knees here at Jansen, our people are not shy about thinking innovatively and voicing their ideas", he adds.

One reason why the employees trust and believe in their company is that Jansen is still firmly in family hands after three generations. "We have people here who also work

**"We have people here who  
are working for us  
in the third generation."**

## Jansen

Founded in 1923, Jansen develops, manufactures and sells rolled and drawn precision and profile steel tubes, mainly for the automotive and furniture industries, as well as plastic products for the construction industry and various other applications. Since 1978 Jansen has been distributing the aluminium and wood/metal profile systems of Germany's Schüco International KG. The Group is also internationally present via a global network of distribution partners. The company, whose production halls and headquarters shape the community of Oberriet, employs close to 950 individuals and in 2015 generated total revenues of 249 million CHF. Jansen Group is 100 per cent family-owned.

[jansen.com](http://jansen.com)

here in the third generation”, says Priska Jansen, co-CEO and – together with cousin Christoph and other family members – co-owner of the company. The employees greatly appreciate the familiar, uncomplicated work environment. In turn, the company benefits greatly from their staunch loyalty. “Several years ago, when the annealing furnace caught fire in the middle of the night, some 200 employees were already on site to help even before the fire brigade arrived”, Priska Jansen recalls. As a result, production could be restarted the very next morning.

### **The family – a solid fundament**

This resolute solidarity was also evidenced in the turbulent years following the 2008 financial crisis. The employees not only supported the 42-hour workweek necessitated by the elimination of the euro exchange rate floor. “Many of them also offered additional help so our operations could continue to run smoothly”, says Priska Jansen. Because they knew the company would do everything in its power to avoid job cuts, they were able to concentrate on their work calmly even in difficult times. “We, just like any other company, need to turn a profit. But the individual rates highly in a family enterprise”, Jansen emphasises.

One explanation for this deviation from the big business norm: short-term profit maximisation is not the be-all and end-all at family-owned and -operated companies like Jansen. “As we are not dependent on any outside investor, we can spend a bit more development time on a project we believe in”, explains Christoph Jansen. What’s more, the company can invest when the economy is down. A family enterprise is therefore instrumental in the fostering of innovation. “Once we’ve decided to take a particular route, we can also keep to it over the long run”, he notes. As Jansen has no interest groups on board who, in his words, “are there with their money but not with their hearts”, it’s easier for him to sell a decision to his co-owners.



### **Priska Jansen**

Priska Jansen (\*1974) has been a member of Group Executive Management since 2003 and in 2006 was named to the Board of Directors of Jansen Group. A finance specialist, she bears responsibility within the Group for the Services division, which encompasses the Human Resources, Communications and Finance departments. Priska Jansen is married, the mother of two children, and lives in Oberriet (SG).



### Less formalism is called for

But the real selling work has to do with customers. After all, with products like steel tubes and steel profiles, the innovations and advantages they offer are not easily recognisable at first glance. And the job becomes even tougher in light of the significantly cheaper prices in other countries. “We need to make it clear to our customers that, yes, we’re more expensive, but our products are also far better than those of our competitors”, says Christoph Jansen. The quality and functionality, as well as the comprehensive service that is part of the deal, represent genuine added value. The make-or-break factor: ensuring that customers don’t automatically dismiss Swiss companies simply because, right up front, they appear to be too expensive on paper.

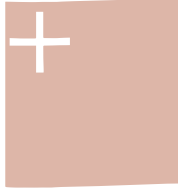
So that costs don’t shoot even higher in the years to come, Priska Jansen fervently hopes that formalism in Switzerland doesn’t increase even further: “We’re faced with a lot of bureaucratic rigmarole that really isn’t necessary.” At present, Switzerland is demonstrating the propensity to adopt a steadily increasing number of rules and regulations. Nevertheless, Priska Jansen has no worries about developments in the automotive and construction industries. Great potential still exists in both sectors – for instance, weight reduction is a hot topic and naturally ties in with lightweight construction. “And that requires our products”, smiles Priska Jansen.

