

**FRANKE 1911 – 2011**

# **SPIRIT OF FRANKE**

—

## **THE FIRST 100 YEARS**

*Entrepreneurship with passion*

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*1911*  
*2011*

**FRANKE**

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————— *SPIRIT OF FRANKE - THE FIRST 100 YEARS* —————

# **SPIRIT OF FRANKE**

—  
**THE FIRST  
100 YEARS**

*Entrepreneurship with passion*

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*1911*  
*2011*

## ***FOUNDATION AND FUTURE***

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*Travel in time through the first hundred years of Franke's history! This centenary publication describes the rise of Franke, from its beginnings in 1911 as a small tradesman's workshop to the world-class company it is today. This remarkable story could not have been written without four generations of extraordinary entrepreneurs, with outstanding contributions from customers, employees and business partners. All these achievements merit great respect and recognition.*

*Franke today is a world leader in all its core businesses, both in position and reputation. The Group has its own organizations in over 40 countries and every corner of the world. These are staffed by Franke experts, who work closely with customers, creating added value for them and building trust in a strong Franke brand. At the same time, Franke has remained a family enterprise, with corresponding traditions and ambitions. Those who led the company did so with foresight and vision and a willingness to take risks. They showed a clear commitment to fundamental values such as integrity, solidity, independence and quality, and set high standards when it came to efficiency and sustainable growth. **This is the foundation Franke must build on.***

*Franke will shape its future in a dynamic way, enabling it to meet the growing demands of a globalized world. The basis for this future course is already established. Optimizing the structures, systems and processes will make the organization simpler, more agile and more effective. Employees must become co-entrepreneurs, helping to develop and implement clear strategies and achieve ambitious goals. This will strengthen Franke's ability to tap into growth markets and harness their potential through innovative solutions. Franke must venture forth, seeking out new opportunities for growth – not only to get bigger, but to get better all the time. Day by day, year by year. **This is the future Franke must build.***

*To ensure that Franke can continue this impressive success story and remain a world-class company over the next century and beyond. This is what I wish for Franke from the bottom of my heart and I am pleased to continue playing my part.*

**Thomas A. Erb**, Chairman of the Board of Directors

A graphic representation of the Franke logo, consisting of the word "FRANKE" in a bold, outlined, sans-serif font. The letters are contained within a series of overlapping rectangular frames that create a sense of depth and structure. The graphic is positioned in the lower-left quadrant of the page, with a thick red vertical bar on the left and a white background on the right.

**FRANKE**

## **THE SPIRIT OF FRANKE**

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*A hundred years. In terms of history, no more than the blink of an eye. In biological terms, more than a human lifespan. In science and technology, a succession of epoch-making discoveries: from quantum mechanics and antibiotics, to the computer revolution and the human genome. From a business angle, a new age with many opportunities and prospects opening up as never before. But also unexpected challenges and unpredictable risks.*

*Two world wars, economic crises, globalization and dwindling resources, the boom and bust of new ventures and markets, investors taking short-term profits instead of building long-term value, managers who rise and fall in rapid succession. From Franke's point of view, the beginnings of a stable and sustainable company history.*

*Many businesses never reach their first century. Franke has. Why? More skillful leadership, with only four generations of entrepreneurs spanning the century? More dedicated employees, more loyal customers? Good luck? A mixture of all these? What part has Franke's corporate history played? Would a chronology of events reveal the formula for Franke's success? Or would the stories behind the history tell us what made Franke the company it is today?*

*We set out to answer these questions and came up with surprising answers and fascinating stories at every turn. Franke stories. Stories for and from entrepreneurs. Stories about relationships, setbacks and new beginnings, about enterprise, commitment and passion. Stories about people for people. Stories without an expiry date. Stories that have one thing in common:*

***The spirit of Franke.***

*Want to know more? If so, we'd like to invite you to discover these stories and the special spirit of Franke for yourself. We hope you'll enjoy reading them and find them inspiring.*

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1911  
2011

## ***ERA OF HERMANN FRANKE***

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*From workshop to industrial pioneer  
(1911 – 1939)*

The early years were a time of hardship in which innovative skills were forged. Thanks to Hermann Franke's pioneering work with stainless steel, the local tradesman's workshop grew into a groundbreaking industrial enterprise, laying the foundations for an enduring company history and global success story.



25 October 1929  
The Wall Street Crash causes dramatic devaluation of currencies, dragging the whole world into a deep economic depression.

**EVENTS THAT SHAPED FRANKE AND THE WORLD**

**1911**

On 1 April, Hermann Franke establishes a sheet-metal business in Rorschach (Switzerland) under the name of Spenglerei Hermann Franke – the founding year of what was to become Franke AG.



**1914 – 1924**

During the First World War, it is difficult to obtain materials for production. The post-war period and economic crisis delay development of the business.

**1925 – 1928**

Recovery of industrial and construction sectors. Incorporation of a sanitary installation department. Manufacture of hobs, skylights and dormer windows. First period of prosperity for Franke. The company grows to 30 employees and gains customers from beyond Rorschach.

**Ofenaufsatz <FRANKON>**  
Einholz- und kohlenparender Schnellwärmer aus bestem, poliertem Glanzblech

**Vorteile, dank der zweckdienlichen Form:**  
Große Heizkraft. Ein normales Zimmer ist in 10 Minuten erwärmt. Verwendung zum Kochen. Starke Ausführung – dauerhaft.

Der Ofenaufsatz ist für jedes Ofen- und Rostrohr passend. Der obere und untere Stutzen-Durchmesser am gleichen Aufsatz können gleich oder verschieden sein.

| Beispiele | Ofenrohr | Rostrohr | Verfügbare         |
|-----------|----------|----------|--------------------|
| über 92   | 105      | 135      | 92 105 120 135 150 |
| unter 92  | 105      | 135      | 105 92 120 135 150 |

**PREISE:** für die abgebildete Stutzen-Durchmesser:  
für Modell A, 30 cm hoch, Stutzen-Durchmesser: 92 105 120 — mm | Auf Wunsch auch mit eingetragenen Schilder  
für Modell B, 45 cm hoch, Stutzen-Durchmesser: 92 105 120 135 mm | Holzpreis Fr. 2,50  
für Modell C, 71 cm hoch, Stutzen-Durchmesser: — 105 120 135 mm

**WALTER FRANKE · Metallwarenfabrik · AARBURG (AARGAU)**

**1929 – 1933**

The Wall Street Crash in 1929 triggers a worldwide slump. Most countries are forced to devalue their currency, leading to huge losses for Swiss exporting industries.



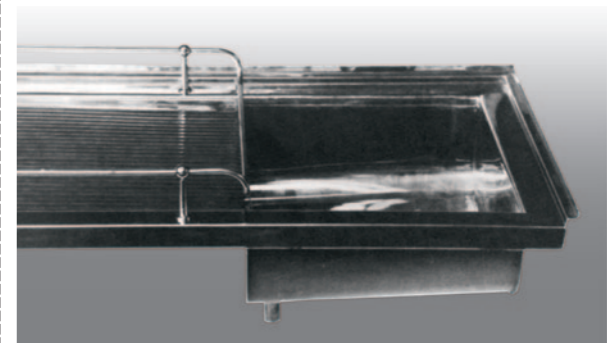
**1934 – 1936**

Hermann Franke makes the first breakthrough in the Swiss market by developing the first sink in stainless steel. The change of location to Aarburg near Olten and the construction of a new factory and office building are strategic decisions with far-reaching consequences for the further development of the company.



**1937 – 1939**

Economic upswing boosts sales, while rearmament in countries around the world brings rising demand for military hardware, also in Switzerland. A new welding technique makes it possible to manufacture the first flush-mounted sink in stainless steel and start series production. Hermann Franke dies of heart disease in 1939 at the age of only 53.





## TILES FOR TIN

*Bright ideas to beat the crisis*



When the First World War broke out, **Spenglerei Hermann Franke**, founded in Rorschach on 1 April 1911, had just celebrated its third year of trading. In that short time, thanks to Hermann Franke's industry and efficiency, he had already established a reputation and the business was running well. However, his company was not to be spared the consequences of war. The abrupt end of the economic boom and the shortage of raw materials – galvanized sheet metal was unobtainable in many places – brought the fledgling company to the verge of ruin. But Hermann Franke was not to be discouraged. Against all the odds, he succeeded in securing the survival of the company and the jobs of every single worker, a feat that was down to his alert, enterprising spirit and the active support of his family and employees.

While the shortage of raw materials meant the end for some companies, Hermann Franke saw it simply as an obstacle to be overcome. Many buildings in his area of Appenzell had tin roofs. Whenever Hermann Franke came upon a well-preserved tin roof, he offered the owner a replacement roof in tiles, which his brother, a roofer by trade, provided. Hermann Franke used the

reclaimed tin from the roofs to make guttering and drainpipes. These were in great demand and helped save the sheet-metal business from ruin.

The experience gained in these difficult years made Hermann Franke realize that the business had to be independent of the weather and seasonal influences to make it more resilient in uncertain times, but also to ensure sound and steady growth. He found the solution in the manufacture of products that could be made in advance and kept in stock, for example the **Frankon** stove attachment, skylights and dormer windows. Hermann Franke pressed ahead with this new venture in determined fashion. It led to the development of a sanitary installation department which concentrated on the modernization of kitchens and laundry rooms. Hermann Franke soon gained new customers far beyond the district of Rorschach, in Appenzell, the Rhine valley and the neighboring canton of Thurgau. Sales of semi-finished sanitary ware through wholesalers opened up potential markets throughout the country and laid the foundations for industrial production.

### Captions

1 Rorschach (Switzerland) 1913, Hermann Franke (center) and employees. 2 Skylight manufactured by Spenglerei Hermann Franke.

## AN IRON WILL

*and a caring nature*



Hermann Franke's dedication and passion were not confined to stainless steel and the growth of his company. The well-being of his employees and the less privileged in society was also close to his heart. He was especially active during the crisis of the immediate post-war years, both as a socially minded employer and as a helper to those in need in the neighborhood.

After having to leave military service on health grounds, he set to work immediately to rebuild his business and safeguard the jobs that were under threat. He took a close interest in the ideas and concerns of his workers. He realized early on that their families were key to ensuring the contentment and loyalty of his workforce, so he invested in pension plans for his employees and made their families part of the arrangements. There were incentives for workers who showed particular loyalty, creating a lasting bond with the company.

In view of the minimal level of social provisions in Switzerland at that time, it was farsighted for Hermann Franke to instigate a company welfare policy. His social commitment was the reason that Franke remained largely untouched by the social and political upheavals of the post-war period which had affected mainly the poorer sections of society and led, amongst other things, to the general strike of November 1918.

Hermann Franke found the energy he needed for his tireless efforts in family life and in the mountains. He became a member of the Swiss Alpine Club in 1911. When the Club's Rorschach section was given the Forno hut in Engadine, in the southeast of the country, as a donation, he played an active part in its renovation. No one could have known at the time that Engadine would remain linked with the Franke enterprise for many years to come.

### Captions

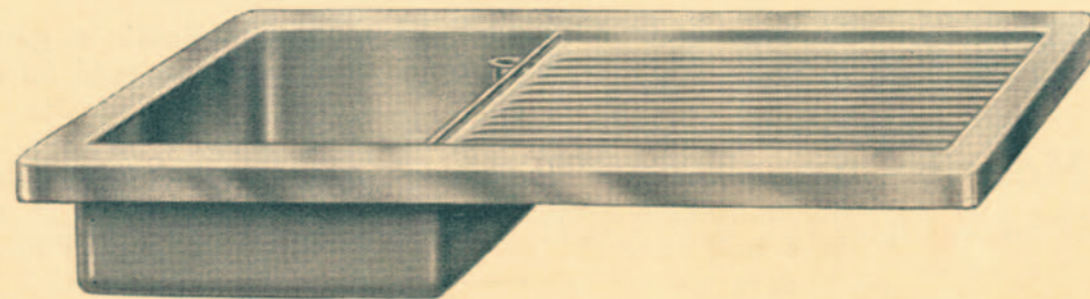
1 A Franke apprentice at work, with foreman. 2 "Das Eigenheim" magazine. 3 Forno hut, Engadine (Switzerland).



«FRANKON»

# Spültische

aus rostfreiem Chromnickelstahl



vollkommen nahtlos

aus einem Stück

Telefon 7 34 20

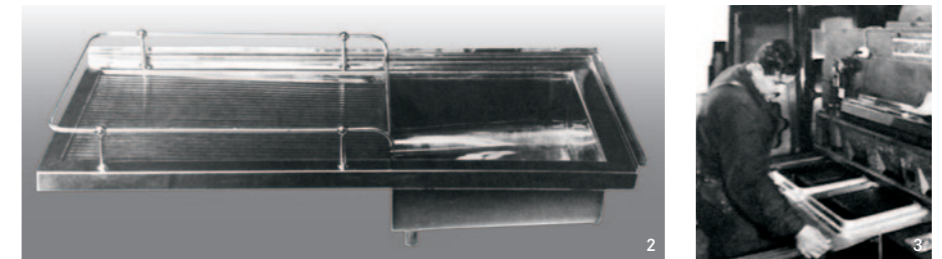
**Hermann Franke · Aarburg**

Metallwarenfabrik (Aargau)

1939

## FROM TRADESMAN

*to industrial pioneer with stainless steel*



"We've done it! We've found the formula!" These words from the young physicist Dr. Benno Strauss to his boss Alfred Krupp in 1912 announced a breakthrough in materials science, after a research effort conducted along parallel lines in England and Germany. Stainless steel, which was resistant to water and damp, opened up countless new possibilities.

As early as the mid-twenties, Franke was making the first sinks out of galvanized sheet copper; by the early thirties, the company had added sinks in nickeline and monel-metal. Nonetheless, Hermann Franke continued his tireless search for the perfect material and processing technology. When he heard about the development of stainless steel at Krupp, he immediately recognized its potential. Hermann Franke was one of the first to import stainless steel into Switzerland and use it to manufacture a variety of products.

The final breakthrough came in 1934, when Hermann Franke succeeded in perfecting the manufacture of fully welded sinks. Demand soon outstripped supply. A new welding technique, introduced a short time later, made it possible to produce sinks with no visible seams or joints that were difficult to clean. From 1938 onwards, Hermann Franke was producing stainless-steel sinks that were completely hygienic and easy to clean. The steady growth in demand that resulted secured the economic survival of the company.

Inventiveness, perseverance and know-how made Hermann Franke into an industrial pioneer of stainless steel and the trailblazer of Franke's enduring success.

Captions

1 1939: brochure showing the first fully welded sink, with no visible seams or joints. 2 1934: first stainless-steel sink. 3 Working on the press brake in the sink factory.

## NEW HORIZONS

*A bold and farsighted decision*



In the years between 1925 and 1930, the company enjoyed a period of real prosperity for the first time. The number of craftsmen and workers on the payroll rose to 30. Hermann Franke used these years of expansion to create the basis for further growth and success. He renamed the company **Hermann Franke Metallwaren** and made plans for geographical expansion and growth. He soon realized the limitations of the site in Rorschach. A new location had to be found, and in 1934, on the advice of one of his main customers, Hermann Franke took a strategic decision that was to have far-reaching consequences. He moved his entire operation to Aarburg near Olten, in Central Switzerland, at the crossroads of the main traffic routes between north and south, east and west. From that point on, the whole of Switzerland became the home market for this up-and-coming enterprise.

The decision to move the company was a very courageous one, particularly in view of the prevailing economic situation. The Wall Street Crash in 1929 triggered a sharp downturn and pushed the world into another economic depression. Although

there was a slight delay before the effects of the slump were felt in Switzerland, they were to last longer than in other countries. This phase of stagnation was characterized by low levels of investment and rising unemployment. It took the devaluation of the Swiss franc by the Federal Council before the economic and social situation eased and things began to improve.

The decision to move to Aarburg during a period of instability and increased risk bore witness to Hermann Franke's belief in the future of his company. He was also encouraged by the exemplary role his son Walter, then just 18, had played in helping to organize the move and plan the new factory in Aarburg. But not even he could have dreamt that this was to become the headquarters of a major global corporation. Several decades were to pass and many challenges had to be overcome before that could happen.

However, Hermann Franke had but a few short years to enjoy the success of his company at the new location. On 25 January 1939, at the age of only 53, he died of heart failure.

### Captions

1 1934: environs of Aarburg-Oftringen railway station (Switzerland) around the time Hermann Franke bought the old farmhouse and a large barn with extensive land attached (center of picture). 2 1935: construction of new factory, residential and office building in Aarburg.



# ***HERMANN FRANKE***

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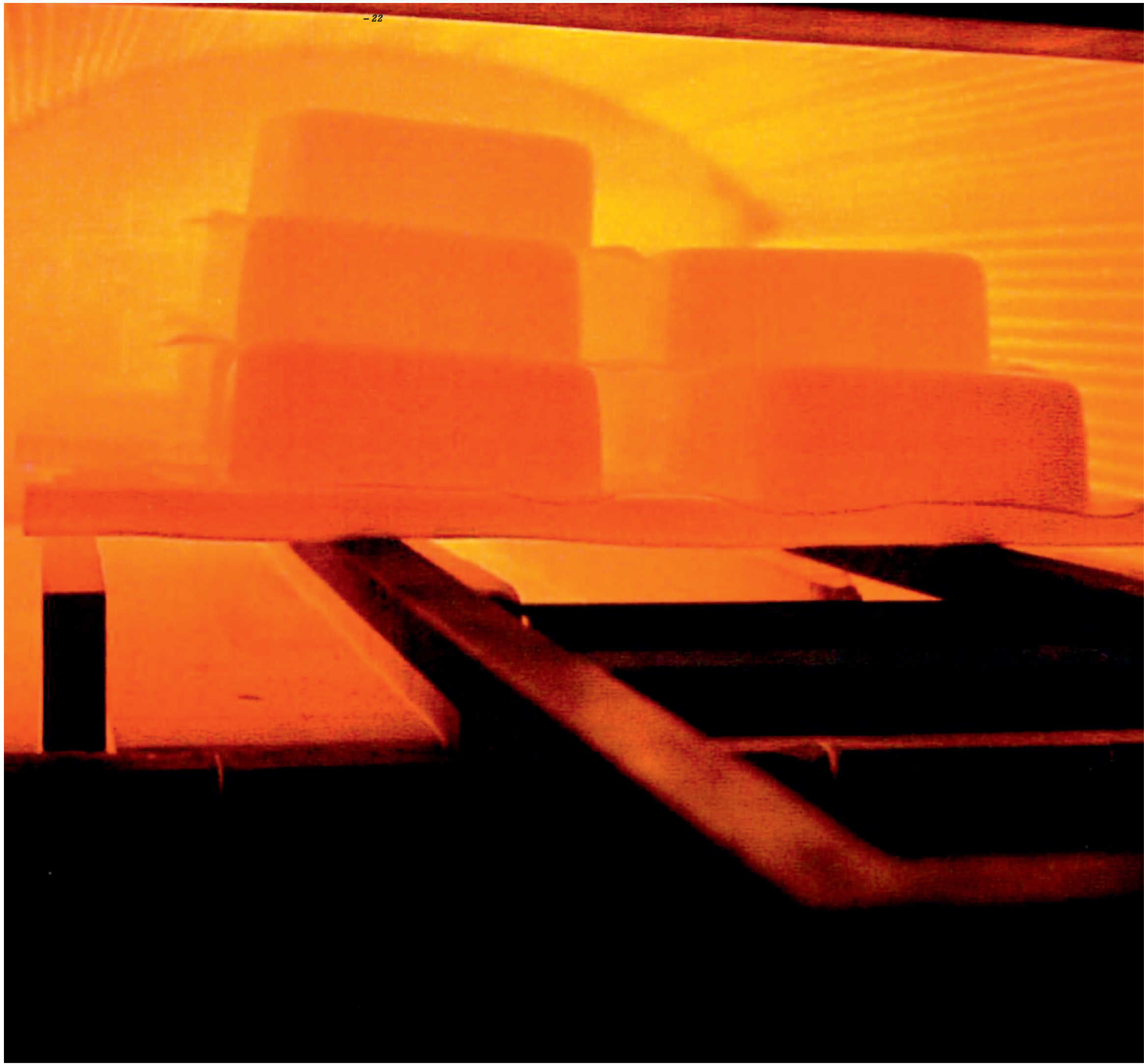
## *THE FOUNDER*



Hermann Franke was an industrial pioneer and a passionate entrepreneur. Always brimming with ideas and a naturally gifted craftsman, he had a knack for taking new technologies and making them into the core competencies of a business with a future. Through his pioneering work with stainless steel and the courageous decision to move his center of operations to a strategically favorable location, he created the basis for conquest of the Swiss market through serial production. The enduring success of the company he founded is proof of his farsightedness and tireless dedication. He drew the energy for his life's work from the strength of his family and from his passion for mountaineering.

**Caption**

Hermann Franke with his wife Emilie and son Walter in 1920.



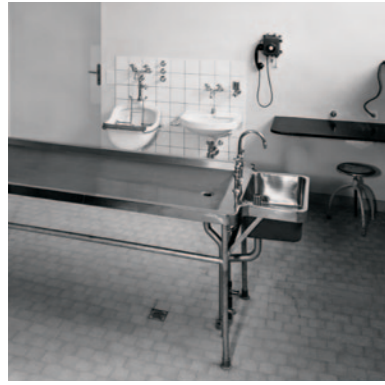
## ***IDEAS IN STAINLESS STEEL***

The pioneering history of Franke was shaped from the start by ideas and innovations in stainless steel. From the stovepipes of the early years, via the manufacture of fully welded, seamless sinks, the standardization of domestic and commercial kitchens, to the manufacture of engine components for the aerospace industry. From the very beginning of the company in Hermann Franke's day, stainless steel played a major part in the realization of those ideas. As Walter Franke was to express it in his guiding principle: "We make everything that can be made from stainless steel."

His inventiveness gave the company and the market it served myriad concepts and products which were developed and refined by his successors Willi Pieper and his son Michael Pieper, and which led Franke to worldwide success. Ideas and innovation are what made Franke the leading provider of intelligent systems for domestic kitchens, professional food service, coffee preparation, beverage delivery and hygiene solutions. And that was only possible thanks to the great commitment of Franke's employees, the trust of its customers and the strong working relationship with important partners such as steelmakers, who play a key role in Franke's story. Today, Franke turns 60,000 to 70,000 metric tons of stainless steel per year into products and systems of world renown.

Caption

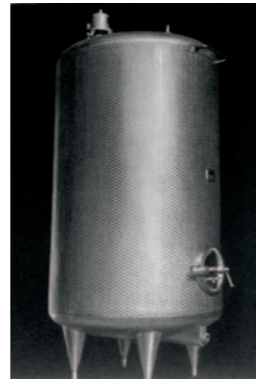
Sink bowls in the annealing furnace.



