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THYSSENKRUPP NIROSTA

Making NYC History Once Again
at One World Trade Center

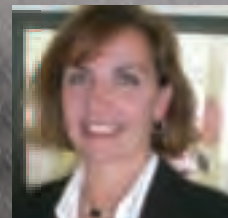
Gert Weiss, ThyssenKrupp
Nirosta: "To be part
of this project is a great
source of pride for me"



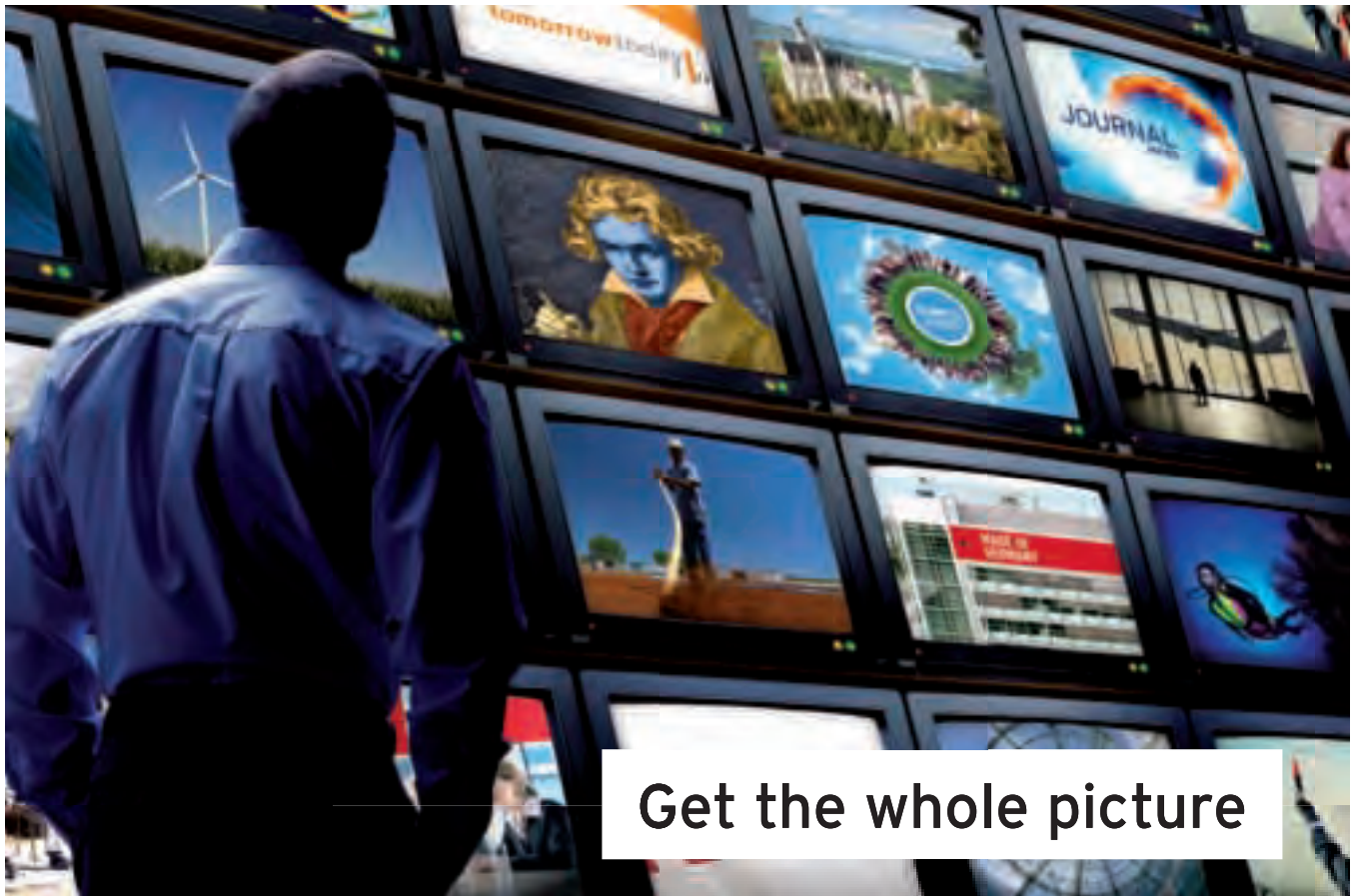
Top **50**
German
Firms

Top 50 Ranking:
A Strong Recovery
with Daimler Group
Charging Ahead

Karen A. Fenner:
Hidden Traps of
International Teams



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EDITORIAL

Ground Zero - Finally a New Beginning

Ten years after the World Trade Center towers fell, the Freedom Towers are slowly appearing on the New York City skyline. Construction began in 2006 and if all goes according to plan, the skyscraper will open its doors in 2013. Read about the exciting project ThyssenKrupp Nirosta has taken on in our cover story.

ThyssenKrupp is also number 16 in the new **Top 50 Ranking of German Firms**. 2010 was a good year for most German subsidiaries in the U.S. According to the latest ranking, sales performance jumped by 6% from \$265 billion in 2009 to \$281 billion in 2010. Two thirds of German subsidiaries reported increased sales in comparison to last year.

Our **State Special** features **North Carolina**; read how a traditional economy of tobacco plantations, furniture and textile manufacturing reinvented itself as the technological center of the eastern United States. Nowadays, North Carolina is powered by international innovation in knowledge-based fields such as advanced manufacturing, software and information technology, biopharmaceuticals and financial services.

Karen A. Fenner, executive cross-cultural and language trainer, elaborates in this month's **Business Tool** article on "The Hidden Traps of International Teams". She describes guidelines that provide clear expectations for bi-cultural or multi-cultural teams to help avoid costly cultural misunderstandings - especially the most hidden one: problem solving.



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Jan Wiedemann



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

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Mobile application development firm and subsidiary of German e-commerce firm opens new office

004 Technologies USA, Inc., a mobile application development firm based in Champaign, Illinois announced the opening of its new office. 004 is the first US subsidiary of 004 Beratungs- und Dienstleistungs GmbH, an e-commerce services firm based in Aschaffenburg, Germany and focuses on developing native and multi-platform mobile apps.

• www.newswiretoday.com

US approves first offshore wind farm

The US government approved a plan to build the country's first offshore wind farm, in a bay near Cape Cod, MA. Installation of 130 3.6-megawatt wind turbine generators standing 440 feet high could begin in Nantucket Sound by fall, the Department of the Interior said in a statement. The wind turbines will be built by German company Siemens. • www.google.com

Feds grant \$2.1 billion loan guarantee for California solar farm

The United States Department of Energy offered a conditional \$2.1 billion loan guarantee to German developer Solar Millennium to finance the first half of a 1,000 megawatt solar thermal power plant to be built in the Southern California desert. The Blythe Solar Power Project is the largest of nine big solar power plants licensed by the California Energy

Commission. The \$2.1 billion loan guarantee will fund the installation of the first two phases of the complex, which will generate 484 megawatts of electricity and employ 1,000 construction workers. • www.blogs.forbes.com

The Volkswagen Beetle rides again

Volkswagen is currently introducing its all-new Beetle design in New York. According to the CEO of Volkswagen of America, the U.S. is the most important market for the Beetle, and it is a critical part of the new chapter trying to be written for Volkswagen in the U.S. and worldwide.

• www.autos.aol.com

ThyssenKrupp to build innovative passenger boarding bridges for Boeing

ThyssenKrupp Airport Systems, Inc., a part of the Elevator Technology business area of the ThyssenKrupp Group and a leading manufacturer of airport passenger boarding bridges for the North American market, today announced a contract with The Boeing Company for two state-of-the-art glass-walled bridges. They will be installed at Boeing's new 787 Delivery Center in North Charleston, South Carolina and are the first ever passenger boarding bridges purchased by Boeing. • ThyssenKrupp

Passats for U.S. dealers roll out

Volkswagen's Chattanooga plant has gone from making test vehicles to rolling out 2012 Passats that dealers will be able to show to buy-

ers, as production of customer cars is about to ramp up. VW has hired about 1,600 workers at its \$1 billion plant to make an all-new midsize sedan that, along with its redesigned Jetta compact, are the backbone of efforts to rapidly increase sales in the United States.

• www.timesfreepress.com

DHL reboots in U.S. after \$9.6 billion bleed

Deutsche Post AG's DHL Express unit is rebuilding its U.S. operations around international shipments after a \$9.6 billion "disaster" in domestic deliveries. After firing 15,000 people and closing 75 percent of its outlets in 2008, DHL Express U.S. is expanding and may beat the volume goal it set that year by 15,000 packages a day in 2011. • www.bloomberg.com

Daimler cites upturn in North American truck market

Germany's Daimler AG is holding to its forecast for improved earnings this year, and the company boosted its 2011 forecast for North American truck market growth. The company's trucks unit is targeting a "substantial" increase in sales this year lifted by more robust markets in Europe and North America. • www.ttnews.com

German firm BMZ plans U.S. headquarters in VA

A German company that makes rechargeable batteries for a range of electronics and tools plans to open its U.S. headquarters in Vir-

ginia Beach, VA and create up to 50 jobs in the next two years. The U.S. subsidiary of Batterien-Montage-Zentrum GmbH plans to set up a warehousing, sales and assembly operation. • www.hamptonroads.com

Renusol establishes US subsidiary

German PV mounting systems manufacturer Renusol has signalled its intent to increase its worldwide presence by founding a US subsidiary. Renusol America, based in Atlanta, Georgia, was formed in January and will help the company tailor its engineering, sales and customer service towards North American clients. • www.pv-tech.org

American Profol studies \$14 million expansion

American Profol, owned by Profol Kunststoffe GmbH of Halfing, Germany, is considering a seventh production line at its existing facility in Cedar Rapids, IA. This is in addition to the new production line the company announced last year. Demand for American Profol's polypropylene film products has been at or beyond production capacity since early 2010.

• www.easterniowabusiness.com

Germany's TecnoSun Solar AG to set up shop at UT complex in OH

German solar firm TecnoSun Solar chose Toledo, OH over nine other American cities after representatives from the University of Toledo met the head of TecnoSun Solar at an Interna-

tional Energy Conference. TecnoSun Solar, headquartered in Neumarkt, Germany, makes solar panel supports called "trackers", that move with the sun during the day to maximize the panel's efficiency. All of the trackers will be produced at the new location.

• www.abclocal.go.com

Hotset to invest \$1 million in Georgia

Hotset, a German manufacturer of industrial heating elements, will invest \$1 million in a new sales, service and distribution center in Swainsboro, GA. The company will renovate a 30,000-square-foot facility at the Swainsboro-Emanuel County Airport, creating 10 new jobs when it starts operations in the east-central Georgia city this summer. The company has factories in Ludenscheid, Germany and its North American headquarters in Vermont. • www.globalatlanta.com

Liberty Global acquiring German cable provider KBW

Liberty Global announced an agreement to acquire KBW, the third largest cable TV operator in Germany. Mike Fries, President and CEO of Liberty Global, commented: "The proposed acquisition of KBW is great news for our shareholders and, just as importantly, German consumers. This transaction provides us with further access to one of the fastest-growing cable markets in Europe." Liberty Global will acquire KBW in a series of transactions, with the deal totaling about \$4.48 billion.

