



A PRODUCT OF THE BUHLMANN GROUP

ENGLISH  
2/2019

# B GLOBAL

- **IN MOTION: BUHLMANN RUSSIA**
- IN CONVERSATION: BUHLMANN ITALY
- INTO THE FUTURE: DYLAN'S ELECTRIC VEHICLES
- AND MUCH MORE



IN DETAIL:  
**FAMILY-OWNED COMPANIES**

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### Publisher

BUHLMANN Rohr-Fittings-  
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28309 Bremen, Germany

### Editorial Team

Malte Addiks (responsible),  
Gabriele Wiesenhausen  
corporate\_communications@  
buhlmann-group.com

### Images and Graphics

BUHLMANN GROUP,  
R. Hinkel (P. 4),  
Zucker (P. 11),  
Googlemaps (P. 12),  
Unsplash, Gülseren Aytekin,  
Lara Elfroth (P. 14 + 15)  
Vaios Anastasiou (P. 9 + 16)

### Design and Layout

Vaios Anastasiou

### Printing

müllerdtizen, Bremerhaven, Germany

# FAMILY – A SUBSTANTIAL TERM



## LADIES AND GENTLEMEN,

The word family has been a significant term for the BUHLMANN company from the beginning. Not merely because we have been a family-owned company for nearly 75 years, but also because we explicitly want to see our growing company with its many sites this way. We are a family-owned company in the truest sense of the word – this includes the sometimes complex web of relationships that comes with it. Family means being there for each other, depending on one another. Family is not merely a practical fusion of estranged entities – it has a special bond that's not easy to define.

Because many of our customers and business partners also work in this special type of enterprise, we decided to ask what makes these companies different from market-listed companies as an interesting subject for all readers. The highly renowned Professor of Economics Dr. Rudolf Hickel from Bremen took the time to answer our questions. He also spoke to us about a recently published study by the Leibniz Institute for European Economics (ZEW) which attests family-owned companies to be the motor behind job creation in the German economy. In addition, we asked Prof. Dr. Hickel about the challenges he sees for family-owned companies in the future. You will find the interview on page 4.

That a family does not always live under one roof and spreads across several residences and countries is also something you'll find documented in this issue of **B GLOBAL**. On page 7 you'll find a report on how our Russian site at Samara was relocated to Moscow – a move that wasn't without certain obstacles. And on pages 14 and 15 we have a look at what it's like to live and work in Istanbul, the 3,000-year-old merchant city at the divide of the European and the Asian continent. In addition to these articles we have news from our site at Burghausen, Germany, where a new narrow aisle warehouse and a high-rack storage system are making working processes more efficient.

Last but not least, we look to the west to our colleagues at DYLAN: Sustainability is on the move there because the site at Oud-Beijerland has integrated electric vehicles into its car fleet. Please see page 11 and 12 to find out which other measures are being taken there to save energy and costs.

Hopefully you'll find this issue an informative read which goes beyond business issues.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jo. O. Buhlmann', written in a cursive style.

Jan-Oliver Buhlmann

# FAMILY MEANS RESPONSIBILITY FOR PEOPLE

**Rudolf Hickel is Research Director for Economics and Finance at the Institute for Work and Economy (IAW) at the University Bremen. In this interview he explains why it is so different to work for and with a family-owned company and where he sees future challenges for this special type of business.**

- Born in 1942, Prof. Dr. Hickel was a founding member of the Economic Sciences department of the University Bremen. He is, next to many other activities, co-founder of the "Working Group for Alternative Economic Sciences" which prepares annual reports about macro-economic developments
- He is co-publisher of the magazine "Blätter für deutsche und international Politik" and member of the scientific advisory board for the globalization-critical network Attac
- For many years he has been an expert for the Financial Committee of the German Bundestag (recently for the financial transaction tax, stock and high-frequency trading as well as the separation of investment banking and customer transactions)
- Last year the Senate of the City of Bremen awarded him with the Medal for Arts and Sciences
- His practical economic activities include various consulting and appraisal tasks as well as memberships of boards of supervisors (formerly Allianz SE, today Salzgitter AG / flat steel, and OAS AG Bremen)



Prof. Dr. Rudolf Hickel: His experience makes him a nationally known and sought-after economic expert.



**GLOBAL //** A study by the Leibniz Center for European Economic Research Institute (ZEW) confirms that family-owned companies are the job motors driving the German national economy. What makes this type of company so successful?