### Christoph Jansen

Christoph Jansen (\*1972) has been a member of Group Executive Management since 2004 and a board member of Jansen Group since 2006. He earned his doctorate in business informatics from the University of St. Gallen and today heads Jansen’s Steel Tubes division as well as its IT and Quality Control departments. Christoph Jansen is married and resides in Oberriet (SG).

“As we are not dependent on any outside investor, we can spend a bit more development time on a project we believe in.”





# *In vino visio*

Wine constitutes more than mere enjoyment; it embodies heritage, culture, and change – especially for the SCHULER St. JakobsKellerei, which for more than 300 years has stood for the finest viniculture. Senior vintner **Jakob** and **Samuel Schuler**, as representatives of the family's eleventh generation of wine merchants, speak of respect, visions and the high art of handing down traditions.



*“Digitalisation keeps us close to the customer, close to the world of wine, and close to the spirit of the times.”*



In the vinalytics laboratory, Andreas Kapaklis and his team carefully examine each wine before it is added to the assortment.



**Text:** Sara Meier

**Bilder:** Markus Bertschi, SCHULER St. Jakobs-Kellerei; André Herger

### What does “family” mean for your company?

**Jakob Schuler:** It’s at once a blessing and a curse. A curse due to the challenges of intergenerational succession. A blessing because as a family-owned business we’re not tethered to the tact of quarterly reports. We can plan for the long run and are free to turn ideas into reality. After all, we’re the ones who bear the risks. Our mindset is shaped by a deep respect for our customers, employees, business partners and the environment as a whole.

**Samuel Schuler:** For me, family means all hands on deck. We get things done, embrace the new and are accustomed to keeping on the move in times of change.

### What advantages does a family have over a large enterprise?

**Samuel Schuler:** I’m fascinated by the treasure trove of experience that is held in such high regard at our family company. At big corporations, an enormous amount of proven know-how frequently goes missing when a management shuffle takes place. I believe it takes both the ideas of the youngsters and the experience of the oldsters – particularly when it comes to passing the torch to the next generation.

### How has the vision of your founding fathers changed since 1694?

**Jakob Schuler:** Our forebears hail from the Valais. Out of hunger, they fled the area and settled in this valley hollow to build up a wine merchandising business that had the promise of ensuring their own survival as well as that of generations to come. In so many words, they gave birth to our pioneering spirit.

**Samuel Schuler:** A vision need not be revolutionary. To this very day, we are perpetuating a venerable culture and set of values. By doing so, we gradually create new opportunities for tomorrow – that’s our vision.

### “More than 300 years of wine culture” is your company slogan. How would you characterise your corporate culture?

**Samuel Schuler:** Wine culture is a frame of mind – it honours the heritage of wine; in other words history, experience, people and precious moments. One lifetime alone is insufficient to fully grasp the culture associated with wine, but we invite people to delve into it. Our corporate culture has its roots in this mindset. It encompasses respect for others, know-how, openness, responsibility and longstanding relationships.

### You’re practically obsessed with quality. Why?

**Jakob Schuler:** In the wine business, quality is a matter of trust – trust in the products, the competency and the related services. We want

### Jakob Schuler

Jakob Schuler (\*1948) heads SCHULER St. JakobsKellerei as its tenth-generation owner and patron. Over the past 40 years, he has taken the erstwhile mom-and-pop business and turned it into Switzerland’s leading wine merchandising company.

### Samuel Schuler

Samuel Schuler (\*1981) studied at the University of St. Gallen, where in 2008 he earned his M.A. in International Affairs & Governance. In 2016, he joined SCHULER St. JakobsKellerei as head of its Direct Marketing business unit.

to win and preserve the trust of our customers; after all, they're essentially our employers. In this regard, a person-to-person dialogue is much more endearing and enduring than a brand-to-person bond. For that reason, we are present in the market under the name of Schuler and have a no-questions-asked return policy that applies not just to quality deficiencies but also to nonsatisfaction.

**Samuel Schuler:** We vouch for our products with our name. We can only do that if we're 100 per cent convinced of their quality. At our in-house vinalytics laboratory, we test each wine before it is included in our assortment.

