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Alexander and Werner Tessmar-Pfohl

Sattler AG

It is with great sadness that we must report that, shortly after receiving this year's award, and soon after being interviewed for this profile, Werner Tessmar-Pfohl passed away. Werner was a fine businessman and an exceptional practitioner of the family business model. He leaves a great legacy to his family, to his business and to the wider business community.

Austrian family business Sattler has proved that textile manufacturing can still be competitive and successful in Europe and the US, which is where Sattler has its production facilities and sells most of its goods. No doubt, being a family business committed to long-term goals has helped Sattler through its 140 years. Alexander Tessmar-Pfohl and his father Werner, who represent the fifth and fourth generations respectively, have been hugely instrumental in the success of Sattler, guiding the business through both good times and bad.



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Werner Tessmar-Pfohl

Alexander Tessmar-Pfohl, one of the three members on the Managing Board at Austrian textiles company Sattler, recalls having a discussion with his father about coming into the family business. "We both agreed that it was important to gain outside experience," he says. "It was just about common sense." So the 41-year-old Alexander worked for a subsidiary of a Finnish sporting goods group before he joined the family business.

Biggest employer in town

Common sense is at the heart of much of what Sattler, a maker of advanced textiles, does on both the business and family sides. Maybe it comes from being a business that has had plenty of

family. But he is likely to be well rewarded. The Chief Executive has been with Sattler for more than 20 years. And he played a central role in the business's rapid international growth.

Sattler is very proud of the loyalty of its employees. And this loyalty is not just found among the senior members of the management team. Some of the weavers working for Sattler today represent the third or even fourth generation of their families to work for the business. "They have stuck with the business in good and in bad times," says Werner.

Most of Sattler's associates come from Gössendorf, a town in the southeast of the country. Gössendorf is just outside of Graz, Austria's second-biggest city, which is where Sattler first began



Sattler can trace its origins back to 1875.

time to learn: Sattler can trace its origins back to 1875. One hundred and forty years later, Sattler only has four shareholders. That is plenty of common sense when it comes to control, most businesses would agree.

The four shareholders are fifth-generation family member Alexander, his father Werner, his aunt Eva and Herbert Pfeilstecher, Sattler's non-family Chief of the Executive Board. Werner says that having such a small group of shareholders helps to create stability in the business. "Family businesses like ours have a longer period to plan and to think," he said. "We aren't dependent on the goodwill of many shareholders."

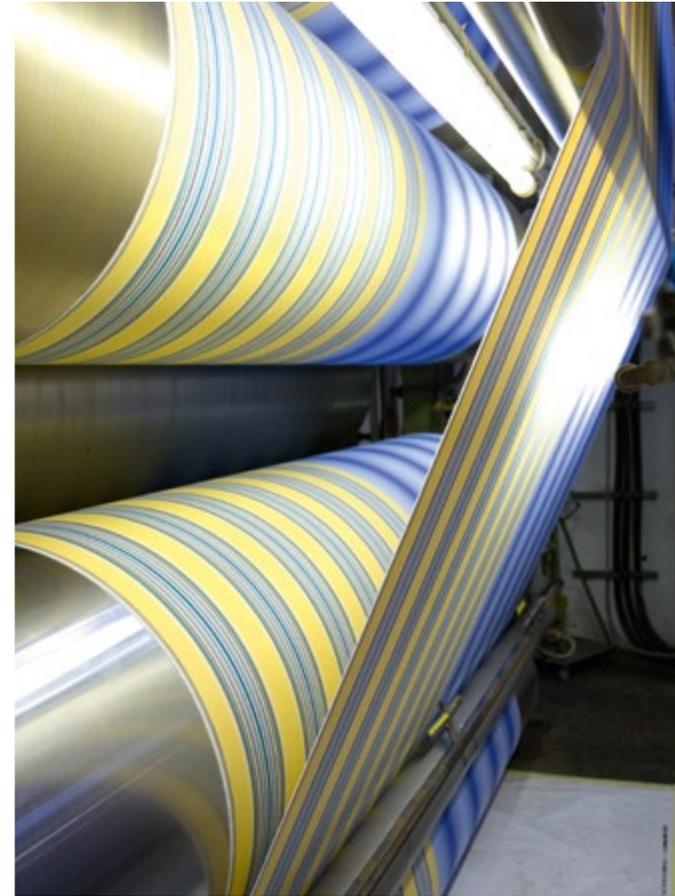
The shareholder structure is so tight that, when Pfeilstecher finally leaves the business, he must sell his shares back to the

as a trading business, before expanding into textile production in Gössendorf. For some time now, Sattler has been Gössendorf's biggest employer.