**Professor Dr. Rudolf Hickel //** *That's easy to answer, especially regarding BUHLMANN, a firm which I've known for many years: ownership responsibility. Every mistake has consequences and an immediate effect on the company. The pressure to exercise prudent management and initiate innovative developments carefully is much higher and more immediate than in any DAX-listed company. This pressure is not a burden, it is a chance. If a family-owned company goes through conceptually innovative developments, it can expect a reward. And, if you want to put it that way, this reward is the recognition of the performance due to the ownership responsibility.*

*The stock corporations that I am familiar with as a supervisory board member are organized more anonymously. Ultimately, there is much less personally perceived responsibility because the CEO reports to the members of the board and the shareholder meetings. That, however, does not have an immediate impact on the perception of responsibility for the employees of the company.*

**All companies have to stand up to competition. What are advantages or disadvantages of family-owned businesses?**

*Some companies have a problem when the succession of the next generation is not handled well, or the*

*old boss can't let go. But that, as I know, has been solved in an exemplary manner at BUHLMANN. Here, the next generation was implemented at the right time. I remember something Karl Buhlmann said. It sounds simple but comprises the impact of identifying with the company from childhood: "We grew up with steel tubes."*

**What does this mean for customers? Are they in better hands with family-owned companies?**

*That can't be generalized. Stock exchange listed companies have also understood that customer management is of great importance and an emotional factor. If we differentiate between long-standing customers and new clients we see that traditional BUHLMANN customers are certain about the quality and the reliability they find. However, new customers may sometimes wonder about these things. That's why customer relations have to be groomed well. New customers don't fall from the sky. BUHLMANN has a very informative website which shows a lot of advantages and which proves the company is very approachable. It doesn't seem as objectified and bureaucratic as many of the DAX-listed companies. Customers appreciate and multiply the fact that family-owned companies can be contacted more easily. In specific cases they can reach managing personnel directly and communicate in person. With family-owned companies – even if they have reached the size of BUHLMANN – the possibility of a quick and personal approach is a huge advantage. Mechanical customer relations as they are often practiced in many companies, i.e. in the steel or automobile industry, can be a disadvantage.*



Continued on page 6 ...

Assuming that family-owned companies have a long-term approach to business, what do you see as special challenges in the future?

*I see several challenges. One is the inter-generational problem as described above, meaning the succession in the company. The second challenge is digitalization. And a third is the compatibility between family and working life, a very big issue, with which I am currently concerned at my institute at the university. Think of small businesses with 30 people, where the implementation of family-friendly working hours is a huge challenge. But there are many working models which can solve the problem. And, last but not least, there is the challenge of shortage of specialists. I believe that family-owned companies are at an advantage here, too. Because the bond between employees and owners is more intense and the social atmosphere and climate are usually more personal. Family-owned companies achieve a lot regarding the qualification of specialists. However, finding trainees and apprentices is a great challenge.*

**There are many people working for BUHLMANN who have been in the company for 20 or even 30 years. How does corporate change have to be designed – becoming international, for example – so that every employee can adapt?**

*Transparency and further professional qualification are especially important. In a company such as BUHLMANN it is now almost unthinkable that people don't speak English – it is the global trade language. In addition, digitalization processes demand growing quality standards. But these challenges can also be met in a very target-oriented way in a family-owned company, better than in an anonymous large-scale firm.*

Questions by Gabriele Wiesenhavern



## CONCLUSION OF THE STUDY

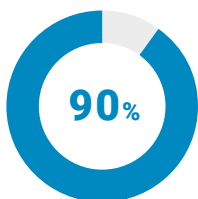
The study by the ZEW – Leibniz-Zentrum für Europäische Economic Science and the Institute for Medium-Sized Company Research (ifm) at the University Mannheim was commissioned by the Foundation of Family-owned Companies in Germany. It concludes that the top 500 family-owned companies have increased employment on the German job market by 23 percent. Stock exchange listed companies with diversified holdings have merely reached a plus of four percent. Family-owned companies can therefore be defined as the job motors of the German economy, creating more employment opportunities than stock exchange corporations.

The 500 top family-owned companies have reached this development between 2007 and 2016 and raised employment by 2,54 million jobs within this time frame. The 27 DAX listed non-family companies merely raised employment by 1,55 million jobs during this time. Turnover numbers affirm this trend: They increased turnover by 36 percent between the years 2007 and 2016, while the 27 DAX corporations recorded a sales growth of 29 percent.

