

NAHAUFNAHMEN

Metabo: A strong medium-sized company introduces itself

WHOLE PICTURE Charting the course PIONEER How Metabo innovates VERTICAL VIRTUES
Producing premium quality every day EQUIPMENT Ready for a value-added head-to-head



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metabo[®]
work. don't play.

...AND ACTION

Nahaufnahmen



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THE SCRIPT

How Metabo shapes the present and future



Metabo is a medium-sized brand-name manufacturer with operations in over 100 countries. For eight decades, it has been based in Germany, where it has placed innovative, high-end electrical tools at the centre of its extensive product portfolio.

Even self-portraits obey some ground rules. The most important and yet most difficult one: They should show the "audience" what you're really like. This Metabo story documents how exciting and goal-oriented reality and realism can truly be.

It describes an independent, medium-sized firm that has single-handedly held a strictly premium line in the hotly contested national and international electrical tool market. The standalone strategy requires courage, a sense of responsibility, the bundling of available resources, a clear focus on quality, innovation and customer service as well as constant adaptation to the dynamic market. What's more, the success of this deliberate strategy depends heavily on the dedication of the employees – no matter where they work, or what they do for the company.

In a nutshell: Hard and soft factors have come together in a special way to create a distinctive corporate culture. Our path is certainly demanding, difficult and at times fraught with conflict. In the end, however, this path is what makes the Metabo brand so unique and fascinating. Accompany us down part of this path – and look closely at what you find. Close-ups are ideal for this purpose: They provide a glimpse behind the curtains without blocking your view of the entire scene.

A handwritten signature in black ink, appearing to read 'J. Haupt', written in a cursive style.

Dr. Johannes Haupt
Chief Executive Officer

CAST OF CHARACTERS

Facts, trends and transformations in the electrical tools market

If you want to play in the big leagues as a full-range industrial supplier of electrical tools, you have to go global. That's the challenge Metabo has tackled.

The global tools market is fast becoming an international affair. To survive and thrive, you need to think and act internationally in everything you do.

Here are the facts: The global electrical tools market is worth seven to eight billion euros. To be more specific: Germany's share of the market has eroded in recent years, dropping down to well below 10%. In a continental comparison, Europe remains the biggest single market overall, followed closely by North America. Still trailing a respectable distance behind are Asia/Australia/Oceania, South America and Africa.

Metabo also operates in an environment controlled by factors that not even the most charitable observer would charac-

terise as favourable for small businesses.

First, the entry of low-end providers into the market has caused prices of electrical tools to plummet. This has led to the second factor: cut-throat competition.

Third, the entire sector is undergoing a massive process of manufacturer concentration. At this point in time, five multinationals who produce mainly in the dollar zone account for 80% of international business.

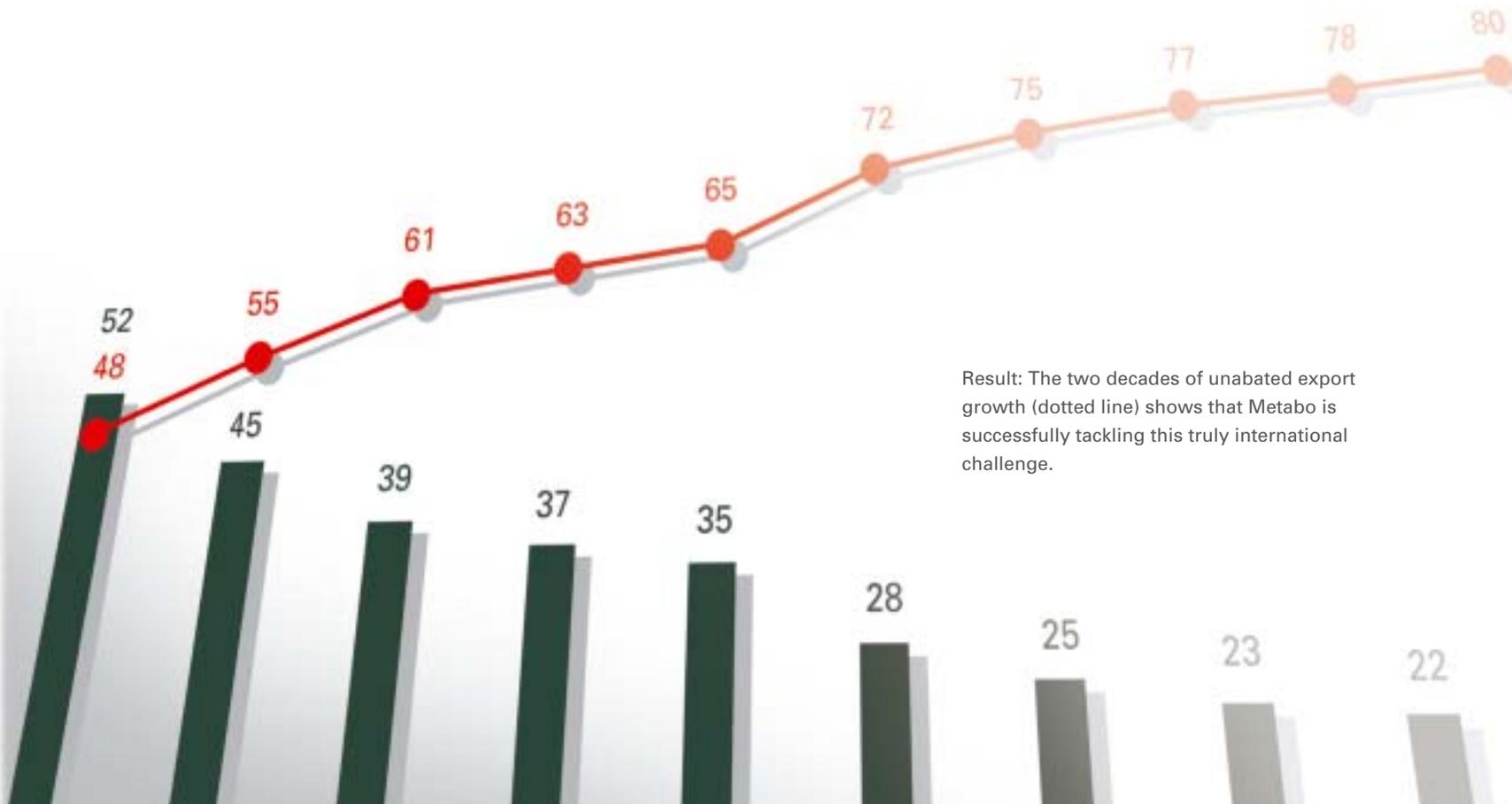
That raises the question:

Can a medium-sized company producing mainly in Germany hold its own against these competitors? Of course it can: by working successfully and relentlessly on internationalisation without ignoring its home market. Best of all, this policy helps to protect jobs from being offshored.

