

GERMAN AMERICAN TRADE

MAY/JUNE 2013

**New Top 50 Ranking
of German Firms**

Top 50
German
Firms in the US

**"Fifty Shades"
Boosts Sales for
Random House/
Bertelsmann**

**Welcome to the C-Suite:
Steve Cannon
President & CEO of
Mercedes-Benz USA**

**Clean Diesel
on the Rise**

**Why all those
Europeans
can't be wrong**

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1st German American Business Forum in Hamburg – June 4, 2013

The economic heavyweights Europe and the U.S. are two of the most closely connected economic regions of the world. Germany and the U.S. facilitate thriving and globally unrivaled trade and investment relationships that have grown over decades.

The transatlantic partnership is an essential pillar of our political agenda. For this reason, I welcome the upcoming negotiations about a transatlantic trade and investment partnership between the European Union and the United States. A transatlantic marketplace creates great economic opportunities and possibilities for all involved. A successful conclusion to these negotiations would prompt substantial gains in economic growth and employment: It is estimated that bilateral trade between EU member states and the U.S. could rise by approximately 80 percent over time if we ambitiously reduce non-tariff trade barriers. The consumer would also profit, most notably through lower prices and greater product diversity.

Various challenges and obstacles must inevitably be cleared before such an international agreement can be concluded. All parties are aware of this. The task at hand can however be overcome as long as the strengthening of transatlantic economic relationships remains on the political agenda of all involved. The German



*Dr. Philipp Rösler
Federal Minister
of Economics and Technology*

American Business Forum therefore occurs at an ideal point in time. The forum exhibits the practical relevance of the current politico-economic initiatives and can provide an important and lasting impulse.

I wish those attending a fruitful conversation and interesting connections, and hope for a successful and influential forum.

Sincerely yours,

*Dr. Philipp Rösler
Federal Minister of Economics*

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German Manufacturer Reifenhäuser Moves North American Headquarters to Wichita

Reifenhäuser Inc., a German maker of equipment used in plastics manufacturing, is moving its North American headquarters to Wichita from Danvers, Mass. Wichita is already home to Reiloy Westland Corp., which Reifenhäuser bought late last year.

>> www.bizjournals.com

New Air Freight Service Launched for German U.S. Import/Export Cargo

Following the recent 'New American' tie up between their parent group and U.S. Airways, American Airlines Cargo has begun a nonstop freight

service between Chicago O'Hare (ORD) and Dusseldorf, Germany (DUS).

>> www.handyshippingguide.com

Specialty Food on the Rise in the U.S.

According to the industry association NASFT, specialty food sales in the U.S. increased by 9.2% to US\$59.7 billion in 2011. The outlook is promising. From the point of view of manufacturers, especially the product promise "local" is to gain in importance in the next 3 years. In 2011, a total of 1,415 specialty food items were newly introduced to the U.S. market. In 2010, some 36% of manufacturer sales was generated directly via retail trade.

>> www.gtai.de

The Kübler Group Locating First U.S. Offices in Charlotte, NC

The Kübler Group, a privately-held German manufacturer, announced the opening of its first U.S. subsidiary, Kübler Inc., in Charlotte, NC. Kübler specializes in the manufacturing of innovative position and motion sensors, counting and process technology, and transmission technology. The new Charlotte operation strategically positions Kübler to service the U.S. market from one central location. Kübler is starting with a team of three employees and expects to hire more by the end of 2013.

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Deutsch-Amerikanischer Wirtschaftstag

**June 4, 2013
Hamburg, Germany**



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German Industry Attracted Once Again by North America

The location – primarily the USA – is becoming the ‘rising star’ among the recipients of German investment. The favorable economic development of the last 1.5 years combined with decreasing unemployment figures and increasing corporate profits attracts German businesses. Due to its low energy costs, is at the same time gaining in importance as an economic location, especially for energy-intensive investments.

>> www.dihk.de

Eric Schweitzer New DIHK Chairman

Eric Schweitzer is the new Chairman

of the Deutscher Industrie- und Handelskammertag (DIHK), the Association of German Chambers of Industry and Commerce. During the general meeting, the Berlin businessman was unanimously elected to be successor to Hans Heinrich Driftmann, who wants to focus more on his company – Kölln KGaA, after having been at the helm of the DIHK for the past four years.

Eric Schweitzer is co-owner of ALBA Group, a recycling company, which he manages together with his brother Axel Schweitzer. Currently, the company employs a staff of approximately 9,000.

>> www.dihk.de

Max Planck Florida Institute Study Points to Major Discovery for Alzheimer's Disease

The Journal of Neuroscience has published a study led by researchers at the Max Planck Florida Institute for Neuroscience, the first and only U.S. extension of the prestigious Max Planck Society, that may hold a stunning breakthrough in the fight to treat Alzheimer's disease. The study potentially identifies a cause of Alzheimer's disease – based on a newly-discovered signaling pathway in cellular models of Alzheimer's disease – and opens the door for new treatments by successfully blocking this pathway.

>> www.maxplanckflorida.org



Exclusive cartoon for German American Trade by Heiko Sakurai www.sakurai-cartoons.de

German Robot Maker Kuka Expands in U.S.

German industrial robot maker Kuka is boosting its presence in the U.S. through the acquisition of the plant engineering business of privately owned Utica Companies. Utica is a Michigan-based welding equipment specialist with a focus on the auto industry. The acquisition will make Kuka the biggest systems supplier in the North American automotive sector, the German company said in a press release. Next to its robotics operations, Kuka also runs a sizeable plant and systems engineering business. Kuka has annual sales of about 1.7 billion euros and employs 7,200 people.

>> www.automotiveit.com

Confident: U.S. Investors in Germany Expect Good Financial Year in 2013

After an average year in 2012, American companies in Germany are optimistic about 2013. Two out of three companies anticipate increased revenue, more than a third are counting on both new investments as well as new hires. These are the key findings of the X. Business Barometer, created by the American Chamber of Commerce in Germany (AmCham Germany) in cooperation with Roland Berger Strategy Consultants. The Business Barometer is based on a survey of 58 American companies located in Germany. They have a total annual revenue of 95 billion euros and employ more than 240,000 people in Germany.

>> www.amcham.de

2010, when the President pledged to double export growth in five years, policymakers looked to Germany for tips. In his latest State of the Union, the President plugged Germany, not only as a manufacturing powerhouse, but also as a standard for vocational training for young people. The new liberal vision of a competitive economy built around a resurgent manufacturing sector and an educated middle class seems to be what Germany does best.

>> www.theatlantic.com

Obama to Make First Berlin Visit as President in June

United States President Barack Obama has taken his time in making an official state visit to Berlin - but in June it will finally happen. According to current White House plans as SPIEGEL has learned, he will visit the city directly after the G8 Summit in Northern Ireland, which takes place on June 19 and 20. But the choice of dates also means that Obama will not be present on June 26, the 50th anniversary of the famous "Ich bin ein Berliner" speech of John F. Kennedy.

>> www.spiegel.de






Saturn Petcare Inc. Shows Interest In Ashville Plant

German-based Saturn Petcare Inc. is a wholly owned subsidiary of Heristo Aktiengesellschaft Germany. The company is planning to establish a U.S.-based manufacturing facility for pet care products. Ashville, NY is one of two possible locations if state funding goes through. The other potential site is in Michigan. Saturn Petcare Inc. anticipates to start out with 25 job openings, and then expand to more than 100 jobs within five years.

>> www.post-journal.com

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GERMAN & AMERICAN STATS & FACTS

	U.S.	GER
 Largest services output (\$bn 2009)	10,362 (#1)	2,613 (#3)
 Top 10 Coffee Consumers ('000 tonnes 2009-10)	1,299 (#1)	504 (#3)
 Health Spending (% of GDP)	16.2	11.3
 Marriages (per 1,000 population)	7.1	4.9
 Largest bilateral & multilateral donors (\$m, 2009)	28,831 (#1)	12,079 (#3)

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Southeastern U.S.: Up-And-Coming Region with German Presence

America's Southeast has had a relatively positive recovery and has bounced back from the economic and financial crisis. Even Florida, hit hard by the crisis, now shows moderate growth rates. Since 2010, the states in the Southeast (North and South Carolina, Georgia, Florida, Tennessee and Alabama) have been on an economic upswing. After the crisis, the region has largely benefited from its diverse economic structure with an expansive industrial basis. Germany's economic relations are closer with the states in the Southeast than with any other regions of the country.

>> www.gtai.de

President Obama: America should be like Germany

Americans have experienced a strong case of Germany envy throughout the recession and slow recovery. In

More Fiscal Progress Than You Think

U.S. Americans are masters of public relations. Many other countries, Germany certainly being one of them, can learn a lot from the U.S. when it comes to showing things in a positive light. Current fiscal policy, however, seems to be a clear exception. Here, the U.S. has made more progress than most people realize. Let's take a step back: In late 2010, the President's bi-partisan fiscal commission, co-headed by former Senators Simpson and Bowles, proposed a comprehensive plan to reduce the fiscal deficit over the coming decade by a total of USD 4 trillion. 75% of those cuts were to come from lower outlays and 25% from higher revenues. While the plan was backed by 11 of the 18 Committee members, it did not get the required supermajority of 14 votes. Hence, it was dismissed and not formally endorsed by President Obama. Nevertheless, the U.S. administration has in the meantime made some important progress on the deficit front. The Budget Control Act of 2011, which was the result of the mid-2011 debt ceiling fight, and the fiscal cliff deal at the beginning of this year combined are set to lower the deficit over the coming

decade by USD 3 trillion; that is no less than 75% of the amount envisaged by the Simpson-Bowles commission. The split between revenues and outlays also resembles the commission's proposal. Moreover, the current pace of the tightening, 1% to 1½% of GDP per year, balances the need to cut the fiscal deficit with the goal not to choke off the economic recovery.

Why then is the perception of U.S. fiscal policy so negative? The main reason is, of course, the quality of the political debate. The fronts between Republicans and Democrats are more entrenched than ever, so that the latest deficit cuts were not the result of constructive bi-partisan cooperation but represent eleventh-hour compromises that were only reached as any non-agreement would have sent the U.S. economy back into recession. That also explains why we haven't seen a comprehensive and consistent plan, such as Simpson-Bowles, but a piecemeal approach. Finally, while the cuts agreed on allow the debt-to-GDP ratio to stabilize between now and the mid-2020s, they do not yet put the public finances on a sustainable path. As a result of the

aging population, the debt ratio is projected to start rising again from 2025 or so. In order to be prepared, fiscal consolidation has to go further and the administration should target a fiscal surplus for the end of this decade. The deficit cuts agreed on so far can, therefore, only be a first step – but they are an important step in the right direction. ■



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German Pellets to Build 2nd Plant in Northern Louisiana

German Pellets is further expanding its production capacities in North America. In Urania, a town in northern Louisiana, German Pellets will soon begin construction work on a new pellet production facility. The output will be about 1 million tonnes of wood pellets per year. Urania will be the German Pellets Group's second North American site. The plant

opened production in Woodville, Texas in April.

