

“We were looking for a doctor and we found one”

Gerhard Waldmann, Managing Director of Waldmann Lichttechnik GmbH, is a doer. He gets things done, organizes things, and when time allows, he also likes to take to the skies: Waldmann is a pilot and a qualified flying teacher, and has also performed the loop-the-loop with his business. “From time to time, we have actually had to perform a couple of trial aerobatic maneuvers,” is how Waldmann describes the restructuring of his company in collaboration with Porsche Consulting.

By: Jürgen Zeyer, Photos by: Mathias Hangst, Waldmann





Illuminated markers: Even without the hustle and bustle of Formula One, the race track in Shanghai (also on page 27) is very impressive. The track is one of the points of reference for Waldmann Lichttechnik GmbH. The following pages also feature illustrations of the St. Angelo Bridge and the Italian Parliament building in Rome (29) and the headquarters of the Landesbank Baden-Württemberg in Stuttgart (30).



“We’ve done a few trial aerobatic maneuvers”: Gerhard Waldmann

Mr. Waldmann, how would you define the term “risk?”

Gerhard Waldmann: “From my perspective, risk always means minimizing risk. I also follow this principle one hundred percent when I’m flying. If there is a problem with a component, it is replaced immediately. I also like fast cars, drive a motorbike and love alpine skiing—all extreme sports. I love speed and am fascinated by technology, but it is always a matter of minimizing risk.”

Doesn’t managing a company also involve a certain element of conscious risk management?

Waldmann: “Very much so. Nowadays, anyone in business who doesn’t take risks or is afraid to try out new things no longer stands a chance.”

Do you like to try out new things?

Waldmann: “As I said, it comes with the territory. Let me give you just one example: The European lighting market has fallen by 30 percent over the past few years, yet Waldmann is growing. It is only possible to do this if you leave behind what you know and make changes.”

One of these new steps was the operational reform carried out in collaboration with Porsche Consulting. Was there a specific reason for this decision?

Waldmann: “It was clear to me that there was no future for our workshop-based manufacturing approach. Although we were making a profit and were getting lots of orders, we were drowning in stock, material was all over the place, our output wasn’t precise, our planning procedures were more like guesswork and we were unable to meet delivery deadlines. All in all, it was actually a complete disaster. It was clear to us that we couldn’t go on like that. In 2000/2001, during one of the highest sales periods that Waldmann Lichttechnik had ever seen, we restructured the whole company.”

Is it possible to compare the restructuring process with a kind of loop-the-loop?

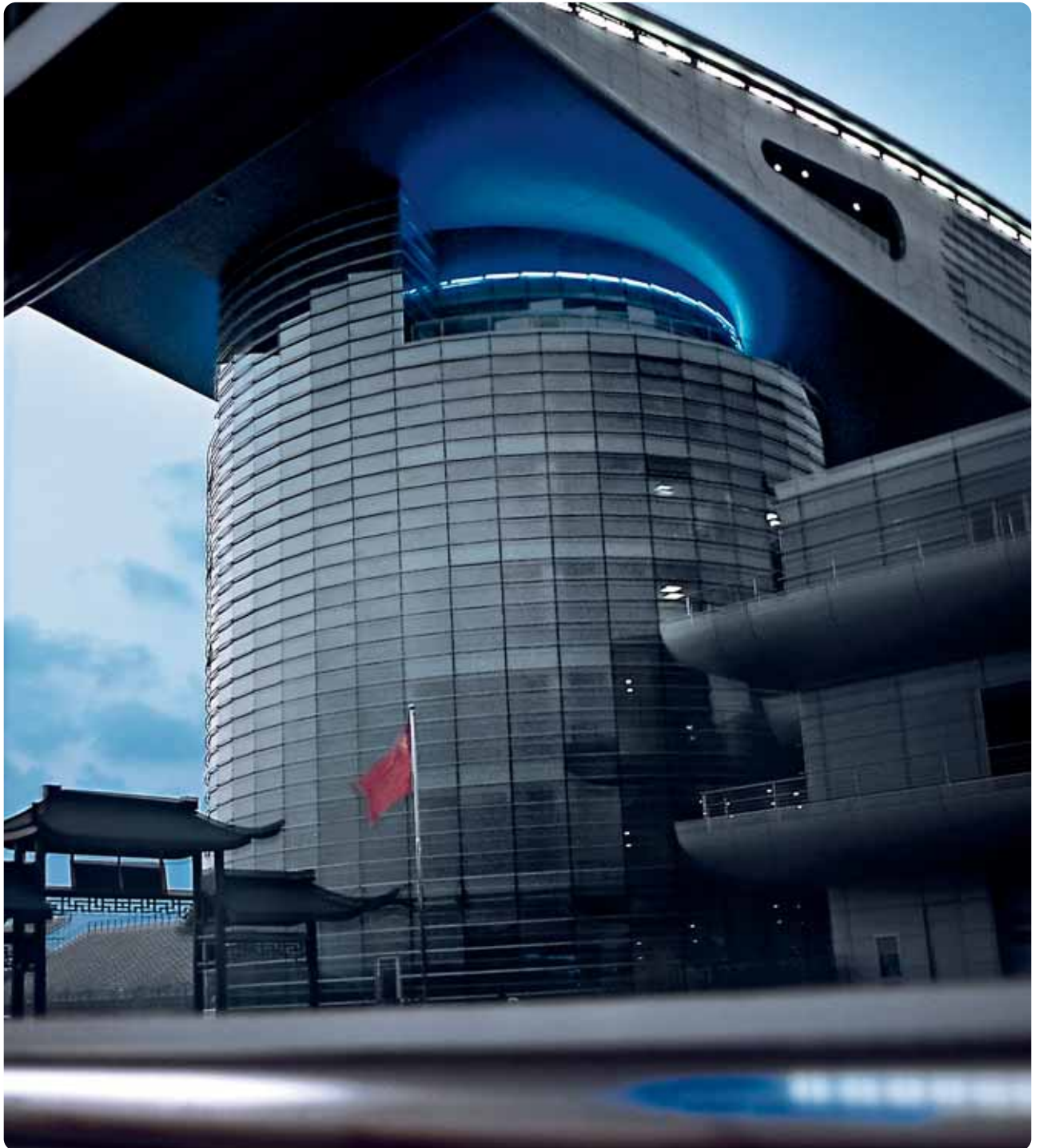
Waldmann: “Yes, in some respects. From time to time, we have actually had to do a few trial aerobatic maneuvers, but when it comes down to it, we were looking for a doctor, and we found one in the form of Porsche Consulting.”