QUOTABLE | QUOTE

"The economic dynamics of globalisation are like the physical law of gravity. You can't be for or against the law of gravity – you just have to accept it."

Alain Minc
French economist



Result: The two decades of unabated export growth (dotted line) shows that Metabo is successfully tackling this truly international challenge.



Also, it only develops products that are neither interchangeable nor vulnerable to price wars. If it didn't, the result would be dramatic: the loss of its earnings power, know-how, innovative edge and, in the end, its good name. For a brand-name producer, there are some roads better not taken. Because it would mean losing its top ranking in the major leagues.



World class: Metabo quality has been put to the test again and again at major international construction sites. The overall global market for electrical tools is worth seven to eight billion euros.

IN A | NUTSHELL

Globalisation is an undisputable fact, even in the electrical tools market. Other challenges facing Metabo include: a sustained drop in prices, cut-throat competition and an industry dominated by major corporations. Two responses of the medium-sized company producing mainly in Germany: consistently operate internationally and avoid experimenting with purely price-driven product lines.

SCENES

A tour: eight decades of Metabo

Even business weekly *Wirtschaftswoche* has dubbed Metabo a "representative of the German manufacturing tradition". An accurate, if rather cursory, portrayal. Reason enough to take a few historical close-ups.

When a baker's son and a brewery owner join forces, what comes out is – no, not an exotic wheat beer concoction. At least not when they are called Albrecht Schnizler and Julius Closs, living in Nürtingen near Stuttgart intending to try something new. That's what happened in 1924, in the throes of economic depression. The doughty team's goal, according to a chronicle, was this: "To manufacture (and sell) tools that meet the growing demands of an increasingly mechanised world better than the current tools." Proof positive that innovation has a long tradition at Metabo.



Legendary: The first hand-held electrical Metabo drill caused a stir in 1934.

Speaking of "Metabo": The company and brand name consists of the syllables **Meta** and **bo** from **Metallbohrdreher**, the then-current German name for hand-held drills. The ambitious business venture got its start in 1924 with Drill No. 18,

developed and built by Schnizler. Three years later, a new partner joined the fold – Walter Rauch, whom the chronicle calls a "talented marketing genius". Thanks to Rauch's international experience, the young company quickly boosted its export share to 80 % in the '20s. Seeing how this is identical to today's export level, it's hard to not shake your head in astonishment and realise: History really does repeat itself.

The innovation train has moved relentlessly forward. Over 500 patents and utility models have been registered so far. Some Metabo highlights: first hand-held electrical drill (1934), first handheld electrical sander (1950), first mass-produced impact drill (1957), first one-hand angle grinder (1966), first impact drill with electronic speed regulator (1969), first percussion drill hammer (1977), first cordless machine (1983), first impact drill with pulse feature (1996), first paint remover (1997), Contact technology for impact drills and rotary hammers (1998), first generation of angular grinders with "Marathon motors" (2000), Power Grip cordless screwdriver (2002), PowerGrip² and PowerMaxx



Beginning: The Metabo era begins with Drill No. 18, developed and built by Albrecht Schnizler.

screwdrivers (2005). There's no question: Innovation has a long tradition at Metabo. That's also illustrated and explained by the close-ups on pages 14 to 17.

What else stands out in this brief historical flashback? Perhaps the ongoing investments, such as the rebuilding of the factory, 75 % of which had been destroyed in a fire in the late fall of 1945. The fact that the company logo and slogan constantly change to reflect the times. The breaking of "sound barriers" in employee numbers (1,000 in 1960 and 2,000 eleven years later). And the relentless focus on expansion and how that led Metabo to strengthen competencies in recent years.

In 1998, for example, the acquisition of Lurem in France opened the door to the French and North African markets for versatile combination wood working machines.

A strategically momentous move came one short year later: In 1999, Elektra Beckum in Meppen, Germany, became part of the Group. The highly regarded specialist for stationary and semi-stationary wood working machines, welding appliances, pumps and compressors added even more colour to the Metabo catalogue – literally: Blue joined Metabo green as the distinctive colours for this full-range supplier of electrical tools.



Premiere: The first angle grinder with an automatic safety clutch arrives in 1966.



Kick-off: Metabo enters the age of cordless machines in 1983.

IN A NUTSHELL

In launching Drill No. 18 in 1924, Albrecht Schnizler and Julius Closs embarked on an ambitious business venture that Walter Rauch joined three years later. Innovation was and remains a tradition at Metabo, which has notched up well over 500 patents and utility models. A lot has happened in this small, agile firm in the course of eight decades. Like adding stationary and semi-stationary tools to its competencies.

WHOLE PICTURE

Metabo: Do the groundwork, set the course and stay optimistic.

In free competition, no one is free from competition. From this simple but profound fact, Metabo has drawn numerous conclusions. A strategic and tactical status report.



Major investment: 14 million euros went into expanding and modernising the factories. A clear sign of Metabo's commitment to staying in Germany. The picture is of a final assembly and packaging plant in Nürtingen.

Basis: Qualified, motivated and dedicated employees are the driving force – in manufacturing and beyond. No wonder that Metabo won an award as a "Top Medium-Sized German Employer". >

Every strategy – and strategy implementation – requires a sound foundation. At Metabo, this foundation consists of several crucial cornerstones. Cornerstone 1: Metabo is a medium-sized firm. In fact, it remains wholly owned by the founding families. Metabo's desire to stay independent and not merge is impressive in today's market environment, dominated by globalisation.

Ditto for Cornerstone 2: a concrete commitment to Germany as a hub of production and innovation. Which leads us almost automatically to Cornerstone 3: an entrenched position as a premium

brand. A position that builds mainly on an uncompromising dedication to product quality.