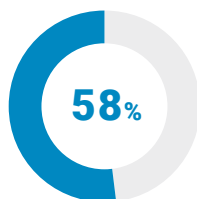
**The study can be downloaded from:**

[www.familienunternehmen.de/de/wissenschaft-und-programme](http://www.familienunternehmen.de/de/wissenschaft-und-programme)

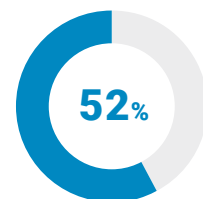
## THE ECONOMIC IMPORTANCE OF FAMILY-OWNED COMPANIES



Share of active companies



Share of overall employment



Share of overall turnover

# THREE ZEROS AND SOME RED TAPE

Senior Team Manager Andreas Gutjahr points to three important numerals: “000 is the corporate term for limited liability in Russia – that’s very important”, he says. Bureaucracy is not taken lightly by our eastern neighbors. Cutting through the red tape was not always easy when the Russian BUHLMANN site moved from Samara to Moscow.

After ten years in Samara it was time to move closer to relevant customers and decision makers, explains Andreas Gutjahr. Finding an office space in the Russian capital for the three-person crew headed by the new managing director Sergey Naugolny wasn’t the problem. “But since very often there is a suspicion of letterbox entities in connection with a relocation, we had to go out of our way to rebut this”. Andreas Gutjahr continues to say that a rental contract and a deposit for the office in the famous Leningradskoye Avenue were not enough. To register the firm in Moscow, the actual existence of the rooms has to be proven. So, Sergey Naugolny had no choice but to shoot a photo series depicting not only the office rooms including furnishings and computers, but also himself, his project manager Aleksandr Mironov and their management colleague Yulia Yaroslavtseva at work. “Not to

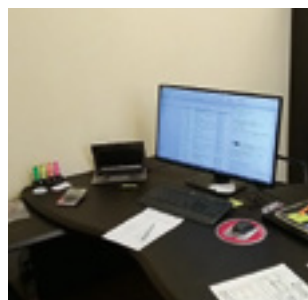
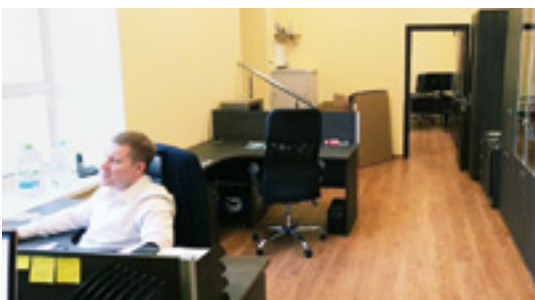


This is the new headquarters of the Russian BUHLMANN location.

mention the company nameplate on the outside of the building”, adds Andreas Gutjahr. Luckily, he continues, in the meantime business was conducted via Samara with the help of the remaining accountant there.

Finally, at the end of May the registration process was completed and business could commence seamlessly. Andreas Gutjahr explains that without a complete registration, a company is not trusted in the difficult Russian market. But now things are running smoothly: “Sergey Naugolny is highly com-

mitted and motivates his colleagues well. We’ve recorded good sales since the relocation and are very enthusiastic about the rest of the year”, says Andreas Gutjahr. For the employees, BUHLMANN is a highly appreciated employer – as are German companies in general. “The very structured working order as well as the German company culture are very popular in Russia.”



Text: Gabriele Wiesenhavern

NEW EXHIBITION STAND AND A LARGE CROWD

# MADE IN STEEL 2019

**The BUHLMANN GROUP presented itself at the Made in Steel Fair in Milan, Italy, in May of this year with a far larger stand and more personnel. Gian Mario Gambirasio from our Italian branch was very happy with the results.**

"The number of contacts we made at the fair exceeded our expectations by far", says Gian Mario Gambirasio. "We benefitted from the good location of the stand close to the auditoriums where a lot of people passed by". Goal of this year's presence at the fair was defending the firm's strategic position, the building of business relations with Italy's larger players and reaching out to potential new clients. "We focused on the acquisition of new customers", explains Gian Mario Gambirasio and the new custom-made fair stand supported these ambitions.

