

Schaeffler

MOVES FORWARD WITH GLOBAL AUTOMOTIVE AND INDUSTRIAL INITIATIVE

Global automotive and industrial supplier Schaeffler is pushing ahead with its transformation process in readiness for the future. It is doing this by means of "Agenda 4 plus One", a program which it launched in 2016 and which has now been expanded to comprise 20 initiatives. The program is structured into four plus one categories: "Customer focus", "Operational excellence", "Financial flexibility", "Leadership and talent management", and—as the "plus One"—"Securing long-term competitiveness and value creation". These categories are further broken down into 20 individual initiatives, including "E-Mobility", "Industry 4.0" and "Digital Agenda".

The objective of the "Agenda 4 plus One" program is to sustainably grow the Schaeffler Group's value and secure the group's competitiveness. The program will add some €300 million to Schaeffler's earnings by 2022. It is also the basis on which the company intends to bring its EBIT margin before special items back up to its long-term average of 12 to 13 percent and achieve the financial targets set for 2020. In addition, Schaeffler will invest about a billion euros in relation to the "Agenda 4 plus One" program in order to safeguard the Schaeffler Group's operating profitability and put it on a sustainable, long-term footing. 35 percent of the overall "Agenda 4 plus One" program, including the newly launched initiatives, has already been implemented. Worldwide there are currently about 1,000 Schaeffler employees actively involved in implementing the program.

Among the 20 initiatives making up the "Agenda 4 plus One" program are the "E-Mobility" and "Industry 4.0" initiatives in the Automotive OEM and Industrial divisions, respectively. The objective of these two initiatives is to further develop and futureproof the Schaeffler Group's product range and service portfolio and to focus them more closely on mechatronic systems.

In its Automotive OEM division, the company has achieved a number of further E-Mobility milestones, with eight volume production orders and 25 customer projects currently under way. These developments are driven and coordinated by three competence centers, located in Germany, China and the USA. Alongside this, under the "Industry 4.0" initiative, the company intends to expand the mechatronics capabilities of its Industrial division. It will achieve this by combining all of its existing activities in a single organizational unit and supplementing them with digital service offerings. In doing this, the company has set itself the target of increasing the Industry 4.0 share of its Industrial division's total revenue to 10 percent by 2022.

Under the "Factory for tomorrow" initiative, Schaeffler is building a 315,000 m² state-of-the-art "factory of the future" in Xiangtan, China. The "Agenda 4 plus One" program will see the company invest some €100 million in this facility. The

factory's modular design and the use of digital technologies throughout will allow a high degree of flexibility in space utilization while at the same time reducing costs over the factory's entire lifecycle.

The "Agenda 4 plus One" program also includes the "Working Capital" initiative, which uses systematic working capital management to optimize cash flow generation and reduce capital employed. The company has already succeeded in reducing its capital employed by €150 million through active management of its trade payables. In addition to this, Schaeffler is harmonizing its terms of payment for customers and suppliers and is optimizing and standardizing the associated internal processes group-wide.

Another of Schaeffler's "Agenda 4 plus One" initiatives is "New Work", a multifunctional office environment strategy that pursues the twin objectives of improving employee satisfaction and enhancing the company's attractiveness as an employer. By delivering modern, forward-looking office and workplace design, the initiative is yielding improved internal communication and creating modern, innovative and attractive working environments. Employees have a high degree of input into office design, planning and implementation, which leads to significant increases in their satisfaction levels.



els. At the same time, the initiative is reducing the company's office space requirement by up to a quarter, depending on the type of office space and how it is used. The "New Work" initiative has already been successfully implemented at the company's Erlangen location, and further projects are either under way or in the planning phase.

An "Agenda 4 plus One" initiative of particular importance is the Digital Agenda. The Digital Agenda comprises four elements—"Products & Services", "Machines & Processes", "Analyses & Simulation" and "User Experience & Customer Value"—and its purpose is to drive the uptake and use of digital technology within the Schaeffler Group and to expand the group's digital capabilities and competencies. This will include establishing linkages between the real and digital worlds and using "digital twins" as a key prerequisite for innovations and data-driven business models. In addition, under the auspices of its "IT 2020" initiative, Schaeffler

is investing in the expansion and upgrade of its IT infrastructure and the deployment and use of advanced IT standard solutions.