Through this strategy, Metabo has become an independent electrical tools major with more than 2,000 employees at factories in Germany, France and China as well as 22 distribution subsidiaries worldwide. By systematically and consistently rolling out its internationalisation strategy, it is reducing its exposure to developments in individual markets. The clearest sign of success is its footprint: Metabo products are sold in more than 100 countries in every continent on Earth.



Centre of excellence: The stationary and semi-stationary product lines in the extensive premium portfolio come out of Meppen.



Around 80 % of its total sales are generated by exports.

Even so, the "Made by Metabo" label almost always means "Made in Germany" - a unique characteristic that stands in stark contrast to many of its competitors. The main plant in Nürtingen figures prominently – both strategically and tactically – in Metabo's plan to concentrate German operations at two factories over the medium term. As part of this process, by 2005 the company had invested 14 million euros in expanding and modernising its production facilities. On the other hand, securing the com-

pany's long-term competitive position also means leveraging all available cost-cutting and efficiency opportunities. Just ask the employees, whose qualifications, motivation and dedication are also indispensable to Metabo. Sound like Cornerstone 4? Indeed, it is.

No wonder, then, that Metabo can present its credentials as a "Top Medium-Sized Employer". That was the conclusion of Top Job, which regularly investigates the human resources activities of medium-sized businesses throughout Germany.



QUOTABLE | QUOTE

"For a company to survive and succeed in a changing world, it has to be willing to change everything about itself – except for its basic beliefs."

Thomas Watson Jr.
Chairman of IBM 1956-1970

The candidate companies – 125 nationwide in this case – have to hold their own in five disciplines: vision and leadership, staff development, pay schemes, culture and communication as well as family and community policies. Metabo

That applies to the small electrical tools specialist with one proviso: Change cannot be an end to itself.

That way leads to an endless cycle of senseless action. Or, even worse, the temptation to throw out fundamental



Success: Systematic internationalisation is an integral part of Metabo's proactive strategy. The medium-sized manufacturer sees entering the Asian market as a way to protect its German sites.

was one of the 25 best candidates in that particular year. Clearly an award to be proud of.

An old proverb says: To shape the future, you have to change the present.

principles "just because". Neither of these could happen with Metabo. Instead, its motto is: do the groundwork, set the course and stay optimistic. Good to know.

IN A NUTSHELL

The Metabo strategy is based on four cornerstones. Cornerstone 1: act independently instead of merging. Cornerstone 2: Germany remains the main hub for production and innovation. Cornerstone 3: premium brand position with no-compromise product quality. Cornerstone 4: qualified, motivated and dedicated employees. A stable foundation for a market-driven change process that sets the stage for the present and the future alike.

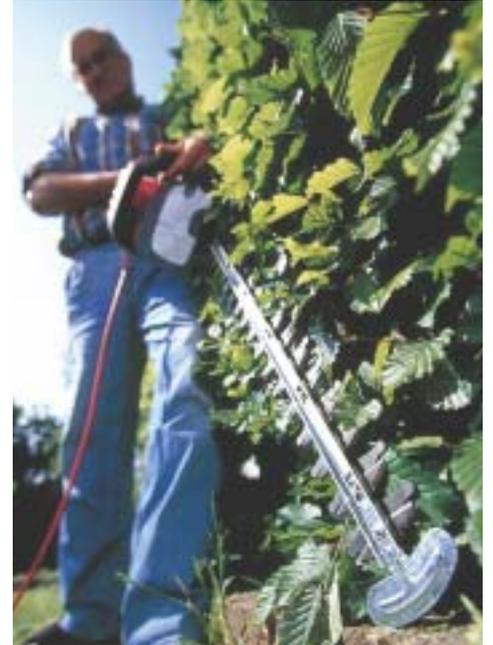
NON-STOP SHOP

No interruptions in partnership programs and market development

It's one thing to develop and produce innovative premium products. Quite another to properly position it with distributors and users. Even here, Metabo leaves nothing to chance.



Win-win: Metabo products belong in the first class category. That's something the premium producer and its worldwide distributors agree on – a sound basis for performance-based incentives.



Good reach: New hedge trimmers are a delight for professional and private users alike.

Think global, act local. The brand-name producer's sales experts put this famous principle into practice every day in the national and international market. Still, despite the undeniable need to adapt to national distribution networks, they all share a common conviction: The distribution partners know Metabo products belong in the first class category. That creates a solid foundation for cooperation and a wide-ranging support package. Some examples of this include ongoing market development initiatives and performance-based incentive schemes. The result of the differentiation and selection strategy: enduring win-win situations.

Throughout everything, neither side ever loses sight of the clientele that shapes their success: the buyers and thus users of the tools. Some belong to what is

traditionally Metabo's core demographic – the highly diverse group of professional users. However, the professional brand's positive image is attracting more and more quality-conscious, ambitious do-it-yourselfers. And that's no surprise.



Cause: The professional brand partly owes its positive image to a diverse line of angle grinders.

QUOTABLE | QUOTE

"In partnerships between manufacturers and distributors, there is no force of habit. There is, however, the force of reliability – which is exactly what Metabo delivers."

Dr. Eugen Trautwein
Chairman of the Advisory Board to E/D/E
Purchasing Association of German
Ironmongers

IMAGE

Metabo: No company can live on brands alone; but without brands, no company can live.

The issue of effective brand policy has spawned philosophies and theories galore. Metabo is (thankfully) far removed from such discussions. For good reason.



Substance: Only an innovative, high-end product portfolio can protect the integrity and reputation of a brand. So says Metabo – which is why it puts even small details under a (production) magnifying glass. Image analyses bear out this strategy.

QUOTABLE | QUOTE

"One company has one brand.
Two brands are two companies."

Hans Domizlaff
Founder of the Institute for Brand Engineering

Few assets are more important to a company than a brand that is both consistent and widely accepted and recognized by its main target groups. So far, so undisputed. But to be truly solid, a brand needs substance. Especially when it positions itself in the premium segment – and plans to stay and thrive there. That's why Metabo has struck a clear course:

Its brand reputation hinges on an innovative, high-quality product portfolio.