Investment into research and development

Loyalty and community have played an important role in making Sattler what it is today: a business with revenues of more than €120m, which employs more than 670 people in its two production facilities in Austria and its facilities in Germany and the US.

Sattler makes a wide range of products, including sun protection awnings for outside spaces and boats, and truck tarpaulins. It also makes extraordinary architectural structures from advanced



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Fifth-generation family member Alexander is Member of the Board.



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Sattler has got productions facilities in Austria, Germany and the US.

textiles. These have been used for many striking new buildings, including a number of sports stadiums. In fact, one of Sattler's divisions provided much of the eye-catching external membrane structure for the Arena da Amazônia in Manaus, Brazil, which was used for the 2014 World Cup football tournament.

In recent years, Sattler has diversified into areas such as environmental engineering, making biogas storage tanks and lagoons. Expansion into new areas has been driven mostly through acquisition. In the last 20 years, Sattler has acquired awning fabric producers in Germany, Norway and Switzerland.

Eighteen years ago, Sattler bought the Germany textile construction company CENO-TEC – which was behind the

Arena da Amazônia. In 2011, Sattler moved into the US market by buying Outdura, which specializes in fabrics for outdoor furniture, boats and awnings.

Much of this expansion took place under Werner. He joined the family business after receiving a doctorate in economics, and eventually rose to become Chief Executive and then Chairman of the Supervisory Board.

Throughout this rapid expansion at Sattler, the Tessmar-Pfohl family's focus has remained clear. "We have always been a business focused on textiles," says Alexander. "I suspect we will remain so."

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Werner Tessmar-Pfohl

Given the global price pressures on the sector, Sattler's commitment to textile manufacturing in Austria, where labor costs are high, is remarkable. Over the last 50 years, much of the global textile sector has moved to cheaper production centers in the emerging markets.

According to Alexander, Sattler has managed to remain competitive thanks to its ability to adapt to new markets and to make technologically advanced textiles for a wide range of functions. "Sattler invests a considerable amount of its profits into research and development in order to stay ahead of its competition," he says.

Perspective of non-family management needed

But investment in research and development didn't protect Sattler from the effects of the European economic crisis in 2009. Sattler's truck tarpaulin sales fell by 90% as a result of the crisis. "It was a difficult period for us," says Alexander. "We had to dig deep. But our more than 100 years of experience running a family business helped us to recover."

The stability that Sattler has gained from being a family business has also given it a long-term approach to measuring success. But Alexander says that you cannot rely solely on the family's commitment to the business. "We've always seen the need to bring in professional managers at a senior level to guide the business," he says. Currently, the business is run by a three-member board, which comprises Alexander (the board's only family member), Pfeilstecher and Lisbeth Wilding.

Werner was the only family member on the supervisory board, with the rest of the board comprising three members from outside of the business and two members from the work councils of Sattler's biggest factories. According to Werner, this ratio of family and non-family members helps to ensure the supervisory board has an independent perspective.

What about the future for Sattler? From the business point of view, it is clear that every effort will be made to stay

competitive, without sacrificing the long-term perspective the company has maintained. But can such a tight shareholder structure remain in place for the sixth generation?

Between them, Alexander and his two sisters – neither of whom work at Sattler – have nine children. Werner has made plans for bringing his grandchildren into the business. "I envisage more shareholders in the future," he says.

Whatever the future holds, the extraordinary example set by Werner will continue to guide the business through to the next generation and beyond.

Alexander and Werner Tessmar-Pfohl

Member of the Board and Chairman of the Supervisory Board

Company Name:	Sattler AG
Generation(s):	4th and 5th
Founded:	1875 in Graz, Austria
Industry:	Technical textiles
Employees (2014):	680
Turnover (2014):	€122m