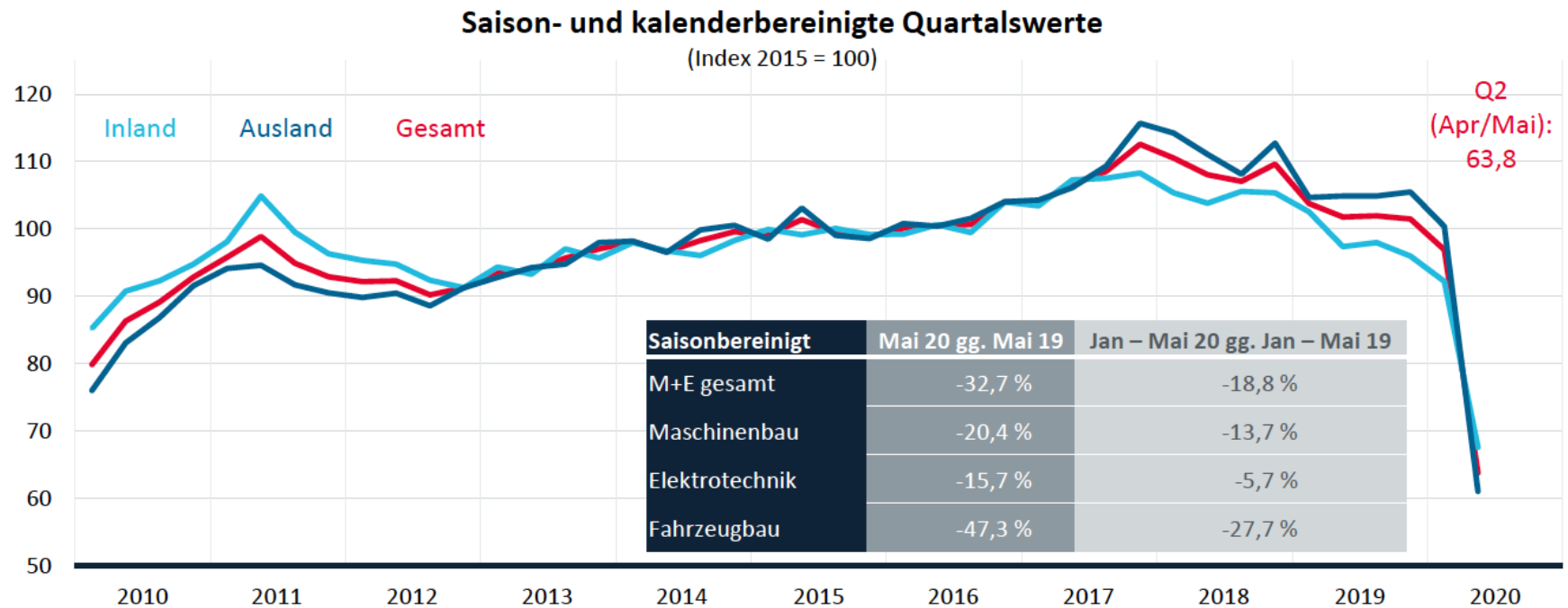


Südwestmetall Labour Policy Department Securing of production work

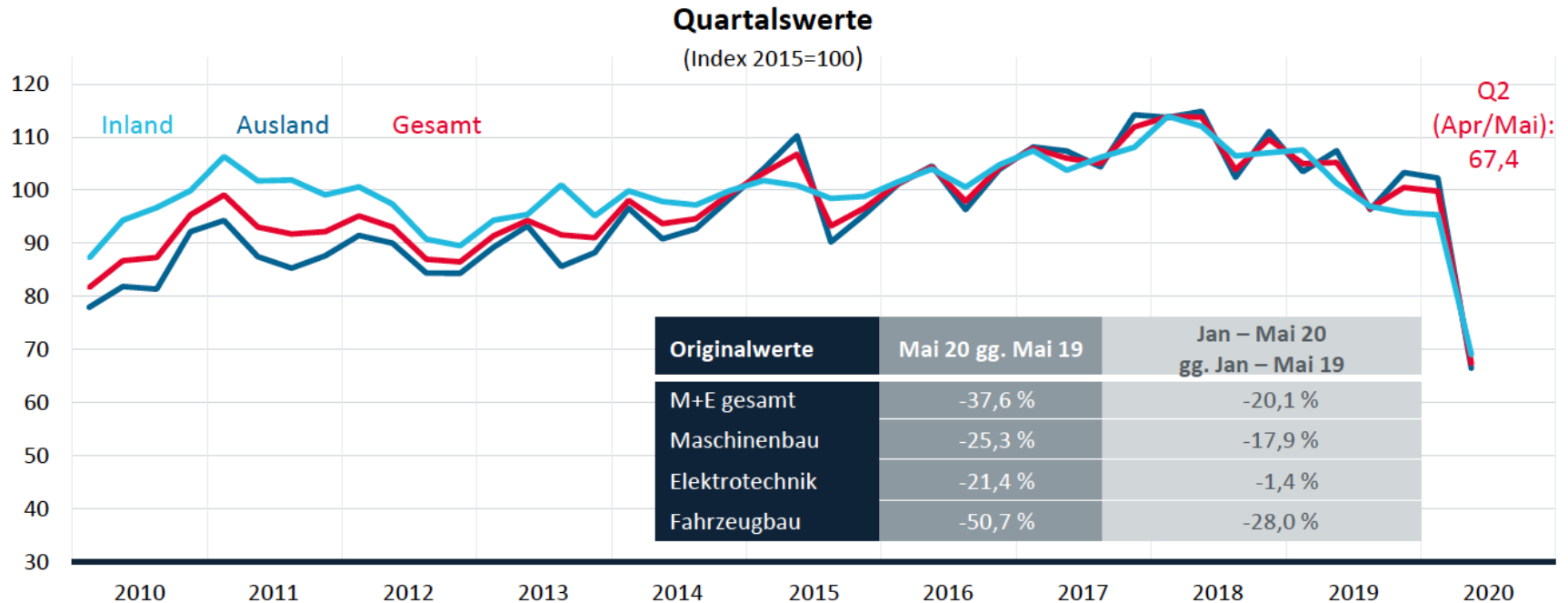


M+E order intake (Germany): Crash in second quarter 2020



Quelle: Statistisches Bundesamt

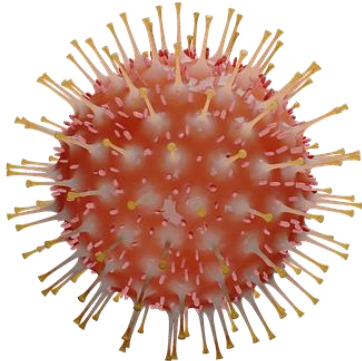
M+E order intake (Baden-Württemberg): Corona crisis makes full impact



Quelle: Statistisches Landesamt Baden-Württemberg

Big changes lead to new tasks

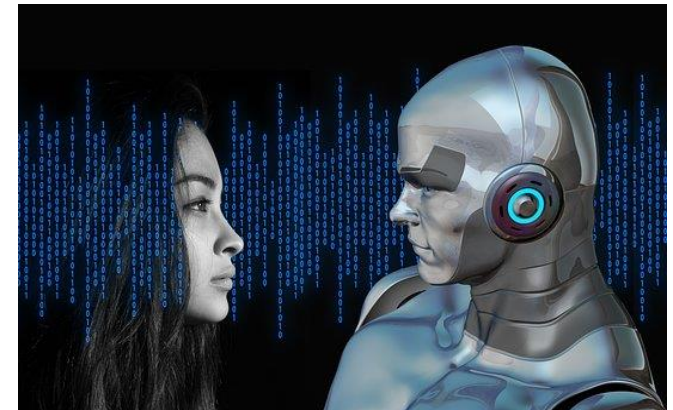
Corona virus



Economic crisis



Decarbonisation



Digital transformation⁴

Securing of production work



Südwestmetall - the association of the metal and electrical industry Baden-Württemberg

Südwestmetall:

- is one of the largest employers' associations in Germany,
- represents the collective bargaining and social policy interests of around 750 member companies with around 510,000 employees, 80 per cent of which have fewer than 500 employees,
- has its head office in Stuttgart,
- guarantees a regional presence in all regions of the country as well as local advice for member companies through a total of 13 district groups

Südwestmetall - strong in bond

Südwestmetall

- provides additional personnel and infrastructure for the Unternehmensverband Südwest e.V. (Association of Southwest Companies).
- The USW is an employers' association without collective bargaining and thus represents a further 800 companies with around 125,000 employees.