In his closing remarks at the press conference, Schaeffler AG CEO Klaus Rosenfeld made the following statement: "Agenda 4 plus One" is our program for the future, a blueprint by which we are preparing the Schaeffler Group for the challenges of tomorrow. It is broad-based and encompasses 20 initiatives, including E-Mobility, Industry 4.0 and our Digital Agenda. 'Agenda 4 plus One' is the driving force behind our transformation. Because we want to be become agile as well as quicker and bolder." (www.schaeffler.com)

Vesconite

APPOINTS STRATEGIC ACCOUNT MANAGER

Vesconite has appointed **Guenter Lorenz** as its new German Strategic Account Manager. Company CEO Dr Jean-Patrick Leger recently made the announcement. Lorenz has a background in business development, marketing and sales, and has previously worked for Canadian, Indian and European firms interested in expanding their European contribution to sales. Lorenz's key focus area will be in the pumps sector, but he will also look at growing the use of Vesconite in European agriculture and rail applications, among other applications. His duties will encompass new business development, sales and customer support. (www.vesconite.com)



Baldor Electric Company

NOW PART OF ABB BRAND

ABB will integrate the Baldor Electric Company name into its global ABB brand as a part of its Next Level strategy, which includes harmonizing different ABB-owned brands under the global ABB master brand. Beginning March 1, 2018, Baldor Electric Company, a member of the ABB group for more than seven years, will be known as ABB.

"This represents yet another great step in building a market-focused, lean organization and unifying the ABB brand across the globe," said Sami Atiya, president of ABB's Robotics and Motion division, which includes the organization currently known as Baldor. "With aligning all of our activities under the ABB brand we are delivering on our Next Level strategy to unlock value by streamlining and strengthening our portfolio."

As ABB, the organization will continue to manufacture, design and market the product brands of Baldor-Reliance motors and Dodge mechanical power transmission products

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from 15 U.S. manufacturing locations. The organization will continue to support ABB's entire U.S. motors and generators business unit, including ABB branded IEC motors, large AC motors, generators and related services from the motors, generators and mechanical business headquarters in Fort Smith, Arkansas.

"ABB has invested over \$13 billion in the U.S. over the past 10 years, this is our largest market," said Greg Scheu, president of the Americas for ABB. "The company will continue to invest in the products it makes here, as well as the people responsible for their manufacture. Our U.S.-based motor and mechanical portfolio will be included within our broader portfolio of ABB Ability digital solutions."

Starting March 1, the ABB brand will be applied to all of the Baldor Electric Company's manufacturing, sales and support facilities, box designs and marketing collateral, invoices and purchase orders, and trade show booths at GEAPS, AGGI, EASA & the Permian Basin Oil Show.

In addition to having access to the same local manufacturing, inventory and customer service, customers will also be able to rely on global support, ABB Ability digital technology and more than 130 years of ABB innovation.

"ABB's strong backing for its operations in the U.S. gives our customers the best of both worlds," said Scheu. "Our customers can count on us to provide local support, backed by pioneering ABB technology and a global, connected footprint to ensure we partner with them wherever they may be." (www.abb.com)

Rexnord

CLOSES ACQUISITION OF CENTA POWER TRANSMISSION

Rexnord has successfully closed the acquisition of Centa Power Transmission. Established in 1970, Centa is a manufacturer of torsionally soft couplings, primarily used in the marine, industrial and wind end-markets. Strong growth in both the wind and marine industries will allow for the synergy of Centa and Rexnord products and services, creating the potential for business in previously untapped markets.

Centa is headquartered in Haan, Germany and employs approximately 450 employees worldwide. With its base of U.S. operation located in Aurora, IL, Centa has 10 subsidiaries and 30 agencies worldwide; and operates in over 60 countries. The acquisition of Centa allows Rexnord to reach a niche market by adding torsionally soft couplings to its already extensive line of premium coupling products. (www.rexnord.com)



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