• www.americanbankingnews.com **GAT**

WELCOME New Members

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ThyssenKrupp Nirosta

Making NYC History Once Again at One World Trade Center

More than 80 years ago, the famous Chrysler Building was crowned with silvery “Enduro KA-2” metal, a stainless steel developed by Krupp and marketed under the trade name “Nirosta” (a German acronym for “nichtrostender Stahl”, meaning “non-rusting steel”).

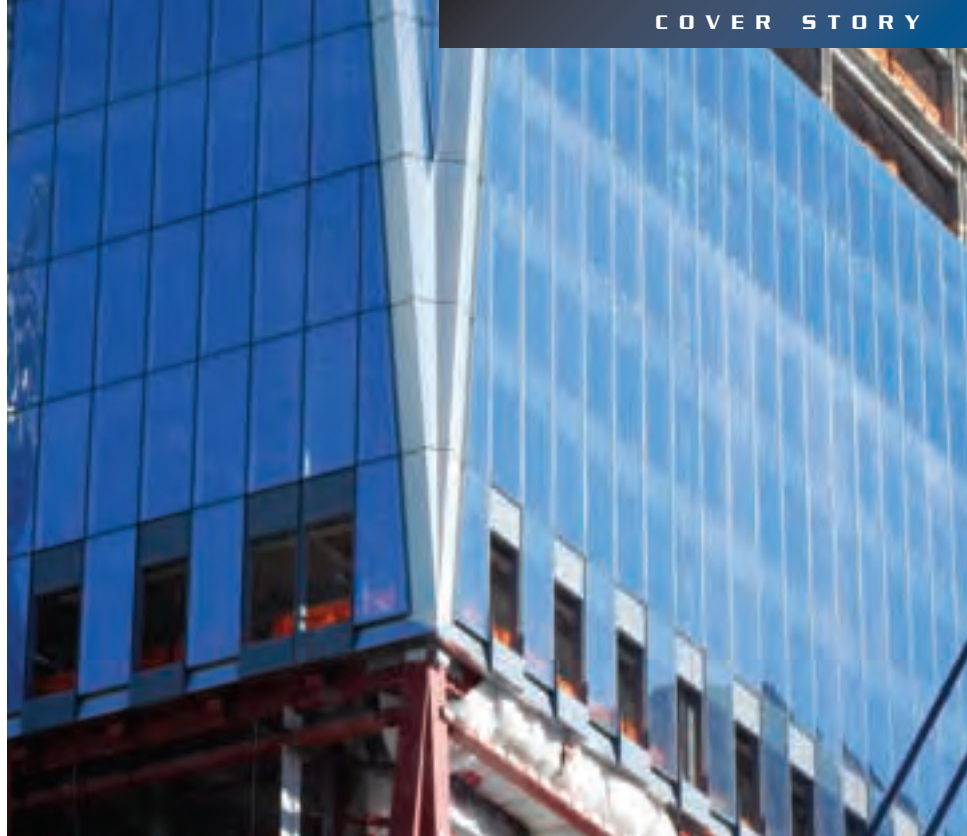
Now another New York City landmark is using Nirosta’s world-class product: One World Trade Center. The corners of the skyscraper’s facade will be edged with stainless steel made by ThyssenKrupp Nirosta in Germany. ThyssenKrupp Nirosta (Krefeld) and partner company Christian Pohl GmbH (Cologne) will be providing 250 tons of stainless steel facade elements for One World Trade Center, which is currently under construction in New York City. Additionally,

ThyssenKrupp Elevator has been awarded a contract to install all 71 elevators and nine escalators and perform maintenance at One World Trade Center. ThyssenKrupp Nirosta (Krefeld) produced the material at its Dillenburg plant using a customized rolling and heat-treatment process. Partner company Christian Pohl GmbH (Cologne) fabricated this high-quality material into complex facade elements for the corners of the One World Trade Center. After shipment to the USA, the installation work of these elements has just started.

One World Trade Center is owned by the Port Authority of New York & New Jersey and its construction is being managed by Tishman Construction Corpora-

*Gert Weiss
Head of Product Service
ThyssenKrupp Nirosta*





www.thyssenkrupp.com

tion of New York. Work on the project began in 2006. The building will have 2.6 million square feet of rentable space, and the gross square footage is 3.5 million square feet. The high-rise itself will be 417 meters tall,

topped with a 124-meter antenna. The total height of 541 meters corresponds exactly to 1,776 feet, a reference to the American Declaration of Independence in 1776.

Adjacent to the tower will be a museum and memorial honoring the victims of September 11, 2001.

“The One World Trade Center project will be one of the world’s most important buildings, and it is being constructed on a location – Ground Zero – that remains very emotional. Talking with the people of New York, you realize just how important this project is for them. To be a part of it is a great source of pride for me and for ThyssenKrupp.”

Gert Weiss, Head of Product Service
ThyssenKrupp Nirosta

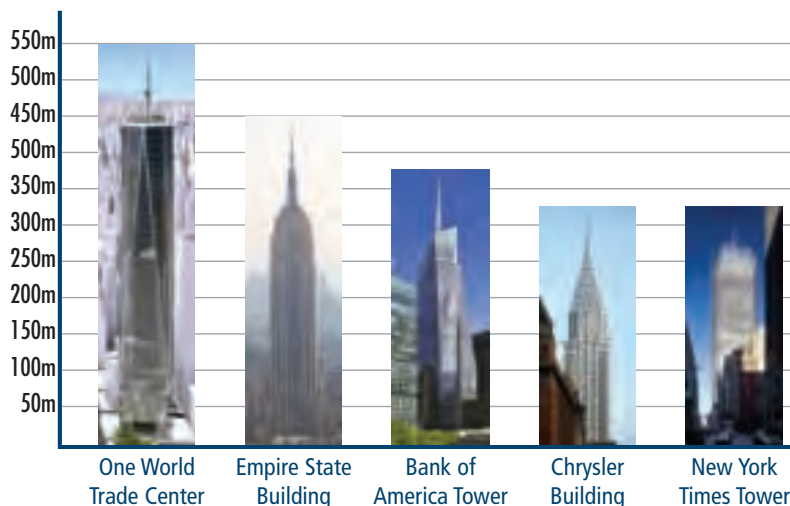
The final architectural design of the building now under construction was drawn up in the New York office of the international architectural firm Skidmore, Owings & Merrill. The outer facade of the skyscraper will be made of glass. Above the 60-meter-high base, the metal frames surrounding the glass panes will be clad with stainless steel panels. The outstanding architectural feature of the design is that the edges of the building rotate through an angle of 45 degrees from the base upwards. All the corner elements therefore have to

>>

be made in a tapering form in line with this axial rotation.

These 1 by 4 meter (40 by 160 inches) facade elements are being made from the corrosion-resistant chromium-nickel-molybdenum stainless steel alloy Nirosta 4404 with a textured finish "Laser" specially designed for this project. "Our material meets the extremely high requirements for uniform surface quality with no streaking or shadowing from any angle regardless of light conditions," says Gert Weiss, head of product service at ThyssenKrupp Nirosta. And Heinrich Robert Pohl, managing director of Christian Pohl GmbH, adds: "Such complex jobs call for supreme technical competencies and a wealth of manufacturing experience. With a high-tech solution we were able to win our extremely demanding customers over for this jointly developed, high-quality German product."

For the US companies involved in the One World Trade Center, the fact that owner, architects and client chose material made in Germany was not without significance. "The quality of our product helped us to win the contract for this out-of-the-ordinary project. Ultimately we regard it as an accolade to be a part of this globally known project in the



heart of New York which means so much to so many Americans," emphasize ThyssenKrupp Nirosta and Christian Pohl GmbH, both of whom are based in North Rhine-Westphalia (Germany).

ThyssenKrupp Nirosta in Krefeld (Germany) is one of the world's leading manufacturers of stainless flat products with a broad range of stainless steel grades, sizes and finishes. The company has several sites in Germany and employs around 4,200 people. **EAT**

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Germany and U.S. Share Common Sustainability Goals



www.bmwi.de/en

The German American Chamber of Commerce, Inc. (GACC) hosted the Building Efficiency in Germany and the U.S. workshop in cooperation with the “Building Energy 11” conference in Boston, MA on March 8th. The event featured presentations from German and American energy efficiency experts as well as German efficient building companies who

are preparing to enter the U.S. market. Over 80 attendees engaged the speakers who included the Vice Mayor of Cambridge, MA, Henrietta Davis and Dr. Manfred Hegger, of the University of Darmstadt in Germany. Eight German companies participated in the event as a delegation supported by the German Federal Ministry of Economics and Technology (BMWi).

Representatives of these companies included Stephan Tanner of Intep, who built the first “passive house” standard, ultra-low energy buildings in the U.S. and Martin Wilhelm of bb22, who has developed a green urban planning design that is already being implemented in Frankfurt, Germany.

Discussions at the conference raised awareness on both sides about the exciting developments in energy efficiency that are taking place both in Germany and the United States. A focus on passive houses showed that they are now becoming quite affordable in Germany and are quickly gaining interest and support in the U.S. as well.



Panel discussion at the conference.
 From left: Prof. Norbert Fisch, Head of the Institute of Building Services, Energy Design and Solar Technology at the Technical University Braunschweig, Germany and CEO of Energy Design, Asia; Prof. Manfred Hegger, Head of Energy-Efficient Building Unit at the Technical University of Darmstadt, Germany and Solar Decathlon Winner 2007 and 2009; Dr. Kurt Roth, Head of Building Energy Efficiency Group at the Fraunhofer Center for Sustainable Energy Systems (CSE)



Kurt Roth of the Fraunhofer Center for Sustainable Energy Systems in Cambridge, MA explained that the main focus in the U.S. needs to be on energy efficiency retrofits to existing buildings. He noted that 80% of all buildings that will exist in the country in the year 2030 have already been built. But there is still a need for innovation throughout the value chain of these types of projects. Everything from the energy management systems to ventilation to effective marketing of the savings available through efficiency upgrades must be developed and improved before these retrofits can be widely implemented.

The eight companies who presented at the workshop stayed in the Boston area through the week and met with strategic partners in the architecture and construction, real estate, and product distribution sectors to determine how they could best develop a market for their products in the New England region. They were eager to learn more about the challenges that face the market currently and are interested in becoming involved.

The delegation was part of an initiative funded by the German Federal Ministry of Economics

and Technology (BMWi) to support the international growth of German energy efficient building companies. This program follows the German American Energy Efficiency Conference, which was held in New York City in April 2009, sponsored by the same initiative. Supporting partners for the Building Efficiency in Germany and the U.S. workshop included eclaration GmbH, the German Consulate General Boston, the German American Business Council Boston, the German Center for Research and Innovation, and the New England Sustainable Energy Association. **GAT**



From left: Claudia Schuett, Deputy Consul General, Consulate General of the Federal Republic of Germany; Marian LeMay, Executive Director, German-American Business Council of Boston, Inc.; Matthew Allen, Manager Consulting Services, German American Chamber of Commerce, Inc.; Wolfgang Elnner, Sales Director Export, RAICO Bautechnik; Mark Bomberg, Consultant, Homatherm®



The Peak of Excellence

bauma 2013



From left: Jennifer N. Liehn, Director U.S. Office MMI & Dr. Benno Bunse, President & CEO – GACC New York; MMI's Eugen Egetenmeir, Managing Director, Klaus Dittrich, Chairman & CEO, & Katharina Hamma, Senior Executive Officer; Johann Sailer, VP - CECE

Since 2004, the German American Chamber of Commerce, Inc. in New York (GACC New York) has acted as the official U.S. Representative of Messe München International (MMI). As such, it has organized a press conference for the well-known *bauma* at the construction show CONEXPO CON-AGG in Las Vegas on March 24, 2011.

bauma, being MMI's largest show as well as the world's leading trade show for the construction industry, was once more able to draw thousands of exhibitors and attendees. Last year's success, for instance, was reflected upon by Mr. Klaus Dittrich, Chairman & CEO of MMI, during the press conference. He pointed out that *bauma 2010* worked with 3,256 exhibitors from 54 countries offering products and services to 420,170 attendees from more than 200 countries on approximately 6 million square feet (555,000 sqm) of exhibition space.