"Gaining the attention of the trade fair visitors was easier due to the new stand and the friendly personnel", is Gian Mario Gambirasio's résumé. The elegant and simple design reminiscent of tubes and flanges attracted potential customers and other visitors. The overall look was completed by a glass cabinet in which the "hardware" was presented: Tube parts and castings were displayed with some style like exhibition pieces. "The real difference however, was made by the personal commitment of the BUHLMANN staff", adds Gambirasio.



BUHLMANN Italy's expertise at a glance

Round forms throughout as a tribute to our products

**Text:** Malte Addiks

Service counter  
for welcoming visi-  
tors and coordinating  
dialogue partners



BUHLMANN employees at the Made in Steel 2019

Conference space for longer  
and more intense consultations



SPEED-INTERVIEW WITH ...

## GIAN MARIO GAMBIRASIO

**Our presence at the 2019 Made  
in Steel ...**

*... made good sense and was very  
productive.*

**In the short and long-term we  
expect that ...**

*... our relations to our core custom-  
ers is fortified and we will acquire  
new customers. We not only aspire  
to be a reliable and trustworthy  
supplier of tubes and fittings but  
also for complex solutions.*

**At the next Made in Steel in two  
years ...**

*... we want to be present again.*

Illuminated glass cabinet for the  
presentation of premium products

# NEW STORAGE SYSTEMS IN BURGHAUSEN

Not moving with the times means being left behind: A saying which shows how important innovation is when it comes to economic competition. In times of digitization, keeping up with technological progress is without alternative – and customers benefit from new developments. The BUHLMANN GROUP has clearly demonstrated this, especially with regard to the warehouse system. Whether mobile data collection or the automated small parts warehouse in Duisburg, BUHLMANN has been subject to many innovations over the last few years. Two more have now been added at the Burghausen site.

“We have a new narrow-aisle warehouse and have installed two vertical storage systems. That means we save space, pick our goods more efficiently and deliver faster”, says Michael Thölken, Head of Warehouse. The narrow-aisle warehouse for tube accessories has extremely small corridors and with a height of seven meters provides a very high storage density. The system has an order picker and a high-rack stacker. Both vehicles are steered by an induction loop which makes precise maneuvering through the aisles possible. The optimal use of space is therefore guaranteed, and, says Michael Thölken, “we can speed up picking considerably and improve our performance”.

In both vertical storage systems for small parts employees handle the goods. Every tower is like a paternoster lift which is moved to reach the desired parts. “We have 800 storage spaces in a very small area and save a lot of room”, explains Michael Thölken. The optimized workspace and the link to mobile data collection not only makes



The narrow aisle warehouse with its narrow aisles and a height of seven metres is space-saving and thus offers a lot of storage space in the smallest of spaces.

work easier for the employees. Customers also benefit from the technical improvements: “By reducing large collection spaces we minimize our processing time and we can customize our delivery portfolio”, says Michael Thölken.

**Text:** Malte Addiks



## THE INNOVATIONS IN NUMBERS

### > 1,600

storage spaces in the narrow-aisle warehouse

### > 300 METERS

induction loop length

### > 800

storage spaces in the vertical storage system

### > 7 METERS

height of the narrow-aisle warehouse



**Tasty pork knuckles, a brass band, and filled beer mugs ... Not the Oktoberfest in Munich but rather the traditional Mai Wies'n which took place for the 51st time at Burghausen was the place to be – also for the BUHLMANN GROUP.**

Everything that's meant to be at a traditional Bavarian festival was there: Carousels, a haunted house, a ferris wheel, and many food stalls – not to mention the big festival tent, where on Wednesday the day of the suppliers is traditionally celebrated. For years now, the BUHLMANN team at Burghausen has invited customers from petrochemical, chemical,

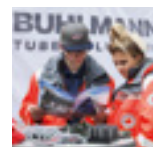
pipeline and plant construction firms to join them. "This year about 60 people including our team were at the festival. We enjoyed a few fun-filled hours together and engaged in very interesting conversations", explains Gunter Dohmen, Head of Sales Southeast. "The personal exchange and being able to relate on a more personal level has a high priority for us. The event was a great success", he adds. No wonder that next year's tables have already been reserved.

**Text:** Malte Addiks

## SPONSOR OF THE DAY AT WACKER ARENA



As Sponsor of the Day Gunter Dohmen, Head of Sales Southeast, presented BUHLMANN Burghausen at a home match of SV Wacker Burghausen. The main focus was on our training opportunities.



Our trainee Lukas Decker was a great help in this regard.