Based on this priority, it has developed a clear single-brand strategy for its entire range of hand-held, stationary and semi-stationary tools. It's hard to argue with the reasons: a nationally and internationally strong, unified presence;



Consistency: The clear single-brand strategy covers the entire green and blue product line.

an unmistakable brand; a beneficial, cost-effective concentration of manpower and resources.

The strategy is paying dividends. That's the opinion of regular market and image analyses and target group surveys in Germany and abroad. A telling piece of data: Aided brand awareness among professional users was just barely below

the maximum – 100 %.

No less encouraging: professionals' qualitative assessment. From user safety to reliability, they give the Metabo brand high marks on many key features. So what does that spell for the future? A drive to maintain and improve the excellent image. So: Work. Don't play.

IN A NUTSHELL

A brand's reputation hinges on an innovative, high-quality product portfolio. That is why Metabo pursues a clear single-brand strategy across its entire portfolio. That pays dividends, as regular market and image analyses and target group surveys have shown. The verdict: a brand with substance and style.



PIONEER

Research and development: how Metabo innovates

He's a stock character in Hollywood: the absent-minded inventor whose tinkering is punctuated by flashes of genius. Sounds nice, but it has little in common with the reality in the electrical tools industry.

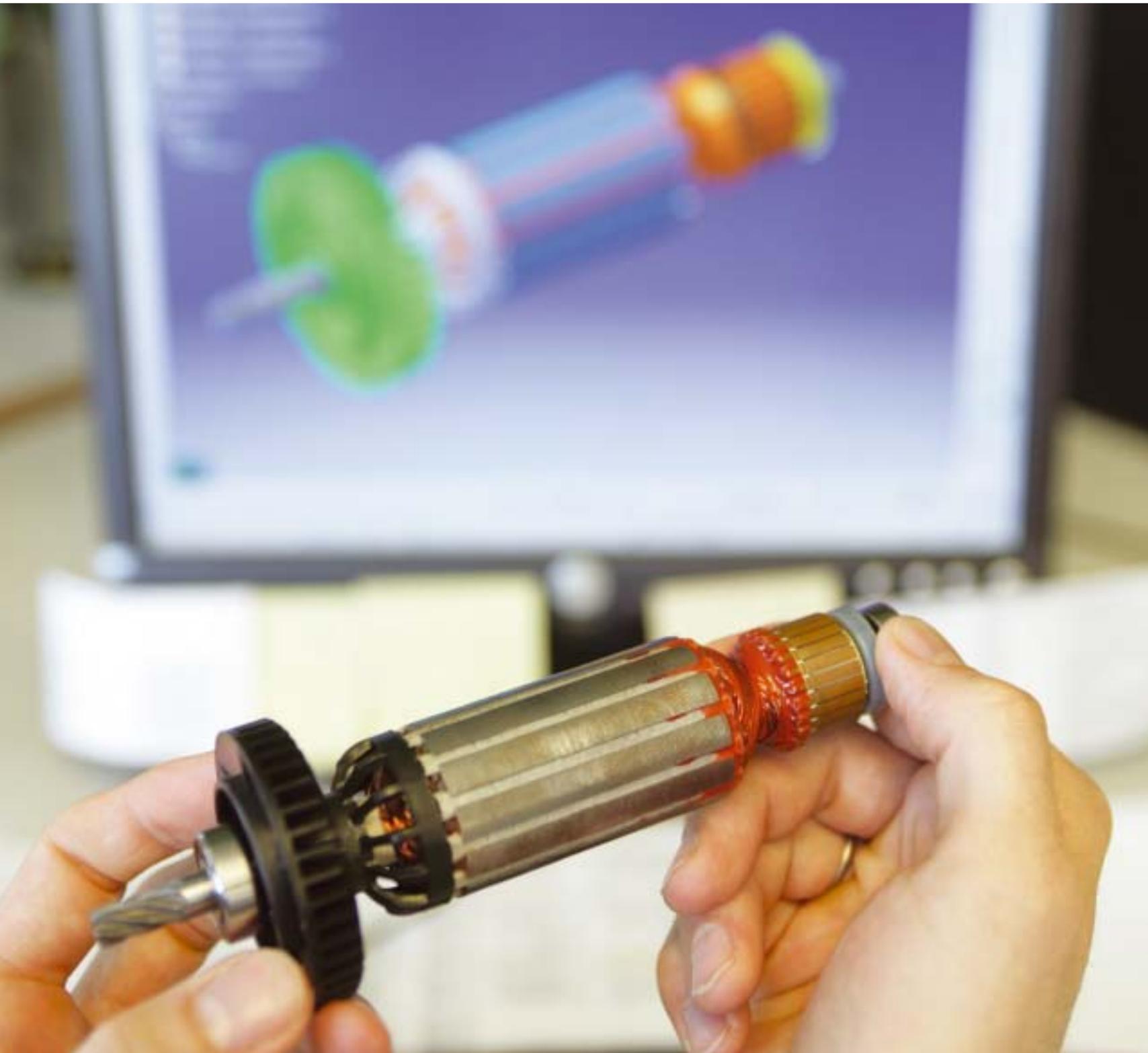
It's a fact: If you're a German company when it comes to innovation.

who produces nationally but sells inter-
nationally, you have to innovate to
survive. That's not exactly news, but it's
the unvarnished truth.

Metabo knows it, so it doesn't hold back

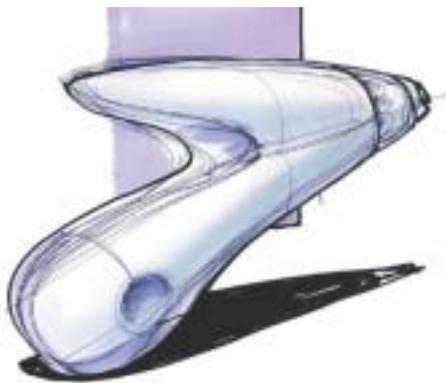
For example, it has 200 people working
in research and development in
Nürtingen and Meppen. It also engages
in regular and project-related

Attention to detail: the motor rotor is the beating
heart of any electrical tool.



collaborations with external specialists and designers. It all adds up to the biggest line item in the corporation's budget. No wonder: Developing a single product can easily cost millions of euros. In the end, a price does have to be paid for giving users the best possible tool for their specific needs.

mature and – let's not forget – available at a competitive price. Military precision is needed to organize and coordinate the processes, machines and people. And all the people hail from different disciplines. The base project team, for example, comprises experts for CAD, modelling and simulation, motors, electronics, IT, prototypes and tool making



Phases of development: from a perspective drawing to the first life-sized models through to the finished product – the PowerGrip².