Furthermore, Mr. Dittrich emphasized the importance of *bauma China* to his intent listeners of over 90 international journalists and associations. According to Mr. Dittrich, *bauma China 2010* has proved itself once again to be Asia's most suc-

*By Jennifer N. Liehn
Director U.S. Office MMI
GACC New York*



successful construction show with 1,859 exhibitors from 37 countries and 155,615 attendees from 171 countries.

Another highlight for the construction industry was the newly launched construction show *bauma India* in February 2011 which was perceived positively by the public and described as a superb premiere. The event is a joint venture between MMI and the U.S. Association of Equipment Manufacturers (AEM).

Mr. Johann Sailer, VP of the Committee for European Construction Equipment (CECE), took the opportunity of the press conference to present the pleasant news that the European construction equipment industry is on the upswing with a projected forecast of +11% in 2011.

Especially the German Construction Equipment Market will shine in 2011 since it is expected to lead this positive trend with an estimated growth rate of 10%.

Therefore, “*bauma 2013* will take place in a positive surrounding of growing markets and new technology in Europe,” as Mr. Sailer perfectly put it.

MMI is also to a large extent involved in other construction shows around the world: ConBuild Vietnam, ConBuild Indonesia, ConMex (Middle East), CTT (Moscow), IranConMin (Iran), sitp (Algiers) and Constroi (Angola).

MMI is one of the world's leading organizers of trade fairs. It organizes some 40 shows for capital goods, consumer goods and new technologies. More than 30,000 exhibitors from over 100 countries and more than two million visitors from over 200 countries participate in fairs and exhibitions in Munich each year. With six subsidiaries abroad - in Europe and Asia - as well as 66 foreign representatives covering 89 countries, MMI has a network that successfully spans the globe. **GAT**

C O N T A C T I N F O

The next **bauma** will take place April 15-21, 2013 in Munich. The application process for exhibitors has just started. For more information, please contact Ms. Jennifer N. Liehn at 646-437-1013 or jliehn@munich-tradefairs.com

For future construction show dates, please visit

 www.messe-muenchen.de

The 80-20 Approach to Problem Solving

The Hidden Traps of International Teams

The due diligence process has been completed, bottom line expectations have been formalized and congratulations are in order. Another German-American acquisition is about to be completed! With the ink barely dry, departments are merged and synergies are celebrated. However, things have changed. More than one culture is now present at the conference table. Protocol and formats have changed and management style has taken a different tone. No problem, right? We're a global society and we all speak English.

Not so fast - just because everyone speaks English does not mean we're all on the same page. The rules have changed; however, no one seems to be handing out a new proto-



col handbook. This is exactly the time when newly-formed teams must set their own guidelines. Guidelines that provide clear expectations for bi-cultural or multi-cultural teams to help avoid costly cultural misunderstandings - especially the most hidden one: problem solving.

Problem Solving Approaches

Problem solving doesn't sound as glamorous as a "multi-million dollar merger", however, without the right approach, productivity on international teams can grind to a halt. Both sides want to solve problems effectively and efficiently; however, what Americans may see as effective and productive, Germans may view as inefficient and vice versa.

What separates the parties from the get-go is what each side considers a "priority". Americans are results-driven, whereas, for Germans, the "process" is just as important as the result.

The American Approach

A few American executives I worked with recently summed up problem solving approaches perfectly: Americans, they said, apply the 80-20 approach. They work out the details to 80% and



“Americans are result-driven, whereas, for Germans, the “process” is just as important as the result.”

immediately start working to find a solution. Time is money, let's get going. The remaining 20% provide the necessary degree of flexibility for future “changes”. For the German mindset, these 20% leave a large element of “uncertainty”. A 20% gray area, for a very structured, analytical culture is a difficult element to work with.

The German Approach

The U.S. executives explained the German approach as analyzing a problem 100% from the beginning, working out ALL details from the beginning, creating consensus, and developing a process that will be adhered to throughout the project to find a solution. The German culture is a very sequential one: all steps should be followed even if they seem redundant. For Americans this can be extremely frustrating and shows a lack of flexibility. In their minds, rules occasionally need to be bent because change is inevitable.

Communication breakdown

For German managers, if there is a process in place and all details have been worked out, communi-

cation, follow-up meetings and steady feedback is not considered to be such a necessity. Everyone has been given their responsibilities and people work independently. On the flip-side, since Americans start working on a project very quickly, expecting future changes, it is vital for them to keep the communication lines open, meet more frequently and provide updates. Not a good situation.

Applied on the same team, these two approaches are bound for collision. Is either approach right or wrong? Absolutely not. Each side wants success, and each road can lead to achieving success. The challenge is getting on a road with the same traffic rules. The good news is that with this understanding it is in the teams' hands to make positive changes.

The Solution

Guidelines! From the first day that international teams with different cultural backgrounds work together, guidelines must be created, agreed to and adhered to. The openness and excitement after an acquisition diminishes over time, especially if a team becomes more and more dysfunctional.

The following are only a few of the topics that need to be discussed and agreed on:

- Mode of communication (brainstorming vs. structured meeting formats).
- Communication style – directness – separate personal feelings from issues. State the positive as well! Constructive criticism.
- Mindfulness of time zone differences (never have one party always get the Friday, 3:00 pm, conference call slot)
- Feedback/updates - how often?
- State expectations – state level of flexibility!
- Language barrier – avoid idioms, slang at all costs!
- To avoid language misunderstandings, have a participant **TAKE MEETING NOTES**. Distribute them and have approved by all participants!
- Communicate!

Remember: No “one way” is the “right way”. The “German way” is not the right way, the “American way” is not the right way, the company way is not the right way. It's the strategy the team members decide on together that is... **THE RIGHT WAY!** **GAT**



ABOUT THE AUTHOR

Karen A. Fenner has been providing on-site cross-cultural and language training for Europeans and Americans since 1995. Her company, **Globally Speaking**, offers one on one or group seminars in cross cultural communication and language training at various levels for international executives. She is a regular lecturer at the Rutgers University Executive MBA Program.



www.globallyspeaking.org

Franchising in the U.S.

An Opportunity Second to None

With the economy starting to bounce back and credit easing up, the 20th annual International Franchise Expo (IFE) held April 1-3 at the Walter E. Washington Convention Center in Washington, D.C. registered a record attendance from both franchisee candidates and exhibitors. The yearly IFE trade show is endorsed by the U.S. Department of Commerce and promoted worldwide as part of their International Buyers Program. More than 150 U.S. embassies actively promote the IFE within their regions through their foreign Commercial Service Offices and bring official escorted delegations from all around the world to Washington, D.C.

“There are no signs of franchising slowing down right now, which is why there are such vast opportunities for potential investors”, says Tom Portesy, President of MFV Exhibitions and organizer of the trade show. Franchising has become an increasingly suc-



cessful and profitable method of doing business in the United States. In fact, growth rates for franchising rank above the average margins in other sectors.

It would be to their detriment if German producers and their affiliates in the U.S. did not consider the possible advantages and incentives of a franchise format for their distribution efforts. For marketing activities in the U.S., this can include building up a co-operation with existing, well-established franchise busi-

nesses as well as the introduction of a potential new franchise line.

From Boston to Honolulu, from Minneapolis to Miami, there is a tremendous variety of successfully operating franchises. This holds true in particular when it comes to marketing consumer products. The most recognized faces in the franchising world are the big chains of fast food outlets and retail businesses that sell apparel.

Yet many more types of franchise businesses exist that are available for organizing the distribution channel and marketing of hardware or products of equipment manufacturers. For example, among the exhibitors at the IFE was an American franchise that markets solar panels on behalf of a German producer.

Visitors and potential investors at the Washington, D.C. trade show IFE in April got an impression of the wide scope of emerging franchise offers. In short, franchising comprises a

sophisticated network of consumer and client services, ranging from organizing distribution of merchandise to the enterprise concept of professional sports teams. At the IFE, the starting investment cost to join an upcoming franchise in client services was listed at anywhere from US\$ 28,000 to above US\$ 1million, depending on the brand and location.

You might ask yourself, - where do I sign up? The concept is practical and easy: The franchisee purchases a company's expertise and experience and proven method of doing business. According to the International Franchise Association (IFA), there are basically two distinct types of franchise arrangements:

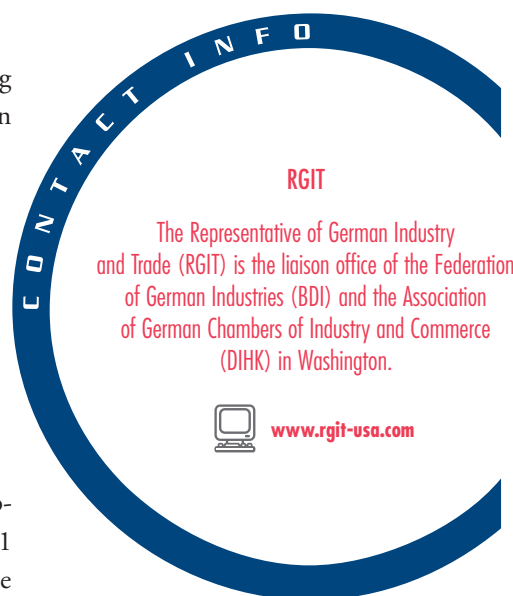
- Product distribution arrangements in which the dealer is to some degree, but not entirely, identified with the manufacturer or supplier.
- Business format franchises in which there is complete identification of the dealer with the buyer. This type of franchise is the most commonly known and most popular system. It offers the franchisee in addition to a trademark and logo a complete system of doing business. A franchisee receives assistance throughout the whole process of establishing a business, including site selection, training, set-up services, advertisements and product supply.

U.S. economists forecast strong growth for franchise businesses in 2011. The recent Franchise Business Economic Outlook prepared by PricewaterhouseCooper for the International Franchise Association (IFA) predicts a rebound in the number of establishments, jobs, and economic output in the franchise business. The number of U.S. franchise establishments will grow 2.5% in 2011 (in comparison with an increase of 0.3% from 2009 to 2010) to almost 785,000, an increase of ca. 19,000 compared to 2010. The job growth in this sector is projected to rise by 2.5% from 7.6 million to 7.8 million. This would foreshadow a net increase of close to 200,000 new jobs.

