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Hans and Thomas Rüegg

Baumann Group

Baumann proves that, despite competition from emerging markets, you can still make things such as springs in a highly developed economy like Switzerland and be a world leader. Much of Baumann's strength lies with the family behind it – the Rüeggs. Today, Baumann is in the capable hands of the fifth generation. Thomas Rüegg has been at the helm of Baumann for four years, since his father Hans passed on management of the business. Long-term decision-making is at the heart of the business.



“It’s difficult learning to be an entrepreneur. You need to have it in your DNA.”

Thomas Rüegg,
CEO, Baumann Group

The humble mechanical spring might appear to have little or no role in the hi-tech world of the 21st century.

But ask Thomas Rüegg, Chief Executive of the Swiss-based Baumann Group, about springs, and he'll tell you a thing or two about their importance to the world economy. "Springs in all shapes and forms are in huge demand across the world for a host of different functions."

today's environment. Very few of our competitors have such a world presence."

Outside of Switzerland, Baumann has production facilities in 10 countries, including Singapore, Mexico and China. Its biggest factory outside of its home market is in neighboring Germany, where, in 2006, it acquired a competitor to accelerate its growth. The German car industry and the sectors connected to it are one of the most important markets for Baumann. But, increasingly,



Caspar and Heinrich Baumann (first and second from left) founded the company in 1886; their half-brother Henri Rüegg (3) managed Baumann till the 1950s; Theodor Rüegg (4); Hans Rüegg (5), the father of Hans R. Rüegg (fourth generation).

And he should know. Thomas is the fifth generation of a family whose business has been making springs for nearly 130 years. Today, Baumann makes and sells springs and stampings for the following market sectors: automotive, electrical and medical. It makes a cool four billion of them a year – all highly specialized and precision engineered.

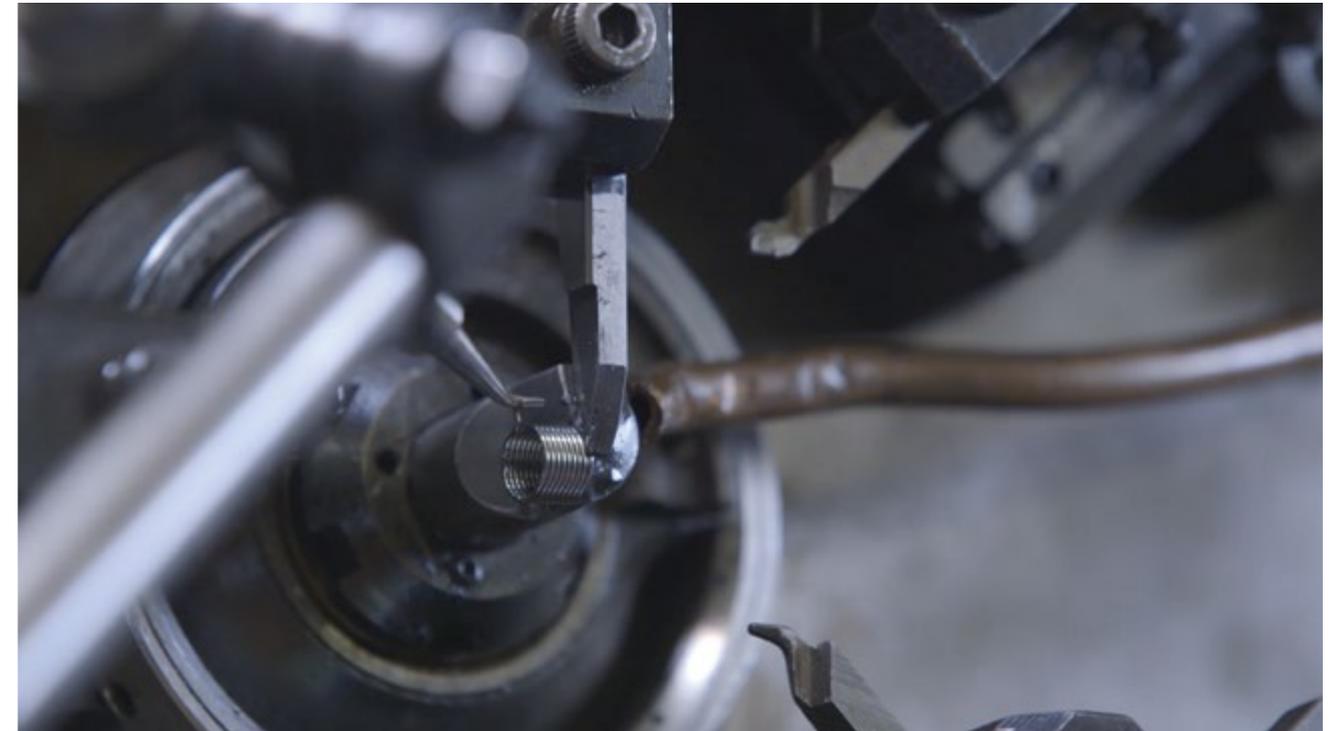
The company also makes specialist parts for many uses with its high-grade stamping and pressing business; and it makes machines that do the forming. Baumann does all this in 11 locations across the world, employing 1,500 people.

This world vision in its manufacturing processes is one of the big strengths of Baumann, says Thomas. "I think our group's longevity is underpinned by our global business, particularly in

the spring maker is looking at the fast-growing emerging markets to forge its growth. It has established production facilities in a number of these countries, and opened a business development office in India in 2011.