13 district groups with about 1.500 member companies and about 650,000 employees (Südwestmetall / USW)

- Bodensee-Oberschwaben
 - Freiburg
 - Heilbronn / Franconia region
 - Karlsruhe
 - Ludwigsburg
 - Neckar-Fils
 - Ost-Württemberg
 - Rems-Murr
 - Reutlingen
 - Rhein-Neckar
 - Schwarzwald-Hegau
 - Stuttgart
 - Ulm
-
- The decentralised organisation of Südwestmetall guarantees the member companies optimal support on site and ensures that their regional interests are effectively represented.
 - Südwestmetall's close-to-business organisation facilitates the exchange of experience and cooperation between the member companies and thus strengthens cohesion and solidarity in collective bargaining disputes.

How does Südwestmetall fulfil its tasks?

Chief Executive Officer

Departments of the head office

- Personnel, internal services, administration
- Collective bargaining policy, collective bargaining law
- Labour policy
- Labour law and social security
- Public Relations
- Educational policy and qualification, socio-political fundamental questions, educational institution
- Budget and Finance, Business Administration and Law
- International social policy, family and employment

District groups

- Rhein-Neckar
- Heilbronn
- Karlsruhe
- Ludwigsburg
- Rems-Murr
- Ost-Württemberg
- Stuttgart
- Neckar-Fils
- Reutlingen
- Ulm
- Schwarzwald-Hegau
- Bodensee-Oberschwaben
- Freiburg

Organisation "Labour Policy"

