

*strictly confidential*

***Executive Summary***

***Preliminary Management Analysis***

***Saia Burgess Controls AG, Murten, CH / Dreieich, DE***



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### 1. Current Situation

- Saia-Burgess Controls AG, stands for the development, production and sale of electronic components and systems for industrial quality control engineering
- Since 3 years, Saia-Burgess Controls AG is part of the Johnson Electric Group
- Mr. Jürgen Lauber is the CEO of Saia-Burgess Controls AG. In the last few years he has re structured the company and strongly driven and developed the business itself
- In order to grow the business even further, Mr. Jürgen Lauber has to reduce his workload of operative tasks in the lower management levels
- He defined his needs as follows: (Quote of Mr. Jürgen Lauber)  
„Die Leitungspostion ist so definiert, dass sie bezüglich Aufgabengebiet sehr attraktive ist und bezüglich Vertriebsgebiet über Deutschland hinaus reicht. Je nach Profil kann der Dienstsitz einer solchen Position neben Frankfurt auch Murten sein. Wesentlich ist, dass ich von meinen vielen direkten Führungsaufgaben im Verkauf Deutschland entlastet werde und wir im internationalen Umfeld an Managementressourcen gewinnen, um weitere Länder zu führen.“ → The management position has to be defined in a way that makes the job attractive and that the responsibility of the sales area is more than just Germany. Depending on the exact profile, the job could be located in Dreieich or in Murten. It is most important, that I can reduce my direct management involvement in the sales area Germany and that we can, at the same time, get new internationally oriented management resources to manage/grow further country organizations
- As it seems difficult to search for a person to cover the whole range of the profile, the exact tasks have to be defined and prioritised
- It is of high importance to Mr. Jürgen Lauber that his key managers/employees can identify themselves with the definition of the job profile and that they have the possibility to place their inputs towards it

## **2. Objective**

- Conducting a preliminary management analysis of a part of the management team of Saia-Burgess Controls AG. Through in-depth structured interviews and the questionnaire „organizational profile“ to get a thorough and concrete insight of the current situation
- To minimize risks in complementing the information with a more in-depth analysis of the management as a team and as individuals
- To build a basis for sound decisions about further steps in the recruiting process and to give recommendations regarding the future structure of Saia-Burgess Controls AG in context to the existing management

## **3. Procedure**

- Determining participants from the management team for the due diligence
- Orientation of the people involved about the objectives and process of the management analysis; subsequently all participants fill out a questionnaire
- Individual confidential interviews with each participant
- Evaluation of questionnaires and analysis of interviews. Summarize current situation to derive knowledge relevant to the future of Saia-Burgess Controls AG
- Discussion of the report, analysis and description of possible implications for the future organisation
  - Demonstration of results (graphs)
  - Information about profile and capabilities of a new employee

#### **4. Results of Organizational Profile**

The following people filled out the questionnaire and have been interviewed:

- \*Mr. Patrick Marti – Corporate Sales, Murten
- \*Mr. Kostas Kafandaris – BU Manager Controller & Interfaces, Murten
- °Mr. Ivan Brunner – Manager Central Production Services, Murten
- \*Mr. Adrian Spicher – Manager Finance and Administration, Murten
  
- \*\*Mr. Günther Bredl – Manager Subsidiary, Dreieich (D)
- \*\*Mrs. Christina Steinbach – Manager Sales Admin. & Logistics, Dreieich (D)
- \*\*Mr. Ralf Petry – Manager Support, Dreieich (D)
- \*\*Mr. Frank Braunroth – Manager Marketing & Sales CC, Dreieich (D)
- \*\*Mr. Horst Röckel – Manager SI, Dreieich (D)

The following people filled out the questionnaire and have not been interviewed personally:

- °Mr. Jürg Hurni – TCS/SAV, Murten, °Mr. Rolf Mueller – Team OEM Business, Murten

- \* **Managementteam Murten (700)**
- \*\* **Managementteam Dreieich (200)**
- ° **Other managementparticipants (900)**

Note: Mr. Jürgen Lauber, Chief Executive Officer could not participate.

### Overall picture:

- We have received a picture of dynamic, motivated teams. Their identification with the company culture, the work rate and the management is high
- The adaptations, restructurings and changes of the last years are understood and accepted generally positively
- The soundness of the results are realised by the people though, and are motivators to strengthen the direction the business is being developed
- The success of the company is closely linked with the personality of Mr. Jürgen Lauber
- Mr. Jürgen Lauber is being seen as a dynamic, competent leader with strong technical and commercial competencies
- Mr. Jürgen Lauber is highly committed and involves himself in details if necessary in order to support his employees in reaching their goals
- Decisions taken by Mr. Jürgen Lauber can come surprisingly to some employees, even though they seem to see the soundness/correctness of them
- The detail orientation of Mr. Jürgen Lauber motivates and enforces his employees to care themselves about the details
- The work rate and speed of decisions are high – at times it can be too much for certain employees. It would therefore help at times, if they would receive more background information about the decisions
- There is a clear difference between the understandings of the management teams of Murten and Dreieich about the needs of the new future management role
- In Murten it seems that the Corporate Sales Department may be at its resource limits
- In Germany, they see a need for a clear and steadily present leader personality