ELECTROMOBILITY AT DYLAN

# SUSTAINABILITY ON THE MOVE

Our colleagues in the Netherlands have embraced a future mobility trend and integrated electrical cars into their Oud-Beijerland fleet 15 months ago and the installed chargers are available for Dylan's visitors, too. **B** GLOBAL talked to Facility Manager Herbert van Straten about how the electricity project was implemented and the results so far.



The app from NewMotion shows where to find which charging stations. Most of them are located in the Netherlands.

## **B GLOBAL // What was the idea behind going electric?**

**Herbert van Straten //** *Our Head of Sales Barry van Manen came up with the idea after he made some calculations for the management on how you can be more cost effective when driving electric cars instead of traditional combustion engine cars. It saves costs on both sides, privately and business wise. The Netherlands' policy of funding electric cars made it particularly interesting. Weighing all factors regarding the decision to go electric, the management decided this was the way to go, foreseeing an all electric future, this was the logical step to make. And it was easier here than in most other countries because the network of charging stations is so good.*

### **How many electric cars and chargers do you have?**

*At this moment we have four fully electric cars (EVs), one Tesla Model X, one Tesla Model S, two Opel Ampera and one plug-in hybrid car, a VW Passat GTE. Both Teslas have been in service since February 2018, and the Opel Amperas joined the Dylan EV fleet in March 2019. At present, four chargers are in place, however, in July of this year we will expand the number of chargers to six in total.*

### **Do the colleagues use these cars often and what are their experiences?**

*The cars are mostly used to commute to work. With a range of only 50 kilometers, the VW Passat GTE must be charged on a daily basis, in contrast to the Tesla which is charged once every two days while driving more distance. Electric car driving experiences are really good according to the feedback from my colleagues, but as expected, range and charging times are cumbersome when you need to travel long distances.*



## **Customers can also use a charger. What do they have to do to use these? Is there anything they need to consider?**

*For visitors we have reserved a parking lot with an electric charger, if they want to make use of this charger they can get a charge-key at the reception desk which is programmed for that particular charger. They can charge for free - we think of this as a gesture to the visitor. Visitors are very pleased about the possibility to charge at our site, in some cases it saved their day due to the fact they had not enough charge left to make the trip back.*

### **These chargers are part of the "Green Label". What is this program and what kind of measures are implemented for it?**

*Green Label says something about the way products help to improve to be more energy efficient or environmentally healthier. The chargers are from NewMotion which is now owned by Shell. With more than 100,000 chargers across Europe, NewMotion is the number one provider. And almost half of these chargers are located in The Netherlands, as shown in the image "Distribution of NewMotion Chargers across the EU". When we talk about cutting costs, the office building itself has a Green Label (energy label A) due to the fact that we took measures to cut down electricity usage by implementing LED lightning and other electricity saving measures like sensors regulating the lighting. Measures that were taken during the rebuilding of the office space help to save costs due to isolating the outside walls and implementing an energy-efficient heating system. And we had LED lighting installed in our warehouses at Oud-Beijerland in March of this year, which further reduces electricity usage and thus costs.*

Questions by Gabriele Wiesenhavern



# METROPOLIS ON THE BOSPORUS

**It's a special place, a melting pot in a lot of ways: The gateway from occident to orient, alive and busy, politically turbulent, and culturally one of the most diverse locations in the world. Istanbul breathes history and is a modern trading center at the same time. We spoke to Gülseren Aytekin, Head of Sales Turkey, to find out what it's like to live and work here.**

It's a 30-minute struggle for Gülseren Aytekin to master the way through the 15-million metropolis from her home in the district of Kartal to work in Kadiköy. Lucky for her that both districts are on the eastern side of the 3,000-year-old city. She does not have to cross the Bosphorus, the strait which divides the mega-city and marks the continental border between Europe and Asia. The trip is an adventure nonetheless: "There is so much construction going on, I can't even image how much concrete is processed here. Incredible amounts".

Gülseren Aytekin works alone – a one-woman-show, so to speak. "But that doesn't mean I feel left alone, on the contrary. I'm always in contact with the Sales Division in Bremen who write and coordinate offers. As well as with the colleagues from Duisburg." Her job is maintaining customer relations, the follow-up of offers, and the search for new clients. Aytekin is the daughter of Turkish immigrants to the Netherlands and was born and raised in Oss. She has been in Istanbul since 2006: "I wanted to stay three months but I fell in love with the city and stayed". Not just with the city – she married some years ago and has two sons.

