

HOMAG Group AG and J. Schmalz GmbH receive Axia Award

Medium-sized enterprises based in Baden-Württemberg honoured for prudent internationalization and successful personnel management

Schopfloch-based woodworking system manufacturer HOMAG Group and vacuum technology specialist Schmalz based in Glatten are among the prize winners at this year's Axia Award ceremony.

This is a prize launched by the auditing company Deloitte three years ago to distinguish medium-sized enterprises for sustained exemplary company management. The 2009 Axia Award was dedicated in particular to the success factors marking out sustainable company management in turbulent economic times.

What drew the judges' attention to Schopfloch-based HOMAG Group AG was the successful and prudent process of internationalization it has pursued over more than 20 years. As long ago as the eighties, the General Management declared world market leadership to be an underlying strategic goal, in its pursuit of which it has acquired other companies, established production plants at home and abroad and founded its own sales and servicing organization in previously determined target markets. Today, HOMAG Group AG serves more than 20 markets around the world through its own production and sales companies, and with its 5,000-strong workforce has long since joined the ranks of the global players among Germany's small and medium-sized enterprise sector.

A mechanical engineering firm driven by innovation which can count such pioneering inventions as the world's first edge banding machine among its achievements will soon find it has outgrown its own domestic market. Faced with this drive to expand, HOMAG was one of the first manufacturers in its sector to take up the challenge of globalization and develop a clear strategy to open up international markets.

Right from the outset, there was no doubt in the minds of company founders Gerhard Schuler and Eugen Hornberger that an on-site presence is key to securing success in the global marketplace. Acting on this basic precept, way back in the seventies the company launched a consistent strategy to develop a close-meshed network of sales and servicing companies and exclusive sales partners in all its important sales regions. By the end of the eighties, the company was already represented with its own companies in seven countries. The development did not stop there, but has continued to the present day. The HOMAG Group now owns more than 20 of its own sales and servicing companies and works with around 60 exclusive sales partners around the globe.

Despite the tremendous opportunities opened up by modern communications, proximity to the client on the ground is more important today than ever. This is due to the ever greater complexity and sophistication of modern machines, and in particular their software and control systems. A competent local presence on the ground is the only way to make sure of the best possible customer support and assistance. In particular, too, because HOMAG sees its role not as merely a supplier but as a long term partner to its customers.

The award winner in the personnel management category was vacuum specialist Schmalz based in Glatten. Its sustainable approach to company management, strong innovative drive and exceptional employee commitment mean that Schmalz can look back on 100 years of successful

corporate development. Only as recently as the turn of the millennium, the company employed a workforce of only 173, which has grown in just ten years to a total of 560 employees worldwide, all of them dedicated to ensuring the company's continued success. Despite this enormous pace of growth, or perhaps because of it, the General Management has not lost sight of the importance of its employees.

“Social commitment for and with our employees is grafted into the fabric of our company. We are keen to encourage a trusting relationship with our workforce based on partnership, and we are deeply committed to training for the young generation”, explains Managing Partner Dr. Kurt Schmalz.

Personnel management at Schmalz is made up of a number of innovative elements launched jointly with the elected works council. Alongside fair remuneration, the company encourages appraisal of management team members by employees and rewards health and safety-conscious behaviour. The company also offers a range of leisure pursuits and training possibilities in its own Schmalz Academy. In the crisis year, the company secured the jobs of its complete core workforce. “Like so many others during the turbulence of 2009, Schmalz was forced to adjust its costs to the general economic situation. But for us, safeguarding jobs was always the number one priority”, according to Managing Partner Wolfgang Schmalz.

One of the company's characteristic traits is its tradition of commitment to next-generation training. At its headquarters in Glatten, Schmalz currently employs 60 trainees and students taking part in the dual study scheme. By creating additional training placements, Schmalz is able to offer even young trainees with learning difficulties an entry into the world of work.



Fig. 1:

Alongside two other companies from Baden-Württemberg, HOMAG Group AG and J. Schmalz GmbH received awards on Thursday, February 4th in Stuttgart.

Left to right: Thomas Traub (Deloitte), Tore-Derek Pfeifer (Mayor of Glatten), Dr. Kurt Schmalz (Managing Partner J. Schmalz GmbH), Wolfgang Schmalz (Managing Partner J. Schmalz GmbH), Rolf Knoll (Board Spokesman of HOMAG Group AG), Klaas Klassen (Mayor of Schopfloch)

About HOMAG Group AG

As an international Group encompassing 16 producing companies, 22 company-owned sales and service companies and around 60 exclusive sales partners worldwide, HOMAG Group AG enjoys an outstanding market position. Its portfolio as a comprehensive system supplier and technology partner makes it unique. The company, according to its own estimate the world's leading manufacturer of machines and plants for the woodworking industry in the fields of furniture and structural element production and in timber frame house construction, employs a workforce of over 5,000. The Group also offers its customers a wide range of production machine and plant-related services. HOMAG Group AG shares have been traded in the Prime Standard segment of the Frankfurt Stock Exchange since July 13, 2007, and SDAX-listed on the German stock market since October 2007.

About Schmalz

J. Schmalz GmbH based in Glatten (Black Forest) is among the world's leading suppliers of vacuum technology. Its portfolio includes high-grade products and services from the fields of automation, handling and clamping technology. The traditional firm founded in 1910 offers customers from different industrial sectors innovative and efficient vacuum solutions. At its headquarters in Glatten and in 16 branches outside of Germany, the company employs a workforce of around 600.

About Deloitte

Deloitte provides auditing, tax consulting, advisory and corporate financial services to companies and institutions from all branches of industry. With a network of member companies spread across more than 140 countries, Deloitte links top quality services to comprehensive market competence, providing effective assistance to customers in their pursuit of success the world over. "To be the Standard of Excellence" – for the around 169,000-strong Deloitte workforce, this is a joint vision and at the same time an

aspiration for individual achievement.

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