What made you choose Porsche Consulting?

Waldmann: “The fact that the consultants not only have theoretical expertise but are also able to put it into practice. In fact, in our case, no stone was left unturned.”

So, how does a businessman feel when his company is turned upside down?

Waldmann: “I was well aware that it would have been impossible for us to continue to grow. Porsche Consulting ▶



The Porsche Consulting Project at Waldmann Lichttechnik GmbH

“Operational reform” of the value-adding
and management process



Production:

Elimination of bottlenecks; reduction in storage space by drastically reducing the amount of stock; creation of effective assembly lines and picking areas, or supermarkets close to the assembly areas; splitting up of the production areas; revitalization of the company system for making suggestions

Job control:

Reduction in the lead times by modifying the job-control system and by creating a “frozen zone”

Quality management:

Establishment of sets of quality-related criteria and a database for quality processing

Purchasing management:

Implementation of measures to reduce purchasing costs and stock;
Reorganization of the purchasing department

Management process:

The installation of important supporting functions close to the production area; rotation and swapping of production managers;
Balanced scorecard

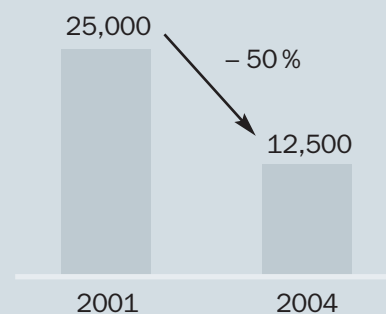
Development:

Reorganization of the product creation process while consistently including all departments involved

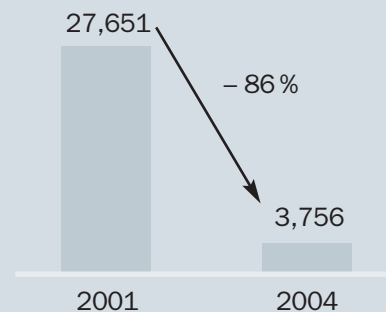
Project outcome:

- savings totaling €5,417,100 were made up to 2004
- productivity rose by 67 percent from 2001 to 2004
- the number of overtime hours worked decreased by 86 percent from 27,651 to 3,756 during this period
- the overall floor space was reduced by 50 percent from 25,000 sq.m. to 12,500 sq.m.
- there was a 46-percent reduction in stock

Overall floor space (sq.m.)



Overtime





backed me up in this opinion. It was a major operation and 2001/2002 was already a very tough period in particular, but I was always convinced that it was the right thing to do.”

Did you ever have a moment of doubt during this long process?