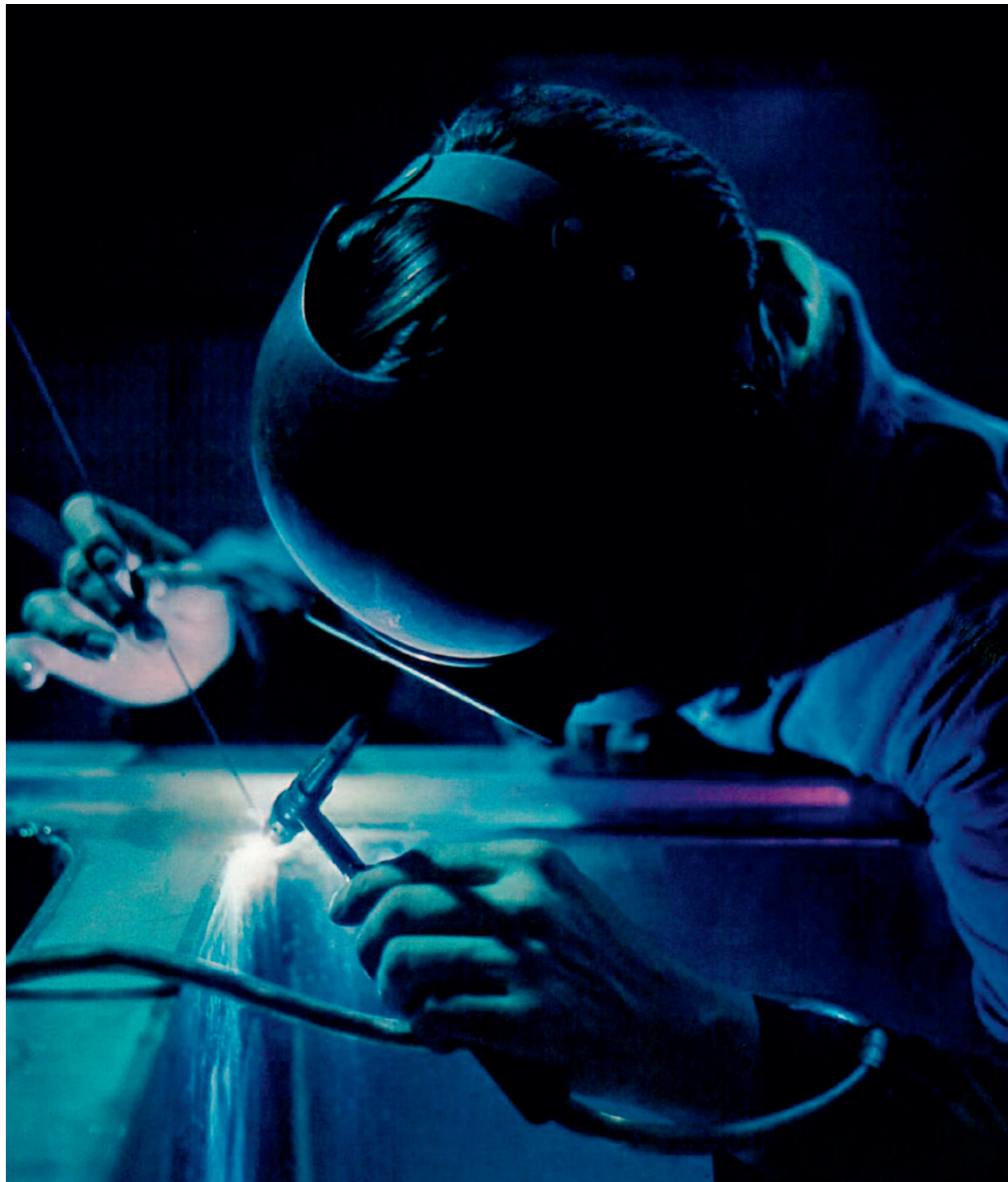
1



2



3



4



5



6



7



8



9

Captions

1 Dissection table, Zofingen Hospital (Switzerland). 2 A variety of standardized catering basins. 3 Storage tank for milk. 4 A worker welding a sink. 5 Kegs. 6 Military kitchen. 7 Yarn dyeing machine. 8 Engine components for Swiss Air Force jet fighters. 9 Aircraft engine.

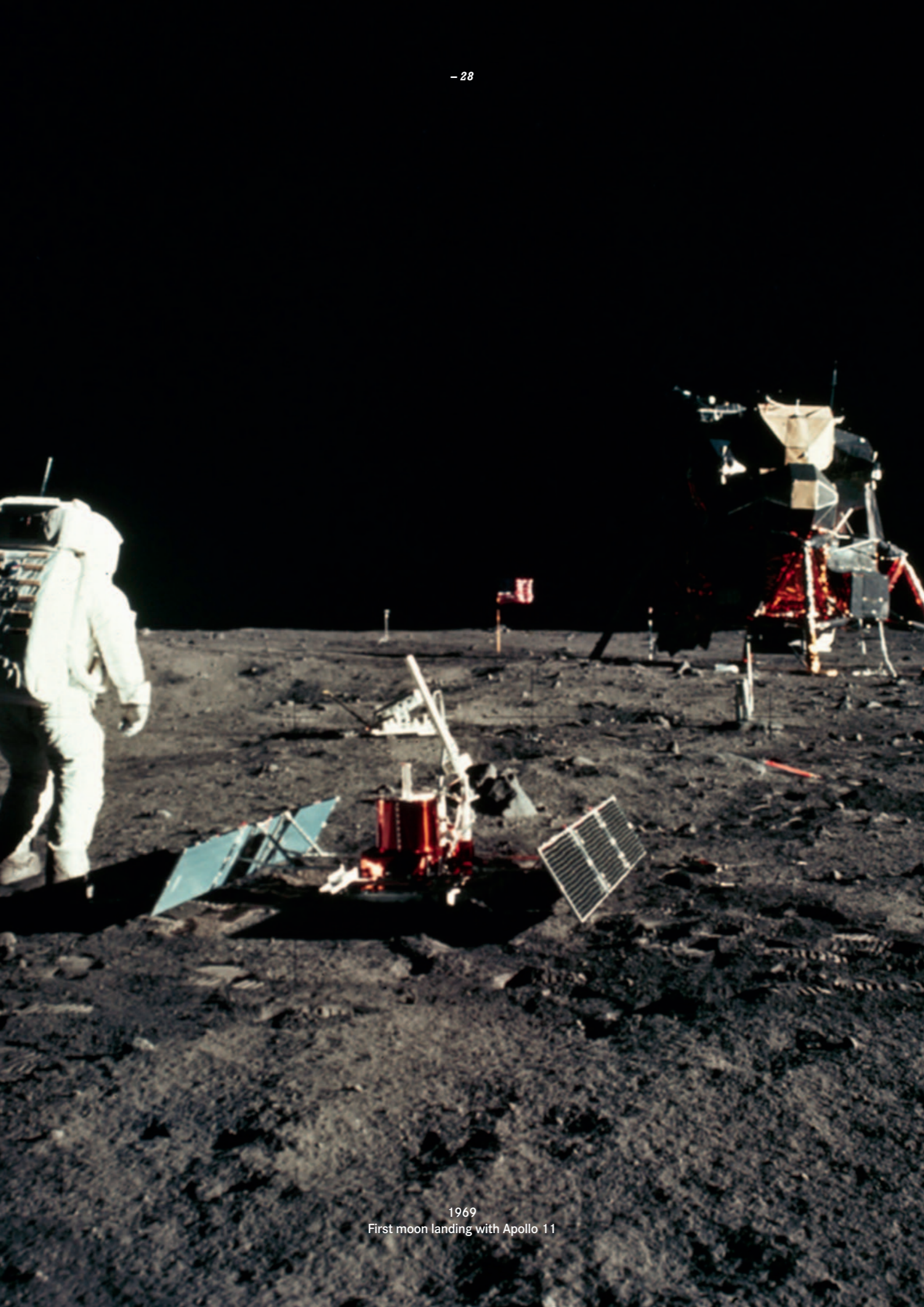
## ***ERA OF WALTER FRANKE***

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*From manufacturer to international corporation  
(1939 – 1975)*

After the sudden death of his father Hermann, Walter Franke had to deal with great challenges at an early age. While still in training, he set about taking over and developing the company. With inventiveness, a craftsman's skill and a healthy entrepreneurial ambition, he led Franke through difficult times to a new stage in its development and the first success beyond Swiss borders.





1969  
First moon landing with Apollo 11

## EVENTS THAT SHAPED FRANKE AND THE WORLD

### 1939 – 1945

Hermann Franke dies suddenly in 1939 and his son Walter takes over the business. During WW2, it is very difficult to obtain materials and the construction industry stagnates. Franke processes nickel-free chrome steel and comes through the years of crisis thanks to inventiveness and innovative developments in various areas of application.



Beginning of the friendship and collaboration between Walter Franke and Willi Pieper.

### 1946 – 1950

First phase of growth gathers momentum. Switzerland reaps the benefits of a largely undamaged infrastructure; exporting industries are boosted by worldwide recovery and international markets opening up. Walter Franke expands the production facilities in Aarburg and starts exporting to neighboring countries. The first foreign subsidiary is founded in 1950, in Ettlingen (Germany).



### 1951 – 1955

Recovery in the construction sector makes it possible to step up production and increase sales in all areas.



Walter Franke continues to develop the plants and products at Franke's headquarters in Aarburg (picture) and other locations in Switzerland.

### 1956 – 1961

Franke doubles output, develops its export organization and establishes the Commercial Kitchen business unit. Headcount reaches 750.

### 1962 – 1973

Franke expands at home and abroad: 13 new subsidiaries and two companies operating under license. The Group grows to 2600 employees. Franke pursues its pioneering role in standardizing kitchens for the catering industry. Franke becomes a joint stock company (AG) and installs the first McDonald's kitchen in Munich in 1972 (pictured: Franke manager John F. Strasser and Walter Wieland at the opening).



### 1973 – 1975

The oil-price shock and global economic crisis also has severe repercussions for Switzerland. The construction industry is hardest hit. Franke also feels the impact. Health problems oblige Walter Franke to bring forward plans for his succession as head of the company. His long-time friend Willi Pieper steps in and ensures the continuation of Franke.

FRANKE

werk

kurier

# VALUE CREATION

*through value appreciation*



When Hermann Franke died suddenly in 1939, his 21-year-old son Walter had to follow in his footsteps, and what a challenge that must have seemed. Although Walter had played an active part in the move to the new site in Aarburg and the further development of the business, the time he had shared with his father was much too short. Being an alert young man with technical skills and creative talent, he had learned much from his father along the way. Like his father, he sought direct contact with employees and customers, because it gave people the chance to air ideas and suggestions. His golden rules: customers must be thanked for every order received; all complaints are to be taken seriously; and customers should feel that working with Franke offers genuine added value. In 1961, as the company's growth beyond the borders of Switzerland began to limit the opportunities to tour the works and stay in direct contact with the employees in Aarburg, he founded the staff magazine **Werk-Kurier**, the forerunner of today's **Inside Franke**. This was Walter Franke's way of keeping all employees up to date with important news about the company, the workforce and the industry, whilst inviting them to engage him in a dialogue. Walter Franke firmly believed that the only way to move forward with the company's development was to create a common

basis with everyone involved. The practical proof of his socially minded and innovative entrepreneurial commitment was the establishment of a welfare fund for staff and workers at Franke in 1941 and the building of the first housing estate for Franke employees, "Gässli" in Oftringen, in 1942. The setting up of a capital fund with additional pension provisions in 1962 to supplement the state pension was ahead of its time – the twin-pillar pension principle was not introduced in Switzerland until 1985. The *Franke Stiftung für kulturelle, soziale und Bildungszwecke*, a foundation for cultural, social and educational purposes, was created in Aarburg in 1966 to support the charitable activities of private and church institutions. To this day, it is enriching cultural life in the region and beyond with numerous initiatives. Just how much Walter Franke's efforts were appreciated is perhaps best demonstrated by the fact that his employees referred to themselves as Frankeans. The first "open house" in Aarburg, held in 1972, attracted an overwhelming number of employees and their families and demonstrated their allegiance to Franke. This sense of identity with the company is what binds the constantly growing Franke "family" together and creates a special Franke spirit.

Captions

1 1970: title page of the Franke Werk-Kurier, with new office building in Aarburg (Switzerland). 2 1961: first edition of the Werk-Kurier. 3 1942: construction of the Franke housing estate "Gässli" in Oftringen (Switzerland).

# INVENTOR AND DESIGNER

*Innovation and new standards*

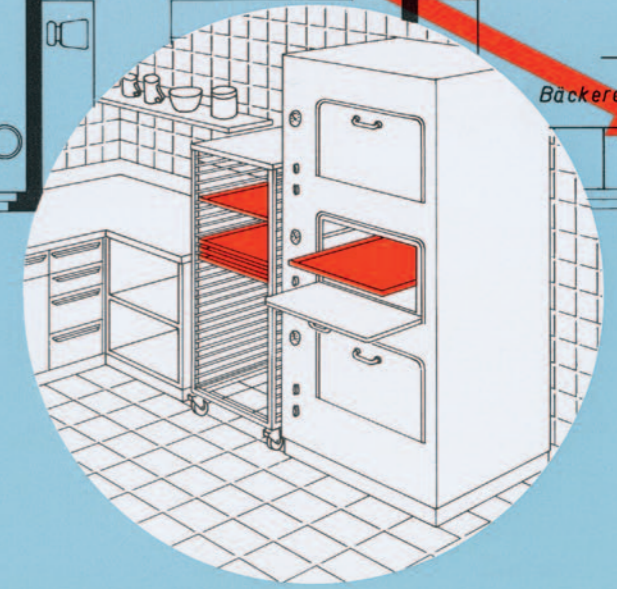
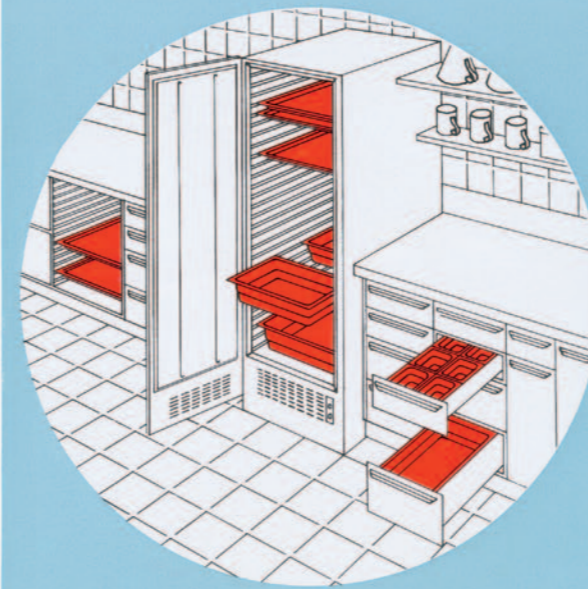
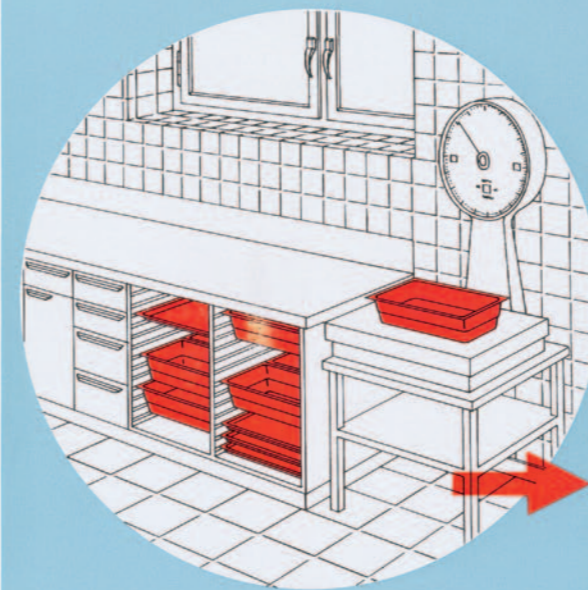
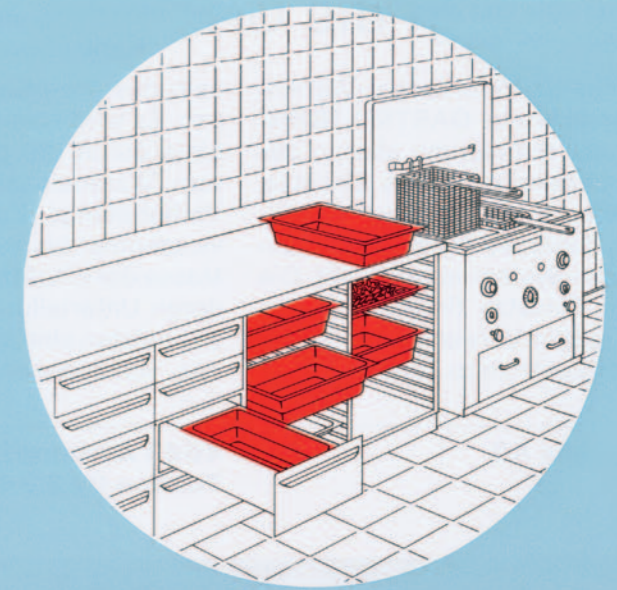
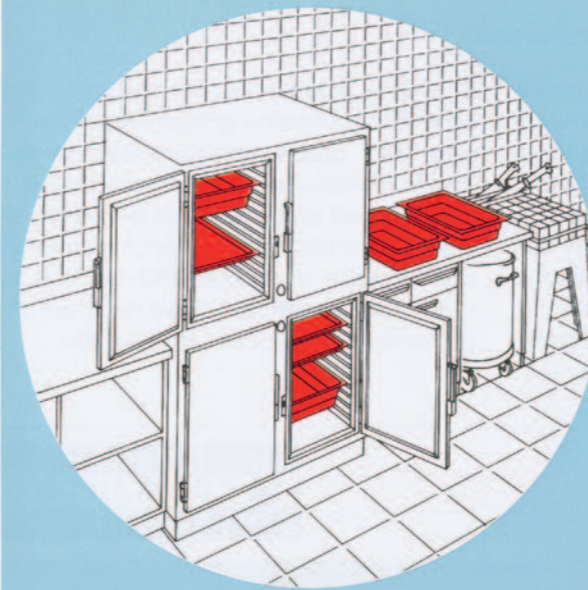


It was Walter Franke's creative energy that put his company on the road to success, above all in his approach to kitchens for domestic and professional use. One of the major challenges Franke's production teams faced was the absence of uniform dimensions. Every kitchen, and every single element in that kitchen, had to be produced individually, which was very labor-intensive and required enormous quantities of material. The shortage of raw materials during the Second World War meant new ideas and approaches were all the more essential, and Walter Franke's innovative standardization of kitchens and kitchen design was an idea that set the future direction of his company. He teamed up with Therma – now Electrolux – and took the first pioneering steps in the standardization of kitchens for private households. As a result, it was now possible to make multipurpose sink units. At the Swiss Industries Fair (Mustermesse) in Basel in 1942, Franke proudly presented the first "complete kitchen", a fitted kitchen featuring a built-in cooker with hinged cover. Just a few years later the company unveiled the first-ever complete built-in kitchen, which featured floor-level and upper sections and was an enormous success. Walter Franke was convinced that intelligent standardization would also be a great step forward for the planning and realization of kitchens for the catering industry. No sooner said than done. He invented a standard for sinks in professional kitchens, which led to the creation of a catering standard for large kitchens. These standards made it possible to improve the efficiency of workflows and production processes, bringing an all-round improvement in quality. Every step in the catering operation, from receiving stock to serving customers, followed a standardized system and process. This was where systems thinking be-

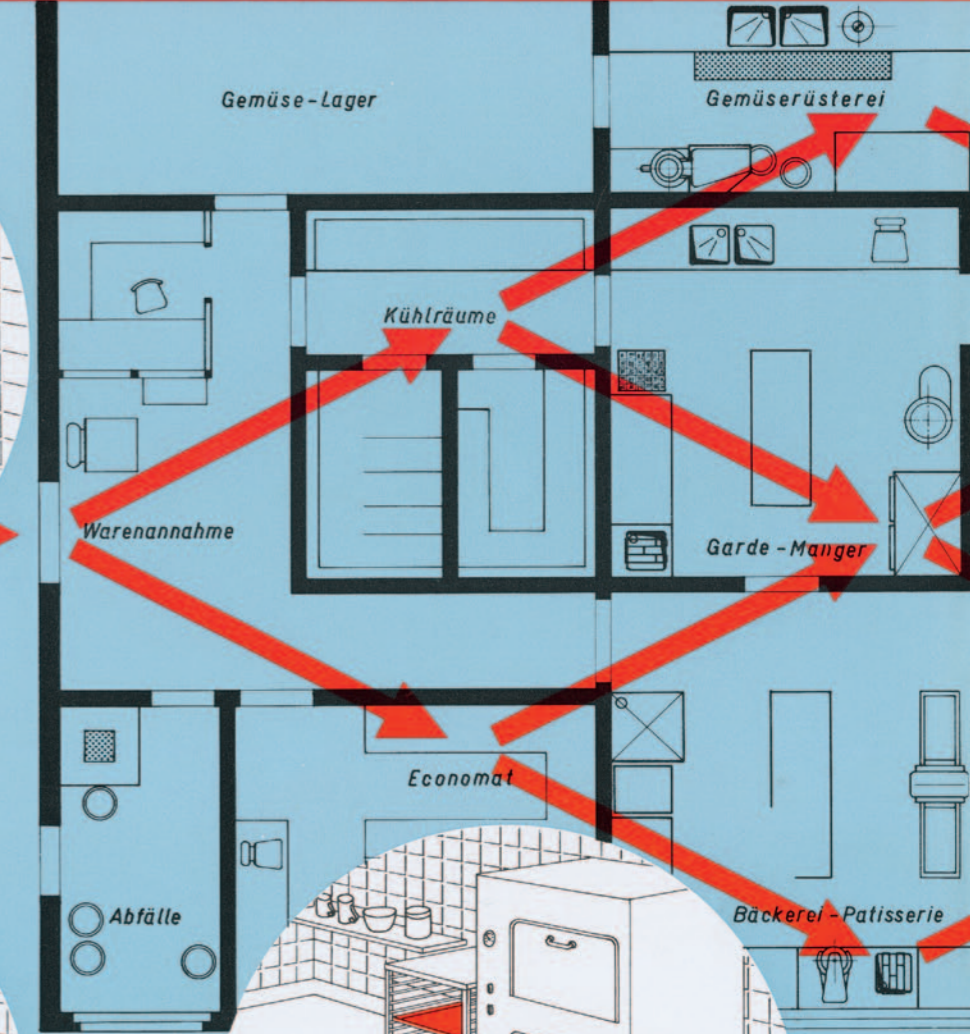
came established as part of the Franke approach. It was another milestone in Franke's history. Ever open to new ideas and eager to achieve more, Walter Franke was constantly on the lookout for further ways of standardizing and improving industrial production. For instance, he returned from a trip to America with an idea for a beverage container and developed a version for Switzerland. After research into the technical aspects and optimization, Franke won an order from the Eglisau mineral spring to manufacture 400 of the new containers as "Exclusive to Eglisau". As soon as the first "exclusive" containers were delivered, they set off a storm of criticism from competitors, industry and the catering trade. Opponents maintained that the dimensions of the Eglisau container made it unsuitable for use in Switzerland. As a result, a new model was developed, with Walter Franke's participation. This had a capacity of 20 liters, was wider in diameter and not as tall, and went on to become the European standard. Parallel to this, Walter Franke developed a beer keg in stainless steel which had an identical format and some extra features to improve quality and usability. This rapidly established itself in the beverage industry and catering trade, and prevailed over existing container types. It laid the foundations for what is still a very successful Franke business. Walter Franke's innovative ideas were often inspired by everyday problems and testing situations. A typical example was his development of a food container for the Swiss Army. This brainwave came to him while doing his own military service, having to endure a spell of guard duty, soaked to the skin, freezing and hungry. His invention made it possible to keep cooked food hot for long periods and transport it easily and hygienically. Millions of Swiss recruits are grateful to him to this day.

**Captions**

1 Excerpt from "GASTRO-NORM" (catering standard), the benchmark for professional kitchens. 2 Series production at the Aarburg works (Switzerland). 3 Food containers for the Swiss Army. 4 1940: fitted kitchen. 5 1960: standardized kitchens from Franke.



## GASTRO-NORM der rote Fa



## WORKING TOGETHER

*Walter Franke and Willi Pieper: the entrepreneurial double act*



A chance meeting that was to have profound consequences for the life of Walter Franke took place in 1941 on a train journey to the Mustermesse, the Swiss Industries Fair, in Basel. It was during this journey that he met Willi Pieper, a young entrepreneur. They took to each other immediately and were soon hatching plans to work together.

In 1942, they joined forces to found a company, **Metallwaren AG**, which was domiciled in Aarburg and in which they each held a half share. The company built up its own workshop, which manufactured industrial components for a number of major companies. At the same time, they worked on their own projects and plans. The two men were almost a perfect match. Walter Franke was the inventive engineer, whose strengths were in the areas of development and production. Willi Pieper was the imaginative business man, whose talent lay in sales and finance. Their work together brought them considerable success, but they also experienced several setbacks and learned some expensive lessons. A tractor with caterpillar tracks, for instance, never got beyond the prototype stage. Then there was the refrigerator project, which never made it to market and brought both entrepreneurs only financial losses and a legal dispute. When Metallwaren AG in Aarburg was sold in 1944, Walter Franke took over all the company's employees, machinery and fittings. In 1943, the two partners had bought a company called **Hans Koch AG**, later taken over by Willi Pieper and renamed **Reppisch-Werke AG (RWD)**.