She considers her binational upbringing an advantage, says Gülseren Aytekin. The 39 districts of this multicultural hot-spot are not only home of the Turkish population but also of Kurds, Arameans, Jews (the largest religious minority), Chinese, Russians, Greeks, and many Germans, some of whom have been dealing here from the first half of the 19th century.

The old town, UNESCO world cultural heritage site in the Fatih district, is always rushed by tourists, as are the Hagia Sophia, the Sultan-Ahmed-Mosque, the Topkapi Palace and other sightseeing highlights. But Gülseren Aytekin also recommends a visit to the district Karaköy on the European side, where traditionally hardware dealers and

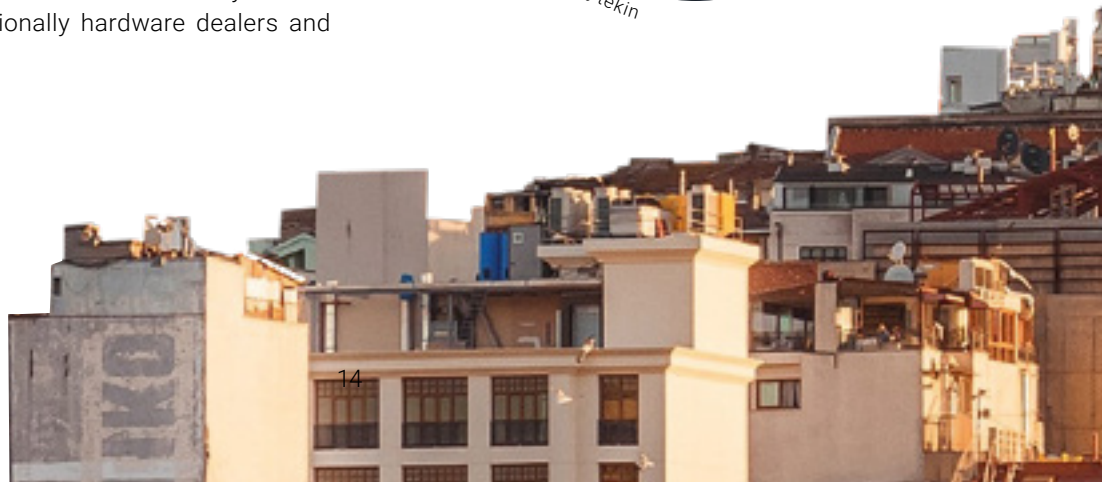
iron mongers were located. "The district has become very hip and popular with young people", she explains. "When I have visitors, I like to take them to some of the less well-known areas with a lot of local color: There are beautiful parks and shopping streets on the Asian side, for example the Bagdat-Caddesi in Kadiköy. And there are plenty of streetfood and other markets, where everything you can possibly imagine is sold." Aytekin also thinks a boat trip to the Princes' Islands is a good idea, a 40-minute ride in the Marmara Sea. "If you really want to see Istanbul, you'll need a week at least".

There's one question left to ask and it concerns her position as a woman in the conservative Turkish society: Is she equally accepted as a man would be? "I think men may do business differently among themselves. But in the many years I've worked here I have always been treated with respect and at eye level." Istanbul is a modern city, says Aytekin, and the moment there is no other place on earth she'd rather be. But later? "Maybe the Netherlands, in the far away future ..."