And realizing the tool takes time. Especially when the functional and quality checks repeated after each development stage only reach the required "best level" after several run-throughs. When in doubt, the routine is to change and test; change again and test again. After all, Metabo's good name is on the line – and compromises are taboo.

To make a long story short: It's a complex matter to develop an electrical tool in Metabo green or blue that is cutting-edge, formally and technologically

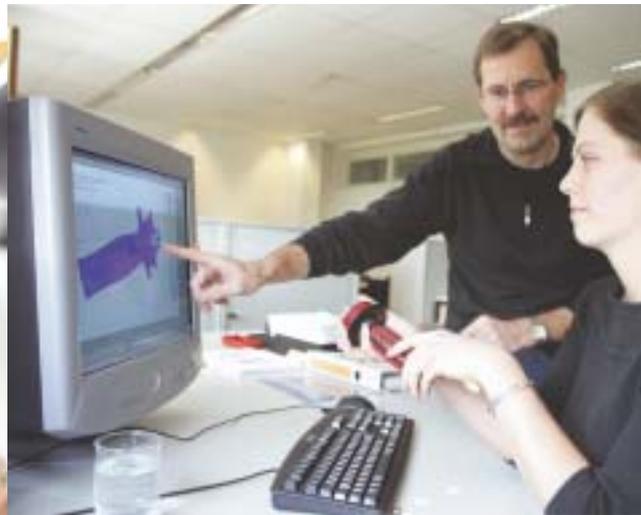
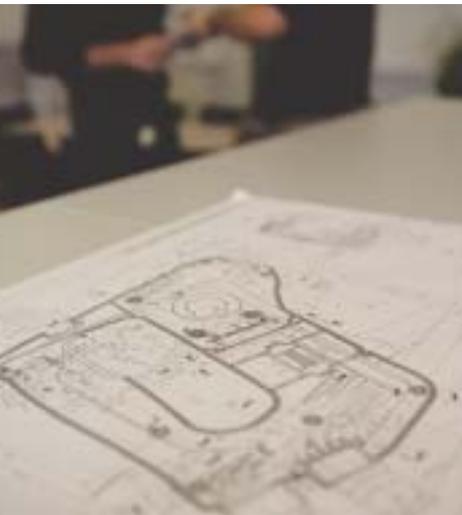
as well as patents and standards. Not to mention the people from Production, Product Management, Quality Assurance and Purchasing. In the "House of Quality", everyone has their assigned place and responsibilities.

If you look at the innovations in recent history, you will get a feel for the technological wherewithal of the Metabo experimenters. Take the replaceable battery packs with lithium ion cells. When combined with the equally novel air cooled charging technology, they make using battery-powered tools much easier,

QUOTABLE | QUOTE

"Since we always have someone at our heels, we have to keep the wheel of innovation turning."

Johann C. Lindenberg
Former Chairman of the German Brands Association



Synergies: Innovative, dependable electrical tools are always the product of in-depth research, attention to detail and close teamwork. The process incorporates exact technical drawings, precise three-dimensional computer designs and constant debate and discussion. And, more often than not, it calls for long cycles of changing and testing, changing and testing. Whatever it takes for perfect results.

cheaper and environmentally friendly. There is no shortage of such examples. They include: the Marathon motor, the S-automatic safety clutch, the Impuls and Contact technologies, the Code electronic anti-theft system, the VTC full wave electronics, the Quick tool change – the list goes on and on. Equally well documented is the brand-name producer's role as a formal and ergonomic pioneer. For its designs, it frequently wins prestigious national and

international prizes such as the IF Design Award and the red dot Design Award.

As Hans-Jürgen Quadbeck-Seeger, BASF's former Chief Research Officer, once said, "Innovation is a joint venture between reason and imagination." Another time, he described innovation as "renewable earnings power". It's hard to deny the truth of both interpretations – even and especially considering Metabo's own example.

IN A NUTSHELL

Systematic research and development has long been a top priority for Metabo. Its byword: differentiation through innovation. Its goal: to give its users the best possible electrical tool for their specific needs. The brand-name manufacturer intends to reach this goal by marshalling considerable human and financial resources. Thanks to its painstaking development processes, it has made enormous technological, formal and ergonomic strides.

Interview "DESIGN IS CRUCIAL."

Its cult following goes beyond car buffs: Porsche Design. For over three decades, its name has been synonymous with distinctive design ideas for consumer goods. What better reason to discuss design with Roland Heiler, the Managing Director of the Porsche Design Studio?

?? Form follows function – this traditional view gives design and designers a rather reactive role. Does the slogan still hold true?

!! The way we understand design, form doesn't follow function, and function doesn't follow form. In Porsche Design products, form and function are equally important. And you can only call a design good if both sides work.

?? How important are independent, distinctive design ideas for technical consumer durables?

!! With all the products on offer for every aspect of people's lives, independence is absolutely essential. That applies all the more for consumer durables. And if you achieve distinctiveness through an innovative design idea, you've found the best of all worlds.

?? The foundation of Metabo's product range strategy is premium quality. How can design contribute to that?

!! Design stems from the convergence of shape, material and colour. By carefully combining these three elements, the design can visualize the quality of a well-crafted product in a compelling way. And that communicates the product's intrinsic value.

?? How much will design affect the public's perception of the innovativeness of a brand-name manufacturer?

!! The first – and often only – thing customers see when they look at a technical product is its exterior. And unless this first impression says, "This product is an innovation!" you'll have squandered a big chance. In short: Design is absolutely crucial to whether a brand-name manufacturer is perceived as innovative.



Significance: Even consumer goods need independent design ideas, stresses Roland Heiler.



Exclusiveness: From top-shelf watches to household appliances developed for Siemens – Porsche Design's unmistakable aesthetic adds the value of beauty to everyday life. And that shows instantly how innovative brand-name producers are.