After the Second World War, production in Aarburg was further expanded and streamlined, which resulted in an increase in capacity. In 1950, Walter Franke approached Willi Pieper again, this time with a plan to make sinks for the German market. The latter, thanks to his position as Chairman of the Board of **Spinnerei und Weberei AG** in Ettlingen, had useful contacts and knew his way around in Germany. The two of them joined forces once more to found MEWAG GmbH in Ettlingen, again with each owning a half share. To begin with, the company rented space for warehousing and assembly on the premises of the spinning and weaving mill, Spinnerei und Weberei AG, importing finished sinks from Aarburg. MEWAG's growing success led, in 1955, to construction of the company's own production facility and offices in Ettlingen, on land purchased from the spinning mill. From that point on, Franke needed to supply only semi-finished units from Aarburg. The

subsequent period saw a growth in sales, but also in the pressure of competition. In order to meet this challenge, Walter Franke decided to build his own press works in Germany. However, the site in Ettlingen did not have enough space. Eventually, in 1959, Franke opened a branch of the company with a press works in the German town of Bad Säckingen and began to manufacture semi-finished products. These were also supplied to MEWAG in Ettlingen.

The company in Bad Säckingen enjoyed years of success, while the original business in Ettlingen was showing signs of stagnation. In 1972, Walter Franke and Willi Pieper decided to merge the Ettlingen company with Franke GmbH in Bad Säckingen, with Willi Pieper retaining a minority shareholding. Franke was soon able to expand the manufacturing base in Bad Säckingen and start supplying the German market as well as Franke subsidiaries abroad.

Walter Franke and Willi Pieper both had a strong sense of family: they respected their forefathers and were acutely aware of their filial obligations. They both abandoned plans for further education and qualifications in order to stand by their families in economically difficult times. After his father's death, Willi Pieper returned from Germany to help his mother wind up the family business, and Walter Franke responded to his father's untimely demise by taking over his own family's company.

The two men shared an interest in sport and politics as well as investment and business, although their involvement or enthusiasm for these respective pursuits differed. Willi Pieper was passionate about sailing. He enjoyed considerable success in competitions at national and international level. Walter Franke, like his father before him, remained true to the Rorschach section of the Swiss Alpine Club; he loved mountain-climbing in the Engadine and was also a keen golfer. Otherwise, he devoted himself to politics. He believed that only by taking an active role in politics could a person begin to understand how public authorities and corporations work.

Something that had begun with a chance meeting on a train to Basel in 1941 led to a lifelong friendship that was both fruitful and successful, but occasionally punctuated by disagreement. This bond was to prove essential for the future of Franke.

### Captions

1 The entrepreneurial double act, Walter Franke and Willi Pieper. 2 Prototype for a tractor with caterpillar tracks. 3 The RWD building in Dietikon (Switzerland); headquarters of Reppisch-Werke AG.

## A PIONEER ENTREPRENEUR

*for pioneering enterprises*



Walter Franke had already begun manufacturing catering kitchens during the Second World War. He supplied the Swiss Army, initially with individual elements and later with complete facilities. He soon began to install his professional kitchens in hotels and restaurants.

An entirely new perspective opened up for Walter Franke in the mid-forties when Willi Pieper introduced him to Ueli Prager, the scion of a family of traditional hoteliers in Zurich and one of the earliest trailblazers of the food service industry.

During a period in America, Prager had been inspired by a new catering concept which he was sure would be equally popular in Switzerland. To help him realize his plans, he found in Walter Franke the right partner for the manufacture of large commercial kitchens. On Ueli Prager's recommendation, Walter Franke got an American named Harry Friedman on board. Friedman had gained valuable experience and expertise in the manufacture of standardized commercial kitchens from his work in the USA. Franke and Friedman were able to realize Prager's concept and successfully set up a manufacturing process that was uncompromising in its use of optimized workflows. The kitchens had compact fittings made from robust, low-maintenance, hygienic materials, with a minimum of seams and other dirt traps. This was not only a welcome challenge for Walter Franke, it was a decisive factor in the formation of a separate commercial kitchen business unit as well.

On 19 July 1948, Ueli Prager opened the first Mövenpick restaurant in Claridenhof in Zurich, fitted out with the new standardized commercial kitchen built by Walter Franke. It was to be the first of many. This marked the beginning of a revolution in the catering industry, which was to have consequences down the years, far beyond the borders of Switzerland. Prager's Mövenpick concept was not only new, it broke with prevailing conventions. Tablecloths gave way to paper table mats; menus were organized by group, into starters, main courses, side dishes and

desserts, rather than in the order of the classic menu. Guests were now free to put together their menus themselves, however they pleased. Even quality wines were available by the glass or carafe. Ueli Prager began to import specialties such as lobster, salmon, oysters, American beef and other delicacies, hitherto regarded as luxury foods, and offer them to his customers at affordable prices. They could also order food at the bar or "takeouts", something that was totally new at that time. The Mövenpick concept and services grew rapidly in popularity and eventually led to other examples of the quick-service concept, including Silberkugel, Cindy and Marché. Besides offering guests quick service, they also provided a choice of freshly prepared meals to suit every taste.

Not only did the collaboration with Mövenpick help Franke fill its order books, it gave the company a promising future with the manufacture of commercial kitchens. To build and expand this business, Walter Franke engaged Harry Friedman as a consultant. One of Friedman's close friends was a man named Ray Kroc, the founder and owner of the up-and-coming McDonald's Corporation, whose restaurant chain was about to make Europe the next conquest in its global expansion. Later in the 1960s, this link led Friedman to initiate the contact between Walter Franke and McDonald's. In 1972, Franke built and installed its first McDonald's kitchen in Munich. Cooperation between the two companies was gradually built up and international expansion followed. Ultimately, Franke became a worldwide partner of McDonald's and was involved in equipping nearly half of the "fast food" giant's restaurants on every continent.

Walter Franke made a vital contribution to turning the vision of the pioneers of quick-service restaurants into reality. Close partnerships and shared growth have shaped Franke's development in the past and will doubtless continue to do so in the future.



### Captions

1 1948: Mövenpick Zurich (Switzerland). 2 1954: Ueli Prager. 3 Fred Turner (CEO) and Ray Kroc (founder) of McDonald's Corporation. 4 1955: Ray Kroc's first McDonald's restaurant in Des Plaines (Illinois, USA).

## FIRST SUCCESSES

*in the European market*



When the boom in construction during the post-war years resulted in a massive rise in demand for sinks, Walter Franke decided on the bold plan of establishing the first footholds in Europe. The first in the industry to take this step, he was supported by a strong export department, which made a valuable contribution. After the first successes with exports to **Germany** and the establishment of MEWAG AG in the German town of Ettlingen, further milestones followed on the road to a successful conquest of the European markets: Franke had been supplying growing numbers of standardized sinks to **Belgium** since 1946. However, statutory requirements were making Franke's export business increasingly difficult and less attractive. That all changed in 1961 with the start-up of production at a new Franke plant in Ninove near Brussels. Demand was also steadily rising in **Austria**. To begin with, Franke was represented by a general agent; then from 1952 by the firm of Karl Doppelmayer KG, in Hard, Vorarlberg, as licensee. After ten years of successful collaboration, Walter Franke acquired the company in a friendly takeover and brought it into the newly formed Franke Gesellschaft mbH in Hard. In 1966, a branch office was opened in Vienna. **Italy** was also one of the key European markets from early on. Sinks, in special sizes, were already being exported to Italy from the end of the Second World War. In 1963, a first production company was opened in Aprilia, which Walter Franke located with Sudmetal S.p.A., a company belonging to his friend Hans Frauchiger from Lyss. In the same year, he acquired an industrial site in Peschiera del Garda on the southern bank of Lake Garda, planning to build his own production facility there, but construction was delayed. In 1965, the newly formed Franke S.p.A. in Cinisello in Milan began operations, temporarily in rented factory premises. In 1968, after completion of the factory and office buildings in Peschiera del Garda, the two companies were combined in Franke S.p.A.

In the **Netherlands**, Franke sinks had been distributed since the mid-fifties by a local agent, who helped achieve a massive boost in sales. It was soon decided to establish the company's own production facilities. In 1968, Walter Franke was approached by the van Thiel family, who proposed a joint venture with Franke in order to strengthen their own business processing stainless steel in the Netherlands. A contract was quickly signed and plans drawn up for a state-of-the-art factory. The plant started opera-

tions in 1971 as Franke Roestijstaaal Nederland B.V. in Helmond. The development of the business in **France** followed a similar pattern to that in Holland. To start with, Franke worked through a distributor, the French sales subsidiary of Georg Fischer AG. Rising sales and market opportunities led in 1964 to the foundation of a French sales company, Franke France S.à.r.l. in Chambly, northeast of Paris. Expansion into Scandinavia began with Franke **Sweden** in Motala, a subsidiary of Franke's Dutch company, in 1973. In the early years, Franke had to battle strong competition from local manufacturers.

Finally, in 1974, Walter Franke made the bold leap across the Channel to **England** and established a marketing operation called Franke of Switzerland UK. This was a significant step in Franke's history and in the story of its conquest of European markets.

In **Switzerland**, Franke continued to grow. After the war, Walter Franke had bought enough building land in the municipalities of Aarburg and neighboring Oftringen to extend the production facilities in stages, as the need arose. New business units and a wider range of products followed. The activities of the company we know today as Franke Industrie AG originated in the industrial components unit established in 1942, later known as the Industrial Engineering department. This operation made an important contribution to the company's further growth, manufacturing industrial parts and complex components for aircraft engines and fulfilling orders for the Swiss military. After the end of the war, Franke branched out into sanitary ware such as wash basins, trough sinks, toilet-roll holders and soap dispensers; later additions included finished products for the food, beverage and chemical industries. In 1953, Franke started making hospital and laboratory equipment, a business that was eventually incorporated in Belinox AG, which was acquired in 1973. In the 1960s, Franke began production of kitchens for the military services and civil defense. In 1964, a business unit producing standardized construction components started operations. Franke Romont SA began producing bathroom furniture in 1974. But for all the improvements and developments, the stainless-steel sink was to remain the company's core product. In the decades following the war, Franke made the leap from small manufacturing company to internationally successful concern.

### Captions

1 1961: expansion in Aarburg (Switzerland). 2 Lake Erie press in Aarburg. 3 Barrier on the German border with Switzerland.

## **RESCUED**

*at the eleventh hour*



The 1970s was a crisis-torn decade. The oil-price shock and the collapse of the international monetary system were body blows for the global economy. Franke did not escape the effects of the downturn and was faced with a major slump in sales. But it was above all Walter Franke's failing health that was a grave concern, not only for him and his family, but for the whole company. In the end, Walter Franke had no choice but to make early provisions for his succession. He found the right solution in his long-time friend and companion Willi Pieper, who proved to be the man of the hour.

At a meeting held in the buffet of Zurich's main station, the Board of Directors was much relieved when Willi Pieper and his son Michael presented their takeover plan to secure the future of the Group. After brief negotiations at the same location, the Board of Walter Franke AG and Franke Norm AG – with Theodor Balsiger, Walter Wieland, John F. Strasser and chairman ad interim Hans Hemmeler – was able to grasp the lifeline that secured Franke. The takeover was sealed with a handshake. Thanks to Willi Pieper, who believed in the potential of Franke, it

was possible to find a durable solution, one that turned out to be a stroke of fortune for all concerned.

In March 1975, the definitive contract was signed and the takeover of Franke by Willi Pieper was completed. From that point on, Willi Pieper did everything in his power to get Franke back on an even keel and to steer a new course that would end in success. In so doing, Willi Pieper was continuing the tradition of Franke as an owner-led company.

Walter Franke found a new home in Tucson, Arizona (USA). He gradually recovered from the blows to his health. In Arizona, his tireless creativity and pleasure in designing and making things revived. As a member of the **University of Arizona Foundation**, he was involved in promoting Swiss-American exchanges in the arts and education. His contribution to a number of projects in the realms of research and town planning kept him active and brought well-earned recognition for his work, continuing for many years after his time in Aarburg. He died on 19 March 1991, at his Tucson home.

### Captions

1 The hands of the clock in Zurich main station stand at "the eleventh hour". 2 Hans Hemmeler, the Chairman of Franke's Board of Directors ad interim. 3 Newspaper clipping from a report about the takeover of the Franke Group by Willi Pieper, with his sons Michael (left) and Ronald (right).



# ***WALTER FRANKE***

## *THE TRAILBLAZER*



Walter Franke was a visionary entrepreneur of great creative power and inventiveness. He resolutely continued his father's pioneering work and guided Franke through turbulent times to a new stage in its development. He drove the steady expansion and development of the business in Switzerland and then beyond into the key markets of Western Europe, venturing where no one else in the industry had dared to go. With tireless energy, he created innovative developments and groundbreaking standards. His accomplishments went far beyond the design of kitchens and industrial processes. He was always close to his customers and employees and showed exemplary commitment. He was extremely versatile and multitalented, a socially minded entrepreneur, patron and politician, with a passionate interest in the arts. Although he had little time for private life, he drew the strength and energy he needed for his work from his family, his home and nature.

**Caption**

Walter Franke with his family (from left to right): Elisabeth, Hildi, Silvia, Erika, Hermann and Walter.



## FROM FRANKE ADVERTISING TO THE FRANKE IDENTITY

Already in the 1920s, Hermann Franke recognized that developing useful products is not enough. They and their features have to be publicized and become desirable to the public, i.e. potential customers. Early examples of advertising for his Franke ovens, hobs and sinks bear witness to this. His son Walter went a step further. Speaking of the expansion into new markets beyond the borders of Switzerland, he said: "The customers won't come to us. We have to go where the customers are!" At the same time, he gradually increased the volume of advertising, placing Franke stainless steel sinks center stage. They were the real icons of the advertising of that period, making their own contribution to Franke's success story. At Walter Franke's behest, the Franke signet from the forties – a logotype on a black bar with rounded corners – was replaced in the sixties by a new logo, consisting of three squares with a clear space separating them, which were joined by the company name in prominent type. When the company was taken over by Willi Pieper, the Franke signet remained unchanged. At the beginning of the eighties, however, CEO John F. Strasser ordered a fundamental review of the entire corporate identity of Franke. Through the continual expansion of the Group, it was only natural that many subsidiaries, in their efforts to represent and raise the profile of the company and the brand, presented quite different faces to the world. This was a major obstacle to global perception and implementation of the brand.

John F. Strasser was convinced that further success depended on building a strong brand and ensuring consistent brand perception associated with Franke's qualities and services. The new Franke logo was introduced in 1982. It was still based on the three squares, but they were now red. The logotype in white was altered slightly to make it easier to read than the previous version. A slogan reading "Technology, Quality, Design" was added to the logo to underline the significance of the three characteristic Franke squares. The slogan was to play a pathfinding role for Franke's entire business policy. This Franke logo, in slightly modified form, has remained an integral part of Franke's corporate identity to this day.

The brand and identity of Franke have been steadily strengthened over time – above all, by employees who have made sure that, for people all over the world, every contact with Franke is a rewarding experience.

Caption

From the early days of Franke advertising.





1 2



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Captions

1 Various advertisements for the same sink - Italy/Switzerland (1940s). 2 The multifunctional sink for advertising purposes. 3 Already in the fifties, Franke was using emotional imagery. 4 Advertisement for the standardized sink (1942). 5 Advertisement for Franke's compact sink (1979). 6 Advertising campaign for Franke sink (1998). 7 Advertising campaign for Franke Kitchen Systems, with top model Heidi Klum (2011). 8 The Franke logo down the years.



## ***ERA OF WILLI PIEPER***

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*Transition to global corporation  
(1975 – 1989)*

Willi Pieper's farsightedness and ability to focus on essentials enabled him to steer Franke back onto the road to success. The restructuring of the company and expansion of the European operations were the first steps toward creating a global corporation. However, it was only when Franke made the historic leap across the Atlantic to build its business in the United States that the foundations for a truly global concern were laid.



1984  
The first Apple Macintosh

**1975**

Willi Pieper (pictured) buys Franke from his friend Walter Franke. A new management team, with Willi Pieper as Chairman and John F. Strasser as CEO, initiate a reshaping of the company's structure and a new strategic orientation.



**1976 – 1980**

Franke adopts radical and systematic measures to achieve a turnaround and increases the proportion of exports. The Group succeeds in expanding outside Europe for the first time, with the acquisition of Progressive Corporation in Philadelphia (USA).



**1981 – 1986**

Ronald Reagan is elected to the White House. The first Apple Macintosh goes on sale, marking the dawn of the digital age for consumers. Progressive Corporation supplies the first Franke kitchens to McDonald's USA. Franke celebrates its 75th anniversary.

CEO John F. Strasser starts work on building a strong global brand.



**1987 – 1988**

Russian president Mikhail Gorbachev announces a far-reaching democratization of the Soviet Union, with glasnost (openness) and perestroika (restructuring) the watchwords. In 1989, Franke introduces a divisional structure, accelerating the global development of core businesses, with the aim of becoming number one in their respective markets.



**1989**

The fall of the Berlin Wall is a watershed in world history as well as a milestone in the development of Franke. Through its association with McDonald's, Franke becomes world number one in the new kitchen and remodel business. Son Michael Pieper enters Group management as preparation for Willi Pieper's succession and the handover of control to the next generation of entrepreneurs.





## **THE CAPTAIN**

*and his Chief Officer*



For Willi Pieper it was essential to have a CEO at his side whom he could trust and rely on. To push through the reorganization and reorientation of Franke, he needed someone with complementary talents, who had a firm grip on the operational side of the business. Before he decided to appoint John F. Strasser as his right-hand man, he had to overcome certain doubts – whether a man who had been a close associate of Walter Franke would measure up to this challenge. It was no easy matter for strong characters to assert themselves alongside the dominant figure of Walter Franke. Although otherwise blessed with an instinct he could trust, for once Willi Pieper's gut feeling was wrong. John F. Strasser soon showed he had exactly the right profile and qualities that Franke's owner wanted in his CEO.

Willi Pieper brought fresh momentum on a number of fronts and radiated healthy optimism, while John F. Strasser implemented Pieper's initiatives, adding his own ideas about the Franke organization as a whole. In keeping with his rank of Lieutenant-Colonel in the Swiss Army, John F. Strasser gave marching orders. He announced his intentions very clearly – to his team as well as to Willi Pieper. He was a prime mover, demanding but also encouraging, always leading from the front.

That was how Captain Pieper found his Chief Officer and CEO. In his new role, Strasser became Pieper's traveling companion and a forerunner of the new Franke way. Willi Pieper placed operational management of the company in Strasser's hands, as head of Group management. Along with that responsibility went the assurance that, in tackling the many challenges ahead, he could rely on his Chairman's full backing, as well as that of the Board of Directors.

From the very start, John F. Strasser set about reorganizing and rebuilding the group of companies with great energy, exerting his own influence on the nature of the process. He implemented the agreed measures and programs in every department and

on all levels of the organization with a thoughtful and single-minded approach. Strasser had the knack of putting clear messages across to his colleagues and winning their enthusiastic support for the pursuit of common goals. He made it clear to all concerned what was at issue and what was expected of them. That made him the right man to take the helm at a time of transformation and a new departure.

His firm leadership was aimed at efficiency, economy and effectiveness, based on clear analysis and concepts. He was instrumental in placing the Group organization and the work of corporate management on a systematic footing. He introduced clear structures, processes, job descriptions and divisions of responsibility that were meticulously thought-out, documented and implemented. At his instigation, corporate policy and strategy were worked out together with the Board of Directors, a Group-wide financial reporting and planning system was implemented, the product development department expanded, and long-term succession planning initiated.

In 1976, after John F. Strasser and his team had battled through two tough years, he was able to report to Willi Pieper with a positive result for the first time. But Pieper – at least outwardly – seemed little impressed, commenting drily: "For me, that doesn't mean anything yet. As long as you're only successful in Europe and not on a global stage, you won't have proved how good you are." Strasser, by now familiar with his boss's dry humor, took this as an assignment to go out and acquire a company in the USA and establish the Franke brand in the American market.

John F. Strasser led Franke as a committed, exemplary and courageous chief executive, steering the Group, through good times and bad, to fresh success as a genuinely international corporation. He had the commitment, trust and appreciation of all he worked with, not least Willi Pieper, who demanded a lot of Strasser and got exactly that.

**Captions**

1 Franke CEO John F. Strasser. 2 Franke Chairman and Captain Willi Pieper.

## EXPANSION

*and global growth*



From the very start, Willi Pieper pursued the goal of turning Franke into a global company and world-beater in its core businesses. Once the turnaround had been successfully completed in 1976, there were more appealing items on his agenda, such as “expansion” and “economic growth”.

The internationalization of the Group was aimed in various directions, but always with a systematic approach. First, Franke’s highly effective export organization built up the national markets. Once the demand and development potential in a particular country were high enough, the Group established its own sales organization and production capacity. These were oriented toward local market and customer requirements to enable a rapid response. The expansion usually proceeded by acquisition of companies already established in the country. The following is an overview of the key strategic decisions taken along the way.

### Rounding off an existing business activity

The acquisition of frifri aro SA in La Neuveville (Switzerland) in 1980 extended the commercial kitchen range to include deep-fat fryers. The purchase of Swiss coffee-machine manufacturer Augsburg AG in 1984 was part of a planned diversification as well as the addition of a business that was an ideal complement to Franke’s catering and beverages offering. In addition, licensing agreements were concluded in Egypt and Chile.

### Strengthening and expanding Group organization in Europe

Already in the era of Walter Franke, key markets in Europe were opened up by Franke subsidiaries or joint ventures with locally based companies. This pattern was followed in Germany, Austria, the Netherlands, Belgium, France, Sweden, Italy and Great Britain. Willi Pieper and John F. Strasser continued to develop these markets, while focusing the range on a few selected products.

### Opening up the key US market

Willi Pieper’s goal was to turn Franke into an organization of global stature. He saw the strong position in Europe as a springboard for conquest of the American market. In 1976, Willi Pieper und John F. Strasser reconnoitered the US market to establish where Franke stood in relation to the competition and to find the best way of achieving the breakthrough into global markets,

well aware that the USA was the key that would open the door. This view was not without its opponents on the Board of Directors, though in the end the Board backed the move. After a detailed evaluation of various options, the choice fell on Progressive Corporation in Philadelphia and the acquisition was completed on 4 April 1978. Progressive Corporation specialized in the manufacture of commercial kitchens and was a perfect fit with Franke and its objectives.

This first acquisition outside Europe was another milestone in Franke’s history. America soon developed into a second key market alongside Europe. In 1989, Franke generated nearly 20 percent of Group revenues in the United States. The positive development of the partnership with McDonald’s gave the commercial kitchen business a real boost in the US market and catapulted Franke to number one in the new kitchen and remodel segment. The foundations for the rise of the Franke Group as a global player were laid.

This successful expansion also had strategic consequences: from this point on, the declared goal was global growth. The previous strategy of national market domination, in which as many business units as possible were present in every country, under local management, was outdated. It was superseded in 1988 by the introduction of a Group-wide divisional organization, with Franke establishing a positioning and profile as the expert in the respective fields. The focus now was on core businesses in which there was the potential and opportunity to become world class. As a result of this shift, certain business units and companies were sold or liquidated, and minority holdings divested, according to the motto “less is more”. The introduction of the divisional organization brought a team of young management talents on board, such as Bernhard Stauch, Andreas Hauswirth, Hans Ott and, last but not least, Michael Pieper.

In just fourteen years, Willi Pieper and John F. Strasser, ably assisted by their crew, had succeeded in turning the Franke Group into a model business. By 1989, the last full year of Willi Pieper’s time at the helm as chairman, consolidated revenues had more than doubled, from CHF 190 million at the time of the takeover to CHF 480 million, while cash flow was running at more than 10 percent, well above average for the industry. Captain Pieper could hardly have wished for anything more when he handed over command to his son and successor, Michael.

### Captions

1 McDonald’s restaurant in the seventies. 2 Beginning of frequent business trips for the Franke management during the seventies. 3 Statue of Liberty, New York. 4 1978: the deed of purchase for the acquisition of Progressive Corporation is signed in Philadelphia (USA) by Benjamin Brodsky (CEO and owner) and Willi Pieper; behind from left to right: Hans Hemmeler, secretary, Alfred Wiederkehr, interpreter, W. Thacher Longstreth of Philadelphia City Council, John F. Strasser.