The estimate for the economic output in franchising is impressive. The franchise industry is a major contributor to the U.S. economy. According to the IFA, it employs more than 20 million people and contributes more than \$2 trillion in economic activity. The aforementioned 2011 out-

look forecasts a projected growth of the gross value of goods and services produced by franchise businesses of 4.7% or US\$ 33.3 billion, or in other terms an increase from US\$ 706.6 billion to US\$ 739.9 billion.

Think about it! For prospective investors looking to expand or simply gain footing in the American market, franchising can be the right distribution method for selling products and services in the United States. **GAT**



ABOUT THE AUTHOR

Günter Maier is an economist and business correspondent for Germany Trade and Invest. His knowledge of doing business and market experience in the U.S. spans coast to coast. He has been stationed for GTAI in Washington, D.C. since 2004, prior to which he worked in Los Angeles, CA for seven years.

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USA: A New Generation of Mobile Networks in the Making

By Ullrich Umann (Germany Trade and Invest) Translation from German by Sandy Jones, GACC New York

Cell phone service providers in the US are ready to invest billions of dollars in new technologies and services. Competing for customers has shifted to a technological level. In order to bear this financial burden, smaller carriers try to bundle their financial energy by merging with other companies.

a smaller number in providers. All signed contracts would continue as an independent brand after the takeover of T-Mobile.

By investing billions, companies in the US are striving for better reception in the networks as well as faster data transmission and signaling rates. It is only with this, that cell phone providers can promote new smart-

ceeding technologies in the standard of 4G (fourth generation) is extremely cost intensive and thus not easy to bear for cell phone service providers.

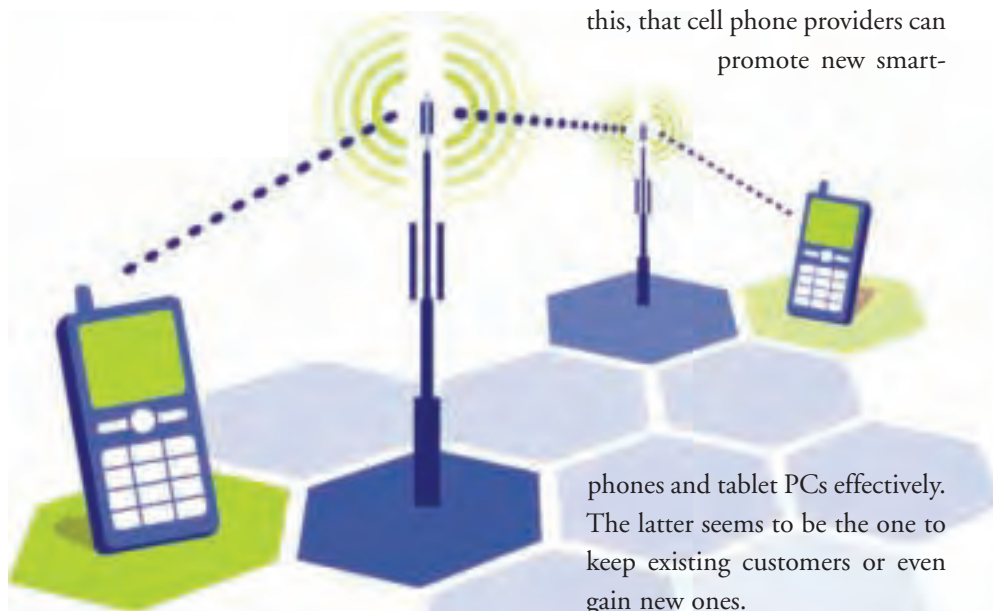
Two wireless carriers are already offering a service in 4G, although networks for this fourth generation have not even been put in service yet. From a technological point of view, these services are more of a stopgap solution, or can be called 'pre-4G' services at best. According to the definition of the International Telecommunication Union (ITU), an agency of the United Nations responsible for the standardization of information technology, only the technologies of LTE Cat 3 (Long Term Evolution) as well as WiMax2 come close to the peak speed requirements for 4G service at 100 Mbit/s. At the end of 2010 however, the ITU announced that also HSDPA+ can be seen as 4G.

For now, field tests are being conducted for the standards LTE Cat 3 and WiMax2 in the US, not to mention the even faster succeeding standard of LTE-Advanced, offering download rates of 1,000 Mbit/s and a ping time (RTT, round-trip time) of under 20 ms. However, it is only when LTE-

phones and tablet PCs effectively. The latter seems to be the one to keep existing customers or even gain new ones.

The existing 3G networks with a download speed of 3 Mbit/s at most can hardly manage the ever-growing flow of data during the peak traffic hours. Consequences are interrupted connections or a weak and at times even missing reception of the network subscribed to. However, the development and implementation of suc-

AT&T's takeover of T-Mobile USA was only just the beginning. Equipment manufacturers of the new 4G networks as well as manufacturers of smartphones and tablet PCs are among the winners of this development. At least in the short run it is unlikely that mobile customers will have to accept an increase in price due to



Advanced will reach marketability – experts do not see this happening until 2015 – that video streaming, video telephony, video surveillance, telemedicine services, VoIP and 3D conferencing can be offered on a totally new level of quality for mobile phones and equipment.

AT&T is currently making massive investments into stabilizing its 3G networks in metropolitan areas to avoid losing more customers to its most important competitor, Verizon. Also, AT&T is developing HSPA+, just like T-Mobile. With this, a takeover of T-Mobile would not be a technological obstacle for AT&T. AT&T is also working to develop the succeeding technology of LTE, and the company plans to present first results in 2012.

Verizon is also said to develop LTE networks with a download speed of up to 12 Mbit/s. At the end of 2011, the company plans to offer these networks in 38 urban areas. In contrast, Sprint is already offering WiMax in 39 regions. Also, Sprint is in negotiations with the start-up company LightSquared regarding the bundling of frequencies. LightSquared has already acquired frequencies and is now looking for a partner in the US to expand a 4G network.

For some time now, T-Mobile USA has been under pressure to secure its economical future through forming alliances or taking over other companies. Deutsche Telekom AG, hitherto owner of T-Mobile USA, tried to give as reasons for the negative development the delay in making

the company-owned 3G networks available and not being able to obtain the marketing rights for the iPhone in the US. Analysts however saw another problem on the horizon for T-Mobile – namely missing frequencies to establish “real” 4G networks.

The sale of up to 7,000 cell phone towers, announced by T-Mobile in January 2011, to finance the purchase of more frequencies, is now not likely to happen or will be up to the new owner, AT&T. The sale was said to generate a cashflow of between US\$ 2.0 - 3.5 billion for T-Mobile. Likely buyers could have been American Tower Corp.

and Crown Castle International Corp. Industry experts did not see SBA Communication Corp., the third player on the market, as a likely buyer.

Sprint, the third-largest carrier on the market, is not able to provide its network operator Clearwire Corp. with the urgent-



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ly needed amount of money to expand the WiMax network and to further develop the LTE technology. It is also not possible for Clearwire to sell frequencies in order to finance the desperately needed investments. By doing so, the company would rob itself of the necessary bandwidth for a future LTE implementation.

Thus, analysts see Clearwire as controversial. On the one hand, with WiMax, the company is a technological step ahead of AT&T and Verizon. On the other hand, however, this lead would shrink if the two competitors were to make massive investments. By taking over T-Mobile and its HSPA+ technology, AT&T is even already ahead of Clearwire.

In 2005, Sprint overextended itself financially and on a technological level with the takeover of N Nextel's network iDEN, not compatible with CDMA, is said to be switched off by 2013 and all of its customers are to be transferred to Sprint's CDMA standard. This will cost Sprint approximately US\$ 5 billion.

Alcatel-Lucent, L.M. Ericsson Telephone & Co. and Samsung Electronics Co. Ltd. were commissioned with the technical execution. For Ericsson, this means expanding a contract, which was signed with Sprint in 2009. Alcatel-Lucent is said to take care



GTAI INDUSTRY TALK

A new series with detailed industry reports, written by the US-correspondents of Germany Trade and Invest (GTAI), the official German foreign trade and inward investment agency.

of the technically difficult network expansion in metropolitan areas such as Los Angeles and New York.

Sprint hopes to offset the financial burden with possible savings of approximately US\$ 10 billion in the course of 7 years. Among others, the company hopes to save substantially by integrating all of Nextel's customers into the CDMA standard. However, in order to convince all customers 'inherited' by Nextel of the technical switch and to prevent them from leaving for the competition, Sprint adapted its walkie-talkie function, made possible by iDEN, to the CDMA standard. Thus, this function remains as a special extra.

If one was to follow the market's logic, and if AT&T's takeover of T-Mobile receives approval by the Antitrust Division, Verizon and Sprint are very likely to come together soon for talks regarding a possible merger. By doing so, Verizon would overtake AT&T once again in number of customers and network expansion. Sprint, on the other hand, utilizing only its own financial means, could not catch up anymore to the first-largest and second-largest carrier on the US cell phone service market. **GAT**

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Top 50 German Firms in the US

By Nicola Michels, GACC New York
nmichels@gaccny.com

A Strong Recovery with Daimler Group Charging Ahead

Daimler has benefited from the boom in demand for premium automobiles in the United States. With sales increased by over 22% (reported in Euro) Daimler ranks first in the new Top 50 Ranking of German Firms in the U.S. compiled annually by the German American Chambers of Commerce. The car-maker is predicting that 2011 will be a new record year in terms of sales.

Actually, 2010 was a good year for most German subsidiaries in the U.S.: Sales performance jumped by 6% from \$265 billion in 2009 to \$281 billion in 2010. Two thirds of the German subsidiaries reported increased sales in comparison to last year, while employment levels remained stable. German subsidiaries weathered the financial storm extremely well. They wisely used financial instruments such as natural hedging or they pursued innovative personnel strategies. Stihl, Inc. - lead producer of chain saws - conducted an "in-sourcing initiative" in order to retain its highly-trained workforce.

Growth industries like the renewable sector continued to bring positive momentum to the U.S. market. Siemens, which ranks third, will build wind turbines for the country's first offshore wind farm off the coast of Cape Cod, MA - a plan the U.S. government had just recently approved. Siemens will also contribute to the Obama Administration's drive to strengthen the U.S. infrastructure. Large-scale investments in high-speed trains, rail and smart-grid projects, as well as energy efficiency are in the works nationwide. The Knorr-Bremse Group, one of the smaller players in the ranking, reported a 14% growth rate in its Rail Vehicle Systems division. It is important that the U.S. stays focused on its renewable energy agenda and does not lose momentum, since the new leader in Cleantech private financing is now China.

China is also now the world's largest car market, posting growth figures that the rest of the industrialized world can only dream of. Although sales declined somewhat, last year they still hit a global record of \$18 million. Few doubt that a new record will be reached in 2011. Even though the U.S. car market may no longer be the industry leader, in terms of unit sales and innovative powers it is still very influential. It has been found that trends started in the United States are being copied elsewhere. It remains to be seen who the winners will be.