Waldmann: “No, never. I was always totally convinced. I believe that if the head of the company were to have even the slightest doubt, a restructuring operation would fail.”

But surely there was a lot of skepticism among the staff?

Waldmann: “Yes, of course people came to me and

asked whether all the changes were actually necessary. I think the fact that I was one hundred percent convinced myself finally made the difference. Moreover, there were obviously a lot of workshops in which the KAIZEN philosophy was communicated to employees over and over again.”

Has the KAIZEN philosophy generally prevailed since then?

Waldmann: “Five and a half years after the process began and the philosophy is now firmly fixed in the minds of employees. People have come to understand that improvements can help everyone to secure their job in the long term. This is essential. Since then, colleagues are proud to tell me their suggestions for improvement. ▶



The recently introduced Waldmann suggestion scheme is constantly growing. This is a clear indicator, as far as I am concerned, that employees have now understood what this is all about. We are actually dealing with intelligent and effective improvements here which can be converted into hard cash. People are simply taking a very different approach. Previously, they followed instructions and did what they were told. Nowadays, they are also involved in managing their own work.”

So what role did the management play in the restructuring process?

Waldmann: “A very large role. The managers obviously had to oversee the restructuring process. However, thanks to the workshops, we discovered that some employees had hidden talents of which we were previously completely unaware. The restructuring process also led to changes being made in the hierarchy, and this resulted in a lean organizational structure with effective and rapid decision-making channels.”

Have you also been to visit companies yourself where this system works?

Waldmann: “Of course I have had a look around. The most impressive was a visit to Japan last year. Unlike us Germans, the Japanese always look for the simplest solution to a problem, we often complicate everything. I have seen many details that I am going to implement here.”

Do you have a current example of this?

Waldmann: “Yes, I am currently converting our internal logistics system to a mobile system. Why does a logistician have to sit in an office? It doesn’t make any sense. Logisticians actually need to sit on a mobile device.”

So a visit to Japan is an educational trip so to speak, as far as you are concerned?

Waldmann: “Absolutely. This is why I intend to send two or three employees to Japan every year, so that they

too can get a taste for this way of working. Above all, I was completely fascinated and impressed by the extremely high level of quality I saw there. For example, only one in 13 million Toyota parts is defective. Something like this goes far beyond a simple case of good and bad. In Japan, you can see how it is possible to come up with an excellent yet simple solution to a problem by having the right resources in the right place. We need to learn this all over again. We have lost this way of thinking to some extent.”

Those sound like the words of a managing director who still has a lot of plans in the pipeline.

Waldmann: “Of course. I am never satisfied. Ultimately, the KAIZEN philosophy is about ongoing improvement. The process will be forever ongoing. If you have a vision, it is always possible. For example, I am still not entirely satisfied with the level of organization within the company. We therefore perform a company-wide organization and cleanliness check every month according to specified criteria. Every member of the staff in the winning department is rewarded.”

And what other plans do you have?

Waldmann: “We intend to press on with Porsche Consulting’s onion-peel principle. Having begun with production, we are now reaching the outer layers, such as development and sales, for example, but there is still always something going on in production as well. I would like to eliminate the picking process as far as possible. If we want to produce things here, we need to become ever more efficient. We still have a long way to go before we achieve my ideal vision.”

Could the restructuring process be compared to a long-haul flight?

Waldmann: “Yes indeed, you have to be constantly on the go. You can’t afford to stand still. The company is my life. My father passed it on to me, and it’s up to me to pass it on to the fourth generation.” ◀

Company Profile

Waldmann Lichttechnik GmbH

Established: 1928, owner-operated since then

Shareholders: Gerhard and Rainer Waldmann (since 1995)

Workforce: 850 worldwide (554 in Villingen-Schwenningen)

Turnover: €90 million

Exports: 50 percent

Business divisions: Lighting Technology (75 percent; the product range covers areas ranging from complex lighting systems featuring integrated light management to workplace lighting for all sectors and applications through to specialized lighting and examination lighting), Electrical Engineering (15 percent; electrical systems and installations, data networks, management and security systems and automated technology), medical technology (10 percent; the global leader in UV-therapy systems for the dermatology industry. The product range includes UV systems for the professional, home and photodynamic therapy sectors. A large number of diagnostic systems complete the range)

Production sites: Villingen-Schwenningen, Germany (headquarters), USA, France, Switzerland, Singapore

Subsidiaries: USA, France, Switzerland, Italy, Austria, Singapore, UK (all areas of lighting technology), the Netherlands (medical technology)

References: Examples include the European Parliament in Strasbourg, St. Angelo Bridge and the Italian Parliament building in Rome, the Formula One racetrack in Shanghai, and Nuremberg airport