# ***WILLI PIEPER***

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## *THE REFORMER*

Willi Pieper was a self-made man and sportsman, who was very demanding – particularly of himself. In both business and sport, he made it to the top, supported by his wife, who provided balance in his private life. As an entrepreneur, he knew how to make a success of a business, regardless of the product involved – not as a manager, but as a pure-bred entrepreneur with clear principles. He was intuitive, imaginative and inspiring. He had the ability to state complex problems in the simplest possible terms and get those around him enthusiastically involved in realizing his goals. This demanded a great deal from his entourage and employees; but he placed great trust in them and gave them scope to develop their potential. Under his leadership, Franke found its way back onto the road to success and to a genuinely international business. With much talent, discipline and hard work, he devoted himself to a second career, in sport. He was multiple Swiss, European and World Champion in sailing, taking part in several Olympic Games, and also a gifted skier and ice hockey player. Whatever he turned his hand to, he did it with style and modesty. He had great spirit, warmth and humor, but he was also caring, helpful and appreciative toward his family, his friends and all who helped him to achieve so much in his life.

**Caption**

Willi Pieper on a sailing trip with daughter Beatrice and son Ronald.





## ***A BRIEF HISTORY OF THE KITCHEN***

No place in the home is as multifunctional as the kitchen: it serves as status symbol, creative workshop, party venue, meeting point, or simply as the center of domestic life. Over the last century, no room has been the focus of innovation in style and technology to the same degree as the kitchen. But before the kitchen began its triumphal progress in the 1920s, it had already come a long way.

It was the separation of cooking and heating that first made it possible, in Europe, to have smokefree living rooms, heated by ovens, with the kitchen as a room apart. In Switzerland, this change from a one-room house, with a multifunctional fireplace, to a house with a kitchen and separate living room can be traced back to the 11th century. In the Alpine regions and in the valleys to the south of the country, the multipurpose kitchen with an open fireplace persisted into the modern era. It was only at the end of the 19th century that the new era for kitchens dawned. With an increasing awareness of the importance of hygiene, people began to see the kitchen as a source of disease. Smoke and steam caused poor air circulation, constant dampness and black walls, extraction devices for ventilation were mostly lacking and windows were too small. From 1900, a new type of kitchen, with tiled surfaces, began to establish itself. Painted white, with good ventilation, easy to clean, with water, gas and later electricity connected, it became the acceptable, but not yet comfortable workplace of the middle-class housewife. Planning and configuration of the kitchen to suit the user's requirements were still a long way off.

All that was to change fundamentally in the 1920s. Increasing urbanization forced more and more people to live close together in a restricted space. Architects began to develop the compact "lab kitchen", designed to the last detail along ergonomic lines. The model was the Frankfurt Kitchen, designed by the Viennese architect Margarete Schütte-Lihotsky. The work of preparing meals became separated from the rest of the family. Since the 1960s, with the triumphal procession of highly developed systems and equipment, offering immaculate hygiene and lighter work, the trend has been to return to the kitchen-living room. Increasingly, the design of kitchens has been seen as an expression of the owners' lifestyle.

Franke played – and is still playing – a pivotal role in this transformation. Already in the 1930s, the company evinced the spirit of innovation with the manufacture of seamlessly welded sinks. And in 1950, Walter Franke's new concept of the "complete kitchen" – fitted with upper and lower units – revolutionized the modern domestic kitchen. Without his development of the kitchen grid system (55 centimeters per standard unit), the modern, functional kitchen would be unthinkable. Franke today is the world's leading manufacturer of intelligent kitchen systems, which enhance the lifestyle of their owners and make it possible to design kitchens that are both simpler and more attractive.

Caption

Modern lifestyle with Franke Kitchen Systems



1



2



3



4



6



7



8



5

Captions

1 Large kitchen around 1600. 2 Open fireplace in a living room around 1700. 3 1870: Mother and child in the kitchen. 4 Kitchen in the 1930s. 5 Kitchen in the 1950s. 6 Kitchen-living room in 1955. 7 Elements from professional kitchens found their way into domestic kitchens at the end of the 1980s. 8 Kitchen in 2011.

## ***ERA OF MICHAEL PIEPER***

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*On the way to world leadership  
(1989 to the present day)*

Since taking over from his father as head of the company, Michael Pieper has led Franke with great energy and success on the way to becoming the world's leading provider of intelligent systems for domestic kitchens, professional food service, coffee preparation, beverage delivery and hygiene solutions. As a full-blooded entrepreneur, his credo has always been to outdo the competition by being better, more innovative and faster than the rest. His approach, both prudent and farsighted, has created the foundations for Franke to build on its success and go from strength to strength in the next hundred years.



1989  
Fall of the Berlin Wall on 9 November 1989

## EVENTS THAT SHAPED FRANKE AND THE WORLD

### 1989

Michael Pieper takes charge of the Franke Group and sets about systematically building a global corporation.

### 1990 – 1993

The Swiss Confederation celebrates its 700th anniversary. The Gulf War and the strong franc put the Swiss economy under strain. Switzerland rejects membership of the European Economic Area. Willi Pieper dies. Michael Pieper takes over ownership of the Franke Group and starts a program of investment to strengthen the company's base in Switzerland and position in Europe. Acquisition of the Scottish sink manufacturer Carron Phoenix. Establishment of the Group's own production sites in the former Eastern-bloc countries of Poland and Czechoslovakia. In 1990, McDonald's opens its first restaurant in Moscow.

### 1994 – 1998

Large-scale mergers are much in the news – Ciba-Geigy and Sandoz form Novartis; Swiss Bank Corporation and Union Bank of Switzerland become UBS. Franke pushes forward with global expansion of the core businesses, building two production plants in China and creating Group companies in the Philippines, Turkey, Portugal, Russia, Bulgaria, Romania and Hungary. Major acquisitions include Hackman Meka Group in Finland, Blefa GmbH in Germany, Federal Home Products in the USA, Kindred Industries Ltd in Canada and Douat Ltda. in Brazil.

### 1999 – 2001

The bursting of the dotcom bubble, the end of the stock market boom and the attacks on the World Trade Center trigger a global downturn. In Switzerland, there is the additional concern of the grounding of Swissair. Franke builds a factory for sink production in India and acquires the sink manufacturer City Metal Products in South Africa. In subsequent years, established sites are expanded and further markets opened up through acquisitions (Germany, the Netherlands, Denmark, Britain, Italy, Turkey, Russia, the USA, Australia, India, the Philippines, China and South Africa).



### 2002 – 2007

The euro is introduced and the EU expands from 10 to 27 countries, chiefly from the former Eastern bloc. Switzerland becomes a member of the United Nations. Beginning of the Iraq War. The Franke Group is organized into five divisions: Franke Kitchen Systems, Franke Foodservice Systems, Franke Washroom Systems, Franke Coffee Systems and Franke Beverage Systems. Their leading positions in global markets are further strengthened in the period up to 2010 through the takeover of more than 20 companies. These include: bremer Kaffeemaschinen, Aquarotter GmbH in Germany, the Italian Faber Group and Defy Appliances (Pty) Ltd in South Africa.



### 2008 – 2010

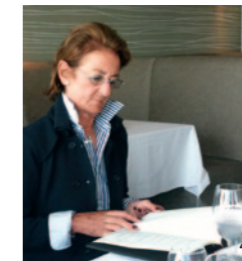
Barack Obama becomes the first African-American to be elected to the White House. A financial crisis of unprecedented magnitude continues to shake the world economy, political establishments and society to their foundations long after the initial impact. Under the aegis of Franke Artemis Holding AG, a forward-looking structure is created, integrating the industrial operations into the sub-groups of Franke Kitchen Systems Group and Franke Commercial Systems Group. The non-industrial business units are incorporated into the Franke Artemis Asset Management Group and Franke Artemis Real Estate Group.

### 2011

The Franke Artemis Group celebrates its hundredth anniversary. Franke is the world's leading provider of intelligent systems for domestic kitchens and professional food service and is also on the way to becoming number one in coffee preparation, beverage delivery and hygiene solutions. The Group has grown to more than 10,500 employees, working in 70 companies worldwide. Since 1989, consolidated sales have risen from CHF 480 million to some CHF 2.5 billion. During that period, CHF 2.7 billion of self-generated cash flow has been invested in the future of the company.

## THE CAPTAIN'S

worthy successor



For Michael Pieper, the first contact with Walter Franke and his company came at an early age, through his father. But at the time, he had found the manufacture of sinks a lot less interesting than the Franz Carl Weber toy store, the children's Shangri-la his great-grandfather had founded on Zurich's Bahnhofstrasse. As a young man, his father had tried out his gifts as a salesman and supplemented his pocket money working in the model railway department. Later, Michael Pieper, as a student of business administration at the University of St. Gallen, was to write his thesis on "Optimization of Material Flows in Toy Retailing".

While his younger brother Ronald had inherited his father's talent as a top yachtsman, Michael was driven from an early age by his entrepreneurial gene. He could hardly wait to leave theory behind and get to grips with business practice. Michael Pieper was barely 30 years old when the call came from his father to help prepare and implement the takeover of Franke. He recognized the opportunity and challenge that this moment represented, and continued to support his father with advice and practical help thereafter, taking a close interest in Franke's business and participating in meetings of the Board of Directors.

Determination and impatience are two of several character traits that Michael Pieper inherited from his father. When Willi Pieper wanted to back out of his promise to make way for his sons on turning 65, the inevitable happened. Michael Pieper threatened to leave, to which his father merely commented drily: "Let me know when you've finished clearing your office."

With little money, but lots of drive, Michael Pieper traveled to America. While there, he gained valuable international business experience at a major bank, and in the private sphere won the hand of his future wife. When he returned to Switzerland after six years rich in experience, his father called him back to Franke. Now was the time to prove himself as an entrepreneur. After getting up to speed with all aspects of the Group's operations, he took over as MD of frifri aro SA in La Neuveville (Switzerland), a specialist in the manufacture and marketing of domestic and commercial deep-fat fryers. His team came to know and appreciate him as a demanding boss, but one who rolled up his sleeves

and got involved. He soon got to know every detail about the company, the products and the customers. As a future corporate leader, he was not above explaining the advantages of his fryers to trade-fair visitors – which he did very successfully, showing talent and evident enjoyment in the work.

Although Michael Pieper had grown fond of the small company, he made it clear to his father after two years that the task of leading it was no longer enough of a challenge for him. But his plea fell on deaf ears. Michael Pieper left the Group again and, in 1986, founded his own financial institution with business partners in Zurich. Two years later, Willi Pieper called on his eldest son and put a shoe box filled with share certificates on his desk, saying only: "I've signed the Franke shares over to you, you just need to countersign them. Now let's see what you can do!" It was this brand of laconic charm that Willi Pieper had used when giving John F. Strasser his marching orders to go out and conquer the American market. However, this time he knew that he had to leave his place on the bridge and hand over command to a new captain. He was convinced now that the time had come. Looking back, Michael Pieper recognizes that his father had acted with wisdom rather than stubbornness. After difficult early years, he had succeeded, together with his management team, in putting Franke back on track.

In 1988, the Board of Directors appointed Michael Pieper to the Group management, with responsibility for Planning and Controlling. On 1 July 1989, Michael Pieper took over as Chief Executive Officer from John F. Strasser, who gave him sterling support after the handover. Willi Pieper's younger son Ronald took over the Reppisch-Werke in Dietikon, an industrial company with significant land holdings. The two brothers remained very close, both personally and professionally, until Ronald Pieper's sudden death from heart failure in August 2007.

Willi Pieper died in April 1990. If he could see what his sons and daughter Beatrice, a successful interior designer, have made of his legacy, he would certainly be proud – even though it would elicit no more than a "not bad" from him.

### Captions

1 Memorable handover of the Franke share certificates, from Willi Pieper to son Michael. 2 Michael Pieper's great-grandfather founded the toy store Franz Carl Weber on Zurich's Bahnhofstrasse in 1881. 3 Michael Pieper's first managerial assignment was with the Franke Group company frifri aro SA in La Neuveville (Switzerland), in 1984. 4 and 5 Michael Pieper's sister Beatrice and brother Ronald Pieper.

## CONCENTRATE

*and dominate*



Michael Pieper's aim was not simply to produce and sell sinks, he wanted to see Franke grow quickly and succeed at the highest level, as a global powerhouse and world market leader in its core businesses. That was his declared goal when he took the helm at Franke in summer 1989. From the very first, he began to adopt new approaches and channel the development of the Group in new directions and drive it to new heights. And Michael Pieper had plenty of "drive", instilling élan and pace into the work of the whole Franke team. One thing he knew for sure: the competition never sleeps. He saw that it was vital to build on the momentum his predecessors had generated over the previous 78 years. As the helmsman determining the future course of Franke, he came up with a simple but powerful maxim, like the battle cry of a general to his troops: "Concentrate and dominate!" To this, he added: "Companies often try to do too much, battle on too many fronts. We want to be world number one in all our core businesses. That means we have to concentrate on just a few sectors where we have clear strengths and global market opportunities. Otherwise, we drop the business." He never missed an opportunity to spell out how that was to be achieved: "We have to be quicker and better than all the rest in every situation." He was convinced that the key to success was to work harder, to be smarter and more innovative, and do everything faster. One of his guiding principles was never to be dependent on banks or other shareholders. He reckoned that, given this freedom, there were no limits to what a family company could achieve: "...as long as it exercises common sense and avoids basic mistakes, and these can be avoided with the support of a board that keeps a critical eye on things and a good management team, backing the right strategy and ensuring its proper implementation."

Like his father before him, Michael Pieper put together a strong board. In fact, he went one step further, taking on the operational leadership of the Franke Group himself as CEO and leaving the position of Chairman of the Board to someone with experience of running a global industry, knowing full well that the Chairman would be in a position not only to question his plans and decisions, but also to reject them. In Ulrich Naef, he gained an internationally experienced industrial manager as Chairman. The close and successful collaboration with Ulrich Naef and later two other high-caliber board chairmen, Fritz Maurhofer and Thomas

Erb, showed his decision to have been astute and farsighted, both for himself and for the development of the Group.

From the start, Michael Pieper embarked on a strategy of strictly planned and methodically executed geographic growth. He did this mainly by reinvesting profits in the Group's own companies and making acquisitions. His approach to acquisitions was both cautious and highly selective. The motto, according to Ulrich Naef, was: "Very bold, but at the same time very careful." The tried and trusted method was described by Wolfgang Cach, for many years CFO of the Franke Group, in these terms: "Identify, evaluate, negotiate, buy and then integrate without delay. Only when there is complete transparency and the books of the takeover candidate are open can the sums be done, and then if they add up, the acquisition can go ahead." Having served the Group for more than 38 years, 18 of them working closely with Michael Pieper, Wolfgang Cach knew his boss better than anyone: "It wasn't just the growth strategy that was rigorously planned, but also Michael Pieper's idea of daily routine and commitment. He was very demanding, and that only worked because he led by example. And despite all the success and wealth he acquired, he always stayed simple and straightforward." Michael Pieper's hours of work are legendary. Although his home in Hergiswil is 50 kilometers from the office, he is always at his desk no later than 5 am. In the evenings, when he is not traveling the Franke empire by air, he drives back home in his car. He generously expects his management team to be at their desks no later than 7 am. "Many people arrive earlier and make up for it by going home later," says Andreas Hauswirth, Head of Corporate Services, with a smile.

However, without this dynamism and discipline that Michael Pieper demands of all involved, the rapid and impressive growth of the Franke Group would not have been possible. With more than 10,500 employees in 70 companies worldwide, sales have risen from CHF 480 million in 1989 to about CHF 2.5 billion, while CHF 2.7 billion from self-generated cash flow has been invested in the future of the business. That is how Franke, under Michael Pieper's leadership, has become the world's leading provider of intelligent systems for domestic kitchens and professional food service, and is on the way to the number one position in coffee preparation, beverage delivery and hygiene solutions.



### Captions

1 Michael Pieper gets to work on the expansion of Group headquarters in Aarburg (Switzerland). 2-4 An entrepreneur always on the move.

## COMMITMENT TO SWITZERLAND

*as a value center*



As a result of the increasing globalization of economic life, Switzerland was not spared the effects of the crisis that broke over Europe in the early 1990s. Numerous Swiss-based companies had to be restructured and set on a new strategic course. Manufacturers previously regarded as models of their kind – for instance, the Swiss machine construction industry – moved production abroad, reshaped their operations or closed down factories altogether. Despite gloomy forecasts for the future of the Swiss industrial sector, the Franke Group remained faithful to its Swiss manufacturing base. It was convinced that the global concern needed a strong base in its homeland and that there was a promising future for Franke in Switzerland, above all with new technologies and high-end production with a strong value-added component, but also as an attractive employer for talented and ambitious people committed to helping shape Franke's future. "We want to keep the Franke flag flying in Aarburg and be a role model for our worldwide organization, not only as a center of production, but also through the spirit and values we represent," stresses Michael Pieper. Investments of over CHF 250 million in the Group's headquarters over the last 20 years are clear proof of this commitment.

The investment has gone into modernizing the Group's Swiss operations and bringing them up to world-class standard in terms of IT and production technology. The goal is continuous improvement of quality and productivity at all levels and in all sectors. Today, Aarburg is a key center for high-end and high-tech products.

In Aarburg, Franke manufactures sinks on the most advanced production lines for the most demanding customers. In Michael Pieper's words: "Like goldsmiths' products which we place at the very top of our range worldwide." One of the Group's key technologies is the design and manufacture of its own tools. Franke is constantly striving to achieve further advances in pressing and forming technology, ensuring competitive advantages in production and design. The Industrial Engineering department supplies a number of industries with sophisticated components, for example for use in gas turbines and aircraft engines for the aerospace

industry. The information technology for the whole Group is planned, supervised and supported from Aarburg. "We are quite proud that we have achieved world-class standards in this area as well," says Chief Information Officer Peter Kaufmann. The new Info Center was opened in 1996, providing a reception, exhibition and conference center with an attractive atmosphere. In 1999, Group management moved with its organization into a new office building. At the end of 2008, a completely new production facility for coffee machines was completed, for the time being the last stage in the expansion of the Aarburg site – another emphatic step on the road to becoming world number one.

Systematic application of the "concentrate and dominate" principle led to the examination of other activities in order to verify whether they satisfied the principle themselves. The result was the sale or discontinuation of activities in Switzerland with less promise or which were no longer suited to the Franke Group, such as the food service equipment, bathroom furniture and metal construction business.

The residential building program that Walter Franke had started as part of a socially oriented corporate policy was taken to a new level by the establishment of Franke Immobilien AG in 1990. In 1993, the company purchased a major residential development in Aarburg. A series of property developments followed in quick succession, above all in the residential sector. Today, Franke Immobilien AG manages some 2,000 rented properties, on its own account and on behalf of the Franke pension fund. It also provides facility management services for Franke's industrial properties in Aarburg – 26 buildings altogether, covering a vast area – as well as services to third parties.

The Franke Artemis Asset Management Group was established as a vehicle for the purchase of equity holdings in publicly listed Swiss industrial companies – "where we know something about the business and see some potential," as Michael Pieper puts it. This is testimony to his belief in Switzerland as an economic hub, in good times as well as bad. He is also an active board member with substantial shareholdings in such companies as Forbo, Rieter, Feintool and Advaltech.

### Captions

1 Franke precision and innovation at work. 2 and 5 Franke headquarters in Aarburg (Switzerland). 3 2009: Michael Pieper tours the works with Swiss Federal Councillor and Minister of Economic Affairs Doris Leuthard at Franke headquarters in Aarburg. 4 Franke Coffee Systems' new office and factory building in Aarburg.

# DEVELOP

*and conquer*



Parallel to the consolidation of the Swiss base, Michael Pieper drove global expansion forward. Completely new perspectives were opening up in markets ranging from Eastern Europe to the Far East, facilitated and accelerated by the fall of the Berlin Wall and glasnost in the Soviet Union. The driving force at the head of the Franke Group wanted to seize the initiative and secure these openings from the outset. But he had to get the backing of Group management and the Board of Directors for his ambitious growth strategy before he could put his plans into action. Initially, Michael Pieper put the emphasis on building up the global business of Franke Kitchen Systems and Franke Foodservice Systems. As a rule, this was accomplished by targeting companies with a strong position and potential in their respective domestic markets. It was mostly sink manufacturers that were acquired and integrated rapidly into the Group. During the 1990s, Franke combed systematically through market after market, looking for acquisition candidates and then step by step established a foothold through takeovers or by building up its own subsidiaries.

This successful approach was also applied in the case of Franke Foodservice Systems and led to a tremendous growth spurt, potentiated by the equally ambitious global expansion of the business unit's main customer, McDonald's. Just a few weeks before the fall of the Berlin Wall, Franke Foodservice Systems, working in tandem with McDonald's, succeeded in landing a contract with the Moscow City Administration for the supply of 20 McDonald's kitchens. On 9 November 1989, a convoy of six trucks set off from Franke's Bad Säckingen site en route for Moscow. The first McDonald's restaurant in Moscow opened its doors on Pushkin Square already at the end of January 1990. At the time, it was the biggest McDonald's outlet in the world, with indoor seating for 700 guests and 200 more outside.

The real starting signal for the peaceful conquest of the world markets was sounded by Michael Pieper in 1990, with the takeover of the old-established Scottish company **Carron Phoenix**, founded in 1759, along with its six subsidiaries. Carron Phoenix had made the cannons that helped Lord Nelson to victory over Napoleon's fleet at the Battle of Trafalgar in 1805. Now, as market leader in the manufacture and marketing of sinks in stainless steel and synthetic materials, Carron was to be a significant reinforcement for the market presence and position of Franke Kitchen Systems. Carron also represented a significant brand in its own right and a

second market presence alongside Franke. The Carron deal was a masterpiece of planning and negotiation by the new Group head, an object lesson in how acquisitions should be conducted. Michael Pieper had learned the necessary skills during his time as an apprentice and journeyman entrepreneur in the USA. This was Michael Pieper's first ever involvement in a major acquisition. Walter Wieland, at that time Head of Franke Kitchen Systems, who accompanied him throughout the negotiations, marveled at his skill and tenacity. "We had agreed the price between the two of us beforehand. Our motto was: we won't be the first to blink, we'll hold out longer than our four opposite numbers." And that's exactly what happened. Hans Hemmeler, a confidant and mainstay of the company since the era of Walter Franke, summed it up succinctly: "A natural talent." From that point on, the Board maintained its critical stance, but mostly regarded Michael Pieper's expansion plans in a positive light. Under his leadership, Franke broke through into the world markets. It succeeded largely thanks to his continuing willingness to reinvest the profits in the future of the Franke Group.

The management of the Franke Group and the companies at national level showed an extraordinary degree of commitment, know-how and teamwork in implementing the growth strategy. The local companies usually served as a "bridgehead" and were essential to the conquest of the national markets. Michael Pieper initiated and led the expansion process, supported by Wolfgang Cach, who did the necessary groundwork of research and analysis prior to the takeover and then made sure the necessary control mechanisms and cost transparency were in place for the process of integration. He was ably supported in the preparation and realization of these acquisitions by the Group management team, which comprised: Bernhard Stauch, who from 1989 guided the fortunes of Franke Kitchen Systems and left his mark on its history; R.R. Campion and his successor Hans Ott, heads of Franke Foodservice Systems; and Andreas Hauswirth, who headed the Franke Group's Corporate Services.

By taking over strong, long-established companies, Franke not only gained employees and market share, but effectively acquired over 3000 years of expertise in its first 100 years. Some of these companies had traditions going back centuries, such as Carron Phoenix (1759), the English firm of W&G Sissons Ltd (1784) and Finnish-Swedish Hackman-Meka Group, with its Ramnäs subsidiary in Sweden that was established in 1590.

#### Captions

1 Original Carron cannon at Fort George on Moray Firth (Scotland). 2 Princess Anne (Princess Royal and Princess of Orange) visiting Carron Phoenix. 3 1990: opening of Moscow's first McDonald's restaurant on Pushkin Square, then the biggest in the world. 4 2009: Franke Sissons workers in Chesterfield (GB).





## AT HOME AROUND THE WORLD

*and what it takes to get there*



One of Franke's outstanding pioneering achievements has been the building of a strong global presence. The story began in the 1940s with Walter Franke's bold step beyond the Swiss borders to establish subsidiaries in large parts of Europe. Willi Pieper made the first move toward globalization, with further locations in Europe and the United States. But the breakthrough in opening up world markets only came under Michael Pieper, who has been systematically driving worldwide expansion at a great pace since the beginning of the 1990s.