"Once again, we have chosen a site with well-established wood supplies and logistics," said Peter Leibold, manager of the German Pellets Group. Until a few years ago Urania had been an important location for the wood-based panel industry. The U.S. company Georgia Pacific had produced particleboard and other products at this site. Supply infra-

structure and other infrastructure, including a railway siding, are already in place. Construction on the new plant will begin soon.

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Clean Diesel on the Rise in the U.S.

Why all those Europeans can't be wrong

By Christian Janetzke, GTAI & Nicola Michels, GACC

"Diesel is an indispensable tool for meeting the CAFE goal because it's 30% more efficient out of the box, while delivering great power and refinement. We will have an A8 L TDI with a 3.0L V6 clean diesel capable of 36 mpg on the highway and a segment-leading range of 800 miles in dealerships soon – with TDI versions of the A6, A7 and Q5 later this summer."

Wayne Killen,

*General Manager of Product Strategy,
Audi of America*



Only 2.6% of cars in the U.S. are powered by diesel engines, compared to 55% in Europe, according to the German Association of the Automotive Industry (VDA). But that is set to change as automakers look to boost fuel economy in order to meet the federally mandated rating of 54.5 mpg in 2025.

The low percentage rate in the U.S. is likely the result of negative experiences in the 1970s. Diesel engines offered at that time proved unreliable. And for Americans, it was those engines that shaped the image of diesel vehicles as loud and dirty cars, spewing smelly clouds of soot. This negative image has an effect still today, according to the tenor of representatives of German automakers attending the GACC Automotive Forum organized by the German American Chamber of Commerce on the occasion of the New York Auto Show. The big five German automakers Audi, BMW, Mercedes-Benz, Porsche and Volkswagen took part in the event, together with the Diesel Technology Forum based in Washington, DC and the German Association of the Automotive Industry, VDA, from Berlin, Germany..

Diesels today run on low-sulfur fuel that's among the cleanest in the world, and greenhouse gas, nitrogen oxide (NOX) and particulate emis-

sions are way down, reports the Diesel Technology Forum whose Executive Director Allen Schaeffer was also part of the Automotive Forum: "Emissions from today's diesel trucks and buses are near zero thanks to more efficient engines, more effective emissions control technology and the nationwide availability of ultra-low sulfur diesel fuel. In fact, Greyhound just ordered 220 clean diesel buses that cut particulate matter and NOX by 98 percent."

Volkswagen (which had 70 percent of the U.S. market with its TDI diesels in 2012) conducted a Clean Diesel IQ survey in the first quarter of 2013, which finds opinion changing for the better, but a third of gasoline and hybrid drivers "believe that clean diesel vehicles are noisy and smell bad." VW sees this as a "time warp" effect. Many Americans continue to recall the diesels of old - unable to accelerate and pouring out clouds of black smoke. Some 36 percent of gasoline drivers in VW's survey say diesels 'smell terrible.' The people who actually own today's clean diesels know better. An impressive 94 percent of current diesel owners would consider buying another one.

Therefore diesel vehicles are slowly emerging from a niche in the U.S.

So far not only the negative image but also a limited supply of diesel fuel at the pump has hindered growth. But a turnaround is noticeable in regard to both factors. German automakers in the passenger car segment hold a market share of 100% and ambitiously continue to grow their fleet of diesel vehicles. Additional players such as General Motors are now joining in on the race. Experts see this as a catalyst for a technological uptick nationwide.

An advantage of the diesel technology is, for example, that all modern diesel vehicles comply with the in part very ambitious emission standards in the individual states. The Corporate Average Fuel Economy (CAFE) regulations, tightened in August 2012, are a major reason for the expansion in the diesel vehicle area. According to these standards, automakers in the U.S. have to increase the average fuel efficiency of their models in the light vehicle segment to 54.5 miles per gallon (mpg) by 2025. This corresponds to approximately 23.2 km per liter gasoline. By 2016, the fleet consumption is to be reduced to 35.5 mpg. In February 2013, newly sold light vehicles on the U.S. market managed to cover a distance of 24.5 mpg. Therefore, automakers are required to expand their model range in regard to fuel-efficient vehicles.



"There will be a diesel in every vehicle segment before 2025, when federal fuel standards require 54.5 mpg average fuel economy. Our new BMW 328d diesel delivers 45 mpg on the highway with acceleration comparable to a gas version. We will also have a new three-cylinder engine BMW out soon."

Dan Creed,

*Vice President of Marketing,
BMW of North America*



DAIMLER

"Diesel is a major cornerstone of our portfolio going forward! We are introducing a 4-cylinder diesel to the U.S. The idea that diesel is available only at truck stops is more perception than reality, many fuel stations have diesel pumps, next to the gas, and on-board navigation systems make them easy to locate."

William Craven,

*General Manager,
Head of Regulatory Affairs
Daimler/Mercedes-Benz*

"30% of Cayenne SUV sales are diesel, which exceeded our expectations. At this point, plans to offer diesel versions of high performance models like the 911 or Boxster/Cayman are unlikely. Although fuel economy is not amongst the top five considerations for Porsche customers today, it will increase in significance going forward: our role is to educate customers that new clean diesel technology is an alternative, not a compromise to performance and value."

Andre Oosthuizen,
Vice President Marketing,
Porsche Cars North America



In the U.S., a higher taxation is imposed on diesel fuel than on gasoline; in February 2013, diesel fuel was on average some 10% (in U.S.\$) more expensive at U.S. gas stations. On the other hand, diesel-powered vehicles are about 30 to 35% more efficient than comparable cars running on gasoline, according to a statement by the Environmental Protection Agency (EPA). That's why this mode of drive is almost predestined for the U.S. with its large distances. The average transport performance per vehicle and year is with 16,000 km (9,940 miles) approximately 1/3 higher than in Germany.

According to the opinion expressed by all experts in unison at the



Panel of Automotive Experts at GACC Automotive Forum "Clean Diesel on the Rise" 3-28-13 with representatives from Audi, BMW, Daimler/Mercedes Benz USA, Porsche and Volkswagen moderated by John Voelcker (Green Car Reports)

GACC Automotive Forum, currently, more and more consumers realize that the bigger investment is worth it in the long run. An additional obstacle to growth is also about to be overcome. Availability of diesel vehicles for buyers has been increasing substantially during the past years. In January 2013, some 52% of U.S. gas stations offered diesel fuel.

In March 2013, 14 diesel models were available in the light vehicle segment in the U.S. By the end of the year, nine additional models could follow given the current situation. Mostly German OEMs will in part expand their product range substantially in 2013. Audi, a VW subsidiary, for example, has announced the launch of 4 new diesel models (Q5, A6, A7, and A8). BMW, until now represented by its X5 model, plans to drive the sporty 328 model equipped with a diesel engine onto the U.S. market. Mercedes expands its diesel car range on the U.S. market with a fifth model (GLK 250 BlueTec). The model initiative of German OEMs will continue in 2014.

Not least the CAFE standards and the improved image of technology have motivated additional players to tap the market segment. In the second half of 2013, General Motors will offer its bestseller, the Chevrolet Cruze, with a clean diesel engine on the U.S. market. Chrysler follows suit and will introduce the Jeep Grand Cherokee as a diesel model on the U.S. market in 2013. ■



"Today's younger generation has never made any negative experiences and is therefore unbiased in view of diesel technology. Fuel economy is the number one consideration for our customers. A whopping 82% of the Jetta Sportwagen sales were diesel and that success is driving our product plans. Competitors entering the diesel market will bring more awareness to the technology and thereby bring more customers to the VW brand as we are the diesel leader."

Doug Skorupski,

*Manager of Product Strategy,
Volkswagen of America*



Clean Diesel

The "Clean Diesel. Clearly Better" information campaign in the USA was jointly initiated by Audi, BMW, Mercedes-Benz, Porsche, Volkswagen, Bosch and by the VDA (German Association of the Automotive Industry).

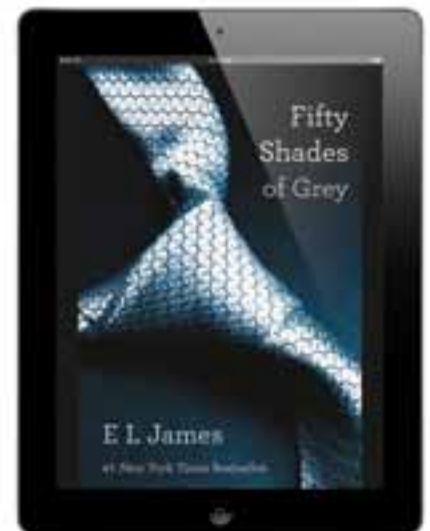
visit >> www.clearlybetterdiesel.org

“Fifty Shades” Gives Boost to Random House/Bertelsmann

No other series had as big an impact in the book publishing world in 2012 as the “Fifty Shades” trilogy. Its origin dates back to several fan fiction posts that were later reconceived and rewritten as a series of novels. What helped turn those novels into megahits, selling more than 70 million copies in their Random House English-, German-, and Spanish-language multi-country editions in less than a year? A good part of the success is attributable to the creative energies of Random House – one of Bertelsmann's core businesses.

From Australia to Argentina, the picture was much the same: “Fifty Shades of Grey” and its two sequels “Fifty Shades Darker” and “Fifty Shades Freed” broke sales records around the world. “Random House published the trilogy in three languages and in 15 countries,” says Random House Chairman and CEO Markus Dohle, “and we are proud to have worked in partnership with E L James to create a global phenomenon that is part of cultural and lifestyle conversations everywhere.”

While Random House had high expectations for the trilogy, no one anticipated the propulsive, sustained level of sales the books would later come to enjoy – least of all the author herself, E L James. James, whose real name is Erika Leonard, began her writing career by posting fan fiction on a website dedicated to Stephenie Meyer’s “Twilight” series. She then reimagined the work as a series of novels about a 21-year-old female student, Anastasia, who feels passionately drawn to Christian Grey, a successful businessman. The first book in the trilogy, “Fifty Shades of Grey,” was eventually published as an e-book by a small Australian publisher. The word-of-mouth



excitement about that volume eventually reached readers in New York, where Anne Messitte, the publisher at Random House’s Vintage imprint, had her ear to the ground and was quick to act. Messitte, working in concert with Knopf Doubleday President Anthony Chirico, was instrumental in helping to secure English- and Spanish-language rights for the books. Soon after, Verlagsgruppe Random House acquired German rights from James’s agent.