#### To what extent is your winery innovative?

**Jakob Schuler:** Innovation means the ability to listen, to question. That's the way we can broaden our range of offerings, for instance through the addition of wines from unusual regions like Armenia. Via our online newsletter, at trade fairs or on the telephone, we receive direct customer feedback that enables us to improve continuously and realise new ideas.

**Samuel Schuler:** Our wines stem from an enormous wealth of experience: we apply old vinification methods in new ways, revitalise long-forgotten growing regions and operate our own cooperage. Innovation is also to be found in our approach to interacting with customers. We focus on

modern, dialogue-based marketing tools, utilise digital channels and address younger target groups.

#### How do you view technological change?

**Samuel Schuler:** As a tremendous opportunity! Technological change gives rise to competitive advantages. We launched our first online shop in 1997 and meanwhile have revamped it a number of times. Digitalisation supports our entire value chain – from planning, to production, to multichannel marketing. It keeps us close to the customer, close to the world of wine, and close to the spirit of the times.

#### How do you envision the future for SCHULER St. JakobsKellerei?

**Samuel Schuler:** We're not a wine merchant in the classical sense; rather, we accompany our wines all along the way, from vineyard to goblet. That's how we can create new offerings, set trends and enthuse our customers again and again. In this sense, I view the future with great confidence and a 'can do' attitude.

**Jakob Schuler:** We've been in business for more than three centuries because mutual respect has been our guide. Our family DNA combines that value with experience, forthrightness and a pioneering spirit. Thus we, too, shoulder great responsibility – in particular for the generations to come.

#### SCHULER St. JakobsKellerei

SCHULER St. JakobsKellerei in Seewen (SZ) has staked its reputation for more than 300 years on the highest quality and stringent controls. This family company, which has its own vineyards in Tuscany and the Valais, combines experienced tradition with unique wine innovations and a highly modern approach to customer service.

[schuler.ch](https://www.schuler.ch)

A view of the courtly vineyard „Castello di Meleto“, Gaiole in Chianti, Toscana.




© SCHULER St. JakobsKellerei



A photograph of two men sitting at a table in a meeting. The man on the left is older, with grey hair and glasses, wearing a light-colored sweater. The man on the right is younger, with short brown hair, wearing a blue button-down shirt. They are both looking towards the right side of the frame. The background is a blurred interior space with wooden beams and shelves containing bottles. A semi-transparent red box with white text is overlaid on the bottom right of the image.

*“Our mindset is shaped  
by a deep respect for  
our customers, employees,  
business partners and  
the environment as a whole.”*

A full-length portrait of a middle-aged man with glasses, smiling, wearing a dark blue suit, white shirt, and a patterned tie. He is standing against a dark red, textured background. An orange circular graphic is overlaid on the lower left side of the image, containing a quote.

**“Innovation is a combination of an idea in terms of technology and ideas that are disruptive in terms of business models.”**





# Innovation: More than just new technology

*When the Kudelski Group started in the early 1950s, its new technology, the NAGRA portable tape recorder, was revolutionary for the radio and film industries. Not just in terms of technology but also in the way it shook up the way business was done. That spirit of technical innovation and disruption of business models is still very much alive in the the company today, as its CEO **André Kudelski** explains.*

## André Kudelski

André Kudelski is CEO and Chairman of the Board of the Kudelski Group. He is the son of the company's founder and has led the business into new digital areas after taking over the role of CEO from his father in 1991. He participates regularly at the World Economic Forum and is recognised as a visionary of the digital ecosystem. He has a degree in Physical Engineering from EPFL in Lausanne.

**Text:** Gill Parker

**Images:** KEYSTONE, Laurent Gillieron and Kudelski Group, A. Velloni

Stefan Kudelski's NAGRA portable tape recorder may have been the size of a small suitcase, but it enabled radio journalists and filmmakers to easily work outside of a studio for the first time. This led to new genres of radio programs and movies such as real life documentaries. But it also led to new business models, enabling filmmakers to work independently and out of the control of the big Hollywood or London studios.

## The importance of disruptive business models

Technology had created more than just a new machine. Kudelski's new NAGRA tape recorder had also created an innovative and disruptive business model. That spirit is very much alive today in the Kudelski Group. The quest for new technology is still at the core of what the company does. But the understanding of how technology changes the way we do business is just as important as the new technology itself. "We cannot just look at innovation as a great piece of technology", André Kudelski explains, "... a disruptive business model is just as important."

