

# Change and strategies for the future

FRITSCH IS AN INTERNATIONALLY FAMOUS NAME FOR LAMINATING TECHNOLOGY AND DOUGH SHEETING PLANTS. THE FAMILY BUSINESS IN MARKT EINERSHEIM, GERMANY, IS NOW REORGANIZING ITSELF. COMPANY OWNER **KLAUS FRITSCH** EXPLAINS THE BACKGROUND AND OBJECTIVES IN AN INTERVIEW WITH EDITOR-IN-CHIEF HILDEGARD M. KEIL

++ figure 1



++ figure 1

Executive Director Dr. Ulrich Brahms (l.), Project Manager Anna-Maria Fritsch and future Chairman of the Supervisory Board Klaus Fritsch (r.)

**+** **Keil:** Mr. Fritsch, changes are taking place at Fritsch. Could you please tell us what they involve and why?

**+ Fritsch:** Fritsch is a medium-sized family business, and I have been thinking for a few years about how we will shape the transition from the third to the fourth generation. I am 57, and even though contrary to rumors I have no health problems, it is time to prepare for the generational change. My daughter Anna-Maria has studied International Management, has accumulated several years of experience in big companies, and to our delight decided in late 2012 to join the family business. She will initially take responsibility for special projects, to enable her to gain familiarity with sales responsibility and business management, and I myself am moving into the Supervisory Board of the holding company.

**+ Keil:** Who will be responsible for the executive management of the business, and what does that mean for you and your wife, who has also been involved in the management of the company up to now?

**+ Fritsch:** I know from personal experience that generational change can be conflict-prone, and an external manager can be very helpful in this phase. That is why Dr. Brahms has taken over as Executive Director. My wife will be a member of the Supervisory Board of the holding company and I

## Dr. Ulrich Brahms

Dr. Brahms will use his professional experience gained over many years in leading management positions within the manufacturing industry. After completing his (PHD) studies in manufacturing and electrical engineering at Hannover's University, he graduated as an engineer (main subject production engineering). Dr. Brahms has mainly worked in the past as General Manager and CEO of large well-known corporate international companies such as Gleason Pfauter GmbH, the Menk Gruppe and the FLABEG Gruppe. +++

myself will head the Supervisory Board as its Chairman. Freed from the operational side of the business, I will focus to a greater extent on strategic questions and the changes in the market, and will be able to visit customers more often – which I am very much looking forward to.

**+ Keil:** A managing director from outside the family is a novelty for Fritsch. Aren't you afraid it will cause the loss of its character as a family business?

**+ Fritsch:** Quite the opposite, we are combining the strengths of the family business with the modern management methods and experience that Dr. Brahms brings with him from other branches of industry.

**+ Keil:** What does that mean in practical terms?

**+ Fritsch:** Dr. Brahms brings with him mainly process-oriented experience from the toolmaking industry, which involves production optimization, professional product development etc. We bring our strengths as a medium-sized family business that can respond very flexibly and operates in close proximity to the customer. This combination will yield the future and growth strategy that we need.

**+ Keil:** Before planning the strategy, you need a stock-taking. What does yours look like?

**+ Fritsch:** The business has experienced a very strong growth phase in the past 15 years, driven by technical and technological developments such as the Laminator 3000, the MULTICUT, MULTITWIST etc. The strong growth and the innovations tied up many resources, and much was developed in a project-related way as special, highly complex solutions that were very time-consuming and extremely costly. Progress in developing structures and processes fell behind as a result.

**+ Keil:** In practical terms, did that manifest itself in the company's figures, and what do the results look like?

**+ Fritsch:** It was reflected as losses, although at the same time I must say the operational business was in the black in 2012. However, it was influenced by special depreciations that turned it into a negative result.

**+ Keil:** Let's stay with the figures. How will the 2013 and 2014 results turn out?

**+ Fritsch:** 2013 will be a transitional year, and the restructuring activities will cause additional costs. We will certainly return to profitability in 2014, as we have a healthy order backlog.