Record Pace at Random House

“In the ‘Fifty Shades’ trilogy we spotted a cultural phenomenon



World-bestselling author E L James



RANDOM HOUSE BERTELSMANN



building in the early stages,” recalls Messitte. “Our strategy was to maximize the phenomenon by taking the books, which could have

been seen as strictly romance-genre publications, and publishing them as novels with broad appeal for a more general female readership.

All of our publishing efforts, from marketing to PR messaging to retail positioning, emanated from that strategic idea: reaching a mainstream audience.” In order to exploit the immense interest in these books – especially on social networks – Random House worked at a record pace. “A process that would have taken months was compressed into weeks,” says Messitte.

Speed and hard work paid off. The books were produced as trade paperbacks and e-books, and were backed up by targeted marketing and numerous author interviews arranged by Vintage – including appearances by James on popular American TV shows. Reader demand exploded to such an unprecedented extent that it

launched a global debate on its subject matter. Each week brought a new print run, sometimes in excess of 900,000 copies.

Publishing, financing, marketing, and global distribution by Random House – in a nutshell, the creative know-how of the Bertelsmann division – turned the series into a multi-language hit. These are tasks and objectives the author could never have managed on her own, without the help of a major publishing house. E L James is convinced: “Without the support of Random House, my books would never have been such a success.” In the UK, where the author lives, “Fifty Shades of Grey” became the bestselling book since records began, and the trilogy won a National Book Award. The North American and British success was repeated by Random House’s German and Spanish publishing divisions later in 2012.

Speed, Instinct, Intuition

So, what are the lessons to be learned from the success of “Fifty Shades”? “The ‘Fifty Shades’ books were not on submis-

sion to us and the author was not widely known. So, the first lesson is that publishers have to look beyond traditional routes and consider different strategies when it comes to acquisitions and publications,” says Chirico. “This was an instance where a publisher acted swiftly to arrange a meeting with the author and her agent, and then just as quickly we structured a deal to bring the books to market as soon as possible. So, instinct and intuition will continue to play a forward role in book publishing, but they go hand-in-hand with personal relationships, response time, maximizing digital and print delivery, operational excellence, and having strong creative teams working collaboratively across the company.”

Expertise that are among Random House’s key strengths as the world’s largest trade publishing group. ■

*Reprinted courtesy of
Bertelsmann SE & Co. KGaA*

Simone Menne, CFO at Lufthansa AG

First Female CFO in DAX Listed Company, First Female LH Board Member

By Ning Wang, GACC

Having worked for the flight carrier since 1989, the 52-year-old held roles as the CFO for BMI (British Midland) and led finance and accounting departments at Lufthansa Technik AG.

Her new role is a tough one as she will help in supervising profit improvement plans that aim for 1.5 billion additional profit by 2015. She hopes to bring back rational behavior to the big players in the aviation business.

Europe's second-biggest airline, which has about 117,000 employees, increased revenue to 30.1 billion euros in 2012. "We achieved a solid result, despite a difficult market environment," said Simone Menne in New York on March 25, 2013, while being introduced to the U.S. media.

With its new program SCORE, Lufthansa has put a profit improvement plan in place that implemented 800 measures and delivered earnings contributions of 618 million euros last year alone.

Lufthansa Chairman and CEO, Dr. Christoph Franz, introduced SCORE as a means to increase revenue and reduce costs by better utilizing synergies in purchasing, coordinating flight plans and harmonizing shared services.

Although the flight carrier had seen double-digit growth in the past, the reality is that fuel costs and obstacles like the night curfew at its Frankfurt hub, passenger taxes in Germany, as well as emission trading policies in Europe have squeezed the margins,

and Lufthansa had to make the move towards becoming a leaner company to stay competitive.

Therefore, Lufthansa German Airlines has invested 2.4 billion euros in 22 new Airbus A320 models to modernize its fleet. Until 2025, it now has 239 aircrafts of the latest generation on its order list, equaling a volume of 22 billion euros.

Simone Menne: "This fall, our supervisory board will decide on the right fleet strategy until the year 2025. This is largely dependent on what the passengers are asking for and how congested airports will be in the future. But we have a flexible ordering system at this point and if the market consolidates further, then the seat load factor is going to increase." ■



Simone Menne

Simone Menne has been the Chief Financial Officer and a member of the

Executive Board of Deutsche Lufthansa AG since July 1, 2012. In this function she is also responsible for Aviation Services.

Simone Menne was born on October 7, 1960. A business administration graduate, she began her career in the auditing department of the American ITT Corporation in 1987 before joining Lufthansa as an auditor in April 1989. In 1992, she took over as the Lufthansa accounting manager for West Africa in Lagos/Nigeria. Between 1995 and 1999, Simone Menne held various positions in revenue accounting, working as the head of data processing and user services, as a project manager for restructuring projects and as the managing director of

Lufthansa Revenue Services GmbH. In 1999, she assumed responsibility for commercial management and human resources for Lufthansa in Southwest Europe prior to taking over the same position for all of Europe in London in 2001. In 2004, Simone Menne was appointed Vice President Finance and Accounting at Lufthansa Technik before moving to British Midland Ltd. as the Chief Financial Officer in 2010.

Simone Menne is the Chairwoman of the Supervisory Boards of Lufthansa Cargo AG, LSG Lufthansa Service Holding AG, Lufthansa Systems AG and Delvag Luftfahrtversicherungs- AG. She is a member of the Supervisory Board of Lufthansa Technik AG.



German American
Chambers of Commerce
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New AHK USA Chairman W. David Braun

German American Chambers of Commerce come together with new joint Board of Directors to reinforce their transatlantic voice – W. David Braun named first Chairman.

By Jasmin Welter and Mark Tomkins, GACC

For the first time, the German American Chambers of Commerce of the USA (GACCs) have created a joint Board of Directors. Representing over 2,500 members and actively supporting German-American trade and investment, this will allow the GACCs to more effectively speak to the key issues affecting transatlantic trade. The first Chairman, elected for a two-year term, is W. David Braun, who also serves as the Chairman of the German American Chamber of Commerce of the Midwest. The Vice Chairmen are Martin Richenhagen (Chairman of the German American Chamber of Commerce of the Southern United States, and Chairman, President & CEO of AGCO Corporation) and Caroll H. Neubauer (Chairman of the German American Chamber of Commerce, Inc., based in New York, and also the Chairman and Chief Executive Officer of B. Braun of America and B. Braun Medical Inc).

Mr. Braun is a Partner at Quarles & Brady LLP in their Corporate Services Practice Group, based in Chicago. Mr. Braun's practice



W. David Braun

focuses on U.S. and foreign corporate, licensing, and antitrust law. He advises a wide variety of companies, including many mid-sized German companies and their U.S. subsidiaries – hence he is intimately familiar with the opportunities and challenges encountered by these companies as they grow their businesses.

"The GACCs are the ideal organization to support companies as they expand their business, combining our national and international networks with services tailored to supporting companies as they seek advice, business partners, and new markets."

Some of the key issues that the GACCs will be addressing during his term include the Transatlantic Trade & Investment Partnership announced by President Obama in his State of the Union address, and developing strategies and programs to support the training of a skilled workforce. ■

Interview with Lindi von Mutius

New Executive Director of the GACC Philadelphia

"We've also created
an innovative service
for our members –
accredited professional
education seminars."

Lindi von Mutius,

*Executive Director,
GACC Philadelphia*



*Lindi von Mutius,
new Executive Director of the GACC Philadelphia*

GAT: Tell us a little bit about your German roots.

Lindi von Mutius (LvM): I was born in Essen, Germany, but moved to the U.S. in 1989 – a few months before the Wall came down. Most of my family still lives in either Munich or Frankfurt, Germany, so I have always had an interest in German-American relations.

GAT: How did your interest in German-American trade develop?

LvM: I started my working life as an intern in Senator John Kerry's office. Sen. Kerry was head of the Foreign Relations Committee, and the war in Kosovo was the biggest issue our office dealt with. In college and graduate school, my interest turned towards international environmental business and technology. After college, I worked in Cairo, Egypt on a World Bank technology project, and found myself speaking more German than Arabic because German companies were investing heavily in the Middle East. I really enjoyed working with those German partners.

When I returned to the U.S., I studied law so that I could continue to work in environmental and international business. Ironically, during the downturn in the economy, I ended up working on two bankruptcies of

German-owned subsidiaries in the U.S. because I could translate the contracts and talk to the shareholders in Germany.

GAT: What are some of your goals for the GACC Philadelphia?

LvM: We have a wonderful membership base of large and small companies in Philadelphia. The Board of Directors and I would like to expand the membership to young professionals and businesses in southern New Jersey and the Wilmington, DE regions. We've also created an innovative service for our members – continuing professional education. For example, now our attorney members can attend a continuing legal education event hosted by the GACC and receive credit towards their state bar requirements. We hope that by increasing member perks, we can expand our network to include even more members of the German-American business community. ■

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CeBIT 2013:

Strongest Performance in Years

CeBIT, the world's leading fair for the digital economy, raised the bar this year: "International business was at the top of the agenda," said Frank Pörschmann, member of the Deutsche Messe Managing Board in charge of CeBIT. "With a participation of even more trade professionals – accounting for over 84 percent of the overall total – plus the show's highly international mix of visitors from over 120 nations as well as the largest number of IT decision-makers and purchasing managers in attendance in a long time, CeBIT has delivered the strongest performance of the past couple of years. Over five action-packed days, international business and networking were clearly the name of the game here in Hannover." Over 4,000 companies from 70 countries participated in CeBIT 2013, among them a great many startups.

This year's CeBIT attracted more international industry delegations than ever before, e.g. from the U.S., Asia, Australia and Europe, several of which were led by high-ranking government leaders. This trend was supported by the special Match and Meet delegation services offered for the first time this year. More than 350 participants from China, Iran, the U.S., Colombia, Switzerland and Germany took advantage of these unique services.

The CeBIT Global Conferences program ended on Friday, with one of the best results ever. "With a powerful lineup of 130 speakers, a

program spanning three stages and 75 hours in total, plus its unique mix of themes, the CeBIT Global Conferences underlined its reputation as the most pivotal conference for the digital community and a veritable think-tank for the world at large."

Regarding visitor numbers, Pörschmann added "In terms of attendance figures, the show attracted around 285,000 visitors. With regard to the impact achieved, we can rightfully claim that the 2013 show has turned out to be one of the strongest and most effective CeBIT fairs of the past couple of years." Exhibitors were unanimous in praising their tradeshow results.

The next CeBIT will take place March 11–15, 2014. ■



- **285,000** attendees
- **Over 4,000** exhibitors



Chancellor of the Federal Republic of Germany, Dr. Angela Merkel and Prime Minister of the Republic of Poland, Donald Tusk during the Opening Tour

Marcellus U.S. Shale Gas Boom:

Innovative Wastewater Technologies Needed

By Christian Janetzke, Germany Trade and Invest

The Marcellus Formation – mainly located in New York and Pennsylvania – is the U.S. shale gas field with the most potential. It accounts for approximately 30% of the nation's assumed shale gas reserves. Since a ban on fracking was instituted in New York state some 4.5 years ago, extraction is concentrated on areas in Pennsylvania. In 2010, production in this state increased by 509%.

