



PRESS STATEMENT

Photovoltaic Industry: Consolidation sword of Damocles

[07 June 2011] Politics have firmly decided on the turn in energy. A new age is dawning for the solar industry. Photovoltaic energy will play an even more important role than ever in the energy mix of the future. However, this means that the demands to the degree of professionalism in the industry are rising as well. Trends like the demand relocation away from Germany and towards international markets, subsidy reduction and market consolidation force increasing numbers of companies to take radical measures to ensure sustainability. This is proven by the current "Quo vadis Solar Market" expert survey conducted by Munich corporate consulting company Dr. Wieselhuber & Partner.

The most important result of this survey is that the "consolidation" sword of Damocles, which has been suspended above the PV industry for years, will finally drop in 2011. So the company managers of the 30 largest German solar companies think. About 90% of all participants expect that the German photovoltaic market will experience market consolidation during the next three years and that nearly half of the producing PV companies will merge or disappear entirely. 75% of the experts expect the first great merger wave even in the current year of 2011.

However, the consolidation pressure must be viewed in a differentiated manner. System integrators specialising in larger photovoltaic areas without setting priorities for internationalisation yet will find themselves in an increasingly precarious situation in the next few months. The situation for companies focussing on the as yet undeveloped roof potential in Germany and subject to "healthy" growth until now is very different: They can confidently look towards the future."



The W&P consultants believe that the future of many companies strongly depends on the position they have reached on the German and international solar markets at this point.

Another result of the expert survey is that many German PV-entrepreneurs simply didn't do their "homework". They did not adjust their business models to the changing market requirements in time. Johannes Spannagl, member of the board at W&P explains: *"A sales team acting purely reactively and without sufficient focus will not achieve any results in the present purchaser market situation in Germany. Neither will unstructured and inefficient work processes in organisations that grew too quickly."* Now more than ever, a solid financial and liquidity situation to help in balancing out subsidy insecurities is particularly important for the future.

"We need to be pro-active now," concludes Spannagl. *"From now on, companies need to focus on permanently securing their core competences in the competitive environment by changing their corporate architectures."* Even from a market-leading position, companies continually need to question their own value generation structure under consideration of the competitive environment. Only those who do not grow complacent on their previous corporate success have the chance of continuing to proactively design the market – rather than falling prey to the consolidation wave.

Feel free to contact us if you have any questions.



Dr. Wieselhuber & Partner GmbH
Unternehmensberatung

Brief introduction of Dr. Wieselhuber & Partner

Dr. Wieselhuber & Partner (W&P) are an independent cross-industry top-management consulting company for family-owned businesses and public institutions. This consistent target-group orientation and the resulting competences made W&P the leading corporate consultant for family-owned businesses in Germany over the past twenty years. With offices in Munich, Stuttgart, Düsseldorf and Hamburg, Dr. Wieselhuber & Partner offer their customers comprehensive industry and method know-how, particularly characterised by their competence in the tension field of family, management and company.

Press contact:

Stephanie Meske
Dr. Wieselhuber & Partner
Corporate consulting
Nymphenburgerstraße 21
80335 Munich
Phone 089 28623-139
Telefax 089 28623-290
Email meske@wieselhuber.de