Take for instance the idea of the evolution of the train. André Kudelski believes the train is a great example of how a new invention isn't always the key to success. You also need a great business model with which to use it: "The train fundamentally changed the way people and goods were transported, but some operators didn't make money or at least had some big challenges. The same thing happened with the airline industry. So if you come up with a new concept, it's a good idea to think about the business model too." The Kudelski Group has always tried to marry the two, to create great technology but also develop new ways and business models to use it. Pay TV is a good example. In 1996 André Kudelski received an Emmy award from the National Academy of Arts and Sciences for achievements in the area of pay TV. "I looked at the business model in paid television and came up with an innovative business model that has to some degree changed the rules in this industry." Kudelski looked at pay TV as more than just a set top box. Instead he used the technology just as a starting point, to then develop a digital media ecosystem. This offers service providers a one-stop shop, with a secure system bringing premium entertainment to any type of screen.

Another example is the development of the company Skidata. In 2001 the Kudelski bought Skidata, which specialised in ski lift and parking place access. Now Skidata offers its customers much wider solutions such as e-ticketing, online ski passes, loyalty programmes for instance for football clubs and even advertising. Kudelski innovated with Skidata's technology, but it also changed the way the technology was used and widened the applications and business models. André Kudelski explains: "When we acquired Skidata it was mainly a mechanical system, comprising a barrier and a little bit of electronics and a computer to make it work. Now it's a system that manages parking, but the barrier is just the visible part of the solution."

Now Kudelski is looking for new business models in cyber security. The company launched Kudelski Security in 2012 and it's a fast growing area for the Group. The business works with the military, governments as well as corporate businesses. New business models are still in development but André Kudelski hopes to "... again change some of the rules in this industry".

### The key to innovation

The Kudelski Group is working in a very challenging sector where technology and business models are rapidly changing. What happens in one year in the digital industry often takes ten years in another, more traditional sector. Keeping up with new ideas is crucial and one of the biggest challenges for the Group. One solution André Kudelski says is to allow all employees at least part of their time to just think of new ideas. Innovation, he believes can come from any level in the company, it's just a matter of being open and giving people time to think: "We give the opportunity to any employee in the company to come up with creative projects. Sometimes an idea will be transformed through this process and end up as a great solution or a great product."

[nagra.com](http://nagra.com)

### Kudelski Group

The Kudelski Group was founded in 1951 by Stefan Kudelski when he launched his first portable tape recorder, the NAGRA. Future versions of the NAGRA revolutionised the making of radio interviews and films and documentaries, enabling journalists and directors to work easily outside of studios for the first time. The company is still led by the Kudelski family and is now a global leader in digital and convergent media solutions. It works across digital TV, public access systems and cyber security. The company is based just outside Lausanne, has a local presence in 31 countries and employs over 3500 employees worldwide.

Kudelski Group Headquarters main entrance.





Kudelski Group Headquarters lobby.

“To be successful  
in innovation,  
you need to be able  
to take risks with  
the probability  
to fail.”









The other key to good innovation, he says, is to be careful not to just work on one idea at a time, but instead to back several different projects in parallel. That way the company can first see what is working well before adding more resources to research and development. This approach all helps to minimise risk, he explains: “It’s difficult to know precisely where things will go in the future. Very often we see that there are maybe two or three options but we don’t know which one will prevail. So you shouldn’t bet everything on ‘one horse’ from the start. Instead you need to have the right balance between the different possible trends and then push forward on the one that is proving to be right.” It’s easy too, he says, to just have another idea for an innovation. What is difficult is to transform an idea into a good business solution. “The best way to measure if you have created a great invention is to see if it can produce value. If you have a great invention or great innovation, but it is not adding value into the total value chain, then you have to question whether it makes sense.”