**+ Keil:** Is Fritsch in financial difficulties?

**+ Fritsch:** No, Fritsch is a family business with a stable economic foundation that can compensate the losses. However, we want to act and develop, and to implement strategies for the future.

**+ Keil:** Which strategic approaches will Fritsch use to counteract the cost-intensive complexity? Does it mean getting out of the project business? ▶



**Automatic  
mixer  
feeding**

**Automatically  
efficient**



**AZO® Vacuum  
weighing systems:**

- **reliable**
- **highly accurate**
- **economical**

**AZO®. The No. 1  
in mixer feeding**

Right  
to the point

**AZO®**  
SOLIDS

**www.azo.com**

**+ Fritsch:** Not at all, project business is one of our strengths, and will remain so. Fritsch is a problem-solver that addresses clients' individual needs. The aim of the strategy is to produce the basic elements in a modular system and then to combine them in a client-oriented way to create the plants that are needed on each occasion. However, a large part of the strategy concerns our own internal structure and organization, which must become faster and more efficient. In the production department we will in future concentrate on clock-cycling the preassembly work and on process synchronization, thus reducing throughput and response times. We have many valuable resources that can be unearthed and a large amount of potential that can be activated. That's what we will concentrate on in 2013/2014.

**+ Keil:** What advantages will customers derive from that, and which benefits will the new organization bring for your clients?

**+ Fritsch:** Above all, we plan to dismantle interfaces and to make the standard processes faster and technically more efficient. The project business will be integrated into sales and marketing, with the result that a customer's contact person will be a project manager who will accompany the project from the first to the last day. He will be able to call in specialists from within the company for questions of detail when necessary. Technicians and technologists from technical sales and marketing will also be available to support the project managers. We have very good experts in that area who will contribute their knowledge.

**+ Keil:** Fritsch consists not only of the production company, it also has various sales and marketing companies. Will it remain like that, or will some aspect of the structure change in future?

**+ Fritsch:** We have sales and marketing companies for the project business, which are important components of the group and will remain independent. The subsidiary company in the USA is developing in a very pleasing way, and Great Britain is stable or growing. We have no reason to change any aspect of the structure.

**+ Keil:** Which are the markets with the biggest interest in Fritsch plants today, and thus with the largest potential sales?

**+ Fritsch:** South America is very active at present, and we are currently building a large installation in Chile. Business is going very well in China, where we are paying attention to local sales and marketing structures. There is also a very big demand from all the Turkic states, the Middle East and North Africa.

**+ Keil:** The demand is there, the structural change is in progress and the generational transition has begun. Do you wish for anything more?

**+ Fritsch:** In my new function, freed from operational management, I would like to help uncover the valuable assets that the company possesses.

**+ Keil:** Mr. Fritsch, thank you for the interview. +++



++ figure 2

MULTILINE for continuous dough sheets of Danish pastry, puff pastry, croissant, yeast, wheat and rye mixed doughs

# Kill pathogens. Not profits.

Optimize food safety and throughput with the SCORPION® 2 System



Controlling internal food temperature is key to achieving food safety. Today's food processors must also document how they are meeting food safety requirements with data. The SCORPION® 2 Data Logging Measurement System makes both jobs easier.

The SCORPION® 2 Data Logger with R&D Smart Sensor and Product Probes simplifies the measurement of environment temperature, airflow, energy transfer and internal product core temps. Plus the SCORPION® 2 System Software (SV8) calculates and displays the % kill for a specified pathogen reduction level. By combining this ease of measurement with robust data capture, the SCORPION® 2 System enables better process optimization. No other system makes achieving desired levels of food safety and throughput so simple.



## SCORPION® 2

Data Logging Measurement System  
with SMART SENSOR TECHNOLOGY™



For more information, e-mail us at [information@readingthermal.com](mailto:information@readingthermal.com) or call 610-678-5890



READING THERMAL