At the same time, existing market positions were developed and new markets opened by acquiring local players, where this was feasible and made good business sense. Where such companies were not available or could not be acquired, Franke founded subsidiaries and built up marketing and production capacity of its own, enabling it to get closer than any of its competitors to markets and customers worldwide. The aim was to provide products and services that were optimized to suit local cultures and meet local requirements – in accordance with the “think global, act local” principle, as Bernhard Stauch puts it. He has played a decisive role in shaping this development. Since 2005, he has served as a member of the Board of Directors of Franke Artemis Holding AG; for the 15 years prior to that, he headed Franke Kitchen Systems, the Group's most important division, which he led to the position of world number one in the kitchen systems

market. In addition to the expansion in Eastern Europe and Asia, Western Europe remained a focus of activity. Market penetration was already well advanced, but there were still some gaps to close.

Franke's success and progress toward world leadership cannot be explained solely by the quality of its products and the astuteness of its acquisitions. The ability to globalize what was originally a locally based business and guide local developments through a strong entrepreneurial organization has also played a major part in Franke's success. According to Duncan Marr, who as Managing Director has been involved in building up the business in Britain over a period of decades and knows Franke's way of doing business: “As long as the direction is the right one and the figures add up, Michael Pieper gives people a lot of scope and is generous in his support for the effort to advance a local business. But if you start getting into difficulties, you have to dress warmly and get things back on an even keel as soon as possible, otherwise you can kiss your freedom goodbye!”

Today, Franke is at home on five continents, from Finland to South Africa and France to Australia. Like football, Franke connects the world. In football, as at Franke, common values and binding rules define the scope within which every home team plays its game and has the potential to be the best in the world.

### Captions

1 Like football, Franke connects the world. 2 Franke S.p.A, Peschiera del Garda (Italy). 3 Franke Management Inc. / Franke Foodservice Systems Inc. / Franke Resupply Systems Inc., Smyrna (TN, USA). 4 Franke Kitchen Systems (Pty) Ltd, Mombeni (South Africa). 5 Franke Foodservice Systems, Heshan City (China). 6 Franke Kitchen Systems Egypt S.A.E., 6th of October City (Egypt).

## SWISS QUALITY

*made in China*



Franke's global expansion was not just about seizing opportunities in new locations, it was also concerned with ensuring consistent quality of its products and services the world over. Eastern Europe, Russia and China played a key role as a new frontier of economic development during the eighties and nineties. The advent of perestroika and glasnost in the Eastern bloc, the fall of the Berlin Wall and the reform policies of Deng Xiaoping, the new strongman in China, were milestones along the way.

For Franke's managers, the exploration, conquest and development of the markets in this relatively unfamiliar or even totally unknown terrain was often an adventurous and chaotic affair. Accustomed to Swiss punctuality and reliability, they found themselves in situations that required skill, flexibility and a talent for improvisation if they were to succeed. Bernhard Stauch, the then head of Franke Kitchen Systems, remembers as tours de force the many expeditions he made with Wolfgang Kemmerling, who was in charge of Germany and Northern Europe, into the various countries which had formed part of the USSR. "All the flights we took were treated as domestic flights – no one wanted to see our entry visas for Russia or issue us with visas to enter the Ukraine. It was only when we came to fly out again that our papers were scrutinized and the officials wanted to know how we had entered their country, which we then described in detail. As a rule, it took a modest payment of only 50 dollars for the men in uniform to 'turn a blind eye' and allow us to board the aircraft bound for Zurich, along with a couple of cans of illicit caviar, which normally could not be taken out of the country."

There were also different customs to be observed in conversations and negotiations with potential partners, as Bernhard Stauch vividly recalls: "It took a lot of patience and skill to get through the endless discussions, as well as a certain steadfastness and ability to hold one's drink. When the nightly dinner invitations were accompanied by a vodka glass that never seemed to be empty and the umpteenth 'Na zdorovie' resounded around the table, it was quite a challenge to keep a clear head and find the way back home to the hotel." The experience gained in that period convinced Franke that it should concentrate mainly on building up its own subsidiaries and production facilities in Eastern Europe both to guarantee the quality of its products and services, and to avoid taking on the inherited liabilities of existing local operations, few of which are still in existence today.

China, the world's most populous country with well over a billion inhabitants, was already on Michael Pieper's expansion radar at the beginning of the 1990s. The reforms introduced at that time unleashed a period of rampant growth for the Chinese economy. This dynamic development resulted in the building of megacities and the emergence of an affluent middle class, with growing influence and importance. In 1993, a delegation from Franke traveled all over the country in a quest to discover the best way of entering this most promising of markets and building up a successful business there. They had discussions with numerous companies and learned once again the truth of the saying: different countries, different customs. The greatest challenge was to develop a nationwide distribution network, because commerce was traditionally organized along local lines.

In 1994, after lengthy negotiations Franke signed a joint-venture agreement with Guangdong Victory Kitchen Equipment Factory in Heshan City. However, before work on a new factory, office buildings and accommodation for the workforce could begin, access to the site had to be secured, and that involved the construction of a bridge across the Xi Jiang river, literally "West River", a tributary of the Pearl River. As Bernhard Stauch recalls: "Construction work could only go ahead in the dry season, when the water was low. That was why Andreas Hauswirth and I drew up the famous 'bridge contract', before any of the joint-venture agreements were signed. Otherwise, we would have had to wait another year before opening the factory and opening up the Chinese market." At the end of 1995, the new Franke plant was inaugurated and shortly afterwards started producing kitchens for McDonald's restaurants in the Chinese and Asian markets, as well as domestic sinks. It was also this plant that, some years later, was to satisfy the demand for Asian sourcing of low-cost components. In 1999, the Chinese business was completely taken over by Franke to ensure a flexible and rapid response in the Chinese market and guarantee quality standards. Since then, a great deal of development work has taken place in Asia. In 2000 another factory was opened in the Philippines, and in 2008 Franke Foodservice Systems built a new plant to secure its position in the strategically crucial Chinese market. This plant is regarded as a model in terms of quality assurance, something that is borne out by ISO certification, as well as satisfied customers in China and across Asia. All part of Franke's promise to deliver Swiss quality made in China – or anywhere in the world.

### Captions

1 Crossing the Pearl River to Franke's site in Heshan City (China). 2 New building at Franke Foodservice Systems in Heshan City. 3 and 4 Michael Pieper and guests at the opening ceremony in 2008. 5 Franke Foodservice Systems' state-of-the-art production plant at the new works in Heshan City.



## SYSTEMS FOR LIVING

### Franke Kitchen Systems



Since 1934, when Hermann Franke was scoring his first successes with stainless-steel sinks, there has been a revolution in lifestyle, with the kitchen as the hub of home life at its center. Franke has played a key role in this transformation. The kitchen has long since emancipated itself from the narrow confines of a mere workplace where food is prepared. It has become a space for communication and creativity, a meeting point whose design is an expression of its owners' lifestyle.

Walter Franke paved the way for industrial production of sinks with the standardization of the domestic kitchen in the 1940s. This was followed by a groundbreaking step away from pure sink manufacture to the marketing of taps and accessories such as boards for chopping and preparing food. The introduction of the **Franke Compact** in 1979 was a great success. A sink with a compact design that would fit even the most cramped space, providing two working bowls and matching accessories. In the meantime, over three million Franke Compacts have been sold, playing an important part in Franke's rise to global market leader in kitchen systems. In 1987, in response to growing environmental awareness, Franke introduced the **Compact Combi** sink, with a built-in waste-disposal unit.

The development continued on its unstoppable course. Franke found the answer to increasing demand for sinks in different colors and materials in the acquisition of Scottish company **Carron Phoenix**, the leading producer of high-quality sinks in synthetic materials. Cooperative ventures with leading ceramic manufacturers rounded off the product portfolio. The range was further extended in the 1990s when Franke began producing its own ovens and cooker hobs, which sold successfully in selected markets. The final breakthrough as a system provider came in 2005 with Franke's acquisition of the **Faber Group**, a world-leading manufacturer of hoods. Today, Franke Kitchen Systems tops off its comprehensive range with products and accessories in matching designs for every area of application.

Since Michael Pieper took over in 1989, the Franke Group – with Franke Kitchen Systems to the fore – has pursued an aggressive and systematic growth strategy aimed at conquering and consolidating global leadership. It has done this by building its own presence in key markets in Asia (China and India), Eastern Europe (Poland, Romania, Russia, etc.), as well as in Turkey and the Middle East, and by selected acquisitions of leading companies such

as Carron Phoenix Ltd (UK), Douat Ltda. (Brazil), Federal Home Products (USA), Kindred Industries Ltd (Canada), the Faber Group, with its head office in Italy, and City Metal Products and Defy Appliances (Pty) Ltd (South Africa).

In a little short of 80 years, Franke's systematic approach and flair for the demands and possibilities of the modern kitchen have turned it from pure sink manufacturer to world-beating provider of intelligent kitchen systems. These are found today in over a hundred million kitchens worldwide. Designed to suit the individual lifestyle of owners and users, they make kitchen work as enjoyable, efficient, hygienic and environmentally compatible as possible. World-famous kitchen designers such as **Boffi**, **bulthaup** and **Scavolini** have relied for many years on "Franke inside". The **Centinox** line marks the start of Franke's second century by writing a new chapter in the history of kitchens and sinks. A hundred years of experience are distilled into this all-round concept – a kitchen system designed for style, well-being and pleasure.

In the new century, Franke Kitchen Systems aims to strengthen its position as global market leader. This is underlined in the formulation of an ambitious vision and mission: "Franke has to become a style icon of the industry, especially in the growth markets outside Europe – a power brand combining high tech and high touch." It will pursue this goal with a range of intelligent kitchen systems – comprising sinks, hoods, water and waste systems, cookers and taps – that meets the highest standards in terms of looks, functionality and quality. Part of the game plan is to keep structures, systems and processes under constant review and to redesign them along simpler, more effective lines, geared to the changing requirements of the global markets. Franke's local companies are spearheading this drive, with advice and services focused completely on their customers' individual requirements. They are supported in this by global centers of expertise, with great innovative potential and specialized production facilities, supplying Franke kitchen systems worldwide, made to the highest quality standards and delivered on time.

Franke Kitchen Systems today has around 7,500 employees, generating sales of over CHF 1.5 billion in 2010.

#### Captions

1 High tech with high touch – the latest generation of Franke kitchen systems. 2 Sink with accessories. 3 Tap. 4 Hood. 5 Hob.

## CASUAL LIVING MADE EASY

### Franke Foodservice Systems



Without increased mobility, industrialization and globalization could never have happened. The history of Franke and pioneering restaurant chains such as **Mövenpick** and **McDonald's** would also have followed a completely different course. Since the mid-20th century, a major part of the world's population has enjoyed the manifold advantages of a mobile lifestyle. One aspect of this is a regular visit to a quick-service restaurant chain, creating a new dining culture. It is impossible to imagine the modern world without. From its beginnings in America, it set out to conquer the world under the banner of "fast food" in the 1950s. And it has succeeded in revolutionizing the catering industry and changing the lifestyle of whole generations. People can now enjoy a wide range of tasty meals, served quickly and conveniently, right round the clock. Industry leader McDonald's, for example, serves more than 60 million guests in over 32,000 restaurants in 117 countries every day. But there are many more: chains such as **Burger King**, the **Yum!** brands **Kentucky Fried Chicken**, **Pizza Hut** and **Taco Bell**, as well as newcomers such as **Vapiano** and the **IKEA** furniture store. Every day, the casual dining scene becomes more closely attuned to modern lifestyles, offering greater variety, new experiences and fresh delights, and making casual living easier.

These and other customers in the quick-service restaurant industry are helping Franke Foodservice Systems build up its business and develop successfully. They benefit from Franke's unique expertise and comprehensive services – from planning through start-up to permanent support in the area of operating safety and maintenance – built up over 60 years as the world's leading supplier of complete professional kitchen systems and installations. Up to the present day, over 30,000 complete kitchens have been planned and installed, and millions of components fitted as replacement parts or for renewal of food-service operations. Since installing its first kitchen for McDonald's in Munich in 1972, Franke has built a further 15,000 for this key customer. Franke is responsible for every second McDonald's food-service installation around the world, with a strong growth trend in the booming Asian markets. Franke Foodservice Systems also provides consulting and training, as well as technical services, with a 24-hour turnaround, all over the world, to keep food-service installations, in every department and every phase of their life-cycle, running efficiently and trouble-free. These exclusive, all-round services, focused on customers' requirements, create a close working partnership and

a common platform for business development. To service these dynamic relationships, Franke Foodservice Systems has built a streamlined and highly effective organization over the decades, which works like Swiss clockwork. Its headquarters are in the USA and there are business units for America, Europe and Asia.

A highly experienced and committed management team has overseen this positive development. Much is owed to the enterprising and charismatic Richard R. Campion. Under his leadership, the Franke Contract Group was formed in 1986 and built up into the first worldwide division, with McDonald's as the main customer. Initially there were two production sites underpinning its expansion: Bad Säckingen (Germany) and later Gdynia (Poland) supplied the European markets, while North Wales (Pennsylvania) served most of the US market. A further production facility was added in Sparks (Nevada) in 1990 to supply the US West Coast and export equipment to Asian markets such as China, Korea and Taiwan. When "Dick" Campion reached retirement age in 1993 and handed over to Hans Ott – who had served Franke Foodservice Systems since 1981 as General Manager – the business was already on a sound footing. Under his guiding hand, global market leadership was systematically strengthened. Franke gained a second major customer in Burger King through the acquisition of its suppliers Stainless Inc. (USA) and Niggemann GmbH (Germany). The Resupply and Smallwares segment was successfully established and built up into a cornerstone of the business. Franke Foodservice Systems created its own service business and invested heavily in the development of new products for its customers' kitchen operations. Finally, in China and the Philippines new production sites were built, a major expansion of the Polish factory was carried out, while in the US state of Tennessee, in addition to a new production plant, a new headquarters with an impressive Logistics and Tech Center was built. Hans Ott and his team have continued building the success of the business and pushing forward with improvements in all areas, through closeness to customers and ongoing optimization of processes – inspired by his vision and guiding principle: "We are committed to freeing up our customers to focus on their guests, employees and plans for the future – and to sleep as soundly as possible."

In 2010, Franke Foodservice Systems, with around 1,300 employees, contributed some CHF 520 million to the consolidated revenues of the Franke Artemis Group.



Captions

1 Delicious casual dining dishes around the world. 2-5 Franke Foodservice Systems customers: McDonald's, IKEA, Vapiano, Ginyuu.

## COFFEE CULTURE MAKES THE WORLD GO ROUND

### Franke Coffee Systems



What will it be today? Coffee, espresso, espresso con panna, latte macchiato, cappuccino, café viennois, hot chocolate, iced coffee ...? So many different coffee specialties and confections are enjoyed around the world, not only by guests in luxury hotels and cafés with long-standing traditions in coffee culture, such as **Sacher** in Vienna. Nowadays, coffee in its myriad varieties belongs to the affordable standard fare of a new generation of ambassadors and promoters of global coffee culture. For instance, **McCafé**, the latest offspring of the global McDonald's family, which already has 16,000 outlets based on the concept worldwide; the international café chain **CUP&CINO**; or the Taiwanese **Dante** chain, with over 150 coffee shops throughout Asia. Wherever coffee culture is enjoyed and richly nuanced coffee appreciated, discerning retailers rely on Franke Coffee Systems as their partner of choice to advance their businesses with excellent coffee and satisfied customers.

Christof Hurni, Managing Director of Franke Kaffeemaschinen AG, puts the simple but effective Franke principle in a nutshell: "The better we know and understand our customers and deliver optimal services and solutions, the more our coffee machines become cash machines." Although this business is a relatively recent venture, Franke is steadily advancing toward its goal of world no. 1 in professional coffee-making systems, moving into a position just behind the leaders in 2011.

The foundation stone was laid in 1984 with the takeover of **Augsburger AG**, an old-established Bernese coffee machine manufacturer, whose activities and production capacity were transferred to Aarburg in 1991. Since then Franke has continued to invest in research and the development of new technologies and processes geared to the needs of each specific market and customer segment. The declared goal is to seek optimal solutions and make it possible to apply Franke Coffee Systems technology worldwide, with high-performance, attractively designed, fully automatic coffee machines, delivering supreme quality in the cup

and the complete coffee experience, with the highest reliability, comfort, economy and sustainability. "Our aim is always to offer the extraordinary to selected customer segments, rather than the ordinary to everybody." This is the principle that Marga Gyger has applied with heart and soul to shaping the fortunes and development of Franke Coffee Systems for the last 16 years – with great commitment and success. She took charge of Franke Coffee Machines in 1994 and since 2004 was head of Franke Coffee Systems and a member of the extended Franke Group Management until her retirement in 2010.

Parallel to developments on the technological front, the advance to leading global system supplier took place under her leadership, with significant acquisitions in the key markets of the global coffee machine business. In Germany, **bremer Kaffeemaschinen** was taken over in 2002, and US reseller **Espresso Specialists Inc.** followed in 2004. Today, Franke Coffee Systems has its own companies in Germany, Austria, the Netherlands, Great Britain, the USA and Japan and a strong network of sales partners in over 60 countries. From this position of strength in all the world's key coffee markets, Franke is able to offer customers tailor-made solutions of the same high quality standard: from small outlets where one Franke coffee machine serves 50 cups a day, to major operations where a single high-performance machine delivers 300 cups of espresso an hour. Franke Coffee Systems has achieved this position thanks to its knowledge of customers and markets, its innovative systems and products, all-round quality, service and support, all day and every day. Franke has also created **Coffearamas**, where customers can refine their expert knowledge of all aspects of Franke Coffee Systems and coffee culture.

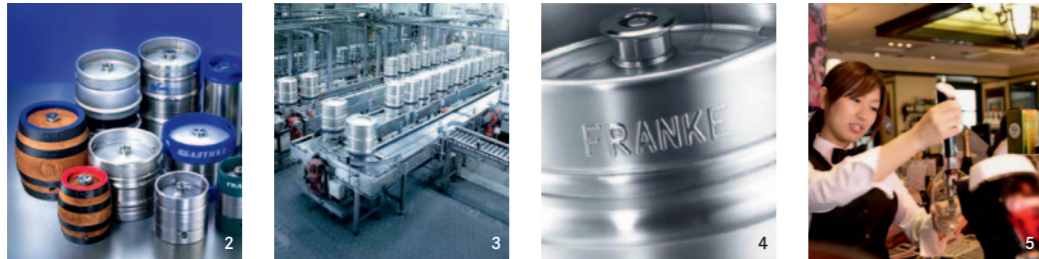
Initially seen by some with a sceptical eye and characterized as "Michael Pieper's hobby", the coffee machine activities have grown into a respectable business. In 2010, Franke Coffee Systems, with some 500 employees, generated annual revenues of CHF 140 million.

#### Captions

1 Coffee culture connects the world. 2 Selected coffee beans. 3 Intelligent coffee system: the new Franke Spectra Foammaster. 4 Coffee variations and creations. 5 Pure pleasure: the coffee experience.

## THE BREWERS' BEST FRIEND

### Franke Beverage Systems



Their goal is no less than to refresh and delight people all over the world. For over a hundred years, the leading players in the brewing and soft-drinks industry have succeeded in staying young and inspiring new generations to identify with their brands and products. And they have succeeded in this despite the fact that consumer and market behavior has changed and competition and concentration within the industry have steadily increased since the 1990s. Some years ago, the **Coca-Cola Company** responded with a “Triple A” formula for success: **Availability, Affordability, Acceptability**. This helped the brand to number-one position in the soft-drinks market and also earned it top place in the Best Global Brands ranking. In addition to the eternally young product and market image, the Coca-Cola Company had another vital success factor: it worked systematically to make sure the product was always available at arm’s length, in perfect condition, anywhere in the world. World-champion brewers of hops and malt – and Franke customers – such as **Anheuser-Busch InBev, SAB-Miller, Carlsberg, Heineken**, as well as local players, have built their success on similar principles.

Wherever a cool beer, with a fine foaming head, or a refreshing soft drink is served, there is a good chance that it is flowing from one of Franke’s stainless-steel kegs. The delivery system ensures that the brewers’ pride makes its way from brewery to bar and arrives in the glass in peak condition, so that everyone can enjoy their favorite brand at its best. Every year, Franke supplies around 800,000 of these containers to the world’s leading drinks producers, making it the global leader in keg systems for beverage delivery.

Walter Franke took the first steps into the “refreshment” business in the 1950s and made Franke the leading manufacturer of beverage containers for beer and soft drinks in Switzerland. In the 1990s, the worldwide consumption of drinks of all kinds was booming; at the same time, there was a trend away from cans to bottles and kegs. Franke saw the enduring demand for stainless-steel kegs as an opportunity and seized it. The Group invested in the necessary resources and expanded production capacity. Franke designed a test series of new containers according to the

specifications of the Coca-Cola Company. Approval for the new kegs led to Franke’s appointment as Coca-Cola’s second global supplier, giving it valuable international market access for its beverage containers – a significant step toward the position of global market player.

In 1994, Franke created the Beverage Systems unit and began a drive to build and consolidate the business worldwide. The unit was now producing containers for the chemical and pharmaceutical sectors, as well as for the brewing and soft-drinks industry. Selected acquisitions secured the additional capacity and know-how. In the same year, Franke acquired the Finnish-Swedish **Hackman Meka Group**, with its keg production plant in the Finnish town of Suonenjoki. The first successes with the new 20-liter container for key customer Coca-Cola and **Hackman’s “Finn Keg”** brought a welcome boost to the business. The following year, Franke bought the German company **Blefa GmbH** from the **Krupp-Hoesch Group**, an acquisition which gave it a strong position in the international market for beer kegs in the 30- and 50-liter range. This expansion was in keeping with the Franke Group’s overall strategy of becoming global leader in selected niche markets. The acquisition of **Safer S.p.A.** in Italy in 1996 enabled Franke to further strengthen its position in the European market for high-grade stainless-steel containers for non-alcoholic beverages. By 1997, Franke was the world leader in innovative, high-performance and environmentally friendly beverage delivery systems.

That led to a decision, in 2008, to make Franke Beverage Systems the Group’s fifth independent division. In 2011, Franke started the Global Network Keg Service, offering customers and partners an optimized management and maintenance system for their keg park. “It’s great fun helping our customers refresh the world and their own businesses at the same time,” says Alexander Brand, Managing Director of Blefa GmbH.

Last year, Franke Beverage Systems, with 150 employees, generated sales of CHF 80 million.

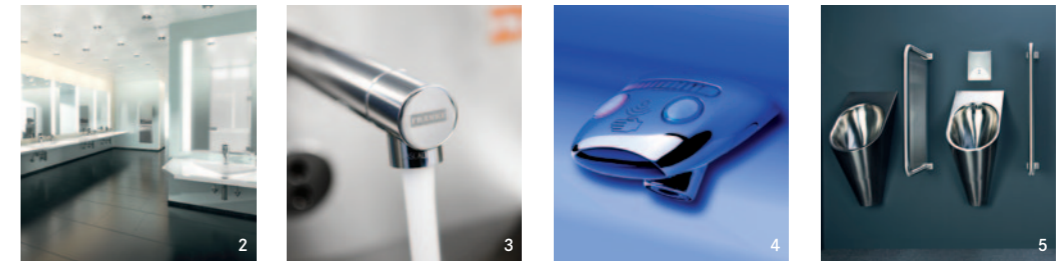
#### Captions

1 Quality control by a master brewer. 2 Range of kegs for every purpose. 3 Keg filling line. 4 High-quality beer keg in stainless steel. 5 Beer drawn from a Franke keg, fresh as the day it was brewed.



## AT HALF-TIME HYGIENE COMES INTO PLAY

### *Franke Washroom Systems*



Hygiene is an increasingly important issue, politically, economically and personally. Wherever masses of people are on the move and meeting on a daily basis, using sanitary facilities at work, in school and during leisure time, there is growing awareness of hygiene standards. A global study in 2010 found that three-quarters of people are more aware of hygiene than before the swine flu pandemic which hit the headlines in 2009 and caused widespread anxiety. Depending on the country, between 40 and 55 percent of people demand more hygienic conditions in public toilets and other amenities.