Pictures: Porsche Design Studio

VERTICAL VIRTUES

Portrait: How Metabo produces premium quality every day

Pros expect electrical tools to take a beating without a pause or stutter – day in, day out. If you promise that level of quality, you need to keep everything under control from A to Z. That's Metabo's guiding principle.

To make a durable tool, you have to begin at the beginning: procuring materials. That's why the brand-name producer demands that its suppliers comply strictly with its stated quality criteria. Nor does it let things lie with a once-over of the first shipment. Again and again, suppliers have to show that they are still "Metabo-ready".

To witness the quality principle used at all Metabo factories, you just have to visit the company's main plant to learn just what "Made by Metabo" manufacturing is all about. Nürtingen is where the hand-held products come off the produc-

tion line. Don't be fooled by the automatic-sounding definition. It has very little in common with the reality. The many testing and control steps at every phase of production are just too extensive; the people are (thus) just too important.

But first things first. Our brief tour starts at the materials warehouse, where alloyed and high-alloy steel is continuously trundled over to CNC turning and milling machines. They work it into rotor shafts, cogs, spindles and bushings. After being hardened and ground, the parts are then conveyed to the next production process.

QUOTABLE | QUOTE

"Quality is when your customer comes back – and not your product."

Hermann Tietz

Founder of department store Hertie

Motto: Man controls machines – not the other way round. This division of labour has proven its value at all stages of production. After all, the accounts aren't the only things that have to balance out.

Unwavering: The production of Metabo products calls for – and gets – full concentration from workers. Good working conditions give them all the help they need.





Precision: Quality knows no compromises at the Meppen factory. The picture shows the sheet metal processing centre in the fabrication area.

The next close-ups are nothing short of extraordinary. They show a glimpse of the "Motor Fractal" – where the heart of every power tool is built. It reveals one of the company's most unusual core competencies – especially in a competitive comparison: Metabo develops and

manufactures. By that light, the engine in a Formula 1 race car looks like a flimsy flash in the pan: It only manages some one million rotations during an entire race. No surprise that 14 worksteps are necessary just to turn a rotor shaft into a full-fledged rotor. Here's a brief run-down for manu-



produces its own motors as well as the all-important rotors and stators. Hard to believe, but it's true: A single motor contains up to 250 individual parts and "consumes" up to 100 meters of copper wire. Provided, of course, that it forms part of a Metabo product.

The rotor's achievements deserve the greatest accolades. Every minute, it rotates 36,000 times. By the time it comes due for its first overhaul, it has completed 200 million rotations, or 25,000 kilome-

ters. manufacturing gourmets: applying the core stack and various insulation layers, attaching the commutator, winding the copper wires, welding the copper wires to the commutator, applying trickle resin to protect the windings, attaching the fan with the special Metabo-developed coil guard, various tests between individual worksteps right up the final electrodynamic balancing and, finally, the final test of each rotor – all on separate production lines. Much the same thing happens during stator production.



Experience: Brand quality is the sum of many details. It may cost (added) time and (added) money, but it also makes up the added value. Even something as minor as air-dusting small parts before the final inspection is part of the "Module Method".

When it comes to gear housings, Metabo uses aluminium for its excellent stability and outstanding heat dissipation properties. Before processing, the metal has to be melted at some 750 °C and then fed into the die-casting machines. The natural gas-fired pre-melting furnace in Nürtingen can process 800 kg per hour at a high level of efficiency and (of course) in full compliance with all environmental standards. The liquid aluminium is cast into gear housings or

flanges at 850 bar of pressure. It outputs up to 400 parts per hour. The runner is automatically trimmed off, re-melted and then cycled back into the production process. Now that's full-scale recycling.

On to the next quality station: plastic injection. The technological highlights at this stop-off are the dual-component injection moulding machines. They "inject" the part with fibreglass-reinforced plastic and then apply the rubber sheath

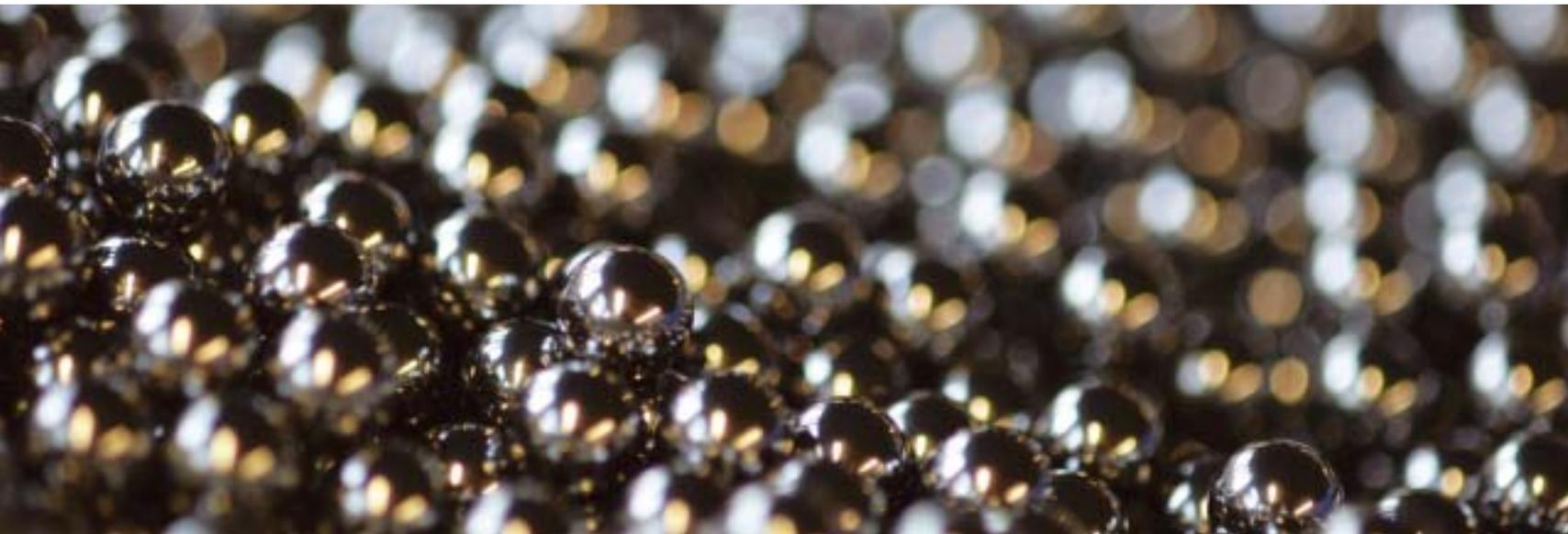
onto the power tool grips.