Top 10 Employers

Company	2010	2009
Siemens USA Holdings	62,000	64,000
The Great Atlantic & Pacific Tea Company, Inc.	50,000	50,000
Fresenius Medical Care Holdings, Inc.	39,000	39,000
T-Mobile USA	37,795	36,000
Daimler Group	18,295	17,697
ThyssenKrupp USA, Inc.	17,500	21,000
Bertelsmann, Inc.	17,000	17,000
BASF Corp.	16,487	15,000
Bayer Corp.	15,100	17,000
Robert Bosch, LLC	13,500	13,500
TOTAL	286,677	290,197

TOP 50 Ranking of German Firms in the U.S. 2010

	COMPANY NAME	LOCATION IN U.S.	WEBSITE ADDRESS	GERMAN PARENT COMPANY
1	Daimler Group	Montvale, NJ & Portland, OR	www.daimler.com	Daimler AG, Stuttgart
2	T-Mobile USA	Bellevue, WA	www.t-mobile.com	Deutsche Telekom AG, Bonn
3	Siemens USA Holdings	New York, NY	www.usa.siemens.com	Siemens AG, Munich
4	BASF Corp.	Florham Park, NJ	www.basf.us	BASF AG, Ludwigshafen
5	BMW of North America, LLC	Woodcliff Lake, NJ	www.bmwusa.com	BMW AG, Munich
6	Allianz North America, Inc. (incl. Firemans Fund)	New York, NY	www.allianz.com	Allianz SE, Munich
7	DHL Holdings (USA), Inc.	Plantation, FL	www.dhl.com	Deutsche Post AG, Bonn
8	Robert Bosch, LLC	Farmington Hills, MI	www.bosch.us	Robert Bosch GmbH, Stuttgart
9	Bayer Corp.	Pittsburgh, PA	www.bayerus.com	Bayer AG, Leverkusen
10	Fresenius Medical Care Holdings, Inc.	Waltham, MA	www.fmcna.com	Fresenius SE, Bad Homburg
11	Boehringer Ingelheim Corp.	Ridgefield, CT	us.boehringer-ingelheim.com	Boehringer Ingelheim GmbH, Ingelheim am Rhein
12	Trader Joe's Co.	Monrovia, CA	www.traderjoes.com	Aldi Einkauf GmbH & Co.oHG, Essen
13	The Great Atlantic & Pacific Tea Company, Inc.	Montvale, NJ	www.aptea.com	Tengelmann Group, Mühlheim
14	Turner Construction Co.	New York, NY	www.turnerconstruction.com	Hochtief AG, Essen
15	Aldi, Inc.	Batavia, IL	www.aldi.us	Aldi Einkauf GmbH & Co.oHG, Essen
16	ThyssenKrupp USA, Inc.	Troy, MI	www.thyssenkrupp.com	ThyssenKrupp AG, Düsseldorf
17	Heraeus Incorporated	New York, NY	www.heraeus.com	Heraeus Holding GmbH, Hanau
18	Continental Tire the Americas, LLC	Fort Mill, SC	www.continentaltire.com	Continental AG, Hannover
19	Volkswagen Group of America (incl. Audi)	Herndon, VA	www.vw.com	Volkswagen AG, Wolfsburg
20	Lufthansa Group	East Meadow, NY	www.lufthansa.com	Deutsche Lufthansa AG, Köln
21	Hannover Life Re America	Orlando, FL	www.hlramerica.com	Hannover Rückversicherung AG, Hannover
22	SAP Americas	Newtown Square, PA	www.sap.com	SAP AG, Walldorf
23	Lehigh Cement Co.	Allentown, PA	www.lehighcement.com	HeidelbergCement AG, Heidelberg
24	Adidas North America Inc.	Portland, OR	www.adidas.com	adidas AG, Herzogenaurach
25	Munich Re America	Princeton, NJ	www.munichreamerica.com	Münchener Rückversicherungsgesellschaft, Munich
26	Henkel of America, Inc.	Rocky Hill, CT	www.henkel.us	Henkel KGaA, Düsseldorf
27	Evonik Degussa Corp.	Parsippany, NJ	www.north-america.evonik.com	Evonik Industries AG, Essen
28	Bertelsmann, Inc.	New York, NY	www.bertelsmann.com	Bertelsmann AG, Gütersloh
29	Porsche Cars North America, Inc.	Atlanta, GA	www.porsche.com/usa	Porsche AG, Stuttgart
30	Linde Gas North America, LLC	Murray Hill, NJ	www.us.linde-gas.com	Linde Group, Munich
31	DB US Holding Corp.	Tarrytown, NY	www.dbschenkerusa.com	Deutsche Bahn AG, Berlin
32	Helm U.S. Corporation	Piscataway, NJ	www.helmusa.com	Helm AG, Hamburg
33	E.ON U.S., LLC	Louisville, KY	www.eon-us.com	E.ON AG, Düsseldorf
34	Beiersdorf, Inc.	Wilton, CT	www.beiersdorfusa.com/	Beiersdorf AG, Hamburg
35	Lanxess	Pittsburgh, PA	www.lanxess.com	Lanxess, Leverkusen
36	ZF Group North American Operations	Northland, MI	www.zf.com/na	ZF Friedrichshafen AG, Friedrichshafen
37	B. Braun Medical, Inc.	Bethlehem, PA	www.bbraunusa.com	B. Braun, Melsungen
38	Knorr Brake Holding Corp.	Watertown, NY	www.knorrbrakecorp.com	Knorr Bremse AG, Munich
39	Puma North America, Inc.	Westford, MA	www.puma.com	Puma AG, Herzogenaurach
40	Flatiron	Longmont, CO	www.flatironcorp.com	Hochtief AG, Essen
41	Stihl Inc.	Virginia Beach, VA	www.stihlusa.com	Andreas Stihl AG & KG, Waiblingen
42	K+S	New York, NY	www.k-plus-s.com	K+S AG, Kassel
43	Freudenberg-NOK General Partnership	Plymouth, MI	www.freudenberg.us	Freudenberg Dichtungs-u. Schwingungstechnik, Weinheim
44	GEA North America Holdings, Inc.	New York, NY	www.geagroup.com	GEA Group AG, Bochum
45	Schott North America, Inc.	Elmsford, NY	www.us.schott.com	Schott AG, Mainz
46	Behr America, Inc.	Troy, MI	www.behrgroup.com	Behr GmbH & Co. KG, Stuttgart
47	BSH Home Appliances Corporation	Huntington Beach, CA	www.bsh-group.us	BSH Bosch und Siemens Hausgeräte GmbH, Munich
48	Infineon Technologies North America Corp.	Milpitas, CA	www.infineon.com	Infineon AG, Munich
49	Cognis Corp. USA	Cincinnati, OH	www.cognis.com	Cognis GmbH & Co. KG, Monheim
50	Wurth Group of North America Inc.	Charlotte, NC	www.wurth.com	Würth-Gruppe, Künzelsau-Gaisbach

Conversion Rate of USD 1.3133 to the EUR applied (2010 annual average)

Top 50 German Firms in the US



Download the ranking from
www.gacny.com

U.S. TOP EXECUTIVE	SALES (\$M) 2010		SALES (\$M) 2009	EMPLOYEES 2010	EMPLOYEES 2009	BUSINESS ACTIVITY	
Ernst Lieb MBUSA / Martin Daum DTNA	26,549	↑	23,030	18,295	17,697	Automotive	(8)
Philipp Humm	21,127	↓	21,531	37,795	36,000	Communications	
Eric Spiegel	19,400	↓	21,301	62,000	64,000	IT/Communications, Transportation	
Kurt Bock	17,395	↑	15,955	16,487	15,000	Chemicals	(3)
Jim O'Donnell	16,985	↑	16,296	1,024	5,500	Automotive	(1)
Gary C. Bhojwani	15,109	↑	13,900	9,808	9,908	Insurance	(2)
J.P. Foley	11,672	↑	8,813	3,000	2,600	Courier Services	(3)
Peter J. Marks	11,171	↑	7,250	13,500	13,500	Automotive, Consumer Goods, Industrial Technology	
Greg Babe	10,860	↑	10,700	15,100	17,000	Pharmaceutical/Medical Products	(1)
Ben Lipps	9,219	↑	7,612	39,000	39,000	Surgical/Medical Instruments	(1)
J. Martin Carroll	8,800	↑	8,664	9,413	9,300	Pharma	(3)
Dan Bane	8,500	↑	7,200	6,000	5,500	Grocery Stores	(1)
Christian W.E. Haub	8,100	↓	10,000	50,000	50,000	Grocery Stores	(4)
Peter J. Davoren	8,000	↓	8,200	5,100	5,700	Construction	
Charles Youngstrom	6,800	↑	6,200	3,000	3,000	Grocery Stores	
Deric Righter CEO / Christian König President	6,700	↑	5,200	17,500	21,000	Steel, Stainless Steel, Capital Goods, Services	
Schuh-Klaeren, Maike	6,342	↓	6,703	1,736	1,746	Non-Ferrous Metals	
Matthias Schoenberg	6,151	↓	6,304	3,561	1,381	Tires	
Jonathan Browning	5,061	↑	3,617	3,500	1,400	Automotive	(1)
Jürgen Siebenrock	4,583	↑	4,429	12,404	11,752	Air Transportation/Logistic/Catering	
Pete Schaefer	4,413	↓	4,566	341	336	Insurance	(2)
Bill McDermott & Jim Hagemann Snabe	4,259	↑	3,746	4,000	4,000	Software	
Albert Scheuer	3,943	↓	4,019	5,800	5,800	Cement	(1)
Herbert Hainer	3,683	↑	3,280	10,210	9,716	Sports Wear	(1)
Anthony J. Kuczinski	3,581	↑	3,237	1,200	1,211	Insurance	(2)
Jeffrey C. Piccolomini	3,577	↑	3,539	5,440	5,714	Industrial Organic Chemicals	(1)
Tom Bates	3,318	↑	2,306	3,500	3,500	Industrial Inorganic Chemicals	
Robert Sorrentino	2,786	↓	3,481	17,000	17,000	Media, Publishing	
Detlev von Platen	2,300	↑	1,615	300	180	Automotive	(1)
Patrick Murphy	2,205	↑	2,144	6,977	400	Industrial Gases	(1)
Dr. Christoph Bohl	2,198	↑	1,773	5,981	5,960	Freight Transportation	
Andreas Weimann	2,089	↑	1,100	300	292	Chemicals	
Victor Staffieri	2,052	↓	2,570	3,000	3,256	Power Generation	(5)
Ian Holding	1,734	↑	1,182	2,084	2,342	Branded Consumer Goods	(1)
Randall S. Dearth	1,541	↑	1,046	1,309	800	Specialty Chemicals	(1)
Julio Caspari	1,510	↑	1,322	2,746	4,660	Automotive	
Caroll Neubauer	1,452	↑	1,370	4,145	4,234	Surgical/Medical Instruments	
Heinz Hermann Thiele	1,171	↑	919	3,030	2,559	Railroad Equipment	(1)
Jay Piccola	1,122	↑	924	1,300	1,298	Sports Wear	(3)
Tom Rademacher	1,079	↑	1,040	1,990	2,022	Construction	
Fred Whyte	1,053	↑	911	2,125	2,036	Power Tools	
Karl-Georg Mielke	905		n/a	1,950	n/a	Chemicals	
R. Krieger, B. Norton, M. Heidingsfelder, Y. Masumoto	799	↑	695	4,224	4,499	Automotive	(1)
Susan M. Murphy	793	↓	1,198	2,163	2,224	Engineering Services	(3)
Dr. Gerald J. Fine	788	↑	600	2,600	2,600	Glass & glass-ceramic products	(1)
Heinz J. Otto	723	↓	729	2,300	2,220	Automotive	
Michael Traub	572	↓	600	1,600	1,400	Kitchen Appliances	
Jean-Baptiste Loire	460	↓	598	640	700	Semiconductors	
Paul S. Allen	n/a		767	n/a	1,300	Chemicals	(1) (6)
Andreas M. Fischer	n/a		910	n/a	370	Maintenance Supplies	(7)

(1) North America (exclusive U.S. figures not available) (2) Gross Written Premium (3) Americas (4) Filed chapter 11 Dec 2010 (5) E.ON U.S. LLC becomes LG&E and KU Energy LLC through acquisition by PPL Corporation 11/2010 (6) Cognis acquired by BASF 12/2010 (7) results published May 18, 2011 (8) MBUSA: Mercedes Benz USA, DTNA: Daimler Trucks North America

By Kevin D. Goldberg

Jacob Beringer


www.ghi-dc.org/entrepreneurship

Jacob Beringer founded Beringer Brothers Winery in St. Helena, California (Napa County) in 1875. Through technological innovation and successfully targeting East Coast markets, the Beringer name, by the start of the First World War, became one of the most recognizable liquor brands in the United States. Born in 1845, Jacob learned the wine trade in the vineyards and cellars surrounding Mainz. He took a cellar apprenticeship at Tim & Floske in Berlin (1865-1867), followed by a position at the prominent J.A. Harth & Co. merchant house in Mainz (1867-1868).