According to the U.S. Energy Information Administration (EIA), there's no end in sight for the boom despite a relatively low gas price, not least due to a widely expanded network of pipelines. Market experts assume shale gas drilling in the Marcellus Formation to increase sevenfold by the year 2020. By 2030, approximately 60,000 wells could be added, according to a statement by the Department of Environmental Protection (DEP).

The investment bank Boennings & Scattergood forecasts a potential market volume of some U.S.\$3 billion for the region around the Marcellus Formation in regard to wastewater treatment and disposal. From the combination of a multitude of factors, great business opportunities arise for wastewater technology in the region.

Besides the predicted sharp increase in drillings, the high population

density in the North East of the United States will place great demands on the disposal of contaminated wastewater. In the region, fracking is in the media's focus, mainly due to a potential compromise of the ground and drinking water supply. In order to achieve hydraulic fractures, companies in the industry sector add various chemicals to the water needed for the fracking process. Eventually, this fracking liquid resurfaces together with deposit water accumulated with heavy metals after and during the drilling process from deep-lying rock strata. This wastewater in the Marcellus Formation contains about 30 times more salt than seawater.

According to the Pennsylvania State University, the average fracking well in the Marcellus Formation requires 3-8 million gallons of water within one week. Between 0.3 and 0.8 million gallons of wastewater thus resurfaces. Scandals surrounding wastewater disposal has alarmed the public. According to the Environmental Protection Agency (EPA), in some instances, contaminated wastewater was in part flushed into rivers above drinking water supply plants.

Pennsylvania is increasing its pressure onto the sector to find new solutions for the multitude of issues surrounding wastewater. Amongst

other things, the state put in place stricter regulations in 2010 in regard to the treatment of wastewater mixed with a large amount of salt in public as well as industrial sewage plants. The new regulations refer especially to tightened threshold values for solute mineral particles, which may be flushed into surface water via the wastewater path.

Market experts see the DEP's new regulations as a door opener for sophisticated water technologies. Because most treatment plants are not equipped with the right kind of technology in order to treat wastewater in line with the new regulations. More and more, operators fit their plants with new technology, tailored to the demands of the sector. According to market observers, the capacities of appropriately equipped treatment plants will not be able to keep up with the rapidly increasing amounts of wastewater in the medium and long term.

Thus, producers of shale gas are dependent upon alternatives, which are additionally limited due to the geographical conditions given in the Marcellus Formation. According to the Natural Resources Defense Council, in Pennsylvania – unlike for example in Texas – it is almost impossible to store wastewater underground in deep-lying water-proof rock strata or in disposal wells (former deposits).



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In addition, transportation costs are enormous. Thus, this way of wastewater disposal is only seen as a temporary solution. Geography also plays into the hands of manufacturers of sophisticated wastewater treatment technology in a different area. Due to the high concentration of salt in the deep-lying rock strata of the Marcellus Formation, relatively cost-efficient wastewater treatment solutions such as for example reverse osmosis will not suffice.

Due to the combination of these factors, innovative wastewater treatment technologies are crucial in order to sustain the fracking boom in the area. According to the market research institute Frost & Sullivan, mobile solutions (treatment containers) tailored to the sector are in high demand, as they offer an efficient treatment of wastewater that

contains a high concentration of salt. Environmental technology companies in Pennsylvania report a growing interest in such solutions ever since the passing of the new DEP regulations. Siemens Water Technologies, for example, offers mobile turnkey solutions in the region which make it possible for companies to control wastewater treatment in their own plants and validate results via tests.

This type of treatment solution is attractive for the shale gas industry, since companies now need less water for the water-intensive fracking process; in addition, they save transportation costs. The fracking boom in the region resulted in the last couple of years in the fact that many drill holes are located outside the traditional gas extraction areas and do not provide a sufficient, local wastewater treatment infrastructure (public and industrial sewage plants).

In order to save costs for the treatment of wastewater, in regard to mobile units, the shale gas industry is particularly interested in flexible solutions, with which the treatment can be adapted to the specific fracking process and the chemicals that are used for it, according to Frost & Sullivan. The market research institute reports that for the shale gas industry, energy efficiency plays an important role in the energy-inten-

GTAI INDUSTRY TALK

Detailed industry reports, written by the U.S. correspondents of German Trade and Invest (GTAI), the official German foreign trade and inward investment agency.

sive desalination process. The trend in the long run is towards modular, multifunctional devices.

According to market experts, there is great business potential in the area of the Marcellus Formation for small, highly specialized technology companies. This also results from the fact that until now only a few environmental technology companies, which are market leaders in the U.S., have taken up residence in this market niche. In addition, the market has to rearrange itself due to the new regulations in place in Pennsylvania.

Additional impulse for the demand for sophisticated wastewater treatment technology could come from New York state in the medium term. It was mostly due to environmental concerns that a 4.5-year fracking ban has been imposed. Several times, Governor Andrew Cuomo has postponed a decision in regard to when and under which conditions fracking would receive the go-ahead. In March 2013, the New York State Assembly voted to extend the moratorium until May 2015. It is uncertain whether the New York State Senate will follow suit. Market experts agree that environmental regulations would be very strict should the fracking ban be lifted. ■

*Translation from German
by Sandy Jones, GACC*



Globe
Inventor: Martin Behaim
Germany, 1492

Overview. Made in Germany. Beyond all borders.

The globe helps to capture the world at a glance. Landesbank Baden-Württemberg supports you in the global competitive environment and wants to be your preferred partner in the key financial centers all over the world. LBBW New York Branch is your gateway to the US Financial

Markets and provides tailor-made solutions and a wide range of products and services for subsidiaries of small and medium sized German companies. Partnership begins with a good talk: Please contact our German Desk at +1 212 584-1700 or visit us at www.LBBW.com

Landesbank Baden-Württemberg

LB  BW

Top 50 German Firms in the US

Low Energy Cost Drives Production and Investments

By Ning Wang & Nicola Michels, GACC

The majority of German firms operating in the U.S. continued to increase their sales performance, as the annual Top 50 Ranking of German Firms conducted by the German American Chambers of Commerce shows. But overall the picture was slightly more mixed compared to last year's results, when 90% reported gains – now a third of companies reported (mostly minor) losses, among them Allianz, T-Mobile and Heraeus.

Together, the Top 50 generated over \$348 billion in sales, thus 6% more than last year. Overall the Top 50 firms employ more than 538,767 workers, almost 2% more than in 2011.

German car makers Daimler, VW, and BMW showed healthy double-digit growth rates in the U.S. – Volkswagen recorded its highest growth in North America with a plus +32.2%. For the third year in a row Daimler remains No.1 with Mercedes-Benz Cars and Daimler Trucks as their main power engines. In order to keep up with demand, Daimler increased

its staff by over 1,000 in the U.S. and Volkswagen by over 5,000 in North America. Other Industries also reported positive employment trends: Fresenius Medical Care Holdings, Inc., the world's largest dialysis provider, now employs 52,577, up from 45,577 in 2011. Many firms are extending their vocational training programs. At the beginning of 2013, Wacker Chemicals and Chattanooga State Community College inaugurated the Wacker Institute, a \$5 million pilot plant and training facility in Tennessee.

Despite these positive trends, a remarkable 40% of companies had to downsize their workforce to reach sustainable levels. Companies such as ThyssenKrupp, Bayer Corporation, Random House and Evonik streamlined their business units in order to avoid losses.

The steady gains on the revenue side of the Top 50 firms reflect the ongoing recovery of the U.S. economy during 2012 and its ability to weather economic and political uncertainties like general elections,

fears and disruptions from Hurricane Sandy. In particular the shale gas boom is driving production and ushering in a manufacturing renaissance in the United States through much lower electricity prices. Last year natural gas prices dropped to a quarter of the European prices. Gas prices in Asia are even higher than in Europe, further channeling investment to the United States. A worldwide survey conducted by the Association of German Chambers of Industry and Commerce (DIHK) confirms this trend, the 'rising star' among German investors is the United States. North America is the only region to attract significantly more investment from Germany than any other region in the world.

BASF for example has channeled more than \$5.7 billion into new investments in North America since 2009, including a formic acid plant under construction in Louisiana, where the company will manufacture a chemical used to de-ice runways, tan leather and preserve animal feed. ■