After the assemblies have been pre-mounted and checked, the individual parts are provided and the actual assembly is done. Once again, it's time to check, double-check and triple-check. Every product has to pass one more test run before undergoing the final inspection. There, all its functions are put to the test – literally. The most important part: the safety check conducted at 3,000

Core competency: One of Metabo's fortes is developing and producing electrical tool motors. It takes 14 individual worksteps to produce a single rotor. Pure precision.



Proof positive: Power tool manufacturing can be breathtakingly beautiful. Most important of all, though, are the hard facts. After all, pros expect high-end products to take a beating without pause or stutter – day in, day out.



volts. For every exposed metal part, 10 times the line voltage is the measure of all things.

It really is true: Quality is the sum of many tiny details – and, in this case, of an unusually vertically integrated

production process. If it were just a cost issue, the medium-sized manufacturer could certainly cut a corner or two.

But then it wouldn't be a "real Metabo" product any more – and the brand's good name would get tarnished.

Non-negotiable? Non-negotiable.

IN A NUTSHELL

The premium quality of Metabo electrical tools is home-made. A highly vertically integrated production process, modern manufacturing technologies, constant checks and controls as well as skilled and quality-conscious employees come together to preserve the brand's good name. This is so effective that Metabo even markets its motors, turned parts and the powder coating of sheet metal parts as separate business lines.

TECHNI-COLOUR

A comprehensive range with green and blue actors

Can a generalist provide the indisputable advantages of a specialist? Absolutely. When it comes to hand-held, stationary and semi-stationary tools, you can meet both standards of quality.

For most people, engineering is a sealed book. That's why brand-name manufacturers should show product responsibility by helping users to avoid poor purchase decisions. The best start: to define terms precisely and explain what really counts.

Since a little knowledge goes a long way, let's learn some basic facts about power tool parameters. The first Metabo message: Torque, the most important specification, describes engine power. The higher the torque, the easier it is to tackle the toughest of tasks. A high-torque tool will also respond effortlessly to higher loading. The pay-off: a long service life. Handling and efficiency are also determined by the speed at rated load – the actual number of rotations per minute performed by the tool during use. The higher it is, the faster you can



QUOTABLE | QUOTE

"Customers don't want products - they want solutions."

Professor Dr. Kristina Brodersen
Reutlingen University of Applied Sciences

Compact class: Professional users can't get enough of the small, but powerful 2-speed PowerMaxx cordless drill. Its accessories quickly transform it into a 3-in-1 device.

Talent: One of the biggest boons of the UHE 28 Multi multihammer is its ability - with one twist - to turn into a drill, a rotary hammer, a screwdriver or a chipping hammer.



finish your job. The third term in our mini-dictionary: the actual output power of a machine. This depends on the tool's speed and torque during rated duty. Compare the output power to the rated input, and you'll get the all-important efficiency of the machine. With their no-maintenance high-speed ball bearings and high-precision sintered or milled gears, Metabo products are guaranteed to convert electrical power into mechanical power at a high level of efficiency. So when it comes to power tools, a few basic rules and parameters really can separate the wheat from the chaff.

Metabo claims that its constantly expanding product range can handle all applications. How does that hold up in the real world? Let's start with the lines of hand-held electrical tools clad in their characteristic green. They include: hammers, regular and impact drills, cordless tools, screwdrivers, angle grinders, grinding machines, routers and planers, saws, hedge trimmers and special machines. All told, the entire catalogue encompasses more than 2,000 product variants. Add to that an accessories portfolio that builds on the "exhaustiveness" principle.



Competency: Metabo's maxim is to be both a generalist and a specialist, not one or the other. So having its own router line is a logical step. The picture shows the OFE 738.

Starter: Small, handy, light but powerful is how Metabo describes the BHE 20 Compact electro-pneumatic rotary hammer. It lends itself well to overhead work.



Example: Even the two-handed angle grinders accept numerous extras such as the Quick tool change technology. As with all Metabo products, it also features an extensive accessories package.

That said, brand competency is more than a quantitative calculus. To explain, let's take a closer look at some qualitative specialties that have been briefly mentioned in other chapters of the Metabo story. Take the Code system, which allows machines to be locked down, deactivated and thus rendered useless for thieves. Take the patented Contact technology that stops drills in their tracks the moment the bit hits a grounded, conductive object such as a water pipe in the wall. Take the also patent-protected Impuls technology, which makes it easier to remove screws with stripped heads and to drill into smooth or ultra-hard

materials without a centre punch. Take the Marathon motor, whose special coil protection and epoxide powder coating on the coil winding make it utterly indifferent to otherwise dangerous dust. Take the Quick system, which allows users to rapidly change tools. Take the S-automatic safety clutch, which dampens the rapid reverse torque when a tool suddenly jams. Take the VTC full wave electronics, which keeps a machine purring along at a constant speed, even under heavy loading. That's the end of the (by no means complete) "Take" list. But not the end of Metabo's entire product range.

Principle: A clearly practical focus dominates the stationary and semi-stationary family of quality products. One core member: the striking KGS 303 crosscut and mitre saw.





Benefits galore: Metabo's domestic waterworks are economical, powerful and reduce consumption of expensive tap water.

Representative: The mobile Power 380 T compressor is a prime example of Metabo's expertise in compressed air systems.



Indeed, the distinctively blue line of stationary and semi-stationary devices effectively round out the product catalogue. That applies first and foremost to the wood working machinery segment, in which the crosscut, mitre and table saws are at the top of their national and international classes. This rank has also been attained by the other products.

They include compressed air systems such as compressors, numerous welding appliances, innumerable water and pump technology solutions and grinding machines.