The Beringer Brothers and their workmen in front of the winery in 1895 (Jacob in plaid vest at left of archway, Frederick at center with thumbs hooked in vest).



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IN THE 19TH & 20TH CENTURY

GERMAN roots

Jacob's decision to leave Europe in 1868 hinged upon a number of variables. The competitive wine trade was wrecked by land scarcity, inconsistent weather, and paranoia over wine manipulation. In addition, his brother Frederick's successful malting business in New York State promised Jacob relatively stable footing in the New World. With Frederick's help, Jacob opened a wine shop on 10th Street in New York City. Jacob's stay in New York was short-lived, however, as he decided to follow the growing number of German immigrants heading to California's Bay Area. Upon arriving in St. Helena in 1870, Jacob took a job in the cellar of another German immigrant, Charles Krug.

Still working as foreman at Krug's estate in 1875, Jacob – with financial assistance from Frederick in New York – purchased a vineyard, a farmhouse, and cultivable land for the sum of \$14,500. He managed to collect a harvest a year later and decided in 1878 to resign from Krug, devoting full attention to his own property. Jacob became active in the St. Helena Viticultural Club and the St. Helena Water Company by the end of the decade. In 1879 he married the Austrian-born



Beringer winery barrel room.

Agnes Tscheinig. Six of their children would survive into adulthood.

Jacob's impulse was to create a Rhine-styled winery. Although the estate would soon produce an array of wines and brandies, the initial plantings centered on the familiar Riesling and Gutedel grapes. Plans were drawn to build a two-story building that would utilize the gravitational fermentation method popular in Germany. The work was undertaken with an infusion of capital from Frederick. Construction also began on limestone cellaring tunnels, an enormous endeavor that few had attempted before in California, and none to the scale that Jacob envisioned. Chinese laborers ("coolies") were used to complete the dangerous process, taking years to complete.

By 1880, Beringer Brothers Winery was shipping an astonishing 145,000 gallons of wine to the East Coast. Jacob avoided the cut-throat San Francisco market, where the majority of Bay Area vintners were active. The decision to focus on Eastern markets depended on Frederick's ability to market and sell his brother's wine. In 1880, Frederick, whose thirteen-year presidency of the New

York Arion Society helped form friendships with political and business elites, opened a wine shop at 180 Fulton Street. Frederick bombarded the local media with praise for Jacob's wine. In an environment where domestic winegrowers found it increasingly difficult to attract buyers, influential papers such as the New York Retailer printed articles paying tribute to Beringer's "European-styled" wines.

To meet the growing demand of consumers, Jacob employed the newest technologies, including steam crushers and mechanized tracking to move the tonnage in the cellar. Tens of thousands of gallons of wine continued to be sent eastward on frequent cross-country and cross-sectional rail and steamer trips. This coincided with other decisions by the brothers, including the purchase of an additional seventy acres of vineyards and the sending of the winery's bookkeeper Albert Schantzen to New York.

Frederick and his family made the move to St. Helena in 1884. Construction began on the timber-framed "Rhine House," a magnificent home with stained glass windows and

turreted towers. At an estimated total cost of almost \$50,000, the home was an exhibition in ostentation. Two stained glass Swiss Knights, representing Frederick and Jacob, "protected" the front door. According to the local newspaper, "This addition to St. Helena's long list of attractive homes... perhaps eclipses all others in the county."

The success of the winery in the 1880s is made evident by the expansion of the cellar, the purchase of additional vineyards, and the construction of above-ground storage. Jacob made the decision to drift from the original tunnel, cutting additional chambers on both sides of the original walls. A third story was added onto the winery in the 1880s along with the acquisition of 32 thousand-gallon redwood casks for fermentation and aging, all of which helped Jacob raise the level of production to 175,000 gallons by 1886. >>

CONTACT INFO



This article is an excerpt from a new project at the German Historical Institute Washington DC. **Immigrant Entrepreneurship: German-American Business Biographies, 1720 to the Present** will feature a collection of 250 biographical articles of 1st & 2nd generation German-American business people along with contextual information and a wealth of visual material.

Together, the brothers were active in Napa County's commercial and social life. Both served terms as president of the St. Helena Turn Verein, both played an active role in local politics, and both supported fellow immigrants through groups such as the German Benevolent Society. Frederick still filled the financial and social roles, serving as president of the St. Helena Savings Bank and, in 1888, delivering the eulogy for Kaiser Wilhelm I to San Francisco's vibrant German community. Jacob focused on day-to-day operations, helping the estate fight vine diseases and continuously improving functionality in the cellar.

Jacob was forced to take on a larger role following Frederick's death in 1901. The San Francisco earthquake of 1906 rattled Napa County, sending the chimney of the Rhine House crashing through the roof, and damaging the winery and cellar. But Jacob's estate had already become one of the nation's largest. In fact, the property's approximately 155 acres and almost 700 tons of crop would have made it the largest in all of Germany, save for the Royal Prussian Wine Domain (Kloster Eberbach). The years before World War I – due largely to a global slump in wine sales – were actually a period of decline for the estate, however. Jacob's

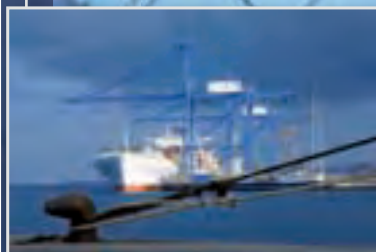
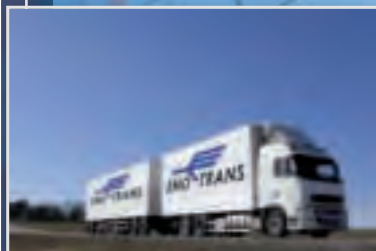
PHOTO BY VAUGHN HANNON



The Rhine House

death in 1915 was preceded by the sale of the Rhine House a year earlier. Nevertheless, Prohibition and its end would begin a new chapter for the Beringer brand, and the estate founded by Jacob Beringer would once again find firm ground. **EAT**

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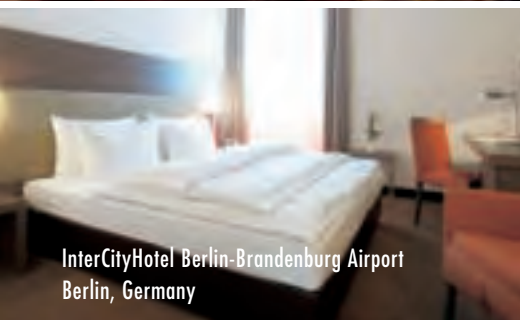
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Equal Parts Business & Charm

*How North Carolina became
the technological center
of the eastern United States*

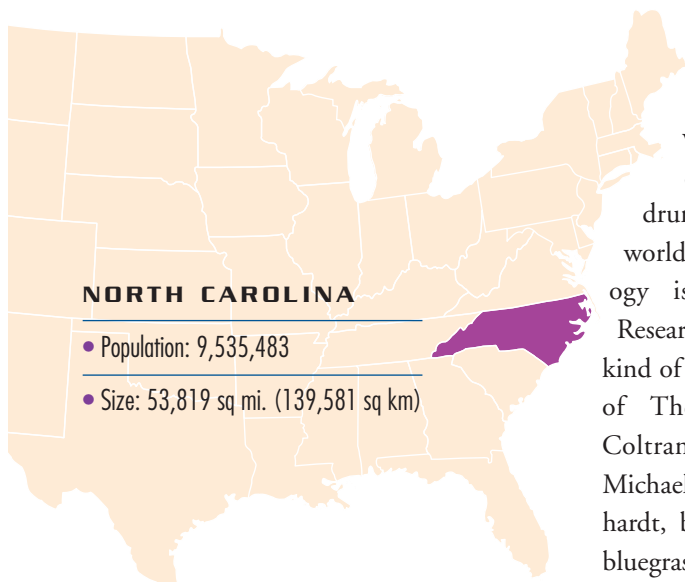
North Carolina

It's a state built on the idea of doing rather than giving the illusion that things are getting done. Adopted in 1893, the state motto is "esse quam videri," from Cicero's "On Friendship," meaning "to do, rather than seem to be doing." Action is vital, while frankness and sincerity surrounds those actions.

It's the kind of place where sweet tea is still stored in buckets and drunk out of jars while the world's most advanced technology is being developed in Research Triangle Park. It's the kind of place that raised the likes of Thelonious Monk, John Coltrane, Maya Angelou, Michael Jordan and Dale Earnhardt, but still pays homage to bluegrass bands that work at the local gas station during the day. It is rooted in southern hospitality while being at the forefront of research. It's quirky and complex. It's North Carolina.

Founded in 1789 as the 12th state in the union, North Carolina is wrapped in patriotism, with state colors of red and blue. The capital city of Raleigh is home to century-old colleges standing next to new federal buildings. The University of North Carolina, opened in 1795 in Chapel Hill, is the oldest state university in the country. Charlotte, the banking center of the country, is the largest city in North Carolina with over 1.5 million residents in its metro area. The area known as Research Triangle Park, named as such from the triangle created by Raleigh, Durham and Chapel Hill, is the largest research park in the United States.

North Carolina has three distinctive regions. The first is the mountains in the west, which are made up of the Great Smoky Mountains and the Blue Ridge Mountains. Parts of the mountains receive over 30 inches of snow per year and are great for



NORTH CAROLINA

- Population: 9,535,483
- Size: 53,819 sq mi. (139,581 sq km)

By Pamela Jackson, GACC South

winter sports. In the central section of the state, there are rolling hills, plains and rock outcroppings, spotted with the financial centers of the United States and economically successful cities. From tobacco farms rooted in southern history to excellent research universities and textile factories, the center of the state is abundant and diverse. Finally, on the eastern coast, there are over 300 miles of ocean front property as made up by the intercoastal waterway and outer bank islands. The coast is home to the famous city of Wilmington (made popular again recently by the hit drama series of the '90s, *Dawson's Creek*), Kitty Hawk of the Wright Brothers' first successful flight and Topsail Island, a former outpost of the feared pirate Blackbeard.