Rank	Company	Location	Website	German Parent Company
1	Daimler Group	Montvale, NJ MBUSA Portland, OR DTNA	www.daimler.com	Daimler AG, Stuttgart
2	Volkswagen Group of America	Herndon, VA	www.vw.com	Volkswagen AG, Wolfsburg
3	Siemens USA Holdings	New York, NY	www.usa.siemens.com	Siemens AG, Munich
4	BMW Group	Woodcliff Lake, NJ	www.bmwusa.com	BMW AG, Munich
5	T-Mobile USA	Bellevue, WA	www.tmobile.com	Deutsche Telekom AG, Bonn
6	BASF Corp.	New York, NY	www.basf.us	BASF SE, Ludwigshafen
7	ThyssenKrupp USA, Inc.	Troy, MI	www.thyssenkrupp.com	ThyssenKrupp AG, Düsseldorf
8	Robert Bosch, LLC	Farmington Hills, MI	www.boschusa.com	Robert Bosch GmbH, Stuttgart
9	Bayer Corporation	Pittsburgh, PA	www.bayerus.com	Bayer AG, Leverkusen
10	Allianz Life Insurance NA Allianz of America, Inc.	New York, NY	www.allianzusa.com	Allianz SE, Munich
11	DHL Holdings (USA), Inc.	Plantation, FL	www.dhl.com	Deutsche Post AG, Bonn
12	Trader Joe's Co.	Monrovia, CA	www.traderjoes.com	Aldi Einkauf GmbH & Co.oHG, Essen
13	Turner Construction Co.	New York, NY	www.turnerconstruction.com	Hochtief AG, Essen
14	Boehringer Ingelheim Corp.	Ridgefield, CT	us.boehringer-ingelheim.com	Boehringer Ingelheim GmbH, Ingelheim am Rhein
15	Continental Automotive Systems	Auburn Hills, MI	www.conti-online.com	Continental AG, Hannover
16	Fresenius Medical Care Holdings, Inc.	Waltham, MA	www.fmcna.com	Fresenius Medical Care AG +KGaA, Hof a.d. Saale
17	Aldi, Inc.	Batavia, IL	www.aldi.us	Aldi Einkauf GmbH & Co.oHG, Essen
18	SAP Americas	Newtown Square, PA	www.sap.com	SAP AG, Walldorf
19	Lufthansa Group	East Meadow, NY	www.lufthansa.com	Deutsche Lufthansa AG, Köln
20	adidas America, Inc.	Portland, OR	www.adidas.com	adidas AG, Herzogenaurach
21	Heraeus Incorporated	New York, NY	www.heraeus.com	Heraeus Holding GmbH, Hanau
22	LEHIGH Hanson Inc.	Allentown, PA	www.lehighhanson.com	HeidelbergCement AG, Heidelberg
23	Munich Reinsurance America, Inc.	Princeton, NJ	www.munichreamerica.com	Münchener Rückversicherungsgesellschaft, Munich
24	Henkel of America, Inc.	Rocky Hill, CT	www.henkel.us	Henkel KGaA, Düsseldorf
25	Random House (Bertelsmann Group)	New York, NY	www.bertelsmann.de	Bertelsmann AG, Gütersloh
26	Linde North America	Murray Hill, NJ	www.lindeus.com	Linde Group, Munich
27	Evonik Corporation	Parsippany, NJ	www.north-america.evonik.com	Evonik Industries AG, Essen
28	EMD Group (Merck)	Billerica, MA	www.emdgroup.com	Merck KGaA, Darmstadt
29	Hannover Life Re America	Orlando, FL	www.hlramerica.com	Hannover Rückversicherungs AG, Hannover
30	ZF Group North American Operations Inc.	Northville, MI	www.zf.com/na	ZF Friedrichshafen AG, Friedrichshafen
31	Helm U.S. Corporation	Piscataway, NJ	www.helmusa.com	Helm AG, Hamburg
32	Lanxess	Pittsburgh, PA	www.lanxess.us	Lanxess AG, Leverkusen
33	Otto Group/Crate & Barrel	Northbrook, IL	www.crateandbarrel.com	Otto GmbH & Co KG, Hamburg
34	DB U.S. Holding Corp.	Tarrytown, NY	www.dbschenkerusa.com	Deutsche Bahn AG, Berlin
35	Freudenberg-NOK General Partnership	Plymouth, MI	www.freudenberg.us	Freudenberg Dichtungs-und Schwingungstechnik, Weinheim
36	B. Braun Medical, Inc.	Bethlehem, PA	www.bbraunusa.com	B.Braun, Melsungen AG
37	E.ON Climate & Renewables North America	Chicago, IL	www.eoncrna.com	E.ON AG, Düsseldorf
38	Beiersdorf, Inc.	Wilton, CT	www.beiersdorfusa.com	Beiersdorf AG, Hamburg
39	Puma North America, Inc.	Westford, MA	www.puma.com	Puma SE, Herzogenaurach
40	Knorr Brake Holding Corp.	Watertown, NY	www.knorrbrakecorp.com	Knorr Bremse AG, Munich
41	K+S North America	New York, NY	www.k-plus-s.com	K+S AG, Kassel
42	GEA	York, PA	www.geagroup.com	GEA Group AG, Düsseldorf
43	Wacker Chemical Corporation	Adrian, MI	www.wacker.com	Wacker Chemie AG, Munich
44	Würth Group of North America Inc.	Ramsey, NJ	www.wuerth.com	Adolf Würth GmbH & Co. KG, Künzelsau-Gaisbach
45	STIHL Incorporated	Virginia Beach, VA	www.stihlusa.com	STIHL International GmbH
46	Brose North America, Inc.	Auburn Hills, MI	www.brose.com	Brose Gruppe, Coburg
47	Flatiron	Longmont, CO	www.flatironcorp.com	Hochtief AG, Essen
48	Behr America, Inc.	Troy, MI	www.behrgroup.com	Behr GmbH & Co. KG, Stuttgart
49	Schott North America, Inc.	Elmsford, NY	www.us.schott.com	Schott AG, Mainz
50	Infineon Technologies North America Corp.	Milpitas, CA	www.infineon.com	Infineon Technologies AG, Munich

(1) North America (exclusive U.S. figures not available)
 (2) Gross Written Premium
 (3) Americas
 (4) Preliminary Figures

(5) Est. supermarketnews.com
 (6) Results 2011
 (7) Remaining entity of E.ON US LLC which became LG&E and KU Energy LLC through acquisition by PPL Corporation

(8) Consolidated revenues RTL Group, Random House, Gruner + Jahr, Arvato
 (9) Consolidated revenues Audi, Porsche & VW

U.S. Top Executive	Sales (\$M)			Employees			Business activity	Note
	2012		2011	2012		2011		
Stephen Cannon, MBUSA Martin Daum, DTNA	40,856	↑	36,176	21,720	↑	20,702	Automotive	
Scott Keogh (Audi), Detlef von Platen (Porsche), Jonathan Browning (VW)	32,058	↑	24,433	63,193	↑	58,072	Automotive	(3,9)
Eric Spiegel	21,338	↑	20,000	60,000	–	60,000	IT/Communications, Transportation	
Ludwig Willisch	20,827	↑	20,000	10,000	–	10,000	Automotive	(3)
John J. Legere	19,751	↓	20,618	30,288	↓	34,518	Communications	
Hans Engel	18,500	↓	19,453	16,665	↑	16,167	Chemicals	(3)
Torsten Gessner	12,861	↑	11,334	18,500	↓	19,200	Steel, Stainless Steel, Capital Goods, Services	(3)
Mike Mansueti	12,786	↑	9,800	22,500	–	22,500	Automotive, Consumer Goods, Industrial Technology	(3,4)
Greg Babe	12,265	↑	11,366	15,500	↓	15,800	Pharmaceutical/Medical Products	(1)
Gary C. Bhojwani, Insurance Charles Kaviisky, Asset Management	12,032	↓	15,590	10,000	–	10,000	Insurance/Asset Management	(2)
J.P. Foley	12,012	↓	12,260	29,280	↑	29,000	Courier Services	(3)
Dan Bane	10,500	↑	9,000	9,000	↑	8,000	Grocery Stores	(1,5)
Peter J. Davoren	9,243	↑	8,000	5,946	↑	5,163	Construction	(1)
Paul R. Fonteyne	8,834	↑	8,800	9,413	–	9,413	Pharma	(3)
Samir Salman	9,218	↑	8,432	10,000	–	10,000	Automotive components, Tires	(1)
Rice Powell	8,832	↑	8,150	52,577	↑	45,577	Medical Products & Services	(1)
Charles E. Youngstrom / Jason Hart	7,900	↑	7,100	12,000	–	12,000	Grocery Stores	(1,5)
Rodolpho Cardenuto	5,962	↓	7,081	14,500	↓	15,473	Software	(3)
Jürgen Siebenrock	5,438	↑	5,135	13,567	↑	12,916	Air Transportation/Logistic/Catering	(3)
Patrick Nilsson	5,217	↑	4,318	11,577	↓	11,706	Sports Wear	(1)
Yuri Rozenfeld	4,637	↓	8,222	1,829	↑	1,811	Non-Ferrous Metals	
Daniel M. Harrington	4,404	↑	4,225	11,001	↓	11,586	Cement	(1)
Anthony J. Kuczinski	4,070	↑	4,052	1,050	↓	1,100	Insurance	(2)
Jeffrey C. Piccolomini	3,869	↑	3,693	5,187	↓	5,233	Industrial Organic Chemicals	(1)
Markus Dohle	3,359	↑	2,367	6,000	↑	5,063	Media, Publishing	
Patrick Murphy	3,352	↑	2,631	5,100	↑	5,000	Industrial Gases	(1)
John Rolando	3,101	↑	2,395	3,790	↓	4,063	Specialty Chemicals	
Robert Yates	2,724	↑	2,469	4,848	↓	4,962	Chemicals	
Peter R. Schaefer	2,612	↑	2,508	250	↓	251	Reinsurance	(2)
Julio Caspari	2,424	↑	1,927	3,664	↑	3,447	Automotive	
Michael Kuhlmann	2,318	↑	2,089	314	↑	300	Chemicals	(6)
Randall S. Dearth	2,062	↓	2,026	1,420	↓	1,430	Specialty Chemicals	(1)
Sascha Bopp	2,035	↓	2,137	7,000	–	7,000	Retail	(1)
Dr. Josef Blank	1,952	↓	2,257	7,592	↓	7,864	Freight Transportation	(1)
Norton, Heidingsfelder, Masumoto	1,792	↑	1,612	7,739	↑	6,983	Automotive	(1)
Carroll H. Neubauer	1,592	↑	1,485	4,069	↑	4,064	Medical/ Surgical Devices	
Steve Trenholm	1,500	–	1,500	200	↑	150	Power Generation	(4,6,7)
Bill Graham	1,470	↑	1,382	2,090	↓	2,261	Branded Consumer Goods	(3)
Jay Piccola	1,469	↑	1,346	2,970	↓	2,978	Sports Wear	(3)
Heinz Hermann Thiele	1,369	↓	1,482	4,185	↓	4,611	Railroad Equipment	(3)
Karl-Georg Mielke	1,310	↓	1,610	3,016	↑	3,010	Chemicals	(1)
Lutz Wolf	1,098	↑	902	2,353	↓	2,382	Engineering Services	(1)
Ingomar Kovar	1,067	↓	1,178	1,531	↓	1,822	Chemicals	(3)
Robert Stolz	1,026	↑	927	2,773	↑	2,742	Maintenance Supplies	
Fred J. Whyte	1,000	–	1,000	2,100	–	2,100	Handheld outdoor power equipment	(6)
Jan Kowal	1,000	–	1,000	3,300	↓	3,500	Automotive Supplier	(6)
Tom Rademacher	942	↑	759	1,579	↓	1,800	Construction	
Wilm Uhlenbecker	900	↑	890	2,600	–	2,650	Automotive Thermal Management	
Linda S. Mayer	599	↓	830	2,500	↑	1,900	Glass & glass-ceramic products	(1)
Jean-Baptiste Loire	576	↓	592	491	↑	476	Semiconductors	(3)
	348,063		327,780	538,753		528,746		

Conversion rate of 1.28 (2012 annual average applied when sales given in EUR)

Quotes from Annual Reports 2012

Crate&Barrel

The Crate and Barrel Group, (Otto GmbH & Co KG, Hamburg), now established as the leading high-end vendor of international household goods, furniture, and home accessories in the U.S. American market, succeeded in increasing sales in local currency against a difficult economic background in the 2011/12 financial year. The Crate and Barrel Group is pursuing a classic multichannel approach with its stores, catalogues and Web-based activities for its various brands (Crate and Barrel, Land of Nod, CB2). The expansion of these activities into Canada proceeded positively in the past financial year.



