

Fulterer Auszugssysteme GmbH

Background

Fulterer Auszugssysteme GmbH, with headquarters in Vorarlberg, is a metal fabrication company founded over 50 years ago. Its focus is on manufacturing drawer slides for the furniture, cabinet and woodworking industries. The company now has more than 330 employees.

The Fulterer Group consists of three companies with locations in Austria, Switzerland and the USA.

Fulterer's drawer slides are sold worldwide in over 60 countries with a turnover of EUR 50 mill.

Abstract

The Austrian team of imPlus consulted Fulterer Auszugssysteme (fittings systems) during an important change process with the objective of optimizing the structure of the companies in Austria, Switzerland and the USA. Dr. Thomas Boeckle, project leader, initialized three core projects:

- ownership structure
- strategy adjustment and restructuring of the Sales & Distribution department
- mergers & acquisitions

Ownership Structure

Reassessment of the ownership structure through the negotiation of a smooth exit strategy for corporate business executives as well as the improvement of the entire business structure.

Strategy Adjustment and Restructuring (Sales & Distribution)

Examination and revision of the enterprise's strategy in the market conditions and the restructuring of the sales and distribution department as well as the scope of activities for a more effective treatment of the markets.

Project Duration: August 2006 to March 2007



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European

Professional

Personal

M&A Project

Support in the selection of a strategically interesting enterprise with the intention of taking over this business in order to achieve a more rapid growth through a buy strategy.

Further advisory activities in connection with the M&A project: Production of an acquisitions concept (project plan, financing model, due diligence, negotiations management).

Point of View

Since 1961, Fulterer has been active in the fittings systems market and has become very well established. The enterprise successfully occupies a market niche with its drawer slides.

In the last few years, pricing pressure on the market has made business more difficult and the company experienced decreases in its profit.

Two family members ran Fulterer. One managing partner had announced his intentions of leaving the company. Fulterer assigned imPlus to accomplish an organization analysis with special focus on sales.

Here is where imPlus's developed organization diagnostics tool was put to use. The upper leadership level was canvassed in the form of open and partly structured single and group interviews. The results of the analysis proved that the corporation was missing the necessary strategy and structure needed to obtain sustainable and satisfying results for the enterprise. For this reason, and after the completion of the organization analysis, the project „Fulterer 2010“ was put into effect, which was successfully completed in March 2007. The following accounts show which points of action were needed most.



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Objectives

At the beginning of the project, the focus was on strategy and structure. The following goals were set:

1. Defining of the corporate strategy precisely
2. Analysis and restructuring of the enterprise

During consultation, further issues came into play and led to further subprojects with the following objectives:

3. Orderly exit strategy for corporate executives
4. The execution of strategic participation (stakeholders)

Challenges

The above tasks created the greatest processes of change in the enterprise in the last few years and are crucial for the future of the enterprise. For this reason a great amount of professionalism and intuitive feeling was necessary. The enterprise did not have the necessary internal know-how to arbitrarily work on such special issues. At the same time no substantial experience in handling management consultants existed in the enterprise, whereby it was expected that there would be problems with accepting certain suggestions. In addition, great time pressure existed as well as the necessity to coordinate several external resources (company accountant, legal business counsel, tax consultant, market researcher, venture capital enterprise etc.). The specific challenges of the projects follow:

Ownership Structure

Definition of Problems

Conflicts within the management team and disagreement with strategic decisions
Allocation of the shares of three family members; unclear successor
Desire for an exit strategy for one of the executives

Results

Clarification of owner relationships
Removal of conflicts within the management team
Regulation of the financing for the buy-out



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Strategy adjustment and restructuring (distribution)

Definition of Problems

The production-orientated enterprise did not have a clear vision of the future
The competition and the price situation had become tougher, thus it had become a buyer's market
In sales there were too many blank spaces on the map (see ABC analysis)
Ineffective and expensive selling agent system

Results

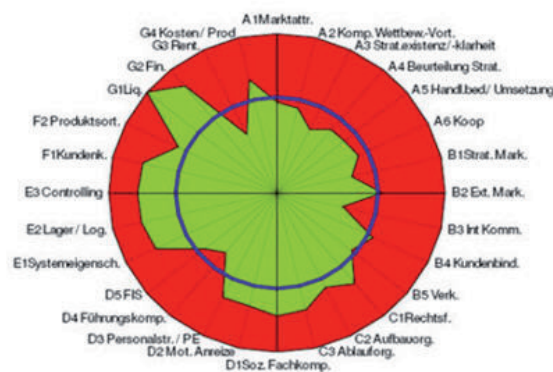
Change in the enterprise strategy: expansion strategy + shifting of production onto technology
Establishment of a sales office in Switzerland
Implementation of a new firm structure
Restructuring of the fields of operation and creating a better connection to the subsidiary in the USA
Installation and allocation of the position of the sales director as well as the allocation of two new selling agents (one new position)
Substantial cost savings by ending sales agency agreements
Development of direct sales and reinforcement around three sales representatives

M & A Project

Definition of Problems

The market had developed into a buyer's market, in that the buyers had the power to play the vendors / sellers against one another.
Marked turnover jump was necessary in order to be recognised as a global player (buy strategy demanded)

Ergebnis der Organisationsdiagnose



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Results (signing of the takeover followed)

Creation of a positive framework for strategic participation (stakeholders)

Reduction of the purchase price by 40 % of the initial offer.

Substantial increase of the enterprise value through the additional analysis and restructuring of sales department.

Adequate finance structure by bringing in a mezzanine capital fund.

Through the acquisition, the turnover increased by 30 % and the market share rose considerably. New markets were opened by the additional product ranges. Fulterer has become a world market leader with the acquisition of this sub-area. Particularly in Europe, additional market shares were won through the optimization of market research in sales.

The consultants conceived a variety of methods and instruments. imPlus deployed four management consultants who were prepared to deal with specific situations and provide innovative methods and solutions. Dr. Thomas Boeckle, CMC, who also took over the area of mergers & acquisitions, conceived the entire organizational development process. Christian Ruthner and Benedicte Haemmerle supplemented the advisory team with their emphasis on controlling and HR. For the special allocation of tasks in Switzerland, imPlus called on their Swiss partner, Univ. Prof. Dr. C André Wohlgemuth, CMC (formerly chairman of the Swiss Advisory Association ASCO) and Chairman of IMCN (www.imcn.biz).

Consulting effort: 162 days

The effects and future potential discovered in this project far exceeded the costs. The greatest results that Fulterer sees are the synergies and market possibilities due to the acquisitions. Only through the strategy consultation with imPlus were the ideas for the acquisitions made into reality and the potential was discovered.

With this project imPlus was awarded as best Austrian management consultant with the Constantinus Award 2007.

For more information about the Constantinus Award click www.constantinus.net (German) or www.constantinus.net/award/de/constantinus-international/introduction (English)



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