It goes almost without saying that the "blue" portfolio boasts high quality and safety standards, quality seals from

external testing institutes, outstanding ease of use and ruggedness as well as a broad range of accessories. And of course it is a prime example of Metabo's inspirational motto, "Always state of the art."

IN A NUTSHELL

Metabo's product range strategy: cover all the applications and wield an electrical tools catalogue whose depth and breadth is essentially unrivalled. This ambitious plan has been fully borne out – the high-quality assortment of hand-held, stationary and semi-stationary products is all-encompassing.

EQUIPMENT

Why Metabo is well-armed for a value-added head-to-head

In any discussion of the nature of brands, you have to start with zero-defect product quality. That's why the "supporting program" often makes or breaks quality standards. Metabo ranks high in this discipline.

Time and again, market surveys show that safety plays a major part in choices of electrical tools and their manufacturers. This holds true after a purchase has been made. Metabo makes full use of this opportunity to make its mark: The brand-name producer extends a 3-year

XXL warranty for its entire product range. That's concrete unique selling proposition that gives professional users far superior support and value. Not to mention its extraordinary promise that spare parts will remain available for eight long years after a tool has been dropped



Profile building: Metabo offers users above-average protection with the 3-year XXL warranty for its entire range of products.

from the portfolio.

Module: Attractive construction site campaigns with real-life brand experiences are part of the diverse marketing mix.

Metabo's customer-centric after-sales competency has given rise to an exclusive repair service system. The core message: Every damaged machine is repaired the day it arrives and is sent home to its owner the very same day. Not always, but over 90 % of the time, that's what happens. Quite an impressive success rate.

QUOTABLE | QUOTE

"The only way for us to thrive and grow is through better services and better customer care."

Jeff Bezos
Founder of Amazon

And, obviously, a sophisticated logistical service. In fact, logistics has added a lot of feathers in Metabo's cap. On its own, the Nürtingen-based logistics centre has over 8,000 pallet places - a gateway to the world.



Transportation: Whether inbound or outbound, the logistics centre in Nürtingen is a bustling hub. It features over 8,000 pallet places - a gateway to the world that hardly ever closes. In fact, logistics performance ranks high for Metabo. After all, it has to manage the flood of tiny packages somehow. Some of the flood flows from another value-added service, the exclusive repair service system. Its goal is for every damaged machine to be repaired the day it arrives and to be sent home to its owner the very same day.



Recipe for success: The communicative blend of theory and practice makes for an effective training program. The Metabo experts teach classes for sales representatives, engineers and power users in and outside Germany. Evidently with a certain fun factor.

The brand-name manufacturer's training experts provide an entirely different brand of "transportation": They regularly organise and teach classes for sales representatives, engineers and power users in and outside Germany. The product curriculum covers both theory and practice – thus driving an effective transfer of tool know-how, year after year. Plus: The classes' communicative workshop style certainly reinforces the learning effect.

Speaking of "communicative": Ongoing marketing not only creates a vital brand

presence among target groups - an essential goal - it also helps Metabo's partners do business "on site". The campaigns include classic advertising and sales promotion tools as well as attractive construction site and point-of-sale events. Also figuring prominently in the communication mix: systematic public relations, directed (depending on the topic) to the trade press, general-interest magazines, daily newspapers and the local media.

Now for the value-added from documentation. Here, diversity dominates –

printed operating manuals, catalogues, price lists, brochures as well as a comprehensive, up-to-date website at www.metabo.com. And let's not forget the individual expert advice offered by e-mail or telephone. What about external feedback? A regular

high-quality supply comes in as national and international customer satisfaction surveys. The common theme: very little criticism and lots of praise for "Service & Co.". So when it comes to value-added, Metabo remains a dynamic full-range supplier.

IN A NUTSHELL

More and more, value-added quality tips the scale in the brand-name ranking. That's all right with Metabo. The company's XXL warranty, exclusive repair service system, logistics assets, comprehensive training curriculum, ongoing marketing and communication campaigns – that all makes for one-of-a-kind equipment. Just ask the medium-sized company's partners.

Satisfaction: National and multinational customers give Metabo's service high marks. For the brand-name producer, that's not only cause for celebration – it's also a reason to continue enhancing its value-added approach. After all, if you stand still, you fall behind.



PANORAMA

Metabo: Future at work and vision in sight

"We should all take care of the future, because we'll be spending the rest of our lives in it." A wise word from a smart commentator – Metabo agrees wholeheartedly and moves with confidence into the future.

The managers at the company were and remain realists. They know the wheel of globalization can't be turned back. Nor do they delude themselves that competition will let up in the electrical tools market. On the contrary. So to proactively

protect the firm's future, they chart their own course and follow it doggedly. That entails constantly checking and adapting the overall strategy as needed.

The next ingredient in protecting the

Strategy: Metabo's future path is guided by clear principles. They include the continued expansion of international operations. Also a target: ongoing information campaigns.



QUOTABLE | QUOTE

"Never dwell on past achievements. Instead, you should leave them behind you and try to devise an even better solution."

David Packard
Co-Founder of Hewlett-Packard

future of the company and its employees: lasting earnings power. It shapes the goals, plans and visions as well as the actual implementation. Against that backdrop, Metabo's own contours stand out crisp and clear. Specifically, the drivers of its future performance are: differentiation through targeted innovation, the systematic maintenance of an established competency brand, the development of old and new growth fields with a stronger international



Element: Germany's position as an efficient industrial base remains an important factor for Metabo's future. Likewise its strict quality commitment.

alignment, unwavering customer orientation and attention, a commitment to Germany as an efficient industrial base. The foundation of this edifice: motivated, qualified employees who fully identify with their company.

world. After all, even the future comes in instalments. One fact, though, is beyond dispute: Planned programs are tested early for their economic viability and compatibility with prevailing market conditions. Not that this affects Metabo's



Sounds like a straightforward continuation and refinement of the present course. It is. There's no plan for a "big bang" to suddenly transform the Metabo

basic direction or its deep commitment to quality. Good thing there are still realistic visions.

IN A NUTSHELL

To actively protect a firm's future, you need strategic and operational consistency. Against that backdrop, the contours of Metabo's future course stand out crisp and clear. The indispensable foundation: lasting earnings power. Plus: Motivated employees remain the basis for success.

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