Lufthansa

The global airline alliance Star Alliance, of which the Lufthansa Group is a founding member, celebrated its 15th anniversary in 2012 and expanded the network even further. In the reporting period, the Latin American airlines AviancaTaca (Colombia, El Salvador and Costa Rica) and Copa Airlines (Panama) joined the alliance. At 9.7%, traffic revenue grew fastest in the Americas traffic region, reaching EUR 5.6bn, transporting over 9 Million passengers in this region alone. From May 17, 2013, the number of connections to North America will go up to 26 per week when Chicago is included in the flight timetable.



K+S AG (formerly Kali und Salz GmbH) is a German-based agricultural chemical and salt company, headquartered in Kassel. The company is Europe's largest supplier of potash for use in fertilizer and after the acquisition of Morton Salt, the world's largest salt producer. 61% of salt sales volumes are generated in North America alone.

"For manufacturers within the Top 50 companies, the advantage to source/produce locally and distribute internationally has also helped to increase U.S. exports in the 3rd Quarter. The push on free trade agreements is a good sign for foreign companies in the U.S."

W. David Braun,

newly elected Chairman of the German American Chambers of Commerce (AHK USA).

Top 10 Employers

Rank	Company	'12 Employees		'11 Employees
1	Volkswagen Group of America	63,193	↑	58,072
2	Siemens USA Holdings	60,000	–	60,000
3	Fresenius Medical Care Holdings, Inc.	52,577	↑	45,577
4	T-Mobile USA	30,288	↓	34,518
5	DHL Holdings (USA), Inc.	29,280	↑	29,000
6	Robert Bosch, LLC	22,500	–	22,500
7	Daimler Group	21,720	↑	20,702
8	ThyssenKrupp USA, Inc.	18,500	↓	19,200
9	BASF Corp.	16,665	↑	16,167
10	Bayer Corporation	15,500	↓	15,800

WEMPE
Zeitmeister
GLASHÜTTE USA

THE WORD "CHRONOMETER"
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RGIT REPRESENTATIVE
of German Industry + Trade

The Voice of German Industry in the USA

RGIT Celebrates 25 Year Anniversary

By Peter J. Esser, Legal Counsel, RGIT

RGIT – 25 Years in the Nation's Capital

Founded in 1988, the office of the Representative of German Industry and Trade (Delegierter der Deutschen Wirtschaft) represents the interests of the Federation of German Industries (Bundesverband der Deutschen Industrie - BDI) and Association of German Chambers of Industry and Commerce (Deutscher Industrie- und Handelskammertag - DIHK) in Washington. Supported by the German Ministry of Economics from the start, RGIT's backers soon determined that an office located in the heart of the American government should serve a unique purpose, and accordingly modified RGIT's mission to make it the official "voice of German industry" in the United States. After 25 years of growth and development, RGIT is indeed a key element in the German-American trade relationship.

25 Years and Five Executives

Under RGIT's earliest chief executive, Lothar Griessbach, the office found a footing in a city known for its bureaucratic mazes by assisting German business interests with informational requests and engaging in political outreach to various federal agencies. In turn, Jakob Esser, a longtime BDI executive, was asked to assume the leadership

of RGIT. During his tenure, RGIT established itself as a full-fledged industry liaison, undertaking a number of crucial steps including securing the all-important status as a registered lobbying entity. In keeping with tradition, the BDI's appointee was succeeded after a five year term by the DIHK's appointee, Robert "Bob" Bergmann of the Stuttgart Chamber of Industry and Commerce. After the American Recovery and Reinvestment Act of 2009, he and his team bore witness to a shift toward re-industrialization in the USA. In

the next five years, RGIT took a very much "hands-on" approach and focused keenly on the interests of Germany's "Mittelstand" (small and medium enterprises), which is not surprising, given the huge number of "Mittelstaendler" in Bob's home state of Baden-Wuerttemberg. Following this, Bernhard Welschke of the BDI managed RGIT, adding new issue areas – such as a focus on climate and energy matters – to RGIT's portfolio. RGIT's current President, Thomas Zielke, has worked to increase RGIT's prominence as an informational



A view of the Washington Mall from Arlington, Virginia



Senator Richard Lugar stands with former BDI President Hans-Peter Keitel, former Representative of German Industry and Trade Bernhard Welschke, and RGIT Legal Counsel Peter J. Esser in 2008

hub and locus for transatlantic exchanges on the highest levels, and has worked to expand RGIT's cooperation with the German-American Chambers of Commerce.

From Beef to Bananas, and Bar Stock to the Barnett Shale

Given RGIT's broad mandate of keeping the Berlin-based BDI and DIHK and their respective memberships apprised of current U.S. economic, legislative, political, and regulatory developments (not to mention serving as a means by which the BDI and DIHK convey their interests and concerns in the U.S.), RGIT has observed – and at times been party to – animated discussions that at times tried the transatlantic relationship, tested the endurance of negotiators, but ultimately always led to stronger bonds, especially between German and the USA. Prime examples of this are the challenges to an open marketplace posed by the trade spats over agricultural preferences and subsidies (beef and bananas), “Buy American”-restrictions attached to government

procurement of items as mundane as steel bars and pipe and the like, and questions arising in connection with Germany's current energy policy, leading us to today's opportunities and challenges associated with shale gas exploitation.

Teamwork Counts

Among RGIT's fully bilingual and largely bicultural staff are a number of Americans as well as German expats. We count among our team two members with over thirty years of combined RGIT experience, as well as talent on loan from Germany, thus enabling our team to speak with a measure of insight with regard to transatlantic political affairs. Our small team (introduced on www.rgit-usa.com) shares certain responsibilities such as organizing conferences, scheduling meetings for the heads of the BDI and DIHK as well as German parliamentarians, and representing German industry's interests before the administration, liaising with individual companies and industry associations, and working with

Congress, cabinet-level departments and agencies, the World Bank and related institutions, all the while remaining accountable for their own particular issue areas.

25 Years of Friendships

Over the years, RGIT has cultivated deep and lasting relationships in both “official” Washington and amongst the myriad think tanks, industry associations, non-governmental organizations, consultancies, and related interests present in Washington. We at RGIT value such partnerships, which serve to provide a foundation for improved transatlantic ties, and believe that a deeper transatlantic integration depends on a broad range of voices speaking as one. For example, RGIT, as the “voice of German industry” in Washington, works particularly closely with the Congressional Study Group on Germany, the German embassy, the Delegation of the European Commission to the United States, and BusinessEurope, among others. RGIT regularly partners with old friends and constantly seeks new, like-minded partners for cooperation on jointly-sponsored events, in mutual consultations, in amicus curiae briefs on issues of specific interest to the transatlantic community, and more. And coming full circle, RGIT continues to play an increasingly important role in the German-American Chamber network in the USA.

To all RGIT's friends and supporters: thank you for your many years of excellent cooperation and partnership. We look forward to another quarter-century of making the world a better place through free and fair trade and investment, and hope that you will continue to be a part of this special relationship. ■

Maryland:

A Long History of International Trade

By Lindi von Mutius, GACC

Europeans first started exploring the region that would later become Maryland, in 1498, and eagerly identified Maryland as a critical shipping and trading region for the Americas. Maryland attracted both British and German immigrants, with many towns in the northern and western part of the state having names derived from German cities. Like many colonies, Maryland's economy was based on the tobacco trade, but after the Revolutionary War, most Maryland farmers voluntarily freed their slaves, and Mary-

land's economy diversified. Baltimore grew to become one of the largest cities on the eastern seaboard, and a major economic force in the country.

Like in colonial times, the majority of the region's population is concentrated in the cities and suburbs surrounding Washington, D.C. and Baltimore. According to the U.S. Census Bureau, Maryland households are currently the wealthiest in the country, and the state's poverty rate of 7.8% is the lowest in the country. Clearly, Maryland's diverse economy is booming.

Maryland's Ports

The Port of Baltimore strongly influences Maryland's thriving transportation industry. The port is ranked 17th in the U.S. by tonnage, and handles a wide variety of products. The most typical imports are raw materials and bulk commodities, such as iron ore, petroleum, sugar, and fertilizers, often distributed to the relatively close manufacturing centers of the inland Midwest via good overland transportation. The port also receives several different brands of imported motor vehicles and is the second busiest automobile shipping port in the United States, exporting billions of dollars worth of passenger vehicle engines and components. In 2012, Maryland's Ports generated \$53.8 billion in revenue for the state.

Intellectual Economy

Because of its proximity to Washington, D.C., Maryland serves as a hub for defense, aerospace, biotechnology, and medical research. Altogether, white-collar technical and administrative workers comprise 25% of Maryland's labor force. Maryland is a major center for life sciences research and development. With more than 400 biotechnology companies located there, Maryland is the fourth-largest nexus in this field in the United States. Institutions and government agencies located in Maryland include the Johns Hopkins University, the Johns Hopkins Applied Physics Laboratory, more than one campus of the University System of Maryland, Goddard Space Flight Center, the United States Census Bureau, the

MARYLAND

Capital: Annapolis

Population: 5,884,563

Size: 12,407 sq mi

Top 5 MD Exports by Country (2012) (\$ millions)

Canada	1,791
Saudi Arabia	858
United Kingdom	575
China	558
Japan	465

* Germany is 12th

Top 5 MD Exports by Industry (2012) (\$ millions)

Passenger vehicles	1,471
Machinery, Electrical	624
Pharmaceutical	385
Civilian Aircraft	340
Chemical	319

<http://www.census.gov/foreign-trade/statistics/state/data/md.html>

The Port of Baltimore strongly influences Maryland's thriving transportation industry. In 2012, Maryland's Ports generated \$53.8 billion in revenue for the state.

National Institutes of Health (NIH), the National Institute of Standards and Technology (NIST), the National Institute of Mental Health (NIMH), the federal Food and Drug Administration (FDA), the Howard Hughes Medical Institute, the Celera Genomics company, Human Genome Sciences (HGS), the J. Craig Venter Institute (JCVI), and MedImmune - recently purchased by AstraZeneca.