- Head of department Kai Schweppe



Assistant Paula Behrle



Beate Frieß



Jutta Olivier



Organisation "Labour Policy 4 association engineers at the head office

- Securing production work



Thomas Köpp

- Occupational health and safety
- Psychological stress



Reinhard Walleter

- Occupational health and safety
- Occupational health manager



Sebastiano Musco

- Environmental protection, occupational health and safety
- QM Manager



Ralph-Michael Herbert



Organisation Labour policy

17 association engineers in the district groups



Erich Butzengeiger
Bodensee-Oberschwaben



Ioannis Kiourtides
Freiburg



Martina Finkler
Freiburg



Alfred Bloch
Heilbronn / Region Franken



Andreas Reetz
Mittlerer Oberrhein – Enz / Freiburg



Doris Muth
Mittlerer Oberrhein -Enz



Michael Schlack
Ludwigsburg



Katharina Hannemann
Neckar-Fils



Dr. Margit Weißert-Horn
Neckar-Fils



Achim Dombosch
Ostwürttemberg



Frank Rösch
Rems-Murr



Wolfgang Pfeffer
Reutlingen



Franz Riedinger
Reutlingen



Manfred Kihn
Rhein-Neckar-Odenwald



Stefan Orlowski
Schwarzwald-Hegau

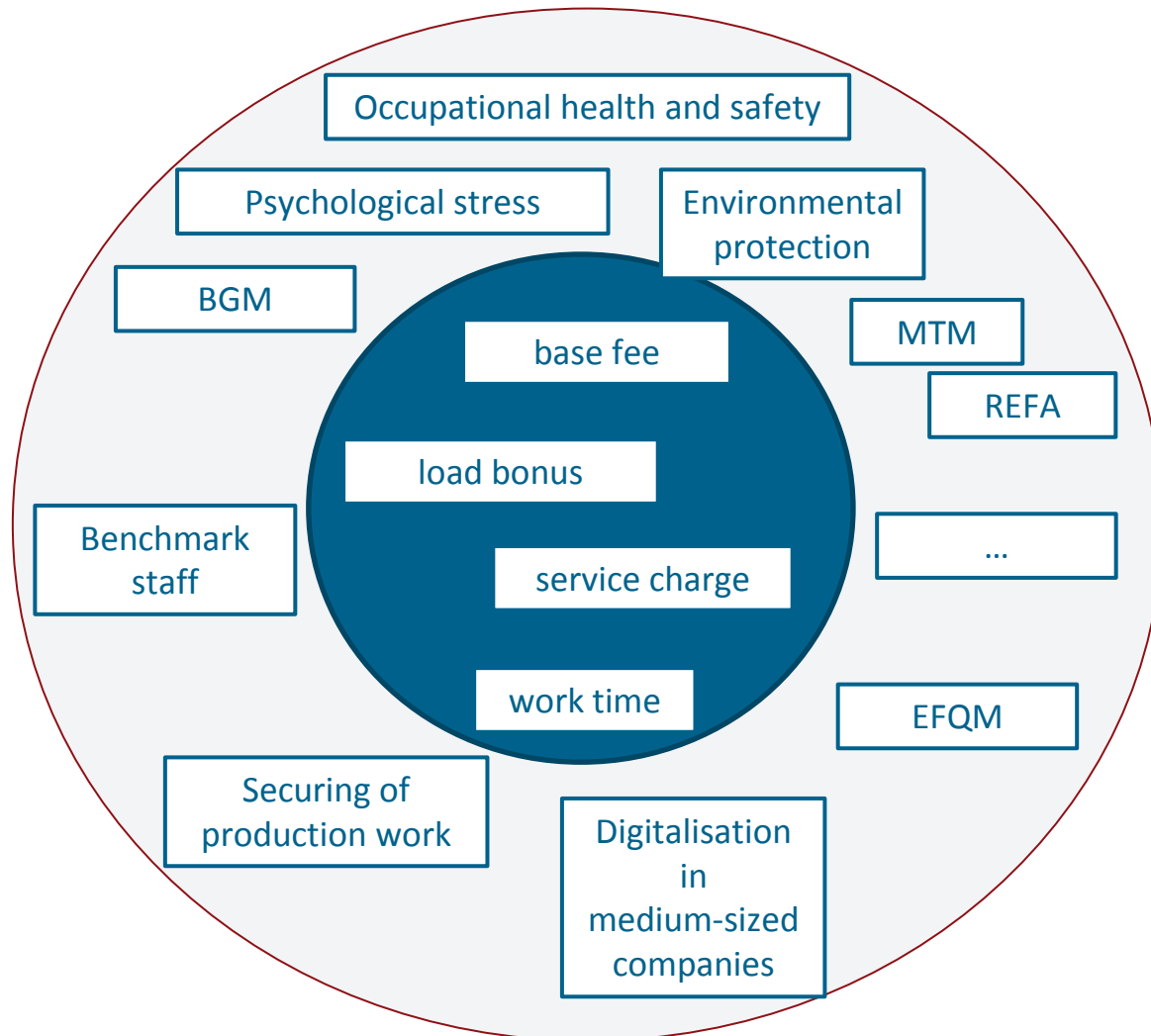


Volker Wetz
Stuttgart



Hans-Jürgen Zimprich
Ulm

Competencies



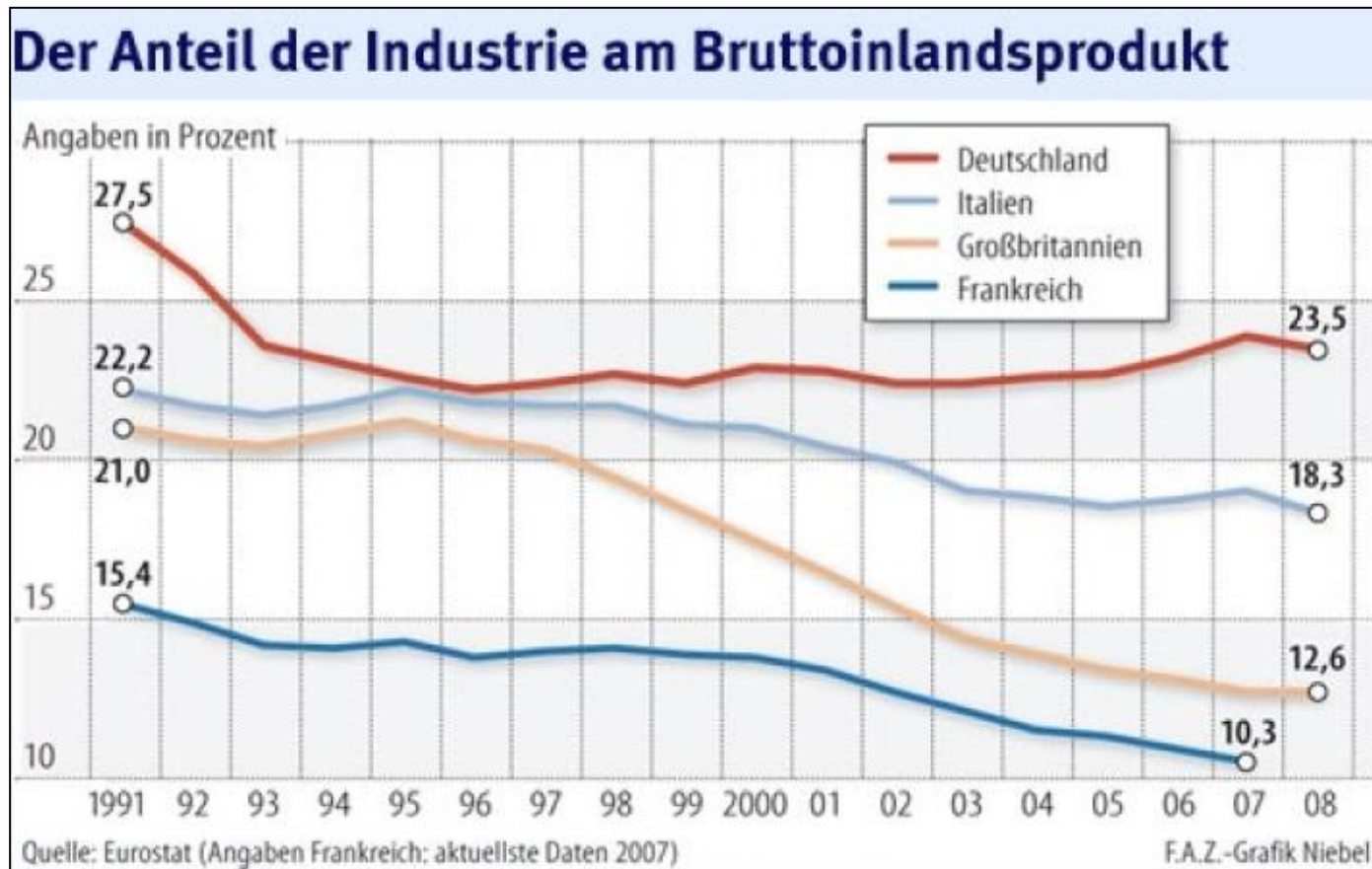
Securing of production work