### The advantage of a family business

The Kudelski Group is listed on the SIX Swiss Exchange but still considers itself a family business. And this, André Kudelski believes, offers many advantages when it comes to development, compared to a more public company: “For me family business is a combination between the best-in-class way to manage a company and the stability of a long-term shareholder. And for me being a family-controlled business should not be an excuse for complacency but an opportunity to do things better. The big advantage is that you don’t need to focus just on the short term. You can have the right balance between short-term and long-term decision-making and that for me is absolutely the key element. It’s your money and so you will do what is best to preserve your long-term interests. So say you have two equally smart companies, one that is family-controlled and the second a public company, a family-controlled business has more options on the table to develop its business. That for me is extremely important.”

And when it comes to innovation, he believes that the long-term outlook of a family business helps with taking the risks needed to be creative. “A business that just has public shareholders has one priority and that’s to be successful in the short term. What is important to be really successful in innovation is to have the right to make errors. And in a truly public company, which is not family-controlled, the consequence of errors may be fatal. Imagine that you make a wrong investment, which may not risk everything in the company, but still isn’t successful. That could be fatal to the management. In a family-controlled business, as long as you don’t bet the company itself but just make a bet on a part of it, if you are successful that’s great, if you are not successful you’re still OK.”

The next “bet” for the Kudelski Group is now cyber security. Their CEO clearly sees this as a huge opportunity, particularly as the Group has worked in the digital security sector for over 25 years:

“Security is a trend that is on the increase. The Internet used to connect people with information or connect people together. Now with the Internet of things and the digitalisation of society, we have no more barriers between the virtual world and the real world, between people and machine. And the consequence of having hackers or cyber attacks is becoming such a big issue, and so security is something that is becoming more and more relevant.”

He believes there is a great potential here for the company, particularly in Europe and Switzerland. The cyber attacks at the beginning of this year on businesses and organisations in Switzerland are just a couple of examples. “My worry is that Europe and especially Switzerland is not feeling the sense of urgency, but it’s extremely important”, he says.

Kudelski is looking to become a leader in cyber security. Technology is a key part of this. But as ever, the Kudelski Group will look to ensure technology is teamed with new business models as well. That, they believe, is the true art of innovation.



© Kudelski Group, A. Velloni

Kudelski Security's Cyber Fusion Center.

“What is absolutely key is to give the opportunity to all employees in a company the ability to think at least part of their time outside of the box.”



# Swiss family businesses

## Regionally based – internationally successful

Generally, it's not the large business districts and urban hubs in which our featured companies are head-quartered, but rather smaller, rural areas, far from the city centres. Their companies' regional basis is evident. It's not unusual for family businesses to operate from the same location over many generations, providing secure employment for local residents, and actively shaping community life.

Not only families shape these family enterprises, but also local communities in which the companies invent, design, produce, and do business. This issue of "ceo" magazine will take you on a special tour of Switzerland with stops in those small and large, rural and urban communities, which our visionary family businesses call home. Join us for a journey from Laufen BL to Cheseaux VD. The 14 coats of arms will help you navigate Switzerland's remarkable and diverse family business landscape.

Ricola –  
Laufen BL



Audemars Piguet – Le Brassus,  
municipality of Le Chenit



Hälg Group –  
St. Gallen



Leister – Kägiswil,  
municipality of Sarnen OW



Helsinn – Palazzo,  
municipality of Lugano TI



Sky-Frame –  
Frauenfeld TG



Bossard –  
Zug



Kuhn Rikon – Rikon,  
municipality of Zell ZH



Jansen –  
Oberriet SG



Frutiger –  
Thun



Läderach –  
Glarus



Schuler St. JakobsKellerei –  
Seewen, municipality of Schwyz SZ



Syma –  
Kirchberg SG



Forster Rohner –  
St. Gallen



Kudelski – Cheseaux-sur-  
Lausanne VD



## Studies on family business and middle market:

### Global Family Business Survey 2014



### Schweizer Familienunternehmen 2014 (in German and French)



### Swiss Champions 2015



### Swiss Champions 2016



### Thesenpapier Megatrend Werkplatz Nachfolge in Familienunternehmen Vier Thesen 2016 (in German and French)



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***The next issue of ceo  
will appear in November  
2016 and focus on the  
topic of “Middle East”.***



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