Agriculture & Fishing

Maryland has a large food-production sector. A large component of this is commercial fishing, centered in the Chesapeake Bay, but also including activity off the short Atlantic seacoast. Agriculture is oriented to dairy farming plus specialty perishable horticulture crops, such as cucumbers, watermelons,



Visitors to Baltimore's Inner Harbor can tour ships from colonial and present eras

German Companies in Maryland

Abicor Binzel Corporation	Frederick	Haribo of North America, Inc.	Baltimore
Acmos, Inc.	Lutherville	J.D. Neuhaus, L.P.	Sparks
Areva North America	Bethesda	Knorr Brake Corporation	Westminster
Auma Actuators, Inc.	Annapolis	Kuehne + Nagel, Inc.	Glen Burnie
Baltimore Spice Company	Owings Mills	Lehigh Cement Company	Union Bridge
BHS Corrugated North America, Inc.	Baltimore	Neschen Americas	Elkridge
Bottcher America Corp.	Belcamp	Peri Formwork Systems, Inc.	Elkridge
DB Schenker - Glen Burnie	Glen Burnie	Rampf Mold Industries, Inc.	Hagerstown
Deutsche Bank	Baltimore	Rohde & Schwarz	Columbia
E. H. Harms USA, Inc.	Baltimore	SAP Government Support & Services, Inc.	Bethesda
Euler Hermes North America	Owings Mills	Sauer Compressors USA, Inc.	Stevensville
Fraunhofer Center for Experimental Software Engineering	College Park	Schmitt Sohne, Inc.	Millersville
Fuchs GmbH & Co.	Owings Mills	SFC Energy, Inc.	Rockville
Fuchs Lubricants Co.	Baltimore	Stultz Air Technology Systems, Inc.	Frederick
GEA Process Engineering, Inc.	Columbia	Transnuclear, Inc.	Columbia
Goldwell Cosmetics USA, Inc.	Linthicum Heights	Turner	Baltimore
		Ulla Popken, Inc.	Glen Arm



Johns Hopkins University

sweet corn, tomatoes, muskmelons, squash, and peas. There is also a large automated chicken-farming sector in the state's southeastern part; Salisbury, MD is home to Perdue Farms. Maryland's food-processing plants are the most significant type of manufacturing by value in the state.

Green Technologies

Solar and wind energy projects have increased in Maryland over the last six years by 119%. This year, the state legislature passed the Maryland Offshore Wind Energy Act of 2013, signaling further development of the green energy sector in the state. ■



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Mittelstand in America

Understanding The "Trans-cultural" Issues!

All companies have a vested interest in attracting the top talent in their industry; however, for German, Austrian and Swiss companies with divisions and subsidiaries in the United States, there is the additional challenge of bridging "trans-cultural" issues.

German, Austrian, and Swiss products and services are known throughout the world for quality and excellence. However, the large well-known firms make up less than

ten percent of the companies in the German-speaking business world. Most of these firms are small to medium-sized businesses (often family-owned) - known as Mittelstand - who encounter "trans-cultural" issues while attracting quality talent to their organizations.

Working for my family machine building business, with companies and employees in more than 20 countries, I was confronted with very challenging cultural situations which

required special attention when evaluating candidates for key positions. Presently, as I interface regularly with fellow members of the elite German Executive Roundtable in Washington, DC, the contrast in professional hiring practices between the countries is constantly reinforced. One example of major differences during the interview process is that benefits, such as, vacation, health insurance, etc., are fixed in most European countries, and not discussed. Alternately, the employer may

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ask questions not legally permitted in the U.S., e.g., age, race, religion, etc. My job is to advise my European clients accordingly.

All that said, the key “trans-cultural” traits to evaluate in a job interview are:

Open-mindedness. Is the individual receptive to new and different ideas or the opinions of others in relation to managerial style, management reporting, employee relations, business strategy, benefits, etc.?

Give and take attitude.

Knowing that there are differences in cultures generally, is the individual flexible and confident enough to

share opinions or thoughts on major concerns about the organization or people?

Competence. In evaluating potential candidates, does the person exhibit the managerial expertise, industry knowledge, short and long term vision, and functional expertise desired by the company?

It is important to establish and utilize a specialized search firm experienced in achieving the best possible “trans-cultural” balance, ensuring the successful hire of a long term partner or employee. This guidance will be critical in helping to overcome these concerns, ensuring the successful hire of a long term partner or employee. ■

It is important to establish and utilize a specialized search firm experienced in achieving the best possible “trans-cultural” balance.

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Heinz Georg

Heinz Georg is a Managing Director with Columbia Consulting Group providing traditional retained executive search services, as well as success fee based recruitment services for management professionals in operational, financial and engineering functions. His main focus is providing consulting services to German, Swiss and Austrian companies who seek executive and/or management talent for their North American subsidiaries. Additionally, he offers the same expertise to North American companies for existing

or start-up subsidiaries in German speaking countries worldwide. He has worked in North and South America, Europe, India and other Asia markets.

Fluent in both German and English, Mr. Georg studied at the University of Giessen, and holds a legal degree from the University of Bonn Law School, Germany. He is licensed by the Department of Justice in Duesseldorf, Nordrhein-Westfalia, to practice law in Germany, and has held legal positions within both the private and government sectors.

Hansgrohe North America Celebrates 25 Years Of Innovation

With A Focus On Game Changing Products

From the Clubmaster 3-Jet Showerhead to the iBox® Universal Plus valve, Hansgrohe North America has rolled out numerous innovative technologies and products since establishing its U.S. headquarters in 1988. A subsidiary of Hansgrohe SE in Germany, the global headquarters and birthplace of the company, Hansgrohe N.A. benefits from over a century's worth of plumbing expertise and 25-years of hands-on experience in the North American market. At its Alpharetta, Georgia home, it offers products that combine masterful German-engineering with skilled American assembly and craftsmanship.

Russ Wheeler, president of Hansgrohe N.A. says, "We've developed many products over the past 25 years specifically for the North American market. We're proud to be one of the few that still builds products in the U.S. Our 250+ employees are committed to delivering products known for their innovation, quality and performance."

Hansgrohe's tradition of excellence can be seen across many categories, sectors and milestones.

A History of Innovation

Hansgrohe N.A. laid down temporary roots in California in 1988 and

wasted no time asserting itself as an industry trailblazer. Soon after opening its doors, it introduced the innovative Clubmaster 3-Jet Showerhead. Integrated with Hansgrohe's patented QuickClean® technology, the product is still immensely popular. In 1995, the subsidiary relocated to Georgia, setting up a fully integrated assembly and distribution facility. Hansgrohe's commitment to technology, training and innovation was solidified in 2001 with the opening of the Aquademie, an on-site training and showroom that is also home to "Showerworld," where guests can experience and test more than thirty shower systems. Beginning in 2002, Hansgrohe created a series of products designed to meet the specific needs of the North American market. It rolled out the transitional Interaktiv, the traditional Retroaktiv and the contemporary Euroaktiv series, which helped to solidify Hansgrohe's reputation as an innovator. By 2006, Hansgrohe was heating up the kitchen with the launch of an assortment of kitchen, bar and prep faucets. In 2009, Hansgrohe revolutionized the plumbing world with the introduction of the iBox® Universal Plus valve, one of the most advanced rough-in systems available on the market. A game-changer, it boasts anti-leak & innovative noise-reduction technologies.



In 2011, Hansgrohe's designer brand Axor opened its first North American design studio in the heart of Manhattan's Meatpacking District, Axor NYC.



Based in Alpharetta, Georgia, Hansgrohe N.A. offers products that combine masterful German-engineering with skilled American assembly and craftsmanship.

In 2011, Axor NYC opened its doors in Manhattan's Meatpacking District to showcase the entire Axor line in the United States. The designer brand of Hansgrohe, Axor is recognized globally for its exclusive collaboration with iconic architects and designers including: Philippe Starck, Antonio Citterio, Jean-Marie Massaud, Patricia Urquiola, and the Bouroullec Brothers. That same year, Hansgrohe N.A. expanded its worldwide production program and began exporting products to Europe and emerging markets. In 2012, Hansgrohe N.A. assembled its 150,000th iBox® Universal Plus valve. With an increasing number of imitation products hitting the market, meeting the 150K in response to customer demand was a coup.

A Commitment to Sustainability

Green. It's not only Hansgrohe's signature color; it's a symbol of the company's efforts in the sustainable sphere. Backed by years of Hansgrohe SE's research and environmental product development, Hansgrohe N.A. is already ahead of the game and is

constantly finding new ways to conserve the world's precious resources. A partner of WaterSense®, an U.S. EPA program designed to encourage water efficiency, Hansgrohe offers more than 220 WaterSense-certified products including those equipped with Hansgrohe's EcoRight™ technology, which lowers water consumption by up to 30%, as well as reduces CO₂ emissions.

A Trusted Team

Hansgrohe N.A. is built on innovation, leadership, dedication and respect. "We are proud to have quite a few Germans on our team, many of which hold key leadership positions," concludes Wheeler. In fact, the Financial, Operations and Marketing departments all have a native of Germany at the helm. The three key areas are led by: Sibylle Mair, Vice President of Finance and Controlling; Stefan Hammann, Vice President of Operations; and Claudia Mueller, Director of Marketing. ■

hansgrohe

Contact Information:

>> www.hansgrohe-usa.com



A game-changer, the iBox® Universal Plus valve revolutionized the plumbing world in 2009 and continues to be a go-to source for any shower installation.



GREENOMIC

Nutrition tomorrow

The German company greenomic e.K trades in food products of the highest quality. Its aim is the development of safe, nutritional, healthy and tasty products using the newest scientific methods and authentic agricultural techniques. For this reason, the company collaborates with a multitude of scientists in all of Europe who deliver products with the above-mentioned characteristics.

greenomic e. K plans to make its entrance into the international market with two Greek products which are world-renowned for their quality, their nutritional value and therapeutic qualities – saffron and extra virgin olive oil.

Saffron

Greek saffron is one of the rarest and most valuable pharmaceutical spices. It is derived from the flower of *Crocus sativus*, commonly known as the saffron crocus. Saffron is a unique product boasting several qualities and is used in various cuisines mainly as a seasoning and colouring agent. However, in many countries, it is also used for its medicinal effects. Scientific research has proven that saffron is an excellent source of important antioxidant, anti-inflammatory, antidepressant and analgesic

properties, and, at the same time, the spice protects the heart from cardiovascular diseases and strengthens brain function.

Greek saffron distinguished itself for its excellent quality. It is the only spice providing medicinal as well as pharmaceutical benefits. For example, Saffron dissolves in water. Put 3 to 4 saffron stigmas in a 500ml bottle of water and leave it over night, and wake up to a healthy and tasty drink to which you can also add honey and lemon. It is also a great ingredient to be added to coffee or tea, and is widely used for cooking and baking.

Extra virgin olive oil

Greek extra virgin olive oil is one of the basic elements of the Mediterranean diet, often considered worldwide as the most balanced and healthiest one. Since ancient times, when philosophy, maths and geometry were at a peak in Greece and the medical science made a shy appearance, olive oil, considered medicine by ancient Greeks, has kept a special place in modern nutrition. Quotations about olive oil can even be found in Hippocrates' writings.

Through the years, numerous studies have proven that olive oil contains

two substances - oleocanthal and oleacein - which are strong antioxidant and anti-inflammatory attributes. Oleocanthal, for example, makes for a slightly burning sensation in the throat when freshly extracted olive oil is consumed. This peppery sensation attests to an outstanding oil quality according to olive tree cultivators and olive oil experts.

The basic criteria for the quality of the oil are acidity, oxidation, smell and taste.