Year 2006: Germany is considered
the sick man of Europe



Cognition 2006: Germany is and remains an industrialised country



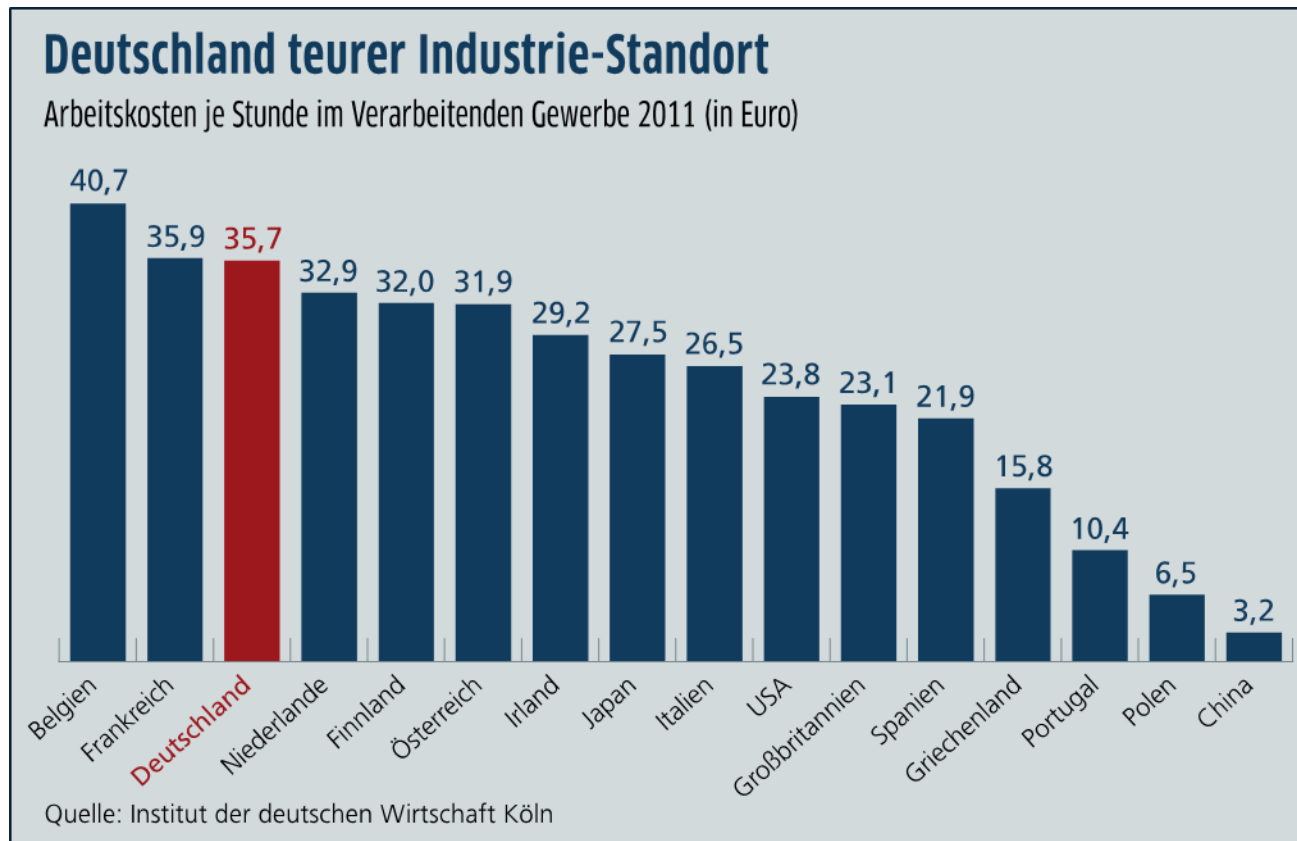
1. determination:

Without production jobs in Germany there is no basis of prosperity

- A large proportion of highly productive services are "industry-driven": The service share of industrial products, logistics, ... design and development also follow production over the long term.
- Without production jobs, there would not be the typical production-related jobs in maintenance, toolmaking, IE, etc. for highly qualified skilled workers and engineers in Germany.

Cognition 2006:

Labour costs are too high in Germany



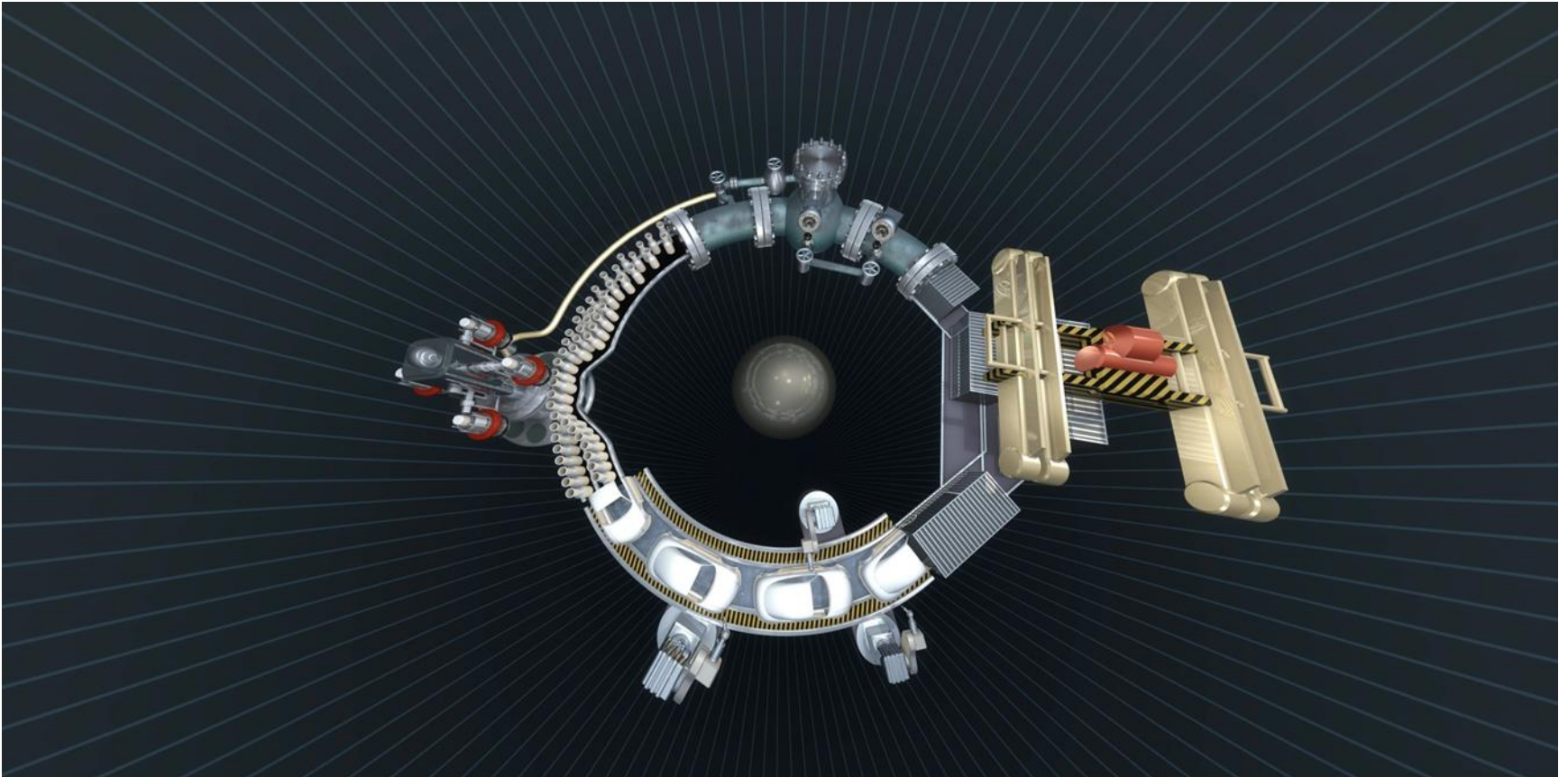
2nd determination:

The level of productivity in Germany is not sufficient to safeguard jobs.

- Measured in terms of labour costs, productivity in Germany is too low. Unit labour costs are still among the highest in the world.
- Location decisions for production are increasingly based on productivity / costs.

Note: Wage and salary costs as a percentage of turnover approx. 20 % + approx. 20 % in intermediate consumption.

Cognition 2006: The value chains are essential



3rd determination:

Not individual workplaces compete, but process chains and networks

- No single workplace is internationally competitive.
- Only the network of processes and the infrastructure can survive in productivity benchmarks.

Key questions for Südwestmetall

- What should a labour policy look like to secure industrial jobs in Germany?
- Are there opportunities for "easy work" in it?



