

## Global provider for electric drive solutions

The German Lenze Group has faith in Thurgau as a business location



Dipl. El. Ing. ETH Davide Cesaretti, CEO Lenze Schmidhauser AG Romanshorn

Lenze Schmidhauser AG has developed and produced electric drives for more than 30 years. Fully integrated into the Lenze Group since 2006, the company distinguishes itself through a high level of innovation in the field of industrial drive technology and electric mobility. Over the past ten years, the Thurgau site has benefited from investments in consolidation and development totalling over CHF 50 million – despite alternative Lenze sites around the world. The track record and efficiency of the Swiss site have been key factors underpinning this investment.

## Group-wide competence centre for electric drives

Within the Lenze Group, Lenze Schmidhauser AG is responsible for the "Mobile Drives" and "Inverter Drives" divisions.

The company develops economical, innovative solutions for electric and hybrid vehicles as well as for industrial production facilities, from the initial idea to the production stage. Its products are used worldwide in the field of automotive production. Major commercial vehicle manufacturers also place their trust in the quality of Lenze Schmidhauser developments. Customers include leading companies such as Daimler and Comau Robotics (Fiat). The latter produces industrial robots and production systems for the automotive industry. Lenze systems are used in the production of vehicles such as Teslas and Maseratis.



Lenze Schmidhauser AG was founded in 1986 in the Canton of Thurgau as Schmidhauser AG. For more than 30 years, the company has enjoyed great success specialising in the development of electric drives. After only a few years, a customer relationship with the German-based Lenze Group developed into a successful partnership. In 2006, the company became a fully-integrated part of the Lenze Group, a global specialist in drive and automation solutions boasting over 3,300 employees. The high-quality technological developments can be found in electric and hybrid vehicles – including commercial vehicles – around the world. Some 85 employees, mostly engineers, work at the Romanshorn site. Europe, America and China are the company's key markets.

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# Competitive advantage thanks to efficiency and optimum economic framework

Within the Group, the Romanshorn site enjoys an outstanding reputation with regard to its efficiency and business-oriented mindset. Lenze Schmidhauser AG successfully applies its innovative capacity to implement solutions in line with strong cost awareness. That means constantly determining which construction element is the most economical while still offering the best possible reliability. By adopting systematic product management, a careful approach to finances and optimum use of resources, the company enjoys a competitive advantage, even compared to Asian manufacturers. According to the CEO, Davide Cesaretti, making optimum use of resources includes taking advantage of the economic framework conditions of the Thurgau location. With longer working hours and fewer days lost to sickness and annual leave, Switzerland is one of the most productive countries in the world. The existence of a highly-qualified workforce that can also be recruited from the neighbouring countries facilitates the rapid and intelligent development of products. This context puts the high salaries of professionals and experts into clear perspective, especially when the low non-wage labour costs and moderate tax burden are taken into consideration. "If they are three times more productive, it is irrelevant if employees earn substantially more," states Davide Cesaretti. Switzerland is also one of the leading countries in the world with regard to employee motivation. The high quality of life and not least the good wages also attract suitable professionals. The liberal labour law makes it possible to react quickly during difficult periods for the world economy. During the financial crisis, for example, the company encountered no problems in freezing wages to avoid any redundancies. This would have been unthinkable in countries with wage agreements.

New products are developed in Switzerland

Thanks to the company's excellent track record, the product range within the current business areas has steadily been expanded. This means that end-of-life products from other Group's sites are replaced with new solutions developed in Switzerland. As an example, Davide Cesaretti points to the development of a follow-up model in the inverter product line. The development costs were only half those of its predecessor which was developed abroad, despite the fact that it boasts more features. The CEO forecasts that in 5 years' time, between 70 and 80% of the Group's turnover in the field of electric drives will be generated by the products developed in Romanshorn with the figure rising to 100% a decade from now. In the "Automation" division, responsibility for the power electronics of "servodrives" was transferred to Romanshorn in 2015. In addition, this site was recently entrusted with the task of developing the new "Accessories" division.

### Investments in the Romanshorn site

The Lenze Group places its faith in the Romanshorn site. Over the past ten years, it has backed this up with investments running into the millions. Some 50 million Swiss francs have been invested in

the development of new products and the expansion of the existing building. Since 2006, the number of employees has risen from 30 to the current level of 85. Davide Cesaretti believes that if the sales trend remains unchanged, a further increase to 100 or 120 employees is entirely realistic in the foreseeable future.

#### **Quick facts**

Origin: Switzerland/Germany
Branch: Electric drive solutions

#### Main reasons for choice of location:

- · track record at the Swiss site
- · quality and efficiency of employees
- · high productivity
- · cross-border labour market
- · liberal labour law