After systematic research and analysis in internationally recognized European labs, greenomic e.K proudly guarantees that its oil meets these high quality standards.

greenomic e.k firmly maintains its principles in regard to the high quality of its products and the contribution its products make to the health improvement of consumers. greenomic e.k's saffron and olive oil, collected and cultivated with care, without any chemical additives, are guaranteed products for the demanding and well-informed consumers of today. ■



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Collaborative Performance Improvement

How Your Employees Can Help You Transform Your Company

The challenge of large-scale change.

When facing economic and competitive challenges, companies usually take a hard look at their cost structure and their growth opportunities.

The companies may have heard from customers that it is hard to do business with them, because of long response times, cheaper product alternatives, process errors, or because departments don't seem to talk to each other. Employees may provide the inside view: lack of cooperation between departments, too many products, multiple plat-

forms, scattered client data and convoluted processes. In short, operations have become too complex and margins suffer.

But how can you rapidly improve the operations of an entire company? Many companies turn to their employees for ideas to improve performance. After all, who knows the company better than the people doing the work?

The challenge with employee generated suggestions and a solution

Collecting ideas from employees usually has two problems: the idea





harvest is too small to move the financial needle, and it takes too long. Recently a large firm talked about their experience: out of some 3,500 ideas submitted about 150 were implemented with an impact of several hundred thousand dollars. Surveys put the average value of a suggestion at \$1,250.

This however does not mean that soliciting ideas from Business Units and employees cannot create large-scale operational change. It

simply means that you need to follow a structured process to extract and develop the ideas embedded in the organization. If you do, the results will thrill you. The expertise of our consulting firm, Promontory Growth and Innovation, (PGI) is exactly that: we perform collaborative profit improvement projects for large and mid-sized companies in all industries.

So what is needed for a successful project?

Companies need to create an atmosphere enabling change.

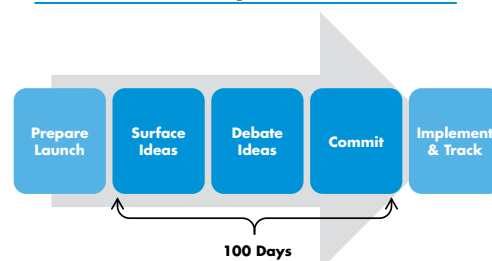
If you want line managers and employees to challenge the status quo and to propose radical ideas, they need to feel safe. Here are some of our principles:

- No idea is off-limits
- Amnesty for actions not taken (executives won't ask: "why didn't you do this before?")
- No targets, but all stones need to be turned

Companies need the right people to drive the change.

To be successful, the CEO needs to spearhead the project together with his Executive Team. A small number of hand-picked managers act as change agents, and help the different groups take a fresh look at their operations.

Companies need a fast and structured process.



- Line Managers propose and develop ideas with the help of the change agents and PGI
- All analyses and reports are standardized
- Line Managers and Executives debate the ideas during 3 review sessions
- The Executive Team decides on the ideas to execute, and implementation starts
- The PGI process is fast: typically 100 days
- The PGI not only manages the process, but also ensures the quality of the ideas and of the required analyses, in addition to providing a perspective based on our extensive experience.

Collaborative performance improvement projects can have a very large financial impact.

- Our structured approach has consistently yielded profit increases of 20-30%. Depending on company size the impact ranged from 50 million to several billions.
- Our fee is solely based on project impact. ■



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Interview with Steve Cannon

President & CEO
of Mercedes-Benz USA

By Ning Wang & Nicola Michels, GACC



Steve Cannon
President & CEO of Mercedes-Benz USA

GAT: Mr. Cannon, after your graduation from West Point, you became an Army Ranger patrolling the border of West Germany and you witnessed the fall of the Berlin Wall first hand – how did you experience this historical moment?

Steve Cannon (SC): I was stationed in the town of Hof near Bayreuth, close to the border of East Germany and the Czech Republic. From a military standpoint it was an exciting event but also something that made us nervous. Whenever there is big change happening, you have to be on guard, since we didn't know how things would develop – but of course I was very excited to be right there when history happened! As the East met the West, families were reunited, and more and more legal border crossings began to pop up. When the 100 Deutsch Mark Begrüssungsgeld (“Welcome Money” which every East German citizen received) was handed out, for more than a month, the town of Bayreuth was overrun by happy East Germans, spending their money and parking their Trabants anywhere they could, buying every last banana, orange and chocolate bar in Bayreuth.

Historically, the wall in the larger sense was not just the Berlin Wall but a wall that separated East from West.

GAT: You have been in your new role for over a year now - has the transition from VP of Marketing to CEO been difficult for you? How do you distinguish yourself from your predecessor?

SC: The first thing I did was to take two days to meet with each employee of our Montvale headquarters and I shook everyone's hand. I learned later that this very small act was extremely well received, as people were saying that they had never seen the CEO in their part of the building before, or no one had ever done that before. Just saying “Hello” was a great way to set the tone and a great differentiator. My marketing career has prepared me well for my position in that regard. That is why we are committed to train 18,000 dealership employees this year so the quality of interactions between customer and dealer will get even better.

GAT: What does social media (Twitter, Facebook etc.) mean to a luxury brand like Mercedes-Benz?

SC: What we have found out over the last several years – and not just with young people – is that for all generations and demographics social media has become a new way to create a conversation around a brand, such as Mercedes-Benz. So we have been spending time, energy and

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We struck a positive chord and we put a very compelling product package together, combined with a very compelling price: \$29,900 is a price point that would be reachable for a younger demographic

resources to learn and figure out the right approach for Mercedes-Benz in the social media space. Every brand is trying to figure this out and there is no formula for it. You kind of have to jump in and get involved and I do think that we have been doing just that pretty well.

GAT: How do you otherwise approach the younger generation?

SC: The CLA is the perfect way to reach out to those younger customers. It is the beginning of a product offensive. The CLA was the star player among the Super Bowl commercials. The Super Bowl is our biggest single media event and we highlighted the CLA. Following the Super Bowl exposure, the CLA was the most considered automobile on Edmunds.com (the big automotive site where people go to research vehicles). The fact that the CLA was the #1 researched automobile in the United States for over 48 hours before and after a sports event such

as the Super Bowl, shows that we struck a positive chord and that we put a very compelling product package together, combined with a very compelling price: \$29,900 is a price point that would be reachable for a younger demographic.

GAT: What is your broad vision for Mercedes-Benz USA, what are your plans to build on one of the strongest brands worldwide? Car sales are a strong economic indicator in the U.S., and you are setting sales records here. Will Dr. Zetsche continue to pick up the phone and call you for good news?

SC: We have an improving economic environment in the United States. The U.S. market is doing very well. The Mercedes-Benz brand has tremendous momentum in the U.S. market, so the broader plan and our



Mercedes-Benz

goal is to be the number one luxury brand in the United States in the years ahead. We set a sales record in 2012 and we are going to set another sales record in 2013. Beyond that, we have 30 new products coming in the next seven years. Essentially every three months we are launching a new product. That's why we think we have the best product pipeline in the business. In addition, we have a very clear vision and alignment with our dealers as we strive to be the best customer care company in the business. So all these things combined make up the broad plan that we are going to execute. Dr. Zetsche has a very clear mission: by 2020, we want to be number one in sales and profit globally, and I want to be able to deliver on preferably a lot earlier than 2020! ■



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Event Calendar May 1 – June 27 	May 1 Ninth Annual Award Luncheon GACC ATL Atlanta, GA www.gaccsouth.com	May 2 European Networking Event GACC Western U.S. Palo Alto, CA www.gaccsanfrancisco.com	May 3 German-American Transatlantic Business Conference GACCoM Chicago, IL www.gaccomm.org	May 3 Annual MERLIN Awards Gala German-American Transatlantic Business Conference GACCoM Chicago, IL www.gaccomm.org	May 6 International Business Reception at WINDPOWER GACCoM Chicago, IL www.gaccomm.org
	May 8 My Success. Our Visions. GACC Western U.S. Silicon Valley, CA www.gaccsanfrancisco.com	May 9 EACC Spring Networking Event GACC NY New York, NY www.gaccny.com	May 10 White Asparagus Gala Dinner GACC Western U.S. San Francisco, CA www.gaccsanfrancisco.com	May 14 4th German American Solar Energy Business Conference 2013 GACC HOU Houston, TX www.gaccsouth.com	May 15 Bay Area Solar Get Together GACC Western U.S. San Francisco, CA www.gaccsanfrancisco.com
	May 15 International Business Networking GACCoM Chicago, IL www.gaccomm.org				
May 15+16 White Asparagus Dinner GACC ATL Atlanta, GA www.gaccsouth.com	May 15-17 Solar Energy Business Delegation GACCoM Chicago, IL www.gaccomm.org	May 16 White Asparagus Dinner GACC HOU Houston, TX www.gaccsouth.com	May 16 White Asparagus Dinner GACC NY New York, NY www.gaccny.com	May 17 MN: Annual Gala 2013 GACCoM-MN Chapter Bloomington, MN www.gaccomm-mn.org	May 21-24 Sweets & Snacks Business Delegation GACCoM Chicago, IL www.gaccomm.org
May 23 Workshop "Cross-Cultural Collaboration Between European Companies and their U.S. Affiliates" GACC HOU Houston, TX www.gaccsouth.com	May 29 Summer Boat Cruise for Young Professionals GACC NY New York, NY www.gaccny.com	June 4 German American Business Forum AHK USA Hamburg, Germany www.da-wt.com	June 5 Chicago Hamburg Business Forum GACCoM Hamburg, Germany www.gaccomm.org	June 9-17 Transatlantic Program – Young Technology Leaders: Sustainable Manufacturing GACCoM Germany www.transatlanticprogram.org	June 11 German Business Roundtable GACC HOU Houston, TX www.gaccsouth.com
June 11 Knowledge Exchange GACCoM Chicago, IL www.gaccomm.org	June 11 HR Roundtable for German Companies in the U.S. GACC NY New York, NY www.gaccny.com	June 12 Business Seminar on German-American Tax Issues GACC NY New York, NY www.gaccny.com	June 13 Business Seminar with BridgehouseLaw GACC ATL Atlanta, GA www.gaccsouth.com	June 13 German Business Roundtable GACC HOU Houston, TX www.gaccsouth.com	June 19 European-American Economic Forum on Transatlantic Trade & Investment Partnership GACC NY New York, NY www.gaccny.com
June 19 International Business Networking GACCoM Chicago, IL www.gaccomm.org	June 24-27 GTAI West Coast Roadshow GACC Western U.S. California www.gaccsanfrancisco.com	June 25 New Member Reception GACC ATL Atlanta, GA www.gaccsouth.com	June 27 Water Technology Roundtable GACCoM Grand Rapids, MI www.gaccomm.org	June 27 Factory Tour with Robert Bosch Corporation GACC ATL Atlanta, GA www.gaccsouth.com	June 27 Stammtisch on the Road GACCoM Rosemont, IL www.gaccomm.org

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