



## PRESS STATEMENT

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### ZVEI corporate benchmark: Electronics industry "fit for the future"?

[23 February 2011] Munich – What are the superordinated objectives companies have in the German electronics industry? What differentiates particularly successful companies from those less so? What does the value-generation strategy of this industry look like? Answers to this are provided by the corporate benchmark "Fit for the Future 2010", which was performed as a cooperation of ZVEI (Zentralverband Elektrotechnik- und Elektronikindustrie) and Dr. Wieselhuber & Partner (W&P). The ZVEI Future Index has been offering an overview of the present situation, future perspectives and the factors for success of the complete industry for five years already. An interesting result is that in particular the peak companies came out of the crisis year of 2009 surprisingly well and continued to profit. However, the previously clear sustainability head start of the industry leaders is decreasing.

Between July and October 2010, about 300 companies of different sizes and industry segments participated in the "Fit for the Future" benchmark. Business management index figures, assessments and evaluations of owners and top managers from the electronics industry grant not only quality results, but also an insight into current and future challenges of their companies. Classification by four types of success – development-capable, turnover-expanding, high-revenue companies and leading companies – enable an industry-internal comparison.

It becomes clear that the complete industry was considerably shaken by the crisis – as shown by the considerable drop of sales development from +4.7 percent to -16 and the return on sales from +5.6 percent to +3.3 percent (both median). Although leading companies did not increase their turnover as compared to the previous year



but only kept it barely constant at -1 percent, in particular they remained highly profitable at 9 percent of return on sales. They showed an above-average ability to quickly and comprehensively adjust cost structures in the crisis to maintain a clearly above-average per-capita value generation. They reduced costs in all corporate areas sustainably and quickly.

It is surprising that high-revenue companies still achieved a clearly positive result of +9 % by consistent revenue-orientation, in spite of the considerable revenue drop of -25.6 percent from the previous year's +11.5 percent. Revenue-expanding companies were barely able to achieve a "black zero" at a return on sales of 0.1 percent and a sales drop of -4 percent. As compared to this, development-capable companies were the clear losers, at a turnover drop of 32 percent and a negative return on sales of 6 percent.

In contrast to the previous years, none of the four company types was able to positively position itself as an innovator by an outstanding profile. "The companies must keep an eye on this area," explains Johannes Spannagl, member of W&P's management. "In particular in the international comparison, German leading companies were always able to shine with their innovative power in the past. Leaving this head start to other competitors would question the position of many German industry players."

According to the W&P industry experts, clear revenue increase potential for the complete electronics industry are in particular in systematic and sustainable price management. Florian Kaiser, Senior project manager at W&P, adds: "Companies with a highly professional price management were much less affected by the price drop in the crisis than less professional ones. They also have by far the highest return on sales among the companies questioned."

The benchmark's result is that all companies in the industry now need to focus on three central subjects: Innovation management, internationalisation and price management. Only if these items are targeted sustainably will a company be able to continue to differentiate itself from competition where future-capability is concerned.

We will gladly send you the study results if you are interested.



**Dr. Wieselhuber & Partner GmbH**  
Unternehmensberatung

**Short portrait of Dr. Wieselhuber & Partner**

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

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