Baumann's global presence is well established, but that isn't just what makes a great business. It's also very much about the quality of the people, says Thomas. And he's fully convinced that the right people make the difference. "Our people are the most valuable asset and are fully committed to exceed customer expectations every day."

Today, the DNA of the business is very much linked to the Rüegg family. Two brothers – Kaspar and Heinrich Baumann – founded the company in 1886. Initially, it specialized in wood production



Baumann produces more than four billion springs a year.

and weaving. But it wasn't until the 1930s that the Rüegg family name became synonymous with Baumann. It was then that Henri Rüegg, a half-brother of the two Baumann brothers, took control of the business after purchasing all the shares. He managed Baumann up until the 1950s, when the third generation took over.

By that time, Baumann had been making springs for 75 years – first for the local textile machine sector and later for general industry in Switzerland.

Thomas' father Hans Rüegg took over the management of the business in 1983, when he began to steer the company into international markets. In 2011, Hans turned 65 and passed the running of the business over to his son.

"I didn't want to be one of those businessmen who stays on too long and who puts succession far down the list of priorities," says Hans. "It was the right time to pass the business over."

But he also admits that he was lucky to have someone willing and able to take on the business – a crucial issue for all family businesses. "If I hadn't had a child willing to take on the challenge of running the business, I might have considered

selling it." Hans hasn't slipped away altogether from the business. He still helps his son with technical issues and is Chairman of the board.

"The other thing to say about succession is that I didn't put a lot of pressure on Thomas to come into the business," says Hans. "If he chose to do something completely different, then we would have accepted his decision – even if it meant selling the business." Hans also has two daughters, neither of whom showed any interest in working in the family business, he says.

Thomas joined the company 10 years ago

For Thomas, it was a case of proving to the business – and his father – that he was up to the challenge. Now in his late 30s, Thomas joined Baumann 10 years ago – but not before showing his entrepreneurial acumen. He set up and ran a successful events business in Zurich before joining the family firm.

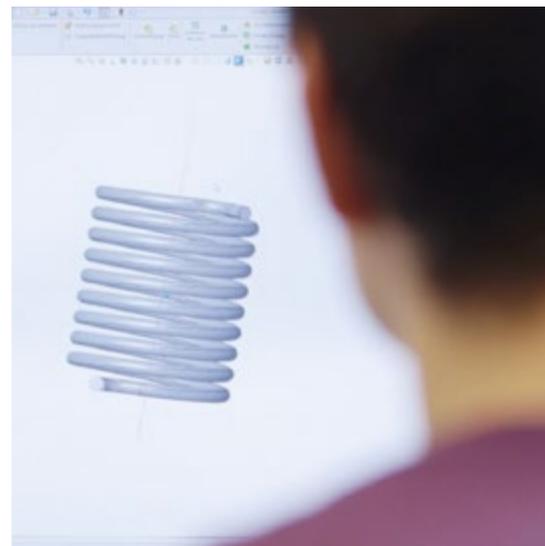
"It's difficult learning to be an entrepreneur," he says. "You need to have it in your DNA. But it's something that is very helpful to any business, whether family-owned or not." After joining Baumann, Thomas went on to manage the company's factory in Italy, overseeing 60 staff.



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Hans Rüegg

“The experience was an important leadership challenge for me, for the management of Baumann and, of course, for my father. It was a kind of test run for whether I was right to eventually run Baumann.” Thomas passed the test and, a few years later, he was promoted to Chief Executive.

As with so many family businesses, Baumann is closely connected to the community in which it is based – the small town of Ermenswil, on the eastern end of Lake Zurich in northern Switzerland. Here, Baumann employs around 400 workers, making it the biggest employer in the town.

Succession is safely navigated

Indeed, some functions are still performed in the same building that Baumann occupied when it started back in the 19th century. “The family side of the business extends to many of the staff who’ve often had previous generations working for us,” says Hans.

It comes as no surprise that Hans and Thomas are big proponents of the family business model, particularly when it comes to long-term decision-making. As Hans says: “If you have to worry about short-term issues of your investors, you lose a lot of time with all the paperwork. So we aren’t about trying to maximize shareholder value in the short term.”

These long-term values are also linked to the company’s relationship with many of its customers and suppliers, with some of these relationships going back to the early part of the 20th century, says Hans. “That consistency of relationships is a big part of the success of Baumann.”

With the succession safely navigated, Hans can look forward to taking more of a back seat. And Thomas has plenty of time before he has to worry about passing on the business to the sixth generation.

Thomas says this helps to create stability for the business. But part of his remit and responsibility is also about ensuring that Baumann’s employees accept that he’s going to be around for a long time.



Baumann is closely connected to the community of Ermenswil on Lake Zurich.

“The employees have to accept this, but I have to commit to this as well.” He adds: “Ultimately, no one is more important than the company, and this is a cornerstone of the culture at Baumann.”

That commitment should see Baumann go on to flourish for many years to come.

Hans and Thomas Rüegg

Chairman of the Board / CEO

Company name:	Baumann Federn AG
Generation(s):	5th
Founded:	1886 in Rütli, Switzerland
Industry:	Precision springs for various industries
Employees (2014):	Approx. 1,500
Revenue (2014):	Approx. €200m