This is where Franke Washroom Systems, as a leading manufacturer and supplier of intelligent sanitary solutions, comes into play. When the whistle blows for half-time in a football match at Berlin's **Olympic Stadium**, or Formula 1 cars are screaming round the **Autodromo Nazionale di Monza**. At the **Princess Margaret Hospital** in Hong Kong, where hygiene is vital 24 hours a day. Or at the **"Top of Europe" Glacier Restaurant** on the Jungfrauoch in the Swiss alps, complete with panoramic view. When policy is being drafted at the **European Parliament building** in Brussels. Or when showers above the clouds are being taken on board an **Emirates** flight to LA. Even guests of the prison system in a number of countries get to appreciate Franke's comfortable, stylish and robust sanitary facilities.

Franke began making sanitary equipment such as wash basins and troughs, toilet-roll holders and soap dispensers at the end of the 1940s. In the mid-1970s, Franke formed a joint venture for Europe with **Bobrick**, a US manufacturer of special articles in stainless steel for washrooms and toilets in the public, semi-public and commercial spheres. Growing sales and market opportunities led, in 1985, to the launch of its own range, including hand and hair dryers, paper-towel dispensers, waste bins, mirrors, soap dispensers, ashtrays and toilet-roll holders.

In the 1990s, the washroom and sanitary equipment business was transferred to Franke in Hard, Austria, with the aim of building up the business in international markets. Very soon afterwards, Franke launched the Stratos line of sanitary fittings, which proved very successful. It was beautifully designed as well as ef-

ficient and practical, evoking a sense of well-being, and making the line a big hit with the booming spa industry.

Franke was constantly on the lookout for new technologies to improve its offering in terms of attractiveness, functionality, durability and sustainability. In 2009, it branched out from stainless steel and began offering equipment in Miranit as well, a composite material made up of 80 percent natural materials and 20 percent high-grade polyester resin. It combines formability, elegance and toughness, adding a new dimension to the design possibilities and versatility of the range.

As part of the strategic reorientation of 2002, the Washroom and Sanitary Systems (WSS) business unit was formed within Franke Kitchen Systems division. This signaled the start of step-by-step expansion. Companies with strong market positions and matching know-how were acquired: British company **W&G Sissons Ltd**, a leading manufacturer of stainless-steel washroom and sanitary components, with a worldwide sales organization, was taken over in November 2002. In 2005, Franke acquired the Grohe subsidiary **Aquarotter GmbH** in Germany, a leading maker of special tap technology, water management systems and sanitary room fittings, focused on faucets for mobile wet rooms in the airline, rail and shipping industries.

The success of these initiatives and the positive outlook led to the transformation of the WSS business unit into an independent division, Franke Washroom Systems. Manfred Schaden, who had begun his career with the Group in 1976 as Assistant to the Sales Manager at Franke Hard, Austria, led this business unit – from 2002 to his retirement at the end of 2010 – and made a key contribution to its success. "Observing people in their private, professional and social milieu has always been helpful in recognizing needs and trends that have a significant influence on our business at an early stage," is how Manfred Schaden sums up his recipe for success.

Franke Washroom Systems is in an excellent position to profit from the growing demand for hygiene and comfort in public places. The business unit now has 800 employees and contributed revenues of CHF 145 million in 2010.

#### Captions

1 Olympic Stadium, Berlin (Germany). 2 Washroom with basins in the new composite material Miranit. 3 Saving water with smart technology: tap with electronic self-closing function. 4 Ultra-light tap technology for wet rooms on aircraft. 5 WC system in high-grade stainless steel.

# GROWING

with customers



Close working relationships with customers, based on mutual inspiration and common enterprise, run through the history and development of Franke like the double helix of DNA. True to its mission of “enabling enterprise and a rewarding experience”, Franke supports customers all over the world in the realization of their vision and ambitions. Over the years, this has led to the growth of trusting and successful partnerships. This is impressively documented by the fact that the 20 largest customers have worked with Franke for over 30 years on average, contributing about 40 percent of the Group’s total revenues.

This is not about implementing ready-made plans and programs, the partnership often begins right at the strategy and concept development stage. That was already the approach in the 1940s, when Walter Franke was supplying pioneering restaurateur Ueli Prager with commercial kitchens for his revolutionary **Mövenpick** chain.

Leading quick-service restaurant chains such as **McDonald’s**, **Burger King** and **Yum!** have long relied on Franke’s support to help build and run their businesses. Franke has partnered industry leader McDonald’s for nearly forty years in its conquest of the globe. More than half of the more than 32,000 McDonald’s restaurants in almost 120 countries are fitted with Franke kitchen equipment. The billion-strong markets of China and India are particular growth regions for the two partners. Thanks to **McCafé**, guests in McDonald’s US home market can indulge in a wide range of coffee creations, delivered day and night by over 7,000 Franke coffee machines. Franke gives the same stimulating boost to the business of retail chains such as **Coop**, **IKEA** and **Migros**. Innovative start-ups as well as established major players rely on Franke’s contribution to achieve success. One such is the **Vapiano** restaurant chain, founded in Hamburg in 2002 and regarded as the great newcomer on the scene. In only eight years, Vapiano has built a worldwide presence with 80 restaurants where fans of typical *Italianità* can enjoy freshly made pizzas and pasta dishes in a unique ambience. In February 2011, the first pan-Asian

**Ginyuu** restaurant, the latest entrant on the casual dining scene, opened its doors in the multicultural metropolis of Frankfurt am Main. Developed in close collaboration with Franke, Ginyuu is dedicated to a fusion of the national cuisines of the Pacific Rim, with their artful combination of fresh produce and other cultural and culinary influences. It employs Asian cooking methods and an innovative front-cooking concept which involves guests with all their senses in the creation of the selected courses. Aficionados of casual dining in the German-speaking countries can look forward to further Ginyuu restaurants opening soon.

Franke employs many forms of cooperation with its partners on the road to shared success. The Group has launched a marketing campaign aimed at becoming the leading “full kitchen system provider” in China, opening concept and flagship stores, run jointly with local partners, in over 60 urban centers. There are already 120 stores offering customers a special insight into the world of Franke Kitchen Systems. Meanwhile in the North American market, Franke is building on a strategic partnership with **Lowe’s**, the second largest DIY chain on the American continent, which has some 1,650 retail outlets and annual revenues of almost USD 50 billion. In a number of countries, such as Italy and Britain, Franke has helped commercial partners build up their business from day one.

The power brands of the drinks industry work with Franke’s customized delivery, service and logistics systems to provide the world with refreshment. And where there is a need for all-round hygiene solutions in public, semi-public and commercial amenities, Franke works with customers to design smart sanitary systems that meet the most demanding requirements. It might be for an individual restaurant, a whole chain of hotels or for a sporting venue such as a football stadium – for example, the sanitary facilities that coped with the multitudes of fans at the last World Cup in South Africa. Franke hygiene systems are found all over the world and even above the clouds: travelers on the Emirates Airlines’ fleet of **Airbus** A380s can refresh themselves in a Franke First Class Shower Spa.



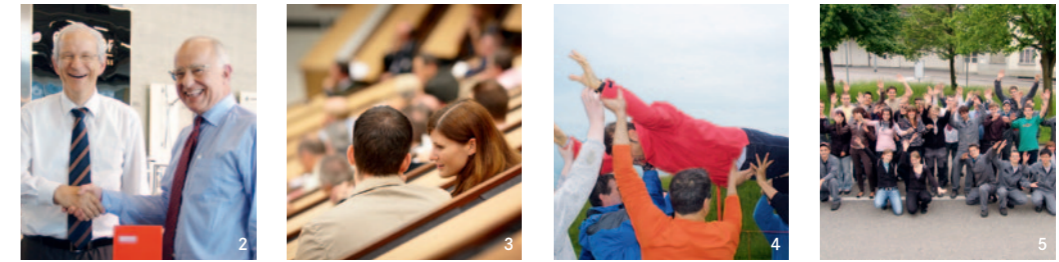
Captions

1 Connected with customers. 2 Outstanding partnership: Duncan Marr, Managing Director of Franke UK Ltd (left), presenting the “Distributor of the Year” award to Kevin Gould, General Manager of Galley-Matrix Ltd. 3 Franke Kitchen Systems flagship store in China. 4 Washroom on an Airbus A380. 5 McCafé. 6 A Franke keg for every customer.



## INSPIRATION AND INNOVATION

*for the next generation*



“For a company to succeed and go its own way for generations, it has to think and act for the long term, with a perspective that spans the generations. This is particularly the case when it comes to recruitment and having the right people in the right place at the right time, serving the best interests of our customers and our company,” so says Michael Pieper, who thinks the nurturing of talent and enterprise has to be a prime concern for the boss himself. “There are many ways of making one’s way at Franke,” he adds, “many of those who joined us as ambitious talents have spent their whole careers here and realized their potential in the Franke world.”

As a global player in its industry, Franke puts a lot of effort into presenting itself as an attractive employer and staying ahead in the “war for talent”. In its search for excellence, the company follows a simple but effective approach: “To contend at the top of the ‘Champions League’ in our industry, we focus on selective recruitment and promotion of our own talents, as well as cooperation with state-of-the-art partners in training, research and industry,” explains Susanne Vogt, Head of Human Resources of the Franke Artemis Group. A central role is played by the model apprenticeship system in Switzerland and Germany, which focuses on commercial, manual and technical skills.

Franke apprentices have been among the prizewinners at the annual Worldskills International competition. Once qualified, recruits have a unique opportunity to apply their knowledge and know-how throughout the Franke world, getting to know other colleagues and cultures in the process. For example, Alexander Pieper, son of the Franke CEO and owner. When he completed his apprenticeship in metal construction, he wanted to go to the USA to improve his English. His father offered him the opportunity to join Franke Foodservice Systems to earn his keep. What started as a spell of language study abroad, lengthened into seven years rich in experience, working for Franke in the USA, the Philippines, Germany and Switzerland. “What impressed me most was the enormous innovative and multicultural potential of the company. A huge opportunity, now and for the future.”

Franke has developed a Corporate Education Program (CEP) to nurture young executives. The aim is to evaluate the potential of executives on various levels and support them in their continuing

personal development. In CEP 1, so-called “high potentials” are selected from a global talent pool and trained to lead departments and teams. Twice a year, fourteen candidates are chosen from all sectors of the Franke Artemis Group and offered an opportunity to prove their professionalism and character in tasks of leadership, communication and team-building, during a week-long training course in Switzerland. The next level of training for Franke executives is CEP 2, an opportunity for managing directors and business unit leaders to hone their skills in the development of practical business strategies and planning, under the guidance of external experts and experienced Franke managers. This is how Welcome Wong, Sales Director in China, described her CEP 2 experience: “Apart from the extremely intensive and instructive training, it was above all the opportunity to share with colleagues from all over the world that I found inspiring and valuable. That is something that will remain with me for a long time.” Through the CEP 3 program Franke also enables its top executives to pursue continuing education opportunities externally, at universities such as IMD, HSG, Columbia and Wharton. Specific expertise is nurtured through advanced training programs, platforms and tools, such as “Lean and Project Management” and e-learning courses. But it is the day-to-day exchange of knowledge and know-how with colleagues all over the world that is of particular value for every Franke employee.

Cooperation with external partners is another priority area. Franke works with other leading companies from a variety of industries to sponsor programs for the advancement of highly qualified senior managers and top executives. In its centennial year, Franke is intensifying its collaboration with the Federal Institute of Technology (ETH) in Zurich. A donation of CHF 4 million to the ETH Foundation will sponsor “the best of the best” in the Excellence Scholarship and Opportunity Program, as well as key ETH projects through its Strategic Fund. “We want to make an effective contribution to Switzerland as a knowledge center and workplace, and build a valuable bridge to the ETH Zurich in an intensive and enduring partnership.” This is how Michael Pieper explains the reasoning behind Franke’s commitment to creating the next generation of inspiration and innovation.

### Captions

1 Inspiration: the Franke formula for innovation. 2 ETH President Ralph Eichler and Michael Pieper sealing their cooperation and Franke’s donation to the ETH Foundation. 3 Inspiration for the next ETH generation. 4 Franke’s CEP 2 course: participants from all over the world attend the Outdoor Training event in Switzerland. 5 Franke apprentices from Switzerland.

## GALERIE F

*Commitment to the arts*



The value that Franke places on creativity is mirrored by a long tradition of support for art – and the arts generally. In 1967 the Group established a foundation to support cultural endeavors in Aarburg. Franke also has a long-standing commitment to exemplary architecture. Ever since the days of Walter Franke, the Group has figured as contractor and investor in the planning and realization of architectural projects for its own offices and factories all over the world, as well as building its own residential developments. According to Michael Pieper: “Much of what we do as a business also has a connection with architecture. That’s why we are involved in design and architecture that expresses the Franke philosophy, setting benchmarks for clear lines and functionality, using high-quality, environmentally sound materials and fittings. People should feel at ease in the spaces we create, in the private as well as the professional sphere.”

“Architecture and art create room for inspiration, also in our working lives,” says Michael Pieper. This is one of the reasons he has creative work installed in and around company locations, where employees and visitors alike come into contact with it. The intention is to support artists and at the same time to encourage a feeling for art in everyday working life. Asked whether sponsorship of the arts is part of a Franke strategy and also to explain how he meets artists and decides on one group of work over another, he gives a straightforward answer: “For once, this is not about business strategy; it’s about gut feeling and spontaneous discoveries.”

In Michael Pieper, the artist and professor of art Gabriela von Habsburg – daughter of Otto von Habsburg, son of the last Austrian emperor – has gained a great admirer and collector of her work. Her stainless-steel sculptures now make up a significant part of the Franke Collection at Group HQ. It began in 2001 with the unveiling of **Five Continents**, a sculpture in whose formal language the artist succeeded in expressing Franke’s global approach and activities. The realization of this work, weighing a total of 4000 kilograms and covering 130 square meters, involved a great deal of manual labor, carried out by a team under the direc-

tion of the artist, as well as industrial support from Franke. Michael Pieper was so impressed by the artist’s work that he commissioned a piece for the Group’s Austrian HQ in Hard – **Austrian Excellence** – installed in 2002, followed in 2007 by **Coffee Bean**, an object created for the new Franke Coffee Systems building in Aarburg.

In the diversity of contemporary art, the Franke Collection shows a predilection for materials and motifs linked with Franke’s business. In addition to pieces in stainless steel and other contemporary works of art, Michael Pieper has recently shown an enthusiasm for the Pop Art paintings of the Genevan artist Catherine Kirchoff. In her concept entitled **From victuals to visuals**, she transforms a variety of foodstuffs – such as bananas, oranges, Big Macs, pasta and sandwiches – as well as coffee beans into seductive, strikingly colorful, poster-like paintings, many of which now grace Franke’s headquarters in Aarburg and buildings in the USA.

Every summer, the **Lucerne Festival** enchants music lovers in the city’s **Culture and Congress Centre (KKL)**, built by French architect Jean Nouvel, with acoustics designed by Russel Johnson, one of the most renowned in his field. Since the inauguration of the main concert hall in 1998 and the official opening of the centre in 2000, the KKL has established a name as one of the foremost venues on the international cultural scene, with performances of the highest caliber. Year after year, some of the world’s top musicians, soloists and orchestras gather on the shore of Lake Lucerne to perform, attracting audiences of up to a hundred thousand. “We use this annual occasion to say a special thank-you to our most important customers from all over the world, inviting them as our guests to enjoy the ambience of this great cultural event in its superb natural setting,” says Michael Pieper of the special significance of the occasion for Franke. Already during the building of the KKL, Franke was involved as a platinum sponsor and is one of the main supporters of the festival and the **Lucerne Symphony Orchestra**.

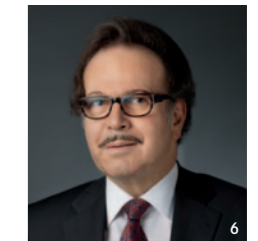
### Captions

Sculptures by Gabriela von Habsburg: 1 “Five Continents”, at Franke headquarters in Aarburg (Switzerland), and 4 “Austrian Excellence”, at Franke in Hard (Austria). 2 New Franke head offices in Peschiera del Garda (Italy). 3 Michael Pieper with a sculpture by Erwin Rehmann. 5 “Big Mac”, acrylic painting by Catherine Kirchoff. 6 The Lucerne Symphony Orchestra.



## COMPANIONS

*and confidants*



For Michael Pieper, his father's companions and confidants played a particularly important role. They were always on hand with advice and support: for example, former CEO John F. Strasser during Michael Pieper's early days in charge, and **Wolfgang Cach**, for 18 years the master of the figures and a faithful friend. "Wolfgang Cach devoted his life to the service of Franke and was incredibly industrious. His advice was always invaluable, even though we did not always agree." Michael Pieper acknowledges the crucial role played by the Board of Directors, Group Management and its chairmen at all the important junctures in the company's history. "I always sought sparring partners and have been fortunate to find people who could provide the necessary impetus, questioning the reasoning behind my intentions and decisions, and making them all the better for it."

### **Hans Hemmeler, the bridgebuilder**

Hans Hemmeler, born 1915, had already been a close friend and confidant of Walter Franke, and remained so for Willi and later Michael Pieper. As a lawyer, Chairman of the Aargau Chamber of Industry and Commerce, Brigadier and influential member of the Grand Council of Aargau, he played an active role in various Franke Board committees between 1957 and 1999, most recently as Vice-Chairman of the Board of Franke Holding AG and Chairman of the Board of Franke AG. Serving for four decades and three generations of entrepreneurs, he was a gifted bridgebuilder, on a professional and personal level. He handled the transitions from Walter Franke to Willi Pieper and later to Michael Pieper with great skill, and was able to resolve many a tricky situation in the management and development of the company.

### **Alfred J. Wiederkehr, the friend**

Alfred J. Wiederkehr, born 1936 and an attorney by profession, was elected to the Board of Directors of Franke Holding AG in 1975. As a shrewd legal adviser with a great deal of business flair he was responsible, from the days of Willi Pieper onwards, for ensuring legal compliance and freedom of action for the entrepreneurial leadership. He was also a good friend of Willi Pieper and the same goes for Michael Pieper now.

### **Ulrich Naef, the mentor**

Born in 1923, Ulrich Naef was elected to the Board of Directors of Walter Franke AG in 1971 and as Chairman of the Board of Directors of Franke Holding AG in 1990. He had a special relationship with Michael Pieper: "Not only was he an effective business leader,

with great international experience, he was also a wise and committed mentor and friend of Franke." Ulrich Naef was a graduate in mechanical engineering from the ETH. He worked on the development of fighter aircraft and was a Colonel and Chief Pilot in the Air Force. He brought in-depth technical knowledge to Franke. For 30 years, he headed the worldwide packaging machinery division of Schweizerische Industriegesellschaft SIG. He was able not only to scrutinize Franke's dynamic development with a critical eye, but also to take an active part in shaping it, which he did with great commitment. In 1999, Ulrich Naef retired from his seat on the Board, but has maintained very close links with Franke to this day.

### **Fritz Maurhofer, the instigator**

Fritz Maurhofer, born 1937, was elected to the Board of Directors of Franke Holding AG in 1998 and became its Chairman in 1999. He also brought great business experience and technical know-how to Franke. He had graduated in civil engineering from the ETH and served in leading management positions in global corporations in manufacturing and construction chemicals. He was the source of many important initiatives concerning the further development of the Group's corporate management, strategy and structure. According to Michael Pieper: "Fritz Maurhofer did us a lot of good. He was a presence, often an uncomfortable one, pressing for higher performance. We owe much to his great energy and vision." Fritz Maurhofer died suddenly in 2005.

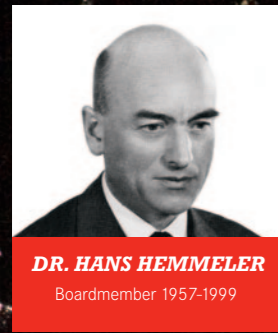
### **Thomas A. Erb, the sparring partner**

Born in 1945, Thomas Erb was elected Chairman of the Board of Directors of Franke Holding AG in June 2005, as successor to his friend Fritz Maurhofer. Thomas Erb had previously headed MBT Construction Chemicals, a specialist in the field with worldwide operations, and played a key role in building up the company. After studies in business administration and law, he spent over 30 years gathering a wide range of professional and management experience in international corporations, working for 18 of those years abroad. "Thomas Erb is a godsend for Franke," says Michael Pieper, "because he is an ideal blend of his predecessors' qualities, with great international experience as an added bonus. With his sharp intellect, impressive insight, plain speaking and enormous commitment, he expects and encourages the further development of the Franke Group on all levels. For me, he is the ideal sparring partner to continue building and consolidating the success of Franke in the next century."

### Captions

1 Companions taking the route to the top. 2 Wolfgang Cach. 3 Alfred J. Wiederkehr. 4 Ulrich Naef. 5 Fritz Maurhofer. 6 Thomas A. Erb.

TRAVELING COMPANIONS



FRANKE ARTEMIS GROUP



FRANKE KITCHEN SYSTEMS GROUP



FRANKE COMMERCIAL SYSTEMS GROUP



BOARD OF DIRECTORS



**THE CONQUEROR**

With his motto of “Concentrate and dominate”, Michael Pieper has led Franke during the last fifth of its first century in the conquest of his chosen world markets. He has done so with a clear focus, great discipline and boundless energy. Following the principle of “the early bird catches the worm”, he has shown vision and courage, usually seized the right opportunities and otherwise learned lessons quickly. He has carefully maintained his independence in every way, guarding his freedom of decision and discretion as an entrepreneur. In this he has been ably supported by the Board and Management, as well as by family and friends. But also by those around him, whom he has inspired and motivated with his spontaneous and engaging enthusiasm. He asks a lot, particularly of himself, without ever losing his sense of humor. Alongside Franke, which Michael Pieper referred to as his “hobby for life”, he has had little time for private life. If one were to build a prototype of the full-blooded entrepreneur who personifies the company values of “bright, energetic and dedicated”, Michael Pieper would be the ideal model. Michael Pieper has taken the healthy, well-managed family company of Franke, entrusted to him by his father, and made of it something that would have elicited at least a “not bad” from the old man by way of appreciation.

# ENTERPRISE FUTURE

Perspectives and initiatives

Franke's special spirit and success are largely the result of its ambition and ability to go its own way in developing the company, its markets and customers, and nurturing the employees, brand and corporate culture on the basis of shared values, with a clear vision and focus on the future.

When Michael Pieper took charge of Franke in 1989, it had 2,200 employees; the number has since grown to over 10,500, an almost fivefold increase. Michael Pieper is only too aware that size alone is no guarantee of enduring success: "To be a great company, we have to enable our customers to do great things as well. Then we are on the right track." At the beginning of 2000, a systematic and continuous process was launched to get all Franke employees worldwide actively involved in the future development of the Group. The aim was to realize Franke's vision and mission as a basis for sustainable success in the next hundred years: **As the world's leading provider of intelligent systems for domestic kitchens, professional food service, coffee preparation, beverage delivery and hygiene solutions, we enable enterprise and a rewarding experience for all concerned.**

## FRANKE VALUES

Franke's vision and mission was a clear definition of "what" had to be achieved together. The next step was to make this new direction clear to all concerned and agree on "how" the vision was to be realized, and what each one could and should contribute. This led to the formulation of **bright, energetic and dedicated** as shared values, as well as principles of action for their implementation. All Franke Group employees worked on these core values in a Value Transfer Process to embed them in the corporate culture.

### BRIGHT

- Thinking ahead, seizing opportunities
- Focussing on essentials
- Having the will and wit to find the best solution

### ENERGETIC

- Being quick and clear-cut in our actions
- Having the staying power to achieve goals
- Developing personally and fostering others

### DEDICATED

- Taking responsibility and building confidence
- Succeeding together through commitment and enthusiasm
- Going the extra mile



Caption

1 Franke Value Passport.

**FIT FOR THE NEXT FRANKE CENTURY**

A further step was to get the entire Franke organization fit for the next century and ready to gain further value and appreciation from customers and talents in the global markets.

A process was introduced at the beginning of 2009, involving all departments and levels of the company in a series of initiatives in three related spheres of activity: **Winning Culture** (nurturing leadership, talent, entrepreneurial spirit and customer focus, on the basis of Franke's shared values); **Winning Operations** (continuous, customer-oriented improvement of systems, processes and solutions, accompanied by improvements in quality, productivity and innovative potential); and **Winning Brand** (making Franke the brand that is the most valued in its industry, by customers and talents worldwide, and the acknowledged standard in sustainability).