What makes North Carolina tick?

North Carolina came of age in the rural south, primarily based on a traditional economy of tobacco plantations and furniture and textile manufacturing. These days, it is powered by international innovation in knowledge-based fields. The state fosters advanced manufacturing, software and information technology, biopharmaceuticals and financial services. Tobacco crops, while still existent, have been edged out by wine-making and bio fuels.

There is also a large defense-related industry in the state, as it has

the fourth largest military presence in the country. University-based research fuels the innovation and development of technologies, while government funding, a growing population, and an educated workforce put the technology into practice. There is also a massive aerospace industry, with most of the world's largest aeronautical companies owning facilities in the state. North Carolina has four international airports, 74 publicly-owned airports and 300 privately-owned airports. The largest of these airports is in Charlotte, with non-stop daily international connections to Canada, Mexico, Germany (Munich and Frankfurt), Paris, London, Rome and Rio de Janeiro. The Charlotte airport also makes for a great layover destination, with rows of white rocking chairs to relax in between flights.

The banking and finance industry, centered in Charlotte, employs over 200,000 workers at over 1,700 firms. Over 120 banks operate over 1,800 branches in the state, and headquarters for three of the nation's 15 largest banks (such as Bank of America) are headquartered in Charlotte and Winston-Salem. Nucor, the nation's largest steel producer, and the National Association of Stock Car and Auto Racing (NASCAR) call Charlotte home. Nucor has one of the most efficient steel making facilities in the world and NASCAR makes more

>>





than \$3 billion annually in licensed product sales, which is even more impressive when one remembers that they are still a family-owned business.

Centered in Research Triangle Park, North Carolina has the third largest biotechnology industry in the nation with more than 520 bioscience companies. The industry employs over 56,000 workers, ranging from technicians to PhDs. Glaxo Smith Kline, Merck, Bayer, Novo Nordisk and Baxter all have operations in the state. The North Carolina Biosciences Organization created the country's first comprehensive biotechnology training program, partnering with government, industry and academia to train workers to meet the growing demand for bioscience experience.

The state is also putting in measures to continue growth in the green energy sector. There has been strong legislative support to continue expansion and assist companies looking to develop their reach and technologies in the North Carolina.

Deutschland's presence in the Tar Heel state

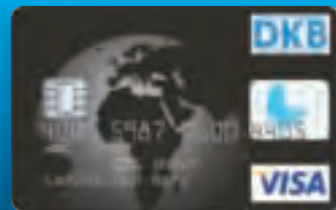
Germany has been a long-time investor in North Carolina, currently creating over 30,000 jobs there. Of the 192,200 jobs in the state created by foreign-owned affiliates, 16% of them are with German-owned affiliates. Ger-

man companies and subsidiaries own roughly \$436 million in North Carolina real estate.

There are roughly 200 German subsidiaries in the state, ranging in size from only a few personnel to mega-companies. German-owned Freudenberg is the world's largest producer of nonwovens and has a large plant in North Carolina that produces the Novolon product line, which was first developed at NC State University.

SIEMENS, one of the largest foreign investors in the nation, employs more people in North Carolina than in any other state. The company operates a state-of-the-art production facility out of Charlotte, where generator shafts weighing 300 tons each are made. Each shaft spins at 3600 RPM for 3-5 years before it has to be stopped for maintenance. A 280-ton generator shaft, which will be the core of Finland's new nuclear power plant, was manufactured in Charlotte, then shipped by the German company Kühne + Nagel.

North Carolina has become an interesting mix of international technology and business. The state attracts superior companies from all over the world because of its academic and technological base and has extensive programs in place to help with site selection, business services, and development for international companies looking to set up shop. It may be time for you to grab a mason jar of sweet tea and explore. **GAT**



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'Green' and Gorgeous

San Francisco's Orchard Hotels

Orchard Hotels are centrally located boutique hotels just steps from Union Square, Chinatown and the Financial District. "At the Orchard and Orchard Garden Hotel, you've come to the right place. No greenwashing here. We're dedicated to healthy, sustainable hospitality. And we have been from the very beginning", says Stefan Mühle, General Manager, Orchard Hotels, San Francisco and Regional Director, Portfolio Hotels, USA.

In 2006, Stefan and his team opened the \$21 million Orchard Garden Hotel, California's first LEED-NC® certified hotel by

the US Green Building Council (USGBC). Its sister property, the award-winning Orchard Hotel, earned its own LEED-EB certification in March 2009. LEED (Leadership in Energy & Environmental Design) is the USGBC's green building certification program that encourages and accelerates global adoption of sustainable green building and development practices.

Inspiration for the hotels comes from its 86-year-old owner, Mrs. S.C. Huang. She is passionate about clean environments, after the untimely cancer-related deaths of three family members, and has

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devoted herself to creating environmentally safe, sustainable hotels. “Studies prove that LEED certified buildings have lower operating costs, higher employee productivity, and happier, healthier occupants,” says Stefan.

While there are many shades of ‘green,’ the Orchard Hotels are most thorough. From construction practices to décor, food and beverage, daily operation and more, the hotels never waver from their commitment to Mother Earth.

Raised in Berlin, Germany, Stefan Mühle, who now lives in San Francisco with his wife Betsy, their daughter Mimi and dog Moxie, is considered one of the nation’s leading experts on ‘greening’ the hospitality industry. But going ‘green’ posed its challenges.

In 2002, as it became increasingly important to tightly control expenses in the post-9/11 business climate, he and Mrs. S.C.

Huang wanted to take first steps to go ‘green’ in housekeeping by replacing cleaning products with citrus-based, organic products, which, if used properly, would also save money. So, Stefan called a meeting with housekeeping staff members and told them the ‘good news.’ To his surprise, the message was greeted with distrust as most of the crew did not believe that ‘green’ cleaning products would do the job. Stefan’s argument for a ‘healthier work environment’ was met with little enthusiasm as the housekeeping team was much more focused on getting rooms cleaned quickly and efficiently – no matter the (environmental) price. Potential health benefits weren’t of much interest either.

It would have been easy for Stefan to issue a memo forcing the team to comply. Realizing, however, that employees look at senior management for inspiration and not just direction, he suggested an experiment: Room

attendants were assigned into two groups – one outfitted with traditional chemicals, and one equipped with ‘green’ products – for one week initially. During that first week, the ‘green’ team learned how to properly dilute, mix and match, and apply specific surface cleaners. Since the products were non-toxic, fear of mishandling evaporated quickly. However, product performance remained a hotly debated point of contention. After another week, the ‘green’ group slowly began to see the benefits of using the products properly. Two more weeks went by (all the while Stefan asked for daily feedback), and then the groups rotated. The employees who had used the new products had to revert to using chemicals and the other team couldn’t wait to experience the ‘green’ items, which, in the interim, had generated lots of buzz amongst the teams.

The results were astonishing. Not only did the hotels’ employees overwhelmingly select the ‘green’ cleaning products, but the experiment created a tremendous boost of confidence among staff members in a very challenging business environment. They had become part of the decision-making process.

In addition, the Orchard Garden Hotel debuted San Francisco’s first guestroom key card energy control system that switches off much of the guest room’s power when the guest leaves the room, saving both energy and money. The hotels’ ‘green’ practices include a 100% tobacco-free environment, recycled paper and

>>

The Orchard and Orchard Garden Hotels' Award-Winning and 'Green'

Recommended by Michelin Guide San Francisco 2010

2008 TripAdvisor Traveler's Choice Award for Best Luxury Hotel - United States

National Geographic Traveler Magazine "Stay List" 2008

Outside Magazine "Best New Eco Getaways" 2008

"Best Place to Work in the Bay Area" in 2005-2010 by the San Francisco Business Times

San Francisco Department of the Environment - Certified 'green' Business Award

Hotel Heroes Lifetime Achievement Award in 2008


... among many others.



Stefan Mühle
Portfolio Hotels & Resorts
Regional Director and General Manager

soy-based inks, in-room recycling bins, low-flow faucets and toilets and more.

The Orchard hotels are proud members of the German American Chamber of Commerce and the German American Business

Association and work closely with the German Consulate and the Goethe Institute. Prominently featured by media worldwide, the hotels were covered by Wolkenlos and Der Spiegel. They are also members of the Business Council on Climate Change. 



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“Having successfully worked with a large German client and their U.S. subsidiary, sharing their passion for perfection, we aim to expand our client base within the German American Business Community.”

Logistics experts estimate that only 30% of all manufacturer operated warehouses are efficient, confirming the gut feeling of many CEOs that their warehouses are probably overstaffed and oversized, particularly during a low season or a slow economy. Traceability of product, allocation of space and labor expenses to products and customer-specific handling are often poor or non-existent.

FLEX Logistics was founded over 25 years ago by Carl DeTorres, who still runs the business on a daily basis. Early on, he envisioned the benefits that a shared-services concept of a best-in-class third-party logistics partner can provide, e.g. improving quality and efficiency, while removing limits to growth in size and innovative technologies to customers' warehouse and supply chain operations. Particularly small and mid-sized businesses realize that their warehouses are struggling to be efficient, to afford talented and experienced specialists and the most advanced warehouse management systems, while also tying up resources with HR and workers comp issues that abound. So why not outsource with specialists that have to be best in class to succeed? Some of FLEX's cus-

tomers have realized savings as high as 50% regarding their logistics expense and storage space. Besides that, customers feel that their partnership with FLEX gives them a strategic, competitive advantage delivering added flexibility, customer service and process efficiencies. Last, but not least, a state-of-the-art Warehouse Management System provides much more control and visibility of processes and cost and FLEX's customers never have to worry about space and labor – the two main reasons why they chose a third-party logistics provider. The following elements are keys to FLEX's success:

Customer Care beyond Borders

The FLEX team partners with our customers applying the right sense of urgency, integrity and accountability to the supply chain demands of their business. Taking pride in providing the highest level of customer satisfaction, we have helped many of our customers to earn awards and incentives as top-performing vendors.

Defining Flexibility

Change is the constant in the supply chain ecosystem. That's what FLEX is built to adapt to and capitalize on. We successfully support a diverse customer

base, showing operational flexibility while rapidly adapting to the various complexities of each customer's requirements.

Less Guessing, More Knowing

Transparency of information means no more guessing. FLEX works hard to learn our customer's business, so we can partner with them for the long term and provide them 24/7 online access to reliable information for product inventory, location and cost of supply chain processes.

Expecting the Unexpected

The global supply chain is a vast network full of obstacles. FLEX makes sure our customers never encounter them. Employing best practices learned over 25 years from our diverse customer base, we have developed a sixth sense to foresee potential issues before they arise.

Tailored Solutions

FLEX's value-added services are a staple of our operations and provide our customers with a rapid response to their diverse and

complex value-added needs. From kitting/labeling /repackaging to product testing /assembly/ display builds, we take on projects that many competitors will turn down.

Technology Matters

FLEX's proprietary full-featured Warehouse Management System is at the core of our comprehensive IT capabilities. We provide real-time traceability and accountability. Many of our small and mid-sized customers have eye-opening experiences, enjoying total cost visibility compared to the muddled accounts often found in self-operated warehouses.