**Text:** Gabriele Wiesenhavern



Gülseren Aytekin





## GÜLSEREN AYTEKIN'S TIPS FOR ISTANBUL:

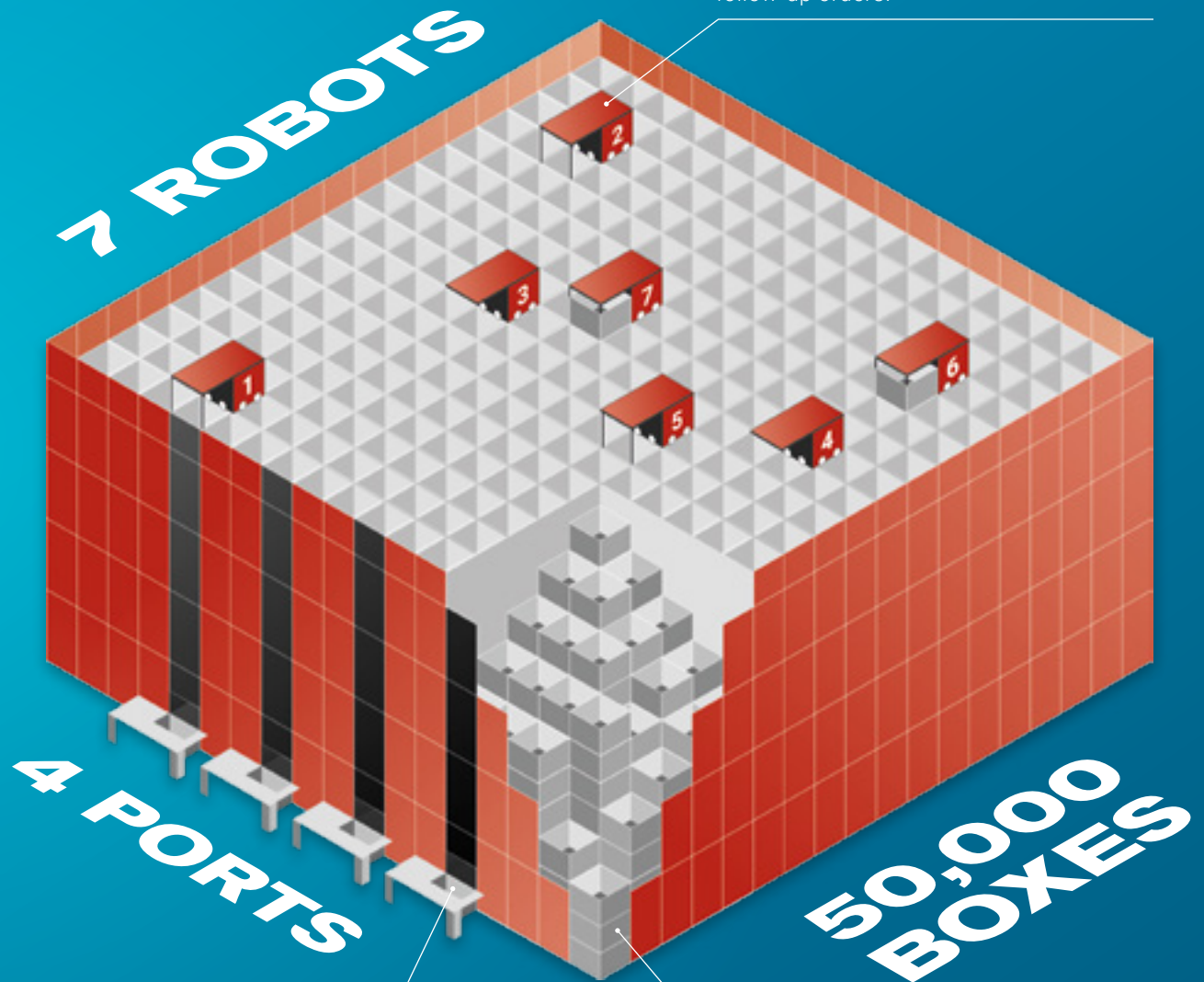
- The districts Kadiköy and Atasehir are worth a visit in the Asian part of the city. On the European side have a look around in the districts Taksim, Karaköy, and Kuruceme
- Shopping: Bagdat Caddesi, a long shopping street with open-air shops and stalls for any budget and taste – not so common anymore in times of large malls
- Boat trip to the Princes' Islands to Büyükada and Heybeliada, car-free areas and getaway destination of many city-dwellers
- Sapphire terraces, the highest building in the city located in the district of Levent, offers a great view of the city from above
- For leisurely strolls Gülseren Aytekin recommends Emirgan Park and Hidiv Kasri, residence of Egyptian governors in the 19th century with Art Nouveau ornaments, a good place for a cup of tea on a hot day
- An evening excursion to Camlica Hill with a great view of the three brightly lit Bosphorus bridges is also worthwhile



# THE AUTOMATED SMALL PARTS WAREHOUSE AT THE SITE IN DUISBURG, GERMANY

FROM A DIFFERENT PERSPECTIVE:

The robots sort the boxes autonomously according to a sophisticated system to save time and distance. They also sort out follow-up orders.



The boxes are transported by robot to one of the two ports, where they are prepared for shipping by the employees. There is another port for loading the warehouse, and there's also the possibility of adding another port.

Every box can hold several different articles. The warehouse is a veritable space-saving wonder in a confined area.