Andreas Hauswirth set out the objective and consequences of the Franke COB (culture, operations and brand) process in these words: "Our aim in implementing this process – which has a beginning, but no end – is to raise Franke's all-round development and management to a completely new level, thereby increasing and securing the value and success of the company." As Head of Corporate Services, he initiated the process, along with Michael Pieper, and then worked with those responsible in the operational units throughout the Group to implement it on a continuous basis. He adds: "It is important to us that the development and implementation of the COB process should be broadly based. The basic principles were hammered out in workshops with a global team of leaders and challengers, focussing on the best solutions proposed, without reference to hierarchy."

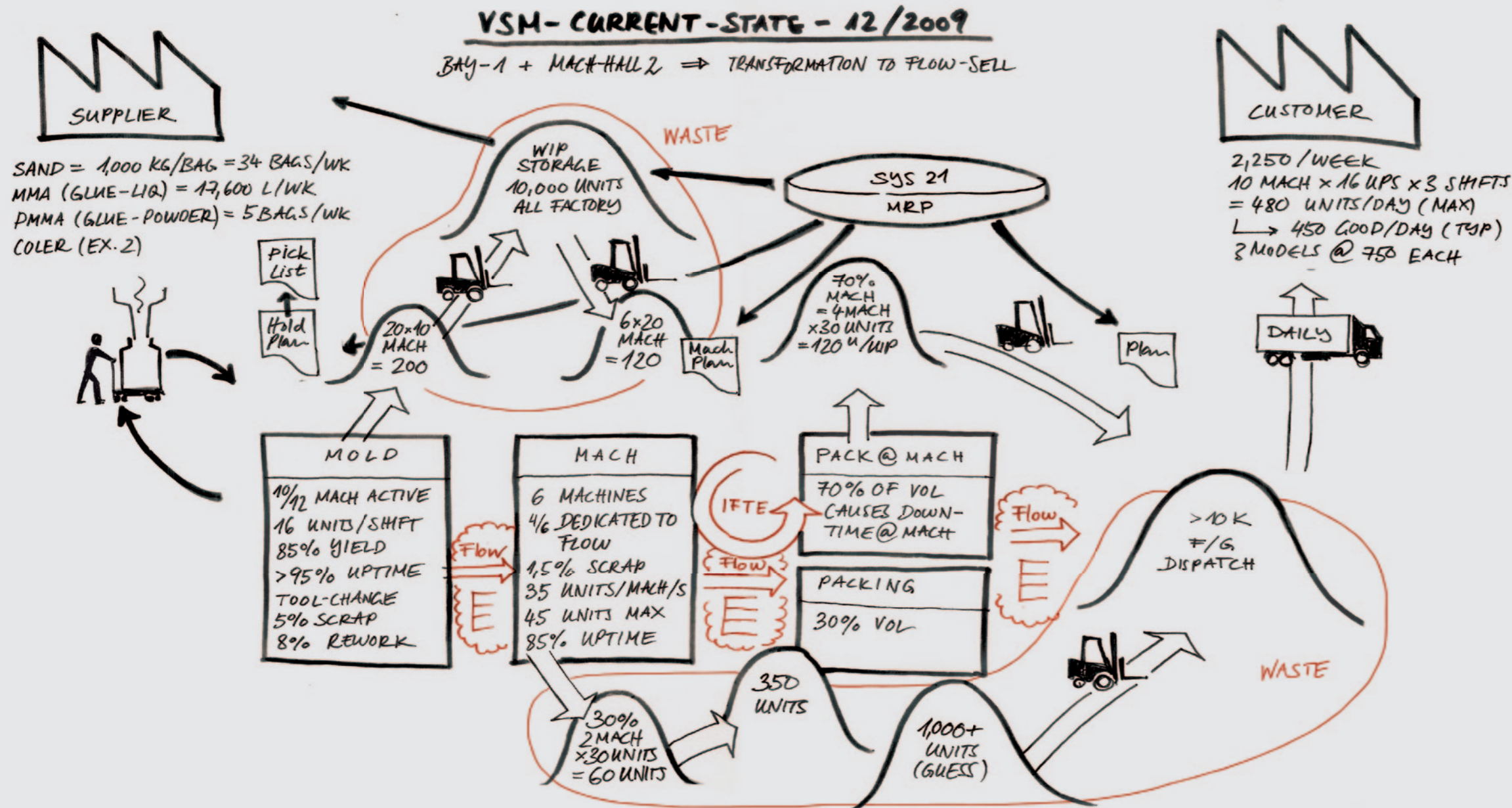
All sectors and companies of the Franke Group developed ideas and initiatives over the next twelve months using the COB approach. The aim was – and still is – to build and consolidate the leading position and reputation of Franke in its global markets on a continuous basis.



**Captions**

- 1 Worldwide Value Transfer Process, involving all employees of the Franke Group, to embed the shared values and strengthen Franke's corporate culture.
- 2 - 4 Franke Group Management and executives from all over the world meet to develop strategic initiatives in a global COB (culture, operations and brand) process, with the aim of getting Franke fit for the next century.





**CONTINUOUS IMPROVEMENT THROUGH CUSTOMER FOCUS**

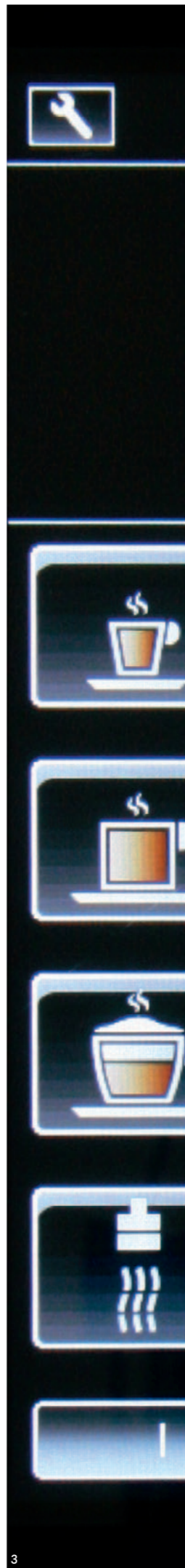
For Franke, the customer is always at the center of all these initiatives and efforts. Franke conducts detailed analyses and surveys to gain a better understanding of customers' wants and needs regarding quality, individuality, availability, service and pricing, and ensure that these requirements can be met as effectively as possible. One example is the **Voice of the Customer** study carried out by Franke Foodservice Systems. On the strength of the findings of such studies, existing systems, processes and offerings are reviewed and continually improved. Focused and flexible satisfaction of customers' needs is the basis for effective operations and high efficiency.

Franke's approach is based on the Japanese management concept of **Kaizen**, originally developed by carmaker Toyota. Kaizen translates literally as "change for the better" (kai = change; zen = good). All Franke employees are involved in a continuous improvement process aimed at creating value without waste. According to the Kaizen philosophy, the way to succeed is not by a single dramatic leap forward through innovation, but by continuous improvement, gradually optimizing all processes, products and services, with an acute awareness of costs and sparing use of assets and natural resources. This approach enables Franke to respond in a more focused, flexible and effective way to customers' requirements and changes in the market, while constantly improving efficiency, competitiveness and sustainability. And this is only possible thanks to employees who identify with their company and work continuously and with great commitment to improve Franke products and systems.

**Captions**

1 Franke FLOW process based on the Kaizen principle: continuous improvement of processes, products and services to increase added value for customers and conserve resources. 2 FLOW: joint analysis of current status and development of targets. 3 Formation of FLOW cells for continuous improvement of processes and systems. 4 FLOW: measuring and celebrating shared success.





**SUSTAINABILITY FOR THE NEXT GENERATIONS**

For Franke, Enterprise Future means above all a sense of responsibility and commitment towards future generations, summed up by Michael Pieper in the word *Enkelgerechtigkeit* – which translates roughly as “acting in the interests of our grandchildren”. He sees sustainability as a strategic success factor: “If Franke had not acted at all times during its development in accordance with the economic, social and ecological principles of sustainability, we would hardly have lasted long enough to celebrate our 100th anniversary. This is something our employees, customers and partners can continue to build on in future.” Franke has set itself the goal of being recognized in all its markets as the leader in the area of sustainability, with 2013 as the target date. To achieve this aim, Franke will pursue systematic, consistent and balanced development in all aspects of sustainability relevant to the Group, on the basis of an agreed road map.

Franke is conscientious in living up to this objective and attitude. They are embodied in the entrepreneurial independence and freedom of action that are essential to sustainable activity; in signing up to the UN Global Compact and the engagement of environmental officers at Group level and in the business units; and above all in ongoing developments and investment of the Group’s own resources in user-friendly, environmentally compatible technologies and solutions. One example is the Pura coffee machine, which excels in its simplicity and efficiency. Thanks to its Green+Gentle Concept, it already meets the specifications for coffee machines laid down in EU directives, which will become binding in 2014. Franke has developed the **Expandable Energy Management System (EEMS)** for quick-service restaurants, which effectively supports the Going Green initiative of its customer McDonald’s. EEMS makes the energy consumption of a catering operation completely transparent, enabling customers to control it precisely in line with demand. Customers using the Franke system benefit from increased energy efficiency and a lower impact on the environment and budget. Hans Ott, President/CEO of Franke Commercial Systems Group, says of Franke’s strategy: “We are consciously gearing our innovation process toward smart and clean technology. We see more potential for a successful future in that direction – for our customers and for ourselves.” Then with obvious pride he adds: “Of course, we have to be a shining example ourselves. The new Franke headquarters in the USA stands for environmental integrity. In 2009 the United States Green Building Council awarded it a silver certificate for **Leadership in Energy and Environmental Design (LEED).**”



**Captions**

- 1 Franke USA's new headquarters in Smyrna. 2 McDonald's Going Green initiative.
- 3 Display on Pura coffee machine.



KITCHEN SYSTEMS

FOODSERVICE SYSTEMS

COFFEE SYSTEMS

BEVERAGE SYSTEMS

WASHROOM SYSTEMS



**A STRONG BRAND  
CREATES ORIENTATION AND CONFIDENCE**

“Do good things and talk about them,” that is the motto of Natascha Widmer, Head of Corporate Communications of the Franke Artemis Group. For her, strengthening the Franke brand is both a mission and a passion. She has worked for several years on the development of Franke’s corporate identity and the creation of a professional basis for building the brand: “We had two aims in our work on the brand design: to position Franke as the leading global brand and communicate the core values of ‘bright, energetic and dedicated’; and to reinforce the business units in developing their individual market images under the Franke master brand. The results show we are on the right track.” Today, everyone involved in creating the Franke brand has clear guidelines and design tools for professional branding and communications, available at the click of a mouse from the Franke Brand World portal.

All over the world today, the Franke brand stands for proven and at the same time progressive values that are also identified with “Switzerland” the brand: innovation, precision, reliability, style and durability. This, in addition to the quality of the products, goes a long way to explaining why Franke employees feel such a strong sense of identity with their company and see themselves as “Frankeans”, however much the Group grows in size.

The brand – and above all the people behind it – are the Group’s most important asset. Today, over 10,500 committed employees and dedicated brand ambassadors all over the world are helping to make sure that Franke will continue to go its own way successfully in the new century.



Captions

1 New branding concept and design to strengthen the Franke master brand and the individual business units. 2 Franke communications in the new branding concept and design.

## **ENTREPRENEURIAL DEVELOPMENT IN THE NEW FRANKE CENTURY**

*Minim*

Michael Pieper in conversation with Erwin Brunner, the author of this book.

**Herr Pieper, when you were a boy, your heart beat faster at the prospect of exploring your great-grandfather's toy shop, Franz Carl Weber, in Zurich's Bahnhofstrasse. Being taken along on visits to Walter Franke's sink factory in Aarburg was probably less fun. How come, 60 years on, you refer to Franke as your passion and hobby?**

At the very latest when I was helping prepare the takeover of Franke, I realized that this company had extraordinary potential, provided someone was willing and able to take it on as an entrepreneur, with passion, skill, and unstinting commitment, and to make something of it. That was my drive and motivation to commit myself completely to Franke from the word go. I think everyone concerned felt that, and throughout the company there was a tremendous sense of a new day dawning. It was – and still is – important to keep this momentum going, not to sit back and smugly admire what has been achieved.

**I can't imagine you would ever let that happen.**

Hardly (smiles mischievously).

**Since then, you have become a distinguished entrepreneur, gaining recognition in this country and beyond. You are also the bridge between Franke's first and second centuries. How does that feel? In our fast-moving times, a hundred years of company history is really remarkable.**

Yes, but I don't think we should make too much of it. I see it more as an occasion to express heartfelt thanks to our predecessors and all our customers, employees and partners, as well as friends and family, for making the first 100 years of Franke possible. And at the same time to reflect on the lessons of the past that will serve us in the future – look at the foundations we have built and the future we have to build on them.

**Can I assume that you see Franke as a company with no expiry date?**

Absolutely. I think that was always our aim, through all the generations of entrepreneurs. Although there were many dangers to be navigated, and we will have to overcome even greater challenges if we are to secure our future.

**Why do you think the challenges Franke will face in the future will be greater than in the past?**

It's one thing to build up a company from scratch. It's another thing entirely to reach number one in our global markets and stay there. There are many key decisions and initiatives that have to be taken every day. Before, we were pioneers and the competitive field was clear. Now, there are suddenly new and powerful players in the game, including many from other industries and other parts of the world. They want to shuffle the cards and deal again. It's a different game.

**How will you counter them? What are the trump cards that will enable you to stay on top?**

There is much we can learn from our rich heritage that will serve us well in the future. We have to look at what worked and what didn't. And see what insights and principles should guide us in the future. We have to remain inquisitive, open-minded and agile, anticipating changes and trends – and if necessary, completely reinvent ourselves.

**What personal insights and principles do you have that will help keep Franke on course in the new century?**

There are thousands of more or less clever formulae and recipes for success emanating from management gurus and the greats of the business world. I have neither the desire nor the talent to come up with new ideas to add to what is already around. I think any entrepreneur worth his salt will do everything to find the way to succeed. What it takes is not a book of recipes, but openness, intuition, experience, inquisitiveness, good people and conversations – always learning something new. Above all, we must never become our own role model. But I'll try to answer your question with a few insights and beliefs I've come to over the years. You will surely be able to help me polish them up for publication (smiles).

### **Caption**

Reflections on business development: Michael Pieper at his home on Lake Lucerne (Switzerland).



### 1. “Who” comes before “what”

If a company doesn't have the right people in the right place at the right time, nothing will work the way it should. That's why we have to make sure the right people are on board – and the wrong ones are not – before we decide where we're heading. So the “who” question comes first, then the “what” decisions, such as the vision, strategy and structure of the company. The motto here is “hire slowly, fire quickly”. We have to take our time, select the right people and support them in their development. If we nonetheless make a mistake, we have to draw the conclusions and act immediately, otherwise it will be expensive and frustrating for all concerned.

### 2. Entrepreneurial freedom of action through independence

Genuine entrepreneurship is only possible when one is free to take decisions and act on them. It is essential to remain independent of banks, customers, shareholders and partners, and maintain a relationship of equals with them. That is the entrepreneurial freedom of action we have created for ourselves in the past hundred years. And we will do everything in our power to safeguard this valuable asset in the new Franke century.

### 3. Seize opportunities and avoid unnecessary risks

As a family business with flat hierarchies, we have the advantage that a small number of people can take decisions quickly and as often as necessary in order to respond flexibly to changes in the market and seize any opportunities that arise. At the same time, we foster a culture of good corporate governance, along with an effective compliance system, in order to avoid unnecessary risks. We ensure a clear separation of operational responsibility through a strong Group management, on the one hand, and strategic responsibility through an independent Board of Directors, with people of the highest caliber, on the other. That is an essential prerequisite for the continuing success of our globally active company and will remain so in the future.

### 4. Find your own way to the top and follow it resolutely

To find one's own way to succeed, one needs clear and enduring principles and values on which to rely and build. This is all the more true in a world of constant change and global competition. Our values and principles have stood us in good stead over generations. They have helped give everyone concerned guidance and perspectives, in good times and in bad. They have enabled us to recognize and decide what is worth preserving of the past and what we have to change; to identify where we can and want to be world leaders and where we don't, and what strengths we should concentrate on and deploy in our global activities in order to dominate our chosen fields of business. We have always gone our own way, breaking new ground as pioneers. In amongst all our successes, we have suffered setbacks from time to time. We have to accept this and move on, learning our lessons quickly. Nothing ventured, nothing gained.

### 5. Perform, profit, reinvest, grow

For these principles to be really fruitful, it needs absolute clarity and discipline in quite simple but essential matters. Before the global financial and economic crisis of recent years, these basic truths might have appeared to many people somewhat banal and old-fashioned: always operate in profit, never accept losses; maintain strict control of expenditure and costs; when investing, never put all your eggs in one basket, but always maintain a balance between opportunities and risks; when you take risks, do so with courage and open eyes; remain modest so that you can make the most of the cash flow you generate and reinvest it in the future of your business.

### 6. People and brands are what make the difference

A hundred years ago, Hermann Franke set out on his path with a few companions and, as a pioneer of stainless steel, laid the foundations for Franke's future. Over the decades, the Franke family has grown to over 10,500 strong and the path has become a highway of global success. The success is down to the people

who stand behind the unique Franke brand as convinced and convincing ambassadors. They ensure that we can maintain our position as leaders in a tough competitive environment. And that is becoming more of a challenge every day, as innovation cycles get shorter and the products and quality offered by other market players become more indistinguishable. That means it is increasingly difficult for customers to make preference and purchase decisions according to objective criteria. To ensure that it doesn't come down solely to a question of price, it needs a strong brand like Franke. That is what creates orientation, identification and trust for customers worldwide. And that is what we will continue to work on.

### 7. Turn the Franke spirit into a unique competitive advantage

I am convinced that the future belongs to companies that make their corporate culture the decisive competitive advantage, in other words one that cannot be imitated. Companies that foster the collective knowledge and innovative strength of their organizations, increase its potential through networking and deploy it in a carefully focused way for maximum effect. Our stated goal is to become world number one in all our businesses and then stay there. This is why we are constantly working on our corporate culture, involving everyone in our worldwide organization as co-creators of the Franke spirit, with an active role in shaping our future. The aim is to be better, smarter and quicker than all the rest, on the basis of our common goals and shared values of “bright, energetic and dedicated”.

### 8. Grow with your customers

For Franke, growing with customers has a long tradition and a promising future. Already in the 1940s, Walter Franke was helping the pioneers of quick-service restaurants to realize their ambitious plans. This led to mutually beneficial relationships and joint developments which have to be nurtured and multiplied, regardless of the size of the project.

### 9. Value creation through value appreciation

If we succeed, through our performance and products, in increasing the level of customer satisfaction, while conserving natural resources, and if we do it better than our competitors, we will gain their loyalty, and the value created will be mutually beneficial. We have to be better at identifying customer needs and not only meeting but exceeding their expectations. The priority is sustainability over short-term profit. The primary goal, therefore, is not market leadership, but value leadership. The same applies in the market for talent: we want to be the most valued company in our industry and offer attractive prospects to those who join in shaping our future. This is how we can create the foundations for enduring success.

### 10. Keep credibility and competitiveness compatible

It takes a lot of time, commitment and resources to build a good reputation and a strong position. But it takes very little time to lose them. This is true for organizations, nations and individuals. Recent history has shown this in no uncertain terms. Over the last century, Franke has built a good reputation and a strong position all over the world. Our task is to safeguard and further strengthen these vital assets. To do that, we have to be constantly aware of – and of one mind about – what underpins the credibility and competitiveness of our company and what might undermine them. We have to handle opportunities, risks and resources accordingly. Above all, we have to demand absolute discipline from everyone concerned to maintain the balance between credibility and competitiveness. As the pioneering entrepreneur Robert Bosch put it: “I'd rather lose money than trust.” Although in many respects we are already living up to these principles, in future we will have to do so even more consciously, completely and consistently. And in all that we do or decide not to do, bear in mind that we have to be able to look our grandchildren in the eye with a clear conscience.

Pictures on pages 113 and 114

Impressions of the Engadine (Switzerland), where Michael Pieper goes to recharge his batteries. For generations the Pieper family's second home, this is where Michael Pieper, and later his children, spent much of their schooldays and leisure time. To this day, the Pieper's house “at the top of the world” has remained a special place for relaxation, inspiration and get-togethers with family and friends.

“ *In all that we do or decide not to do, we must always bear in mind that we have to be able to look our grandchildren in the eye with a clear conscience.* ”

**What goals have you set yourself, as guide and mastermind, for the new Franke century?**

I want to lead by example, to move the company forward on the path to world leadership, and create the basis for Franke to enjoy a bright future, also after I'm gone.

**What role might your daughter Nina and son Alex play?**

That's something I cannot say, with the best will in the world, nor do I want to speculate about it. What I do know is that both want to prove themselves as individuals and entrepreneurs in their own right: Nina is on the way to making her name as a fashion designer, studying and working in Munich and New York. As for Alex: after an apprenticeship in metal construction, he tested the air at Franke for several years, with stints in the USA and the Philippines, where his technical gifts and innovative thinking were put to good use. That is something he inherited from his grandfather. Alex can also repair an engine. I can't even get a faulty lawnmower going again. Not long ago, Alex got together with some colleagues to found a company that will develop and market their own innovative products. He also sees a huge opportunity for Franke to exploit its innovative potential in an increasingly intensive global environment.

**When you look back at the end of your career, what would you like to be able to say about your own contribution to the development and success of Franke?**

That Franke has become the most appreciated company in all its core businesses, and that everything is in place for it to continue that way.

**And what would your next goal be?**

Once I'm only needed here in Aarburg for a few days or a few weeks a year as a member of the board, I'd like to spend most of my time doing something practical. A farm or a vineyard where I could create something new and watch it grow and flourish. That's something I'd certainly find inspiring.

**Many thanks, Herr Pieper, for a most illuminating conversation. I'd like to wish you every happiness in the future and continuing success in all your ventures.**

# *100 YEARS AT A GLANCE*

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Caption

Franke Info Center at the headquarters in Aarburg (Switzerland), with a sculpture by Gabriela von Habsburg.

Caption

Art and architecture at Franke headquarters in Aarburg (Switzerland): 1, 2 and 4:  
Sculptures by Gabriela von Habsburg. 3 Sculpture by Carlo Borner.