Foreign Trade Zone Capabilities

This latest addition to FLEX's extensive array of value-added supply chain services can simply improve cash flow for customers with high value/high volume imports, re-export business. Another possibility is to perform assembly/kitting functions to achieve improved duty rates, when releasing the finished product into the domestic US market. **GAT**



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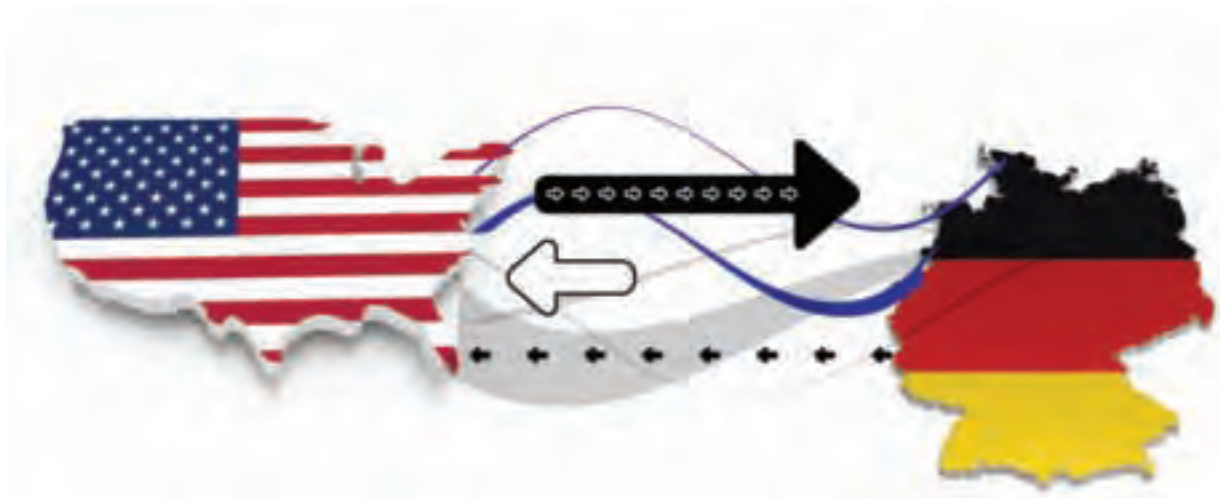
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Connect with your Communications



Successful organizations have figured out that strong interpersonal communications in business are essential. As companies become more global and employees are working together from greater distances, it is important that every company evaluates their communications strategy to ensure that it fosters personal interactions. To do this, we must understand what technologies are available and how they can be applied to keep our lines of communication open.

Unified Communications (UC)

This combination of live calling (traditional land line phone service, mobile phone service, etc.) with messaging services, includes voicemail, faxing, and email. Whereas most people already use many of these services, UC solutions attempt to bring them all together into a single interface allowing the user to leverage advantages of each. UC has “voice logistics” intelligence to

ensure we receive the calls we need regardless of our location. Have you ever been waiting in your office for an important call only to find it comes in just as you step away? With a UC solution, you can create a path so an important call gets forwarded to your mobile phone allowing you to connect even though you were not in your office.

Automated Attendant (AA)

A voice menu greets callers to your business and offers them options to hear pre-recorded information (such as the directions to your office) or to transfer to an employee or department (sales, customer service, international office, etc.) Depending on your business needs, automated attendants can greet callers 24x7, replacing the need to have a receptionist, or can pick up calls when the receptionist cannot (lunch time, after hours, etc.) The key is to keep your menu short, casual, and even witty. The voice on your menu should

reflect the personality of your business, not sound like a computer trying to speak.

Web Conferencing

Participants from anywhere in the world are able to conduct virtual meetings and share information with each other from their computers. Traditional conference calls involve only a phone and allow groups of individuals to talk together. With web conferencing features, those users can also share presentations, discuss documents while looking at them together, and even broadcast their computer screen to the meeting allowing others to take control as if they were sitting next to each other with the same keyboard and mouse.

Video Conferencing

Providing the ability to conduct interactive, high-touch meetings across distances. Although web conferencing services often provide the ability to see the speaker's materials, video conferencing emphasizes this visual and allows the participants to speak with each other as if they were in the same room.

Voicemail

Having been around for over 20 years, voicemail is the oldest technology in this list and these days is often seen as the obsolete in favor of email or text messaging. However, voicemail can be a powerful tool because it uses the power of your voice to convey the emotion and



tone that can be lost or misunderstood in a written communication. And because voicemail is a non-real time communications method, it combines the advantages of a live conversation with the convenience of an email. As it is especially the case with global companies, time differences often make it hard to have a live conversation but many times a topic requires more nuance and personal attention than written correspondence can offer. In these times, a properly constructed voicemail is the perfect vehicle to convey your message.

Voice Messaging

Organizations stay connected as a team even when they work from different offices or countries. Voice Messaging builds on the advantages of voicemail by providing the ability to send a single message out to groups of interested parties. Inspiring leaders find it hard to have personal conversations with every person in their organization yet still need a way to keep everyone motivated and focused on common goals. Also, as organizations grow it often becomes even harder to retain the excitement that drove them to success when they started. Good organizations gather all employees together every

month or every quarter to spread the company message. However, consider the power of a weekly voice message from the President directly to all employees.

It is important to take time to evaluate the way your organization communicates. With the proliferation of communications technology available to us, it's easy to fall into the trap of using these technologies as a barrier between colleagues and customers rather than as a link to stay connected.

Intelliverse has been solving complex and ever-changing communications problems for businesses of all sizes since 1986. With solid foundations in Voice Messaging, Integrated Voice Response (IVR), Conferencing, and IP Telephony, we help our customers communicate more effectively with their customers and employees. **GAT**



EVENT CALENDAR

May 6 - June 28, 2011

May 18

YEC Monthly Stammtisch

Held by GACCoM
Chicago, IL
www.gaccomm.org

May 19 ▲

European Chambers Spring
Networking Event 2011:
Central Park Boat House

Held by GACCNy
New York, NY
www.gaccny.com

May 19

"A Taste of Germany"
Spargel Gourmet Dinner

Held by GACC HOU
Houston, TX
www.gaccsouth.com

May 19

"A Taste of Germany"
Spargel Gourmet Dinner

Held by GACC South
Atlanta, GA
www.gaccsouth.com

May 23

German Business Lunch Panel
@ WINDPOWER 2011

Held by GACC SF
Anaheim, CA
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May 23

German Business Lunch Panel
@ WINDPOWER 2011

Held by GACC SF
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May 24

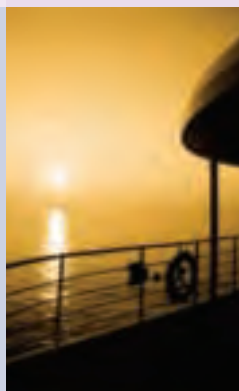
Factory Tour @ Hansgrohe, Inc.

Held by GACC South
Atlanta, GA
www.gaccsouth.com

May 25

YEC-Event:
Manhattan Boat Cruise Party

Held by GACCNy
New York, NY
www.gaccny.com ►



May 26

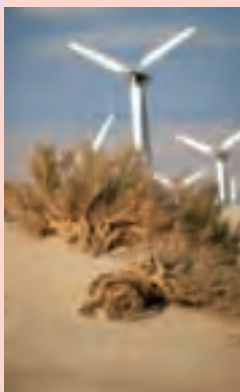
Asparagus Gala Dinner 2011

Held by GACCNy
New York, NY
www.gaccny.com

Jun 2

Annual Spargelfest
@ The City Tavern

Held by GACC PHL
Philadelphia, PA
www.gaccphiladelphia.com



Jun 7

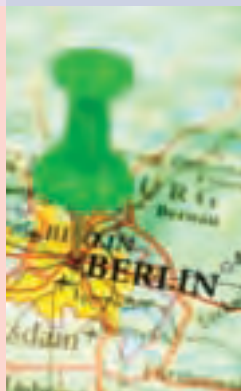
FOCUS: Export Controls

Held by GACCNy
New York, NY
www.gaccny.com

Jun 8

Business Breakfast:
"Smart Solutions -
Business Opportunities
in Eastern Germany"

Held by GACC SF with GTAI
Seattle, WA
www.gaccsanfrancisco.com ►



Jun 9

Evening Reception:
"Smart Solutions -
Business Opportunities
in Eastern Germany"

Held by GACC SF with GTAI
San Francisco, CA
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Jun 15

YEC Monthly Stammtisch

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Jun 16

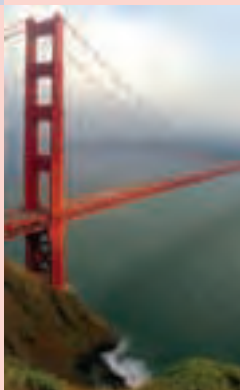
Breakfast w/...
Derrick Duckworth,
Atlanta Beltline Chamber
of Commerce

Held by GACC South
Atlanta, GA
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Jun 21

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Navigating cultural differences to keep your business afloat

By Pamela Jackson
and Morgan Moretz



<http://howwesink.wordpress.com>

Playing the Quiet Game

There are times when a mute button would be quite lovely. When there is a baby screaming in the seat behind you on a transatlantic flight. When you have a deadline in seven minutes but your coworkers have the Friday afternoon giggles. When you've taken a very important client out to lunch and the table next to you has erupted into a tipsy bout of 'wooo-hooos' and jokes with incoherent punch lines.

We've all been there, and without any access to a mute button. Instead, we either have to deal with it in silence or, the more proactive route, we actually have to talk to each other (because a stern glare normally falls unseen). Let us just point out, "I'm having a meeting, please be quiet," will not work on the 'wooo-hooo-ers.'

Unclear as to who the 'wooo-hooo-ers' are? We'll give an example. Picture yourself at the local restaurant and bar that moonlights as a great place for business lunches. While normally a perfect place to bring potential clients, today, the highly-coiffed ex-cheerleaders just walked into the venue. They recognize each other, shriek with delight, and



they spend the next hour downing wine and yelping at the latest unbelievable story about the principle of their child's school.

All the while, you are about to sign the contract of your life with a German CEO who only joins in this kind of revelry on three occasions: the World Cup, Karneval and Oktoberfest. He's annoyed and you need these women to be quiet.

The best way to get them to stop? Join them. Crazy idea, we know. But these kinds of people, rooted in patriotism and apple pie, live by their own rules and they're not likely to take heed of a stern talking-to. Americans want everyone to be their friends and the best way to gain a little loyalty is to act like one, even if you've never met the people.

"So you're telling me that I have to be NICE to the people who are single-handedly RUINING my business luncheon. No, thanks." Yes, that is what we are saying. You don't have to be best buddies, but as southern Americans say, "you catch more flies with honey than vinegar." Essentially, you will get much further with an American if you request something nicely than to demand something bluntly.

In this case, commiserating is better than demanding them to see your viewpoint. The way you phrase what you want is absolutely key. As an example, what you may want to say is "FOR THE LOVE OF EVERYTHING, BE QUIET!" However, "Hey there! Hey! Yea aaa! Whooo! You ladies look like you're having fun! You see the guy I'm sitting with? Yea, yea, he looks a little stuffy, but he's nice. I am working SO HARD to get him to sign this contract but he just needs a slightly quieter environment to think about it. Do you think you can tone it down a little?" will work exponentially better. The time investment is a bit longer, but the return will be worth it. Remember: honey. **EAT**

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