

## Where commercial vehicles come from

EDAG Engineering GmbH remains committed to its Thurgau location as a centre of expertise for commercial vehicles



Jochen Seifert, Managing Director, EDAG Engineering GmbH, Arbon

**The commercial vehicle sector enjoys a long tradition in the canton of Thurgau. It began at the end of the 19th century with the Saurer dynasty. Within a short time, Adolph Saurer AG became a vehicle manufacturer of world renown. Following a corporate history that was as successful as it was turbulent, the company finally was acquired by Germany's R cker AG in 2003 and began to focus purely on development work. Since January 2015, its experienced engineers have been operating under the banner of EDAG Engineering AG, also a German enterprise and with nearly 8,000 employees the largest independent automotive-development partner worldwide.**

Jochen Seifert, Managing Director of EDAG Engineering GmbH, Arbon, spoke with the Economic Development Office about the company's commitment to Thurgau as its location.

**At the beginning of 2015, R cker merged with EDAG, the world's largest independent engineering service provider based in Germany. You remain committed to Arbon as your location. Why?**

There were a number of different reasons for the investment in Arbon. For one, you can't simply transplant specialized knowledge that has been developed over decades, even if two-thirds of the workforce are of German origin. The conditions in Thurgau are very appealing, not only for the company but also for our employees. On the other hand, our customers have come to associate Arbon with expertise in the field of commercial



Founded in Germany in 1969, EDAG Engineering AG is the world's largest independent development service provider for the automotive and rail industry, with more than 7,500 employees at 70 locations in 25 countries.

EDAG Engineering GmbH in Arbon is the group-wide centre of expertise for commercial vehicles. Only few companies around the world have mastered the complex task of developing commercial vehicles. Another mainstay of EDAG in Arbon is the leasing of engineers. The enormous network within the EDAG Group makes it possible to recruit professionals who would otherwise not be available in Switzerland. Under its try-before-you-hire model, the EDAG Arbon leases its handpicked and well-trained engineers to customers. After a certain period the customer has the option to hire the employee at no additional fee.

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vehicles. The reputation of Switzerland as an industrial centre was an additional reason to continue at this location. German customers in particular appreciate the precision and expertise that our work is known for. EDAG made a commitment not only to maintain the Arbon site but also to expand it with additional employees. We've also increased our data transmission capacity to be able to communicate with EDAG branches around the world.

**Currently you employ 40 people. What are your expansion plans specifically?**

As a result of the merger with EDAG we have numerous attractive projects in the pipeline. We're going to increase our workforce to 50 people by the end of 2015.

**Switzerland, and basically all of western Europe, is facing a shortage of qualified staff, especially in the technical field. How do you manage to recruit enough qualified employees?**

Indeed we're seeing a shortage of qualified staff in the STEM professions all across Europe. It's up to businesses to put together attractive offers. Switzerland definitely has an edge in this regard. The environment plays a big role. Work-life balance is very important to young engineers. Lake Constance as a preferred region is a major draw to potential employees.

**What is the role of the salary and the job responsibilities when recruiting employees?**

The possibility to have a fulfilling and varied personal life is one aspect. Salary plays an equally important role. An engineer in Switzerland takes home more money after taxes than he would earn in Germany before taxes in many cases. Obviously this speaks for itself. Then again, you also have to consider that the cost of living is higher. But the bottom line is that it's still financially attractive to work in Switzerland. Job responsibilities are obviously also important. Careers in the commercial vehicle sector are challenging and future-proof. Employees have the opportunity to develop themselves and increase their market value.

**How do employees handle increased productivity and a bigger workload?**

Ultimately, it's a win-win situation. Our working hours per week are the same as in Germany; however, the company benefits from fewer leave days and public holidays, lower non-wage labour costs and moderate taxes on earnings. The employee receives an attractive salary, can afford a high standard of living, and all this in a pleasant, safe environment, in spite of more flexible labour laws. We also have what I consider a more lucrative pension scheme than Germany.

**Do you benefit from the cross-border labour market?**

Switzerland trains relatively few engineers. The labour market in Germany is much bigger due to the many technical universities and universities of applied sciences. It's an advantage to be able to recruit employees from Germany as well.

**What has been your experience with work permits?**

For engineers from the EU accession countries, obtaining a work and residence permit is a mere formality. It does get more difficult if we want to recruit a professional from outside the EU. My personal experience in cooperating with the authorities, which I've gathered in over eight years of working in Thurgau, has been positive. I've found the administrative processes to be very speedy and flexible.

**Companies are often reluctant to adopt a decentralized organizational structure. Why does it work for EDAG?**

It depends on what you're trying to do. We generate, simulate and test parts entirely on the computer. Today it's not necessary to physically build any component in the drafting stage and to test it on the road or the test bench. This means that our products are pure data sets containing information that are used to produce parts that meet the requirements of our clients. We meet with customers in virtual meeting rooms, no matter where they are in the world. Today's powerful data lines make it possible to do development regardless of your location. Therefore, a decentralized organization, such as EDAG's in Arbon, works just fine. Of course, face-to-face meetings are necessary from time to time, but most of the work happens virtually.

**Quick facts**

**Origin:** Germany  
**Branch:** Commercial vehicle engineering / Engineer leasing  
**In Thurgau since:** 2003 Rücker acquisition  
 2015 EDAG merger

**Main reasons for choice of location:**

- Centre of expertise for commercial vehicles
- Attractiveness of location to qualified employees
- Beneficial business environment
- Reputation of Switzerland as an industrial centre