### Concrete aspects, mentioned in interviews with possible potential for improvement:

#### *Murten:*

- The Corporate Sales Team as such (no matter of who is their manager) seems to have too many positions to manage directly and is at the edge of their resources
- The position „Manager Sales International“ is vacant
- The interdisciplinary cooperation between the business units CI and BU CC+ES+CPS could clearly be improved

#### *Dreieich:*

- The OEM area should be strengthened with competencies, both technical and market wise
- A stronger leader in the SI sales is desired
- There are good, loyal and willing team members in the OEM sales area. Nevertheless they are somehow limited in market know-how and technically. But they could do it with a strong and present leader
- The coordination between sales and support is not ideal
- Generally said – they are missing a “Mr. Lauber“, an entrepreneur, who could be steadily present and sees Dreieich as his “baby” and therefore manages it as if it would be his own enterprise

### Interpretation of the graphs (see appendix):

- The graphs show clearly the positive image, the management team wants to leave
- With a few exceptions, the graphs confirm the individual statements in the interviews
- The interpretation of single factors have been discussed separately

### In general:

- Please find the definitions on the individual factors in the appendix. They are splitted in three groups: **General Factors, Management und Values**
- Each employee was confronted with ten questions about each factor (25 factors – 250 questions)
- The questionnaires were filled in anonymously and confidential

### Interpretation of the curves:

#### 1. Position, Form:

- The curves are between 3,5 and 5 on the scale. This shows a generally good well being of the employees
- The forms look generally homogenous. This is a sign of agreement and satisfaction
- The blue curve (**900**) slightly lower than the others. Nevertheless, this picture is normal, compating with benchmarks, employees of the lower hierarchies normally are more critical in their judgements

#### 2. General factors:

We can see a high agreement of the following factors **influence, coordination, systematics**.

*Influence:* The below average valuation shows us that employees generally have a low influence on planning and deciding. There could be two reasons for that – they are either not capable or the planning and deciding is taking place somewhere else. We tend to assume the latter. One of the indices is the german curve, which clearly shows a higher rating. The presence of the decision maker is limited to two days a week which obviously leaves the managers there with the need to take some decisions themselves.

*Coordination:* We can see an obvious wish for more coordination from the employees. Interdisciplinary coordination seldom develops itself, it has to be specifically developed in order to become part of a company culture. Individuals primarily act at one's own discretion.

*Systematics:* We have noticed that the employees are approaching their tasks mainly very pragmatically. The reason is that the work load and work rate is high. It is indeed perceived by the people as high, but not negatively though. Such ratings exist when decisions and processes may be a surprise to the people or being changed regularly over the time.

### **3. Management:**

The assessment of the management style is remarkably uniform and shows high scores. This is exceptional. There are obviously not many deficiencies and the general satisfaction level is very high.

### **4. Values:**

Based on benchmarks the ratings of the values usually come out slightly lower than expected. Nevertheless, it does contain a risk of potential unsatisfaction. Values and their perceptions can change. The driver of these values is the management.

### **5. Summary:**

Based on the personal interviews and the results of the questionnaires we can deduce following:

Mr. Jürgen Lauber does have to care about too many details. As a result of this there is room for improvement for information and coordination. There are tasks with high importance and urgency which are filled in temporarily only at this stage. This is another area for improvement. Mr. Jürgen Lauber is an entrepreneur with a vision and many ideas, on high level of energy. He fills a clear and well respected leadership role successfully. As a result of his high commitment and the closeness to business and people, he does spend a lot of his resources on operational issues. These resources may be needed in his core tasks as a CEO in the future.

*Murten:* Murten is the headquarters and therefore the base for the corporate functions. There is a need for resources in corporate sales area, it is risky to run a department with a management span as per today. The diversity of the tasks makes it clear that this manager needs to have the ability to go in to many different details and be abler to have a big impact. Based on the technical requirements this is a difficult task. The additional responsibility of managing some Saia-entities abroad does not help it. It is conceivable that the General Manager of Dreieich could provide additional support in this area  
Mr. Jürgen Lauber is temporarily in charge of the BU Plant II. Although not extremely urgent, there is a clear need to fill that management position permanently.

*Dreieich:* There is a very clear need of a supportive, coordinative and unifying leader. Despite the fact that the role has to be sales oriented it also needs to combine the different disciplines. The people brought up their wish to have someone with a steady presence who can take on the impulses from the Headquarters and can implement them within the Dreieich organisation. It is conceivable that after the job training this person will have free management resources to provide support in corporate management.

## 5. **Recommendations**

1. Priority is to fill the role of a General Manager in Germany. It is recommended to test the possible candidates about their potential and competencies to additionally fill in a role as “business developer” at the headquarters. The profile is like the enclosed job specification.
2. Priority – We suggest to create a new position on the board level. The main task of this position is the management and development of the SAIA-entities abroad. There may be room for additional, planned new entities/markets as well as possibly manage the international sales area.
3. Both positions need personalities who bring along extensive technical and trade competencies, as well as proven successful management experience. In addition they need to be able to understand the ideas and fulfill the expectations of the CEO in order to deal with and implement them successfully. There is a need for a strong personality who can fill the role of a proactive sparringpartner to the CEO.

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