# 100 YEARS AT A GLANCE

## WORLDWIDE DEVELOPMENT OF FRANKE

\* KS = Franke Kitchen Systems, FS = Franke Foodservice Systems, WS = Franke Washroom Systems, CS = Franke Coffee Systems, BS = Franke Beverage Systems, IT = Industrial Engineering, HHK = Domestic Kitchens, VT = Food Service Equipment, BZM = Bathroom Furniture, FAREG = Franke Artemis Real Estate Group, OA = Other Activities

| Year | Company  | Location   | Activity  | Division*)                                 | Employees                  | Net sales CHF         |
|------|--|--|---|--|----------------------------|-----------------------|
|      |  |  |   |  | at the time of acquisition |                       |
| 1911 | Hermann Franke sets up a metalworking shop in Rorschach  | Rorschach (CH)   | Start-up  | KS   |                            |                       |
| 1939 | Walter Franke takes over the company   |  |   | KS   |                            |                       |
| 1941 | Mewag AG   | Aarburg (CH)   | Start-up  | IT   |                            |                       |
| 1950 | Mewag GmbH   | Ettlingen (DE)   | Start-up  | KS   |                            |                       |
| 1955 | Franke GmbH  | Bad Säckingen (DE)   | Start-up  | KS   |                            |                       |
| 1957 | Franke Holding AG  | Aarburg (CH)   | Start-up  | Corporate                                  |                            |                       |
| 1961 | Franke N.V.  | Ninove (BE)  | Start-up  | KS   |                            |                       |
| 1962 | Franke Gesellschaft mbH  | Hard (AT)  | Start-up  | KS/WS                                      |                            |                       |
| 1963 | Franke S.p.A.  | Aprilia (IT)   | Start-up  | KS   |                            |                       |
| 1964 | Franke France S.à.r.l.   | Chambly (FR)   | Start-up  | KS   |                            |                       |
| 1965 | Franke S.p.A.  | Cinisello (IT)   | Start-up  | KS   |                            |                       |
| 1968 | Franke S.p.A.  | Peschiera del Garda (IT)   | Start-up  | KS   |                            |                       |
| 1969 | Franke Roestvrijstaal Nederland B.V.   | Helmond (NL)   | Acquisition   | KS   | 100                        | 8 m                   |
| 1971 | Pauly GmbH   | Allendorf (DE)   | Acquisition   | HHK  | 100                        | 8 m                   |
| 1973 | Franke Romont SA<br>Belinox AG<br>Franke Motala AB<br>Franke UK  | Romont (CH)<br>Stetten (CH)<br>Växjö (SE)<br>Manchester (GB)   | Start-up<br>Acquisition<br>Start-up<br>Start-up                               | BZM<br>KS/WS<br>KS<br>KS                   | 160                        | 10 m                  |
| 1975 | Willi Pieper buys the Franke Group from Walter Franke  |  |   |  | 2,600                      | 190 m                 |
| 1978 | Progressive Corp. (today Franke Foodservice Systems Inc.)  | North Wales, PA (US)   | Acquisition   | FS   | 320                        | 55 m                  |
| 1980 | frifri aro SA  | La Neuveville (CH)   | Acquisition   | VT   | 80                         | 12 m                  |
| 1984 | Augsburger AG  | Lützelflüh (CH)  | Acquisition   | CS   | 20                         | 2 m                   |
| 1988 | Implementation of the divisional organization  |  |   |  |                            |                       |
| 1989 | Michael Pieper becomes CEO of the Franke Group<br>Franke Norge AS  | Porsgrunn (NO)   | Acquisition   | KS   | 6                          | 2 m                   |
| 1990 | Michael Pieper becomes owner of the Franke Group<br>Carron Phoenix Ltd<br>Franke Immobilien AG   | Falkirk, Scotland (GB)<br>Aarburg (CH)   | Acquisition<br>Start-up   | KS<br>FAREG                                | 400                        | 55 m                  |
| 1992 | Franke Hellas S.A.<br>Franke CG Kitchen Equipment GmbH (today Franke Foodservice Systems GmbH)   | Athens (GR)<br>Bad Säckingen (DE)  | Acquisition<br>Start-up   | KS<br>FS                                   | 60                         | 6 m                   |
| 1993 | Soberana SA (today Franke España S.A.U.)<br>Dominox s.r.l.<br>Toutinox-Franke S.A.R.L.<br>Franke Polska Sp. z.o.o.<br>Franke s.r.o.  | Barcelona (ES)<br>Ponti sul Minicio (IT)<br>Oran (DZ)<br>Warsaw (PL)<br>Praha (CZ)   | Acquisition<br>Start-up<br>Joint venture<br>Start-up<br>Start-up              | KS/VT<br>KS<br>KS<br>KS<br>KS              | 200                        | 12 m                  |
| 1994 | Hackman Meka Group<br>Gastopol Sp. z.o.o. (today Franke Foodservice Systems Poland Sp. z.o.o.)<br>IRC Parts & Supplies (today Franke Resupply Systems Inc.)<br>Franke Kft.<br>AS Franke Baltic<br>Green Vac AG | Suonenjoki, Naarajärvi (FI),<br>Ramnäs (SE)<br>Gdynia (PL)<br>Mount Prospect, IL (US)<br>Budapest (HU)<br>Tallinn (EE)<br>Schönbühl (CH) | Acquisition<br>Acquisition<br>Acquisition<br>Start-up<br>Start-up<br>Start-up | KS/WS/<br>BS<br>FS<br>FS<br>KS<br>KS<br>VT | 214<br>10<br>40            | 25 m<br>1.5 m<br>15 m |
| 1995 | Franke Portugal SA<br>Blefa GmbH & Co. KG<br>Franke Victory (Heshan) Kitchen Equipment Co. Ltd   | Sacavem (PT)<br>Kreuztal (DE)<br>Heshan City (CN)  | Start-up<br>Acquisition<br>Joint venture                                      | KS<br>BS<br>KS/FS                          | 270                        | 80 m                  |
| 1996 | Safer S.p.A.<br>Federal Home Products Division (today Franke Consumer Products Inc.)   | Valmadrera (IT)<br>Ruston, LA/Hatfield, PA (US)  | Acquisition<br>Acquisition  | BS<br>KS                                   | 28<br>235                  | 10 m<br>24 m          |
| 1997 | Franke Asia Regional Office<br>Salvis AG<br>Douat Ltda.<br>Franke Kaffeemaschinen Handels GmbH   | Kuala Lumpur (MY)<br>Reussbühl (CH)<br>Joinville/St. Catarina (BR)<br>Igersheim (DE)   | Start-up<br>Acquisition<br>Acquisition<br>Start-up                            | KS<br>VT<br>KS<br>CS                       | 20<br>180                  | 8 m<br>22 m           |
| 1998 | Franke Romania SRL<br>Eurodomo Haustechnik GmbH<br>Kindred Industries Ltd (today Franke Kindred Canada Ltd)<br>Franke India Pvt. Ltd<br>Coast to Coast Inst. Corp.   | Bucharest (RO)<br>Haiger (DE)<br>Midland, ON (CA)<br>Mumbai (IN)<br>La Vergne, TN (US)   | Start-up<br>Acquisition<br>Acquisition<br>Start-up<br>Start-up                | KS<br>KS<br>KS/WS<br>KS<br>FS              | 5<br>204                   | 10 m<br>38 m          |
| 1999 | Franke Kitchen Systems and Trade Ltd (today Franke Mutfak ve Banyo Sistemleri Sanayi ve Ticaret A.S.)  | Gebze Kocaeli (TR)   | Start-up  | KS   |                            |                       |

| Year | Company  | Location  | Activity  | Division*)   | Employees                               | Net sales CHF  |
|------|--|---|---|--|---|--|
|      |  |   |   |  | at the time of acquisition              |  |
| 1999 | Met-Tec Installations Ltd<br>Stainless Inc.<br>O'Brien Budd Inc.<br>Lanz Industrietechnik AG<br>Franke Ural Ltd (today Franke Russia GmbH)<br>Franke Bulgaria Ltd<br>Charter House Inc.<br>City Metal Products (today Franke Kitchen Systems (Pty) Ltd)<br>Franke Australia Pty Ltd<br>Franke International Finance B.V.                           | Port Coquitlam, BC (CA)<br>Deerfield Beach, FL (US)<br>St. Charles, IL (US)<br>Wolfwil (CH)<br>Ekaterinburg (RU)<br>Sofia (BG)<br>Holland, MI (US)<br>Mobeni (ZA)<br>Melbourne (AU)<br>Helmond (NL) | Acquisition<br>Acquisition<br>Acquisition<br>Acquisition<br>Start-up<br>Start-up<br>Acquisition<br>Acquisition<br>Acquisition<br>Start-up | FS<br>FS<br>FS<br>OA<br>KS<br>KS<br>FS<br>KS/WS<br>KS<br>Corporate | 40<br>325<br>60<br>80<br>30<br>325<br>5 | 7.5 m<br>110 m<br>12 m<br>15 m<br>6 m<br>30 m<br>2 m |
| 2000 | Vincent Swinkles B.V.<br>Steeldesign GmbH<br>Niggemann Foodservice Technik GmbH & Co. KG (today Franke Foodservice Systems GmbH)<br>Franke Hong Kong Co. Ltd<br>Franke Contract Group Philippines Inc. (today Franke Foodservice Systems Philippines Inc.)   | Helmond (NL)<br>Troisdorf (DE)<br>Bochum (DE)<br>Hong Kong (CN)<br>Laguna (PH)  | Acquisition<br>Acquisition<br>Acquisition<br>Start-up<br>Start-up   | BS<br>OA<br>FS<br>FS<br>FS   | 11<br>30<br>131                         | 3 m<br>5 m<br>40 m                                   |
| 2001 | Franke Ukraina LLC<br>Franke Kitchen Systems SARL<br>EZRA Hatton Ltd<br>KAMA, Kaffeemaschinen & Service<br>A/S Panda Stal  | Kiev (UA)<br>Casablanca (MA)<br>London (GB)<br>Worb (CH)<br>Aarhus (DK)   | Start-up<br>Start-up<br>Acquisition<br>Acquisition<br>Acquisition   | KS<br>KS<br>FS<br>CS<br>KS   | 2<br>10<br>20                           | 2 m<br>1 m<br>4 m                                    |
| 2002 | Franke Tunisia SARL<br>W&G Sissons Ltd (today Franke Sissons Ltd)<br>bremer Kaffeemaschinen (today Franke bremer GmbH)<br>AO Stamor (today Franke Russia GmbH)<br>Franke Thailand Co. Ltd<br>Franke Singapore Private Limited  | Ariana (TN)<br>Chesterfield (GB)<br>Igersheim (DE)<br>St. Petersburg (RU)<br>Bangkok (TH)<br>Singapore (SG)   | Start-up<br>Acquisition<br>Acquisition<br>Acquisition<br>Start-up<br>Start-up   | KS<br>WS<br>CS<br>KS<br>KS<br>KS                                   | 191<br>101<br>150                       | 28 m<br>40 m<br>15 m                                 |
| 2003 | Blinox SARL<br>Ko-KS Benelux B.V.  | Chaponost (FR)<br>Nuenen (NL)   | Acquisition<br>Acquisition  | WS<br>CS   | 19<br>22                                | 3 m<br>6 m   |
| 2004 | Espresso Specialists Inc. (today Franke Coffee Systems North America)<br>Franke Caucasus Ltd<br>Franke Coffee Systems Japan Ltd  | Seattle, WA (US)<br>Tbilisi (GE)<br>Tokyo (JP)  | Acquisition<br>Start-up<br>Start-up   | CS<br>KS<br>CS   | 30                                      | 4 m  |
| 2005 | Noss Küchentechnik GmbH<br>Supa Heat Geysers (Pty) Ltd /The Geysers Company (Pty) Ltd (today Franke Water Heating Systems (Pty) Ltd)<br>Bradford Metal Spinning Ltd<br>Faber S.p.A. (with subsidiaries)<br>Aqarotter GmbH (today Franke Aqarotter GmbH)<br>Evostate AG<br>Nile Metallic Industries Co. (today Franke Kitchen Systems Egypt S.A.E.) | Gummersbach (DE)<br>Johannesburg (ZA)<br>Bingley (GB)<br>Fabriano (IT)<br>Ludwigsfelde (DE)<br>Zurich (CH)<br>6th of October City (EG)  | Acquisition<br>Acquisition<br>Acquisition<br>Acquisition<br>Acquisition<br>Joint venture<br>Acquisition                                   | KS<br>KS<br>FS<br>KS<br>WS<br>FAREG<br>KS                          | 16<br>100<br>2<br>1375<br>275           | 7 m<br>15 m<br>1 m<br>300 m<br>66 m                  |
| 2006 | Coffeetech AG<br>Service Solutions Group L.L.C.<br>Espace Real Estate AG<br>KSO GmbH<br>Spartanburg Industries/Keg Division<br>L'Européenne d'Eviers S.A. (today Franke France SA)<br>Benthor Drezny spol. s r.o. (today Franke Slovakia s.r.o.)   | Berikon (CH)<br>Phoenix, AZ (US)<br>Solothurn (CH)<br>Wirsberg (DE)<br>Ruston (US)<br>Saint-Priest (FR)<br>Zilina (SK)  | Acquisition<br>Joint venture<br>Equity holding<br>Acquisition<br>Acquisition<br>Acquisition<br>Acquisition                                | CS<br>FS<br>FAREG<br>BS<br>BS<br>KS<br>KS                          | 9<br>300                                | 2.5 m<br>30 m  |
| 2007 | Decomold B.V.<br>Africa Swiss Trading (AST) Pty Ltd<br>R&R Parts and Supply Ltd<br>Defy Appliances (Pty) Ltd<br>Franke Coffee Systems UK Ltd   | Brunssum (NL)<br>Germiston (ZA)<br>Goodlettsville, TN (US)<br>Durban (ZA)<br>St. Albans (GB)  | Acquisition<br>Joint venture<br>Acquisition<br>Acquisition<br>Joint venture   | KS<br>KS<br>FS<br>KS<br>CS   | 11<br>8                                 | 2 m<br>3 m<br>400 m                                  |
| 2008 | S2K Graphics Inc.  | Chatsworth, CA (US)   | Acquisition   | FS   | 45                                      | 8 m  |
| 2010 | Thermal Solutions Inc.   | Wichita, KS (US)  | Joint venture   | FS   | 4                                       | 1 m  |
| 2011 | Franke celebrates its 100th anniversary  |   |   |  |   |  |

## 100 YEARS AT A GLANCE FRANKE GROUP MANAGEMENT

Members of Group Management of Franke Artemis Holding AG (formerly Franke Norm AG [1957 – 1974], Franke International AG [1975 – 1977], Franke Holding AG [1978 – 2010])

| Year        | Name                   |
|-------------|------------------------|
| 1975 – 1980 | Theodor Balsiger       |
| 1975 – 1989 | John. F. Strasser      |
| 1975 – 1989 | Dr. Walter Wieland     |
| 1981 – 2007 | Dr. Wolfgang Cach      |
| 1987 – 1992 | Russel R. Campion      |
| 1987 – 1997 | Herbert Abderhalden    |
| 1988 – 1991 | Ernst W. Simon         |
| 1989 – 2005 | Dr. Bernhard W. Stauch |
| 1989 – ...  | Michael Pieper         |
| 1991 – 1995 | Dr. Paul Gattiker      |
| 1993 – ...  | * Hans Jürg Ott        |
| 1994 – ...  | Dr. Andreas Hauswirth  |
| 1995 – 1999 | Wilmar Temme           |
| 1998 – 2002 | Josef Keller           |
| 2000 – 2002 | Frank Haberstroh       |
| 2000 – 2007 | Christian Sperka       |
| 2006 – 2008 | Wolfgang Kemmerling    |
| 2006 – ...  | Jürg Fischer           |
| 2009 – 2011 | * Torsten Türling      |
| 2010 – ...  | Peter Kaufmann         |
| 2010 – ...  | Dr. Michael Soormann   |
| 2011 – ...  | ** Dr. Urs Meyer       |

\* Since 01.01.2010 President/CEO of the sub-groups (Franke Kitchen Systems Group, Franke Commercial Systems Group)  
\*\* Since 01.06.2011 President/CEO Franke Kitchen Systems Group

Members of the extended Group Management of Franke Holding AG

| Year        | Name            |
|-------------|-----------------|
| 2006 – 2009 | Marga Gyger     |
| 2006 – 2009 | Dr. Udo Humme   |
| 2006 – 2009 | Peter Kaufmann  |
| 2006 – 2009 | Manfred Schaden |
| 2006 – 2009 | Gerda Schwindt  |

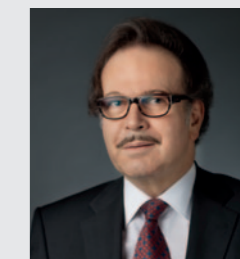
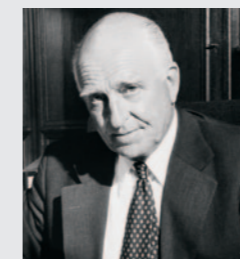
## 100 YEARS AT A GLANCE FRANKE BOARD OF DIRECTORS

Members of the Board of Directors of Franke Artemis Holding AG (formerly Franke Norm AG [1957 – 1974], Franke International AG [1975 – 1977], Franke Holding AG [1978 – 2010])

| Year        | Name                        |
|-------------|-----------------------------|
| 1957 – 1975 | Walter Franke               |
| 1957 – 1975 | Libero Principi             |
| 1957 – 1999 | Dr. Hans Hemmeler           |
| 1961 – 1974 | Fritz Hinderling            |
| 1965 – 1978 | Dr. Rudolf Koller           |
| 1967 – 1976 | Dr. Rudolf Probst           |
| 1971 – 1999 | Ulrich Naef                 |
| 1974 – 2007 | Rudolf Bosshard             |
| 1975 – 1990 | Willi Pieper                |
| 1975 – 2002 | Dr. Dieter B. Fueglistaller |
| 1975 – ...  | Dr. Alfred J. Wiederkehr    |
| 1978 – 1990 | Dr. Max Gloor               |
| 1986 – 2006 | Michael Pieper              |
| 1989 – 2001 | Dr. Walter Wieland          |
| 1989 – 2007 | John F. Strasser            |
| 1990 – 2007 | Ronald Pieper               |
| 1990 – ...  | Dr. Anton E. Schrafl        |
| 1996 – 1998 | Dr. René K. Ruepp           |
| 1998 – 2005 | Fritz Maurhofer             |
| 2005 – ...  | Thomas A. Erb               |
| 2006 – 2007 | Dr. Wolfgang Cach           |
| 2006 – ...  | Dr. Bernhard W. Stauch      |
| 2007 – ...  | Randolf Hanslin             |
| 2007 – ...  | Hans J. Löliger             |
| 2010 – ...  | Benoît D. Ludwig            |

Chairmen of the Board of Directors of Franke Artemis Holding AG (formerly Franke Norm AG [1957 – 1974], Franke International AG [1975 – 1977], Franke Holding AG [1978 – 2010])

| Year        | Name                |
|-------------|---------------------|
| 1957 – 1975 | Walter Franke (1)   |
| 1975 – 1990 | Willi Pieper (2)    |
| 1990 – 1999 | Ulrich Naef (3)     |
| 1999 – 2005 | Fritz Maurhofer (4) |
| 2005 – ...  | Thomas A. Erb (5)   |





# 100 YEARS AT A GLANCE

## FRANKE LOCATIONS WORLDWIDE

EUROPE



Franke Artemis Holding AG  
Aarburg/Switzerland



Franke KÜchentechnik AG/Franke Industrie AG/  
Franke Werkzeugbau AG/Franke Kaffeemaschinen AG  
Aarburg/Switzerland



Franke Immobilien AG  
Stetten/Switzerland



Franke s.r.o.  
Praha/Czech Republic



Franke Slovakia s.r.o.  
Zilina/Slovak Republic



Franke WS Magyaroszi ági  
Budapest/Hungary



Franke Romania SRL  
Bucharest/Romania



Franke GmbH  
Bad Säckingen/Germany



Franke Foodservice Systems GmbH  
Bad Säckingen/Germany



Blefa GmbH  
Kreuztal/Germany



Franke bremer GmbH  
Grünsfeld/Germany



Franke Mutfak ve Banyo Sistemleri Sanayi ve Ticaret A.S.  
Gebze Kocaeli/Turkey



Franke Mutfak ve Banyo Sistemleri Sanayi ve Ticaret A.S.  
Muradiye-Manisa/Turkey



Franke Russia OOO  
Ekaterinburg/Russia



Franke Ukraina LLC  
Kiev/Ukraine



Franke Aquarotter GmbH  
Ludwigsfelde/Germany



Franke Gesellschaft mbH  
Hard/Austria



Franke Sales Office  
Vienna/Austria



Franke S.p.A.  
Peschiera del Garda/Italy



Franke Finland Oy  
Naarajärvi/Finland



Franke Futurum AB  
Byske/Sweden



Franke KS Denmark  
Tilst/Denmark



Franke Norge AS  
Porsgrunn/Norway



Franke S.p.A.  
Ponti sul Mincio/Italy



Faber S.p.A. headquarters  
Fabriano/Italy



Faber S.p.A. Flaminia plant  
Fossato di Vico/Italy



Faber S.p.A. Tecnodomus Plant  
Fabriano/Italy



Franke Hellas S.A.  
Athens/Greece



Franke España S.A.U.  
Mollet del Vallés/Spain



Franke Portugal S.A.  
Cacém/Portugal



Franke UK Ltd  
Manchester/England



Faber S.p.A., Berbentina Plant  
Sassoferato/Italy



Franke France S.A.S.  
Chambly/France



Franke France S.A.S.  
Villeneuve-les-Poëles/France



Franke N.V.  
Ninove/Belgium



Carron Phoenix Ltd  
Falkirk/Scotland



Franke Seasons Ltd  
Chesterfield/England



Franke Foodservice Systems Resupply Europe  
Chesterfield/England



Franke Coffee Systems UK Ltd  
St. Albans/England



Franke Nederland B.V.  
Helmond/Netherlands



Franke Nederland B.V.  
Brunssum/Netherlands



Franke Polska Sp.z.o.o.  
Raszyn/Poland



Franke Foodservice Systems Poland Sp.z.o.o.  
Gdynia/Poland

AMERICAS



Franke Management Inc./Franke Foodservice Systems Inc.  
Franke Resupply Systems Inc./Franke Coffee Systems  
Americas/Service Solutions Group LLC  
Smyrna, TN/USA



Franke Foodservice Systems Inc.  
Fayetteville, TN/USA



Franke Consumer Products Inc.  
Hatfield, PA/USA

# 100 YEARS AT A GLANCE

## FRANKE LOCATIONS WORLDWIDE



Franke Consumer Products Inc.  
Ruston, LA/USA



SZK Graphics Inc.  
Chatsworth, CA/USA



Franke Beverage Systems Inc.  
La Vergne, TN/USA



Franke Beverage Systems Inc.  
Sparks, NV/USA



Franke Kindred Canada Ltd  
Midland, ON/Canada



Franke Sistemas de Cozinhas do Brasil Ltda.  
Joinville/Brazil



Franke Sistemas de Cozinhas do Brasil Ltda.  
Joinville/Brazil



Industrias Spar San Luis S.A.  
Buenos Aires/Argentina



Defy Appliances (Pty) Ltd  
Durban/South Africa



Defy Appliances (Pty) Ltd  
Ladysmith I/South Africa



Defy Appliances (Pty) Ltd  
Ladysmith II/South Africa



Defy Appliances (Pty) Ltd  
East London/South Africa



Industrias Spar San Luis S.A.  
Buenos Aires/Argentina



Franke (China) Kitchen Systems Co., Ltd  
Shanghai/PRC



Franke Warehouse  
Shanghai/PRC



Franke (China) Kitchen Systems Co., Ltd  
Franke Kitchen Systems  
Heshan City/PRC



Franke (China) Kitchen Systems Co., Ltd  
Franke Foodservice Systems  
Heshan City/PRC



Franke Asia Sourcing Ltd  
Heshan City/PRC



Franke (Thailand) Co., Ltd  
Bangkok/Thailand



Franke Foodservice Systems Philippines Inc.  
Laguna/Philippines



Franke Coffee Systems Japan Ltd  
Tokyo/Japan



Franke Faber India Ltd  
Aurangabad/India



Franke Faber India Ltd  
Pune/India



Franke Kazakhstan Ltd  
Almaty City/Kazakhstan



Franke Water Heating Systems (Pty) Ltd  
Midrand/South Africa



Franke Kitchen Systems (Pty) Ltd  
Mobeni/South Africa



Franke L.L.C.  
Ras Al Khaimah/United Arab Emirates



Franke Kitchen Systems SARL  
Casablanca/Morocco



Franke Kitchen Systems Egypt S.A.E.  
6th of October City/Egypt

# 100 YEARS AT A GLANCE

## EQUITY HOLDINGS OF FRANKE ARTEMIS HOLDING AG



Franke Artemis Holding AG  
Hergiswil (Switzerland)

| Company                          | Holding in percent | Since |
|----------------------------------|--------------------|-------|
| FORBO<br>FLOORING SYSTEMS        | > 27               | 2005  |
| RIETER                           | > 11.5             | 2008  |
| autoneum                         | > 11.5             | 2011  |
| FEINTOOL                         | > 81               | 2007  |
| advaltech                        | > 21               | 1999  |
| PRECHER WOODEN                   | > 10               | 2010  |
| helio<br>SOLUTIONS OF THE FUTURE | = 20               | 2009  |
| espace<br>KITCHEN SYSTEMS        | > 14               | 2006  |
| EVOSTATE                         | = 30               | 2005  |

## **THE BOOKMAKERS**

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Archive images: Franke Artemis Management AG (Aarburg), Ringier AG/Specter/Corbis (Zurich)  
Photos: Nico Schärer (Zurich)  
Pre-printing: Reprotechnik Kloten AG (Kloten)  
Printing: UD Print AG (Lucerne)  
Bookbinders: Eibert AG (Eschenbach)  
Print finishing: Prävag AG (Köniz) and Rüesch Druck AG (Rheineck)

Special thanks are due to all those who contributed to the creation of this book through valuable conversations and contributions.

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[www.franke.com](http://www.franke.com)



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————— *SPIRIT OF FRANKE - THE FIRST 100 YEARS* —————