Aims of the initiative in November 2006

- Improving knowledge of innovative business systems and their impact on efficiency and competitiveness.
- Increasing the value added in all areas of the company and collecting improvement possibilities for implementation in the own area.
- Sensitisation of managing directors, production managers and employees as well as works councils to areas of waste.
- Derivation of concrete measures for implementation in a company-specific concept.
- Conception and monitoring of the implementation by the association engineers.
- Development of an information network for mutual support within the association by association experts.

Learning from the best through study trips



Results from the projects (1)

- Relocations abroad can be prevented if, among other things, all employees have an understanding for the permanent optimisation and improvement of work processes.
- Many methods and instruments for the improvement of internal processes are largely known in the companies and have already been tested in some cases.
- Due to "day-to-day business", the managers are not in a position to stabilise and further develop the methods and improved processes introduced in the long term.
- The development of corporate strategies as well as the permanent implementation of process optimisation takes place too rarely in practice.

Results from the projects (2)

- Standards of cleanliness and order, some of which have been drawn up at great expense, must be stabilised and further developed in the long term.
- Due to high material stocks there is a very high capital commitment not only in logistics but also directly in production.
- The search for tools, information, measuring equipment, aids, material and also planning documents requires a high input of resources.
- When carrying out value stream analyses, it is often not possible to provide figures and data, but only estimated empirical values.

Year 2016:

Mission Securing the location for the work of the future
Securing production work 2.0



Securing production work 2.0

1st determination :

Without production work there is no basis of prosperity in Germany

2nd determination :

Findings: the productivity level in Germany is not sufficient to safeguard jobs

3rd determination :

It is not individual (production) jobs that compete, but process chains and -networks

4th determination :

The management process is of central importance

5th determination :

Companies are increasingly being given responsibility for the health of their employees

Thesis 1:

In terms of work organisation, Germany has seen positive developments in recent years. Political guidelines and overregulation threaten to impede this development.



Thesis 2:

Digitisation and Industry 4.0 significantly changes the world of work and leads to new labour policy challenges.



To Thesis 2 - Exkurs Digitalisation in SMEs (I)

Study "Digitisation in medium-sized companies"



To Thesis 2 - Exkurs Digitalisation in SMEs (II)

A three-step approach

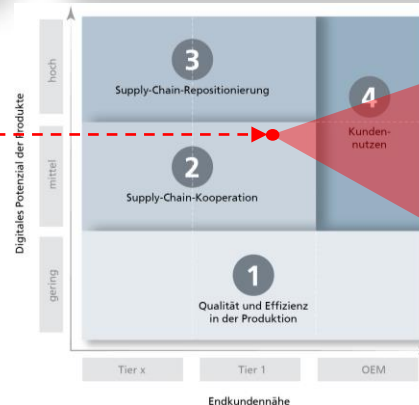
a)

Bestimmung des
spezifischen digitalen
Autonomiegrades



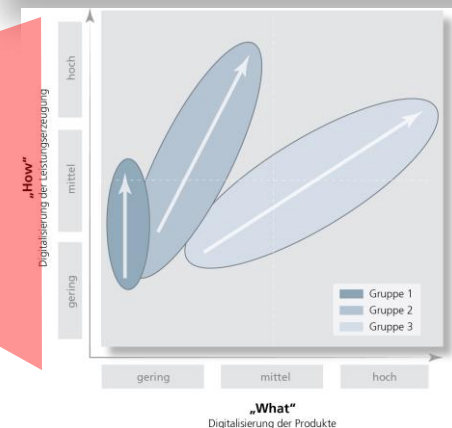
b)

Identifizierung der
strategischen Unterneh-
menspositionierung



c)

Ausarbeitung einer
konkreten Roadmap



To Thesis 2 - Exkurs Digitalisation in SMEs (III)

Are you interested?



schweppe@suedwestmetall.de

Keyword: Digitisation in medium-sized companies

Thesis 3:

Although rationalisation and improvement processes are usually formally specified, they are often not implemented. Sustainable successful implementation requires methodological and social competence as well as a process-oriented management culture in the company.



Thesis 4:

Global competition and consistent customer orientation increase the complexity and variability in processes as well as the demands on management. This requires, among other things, an increase in flexibility in the work systems of all corporate divisions.



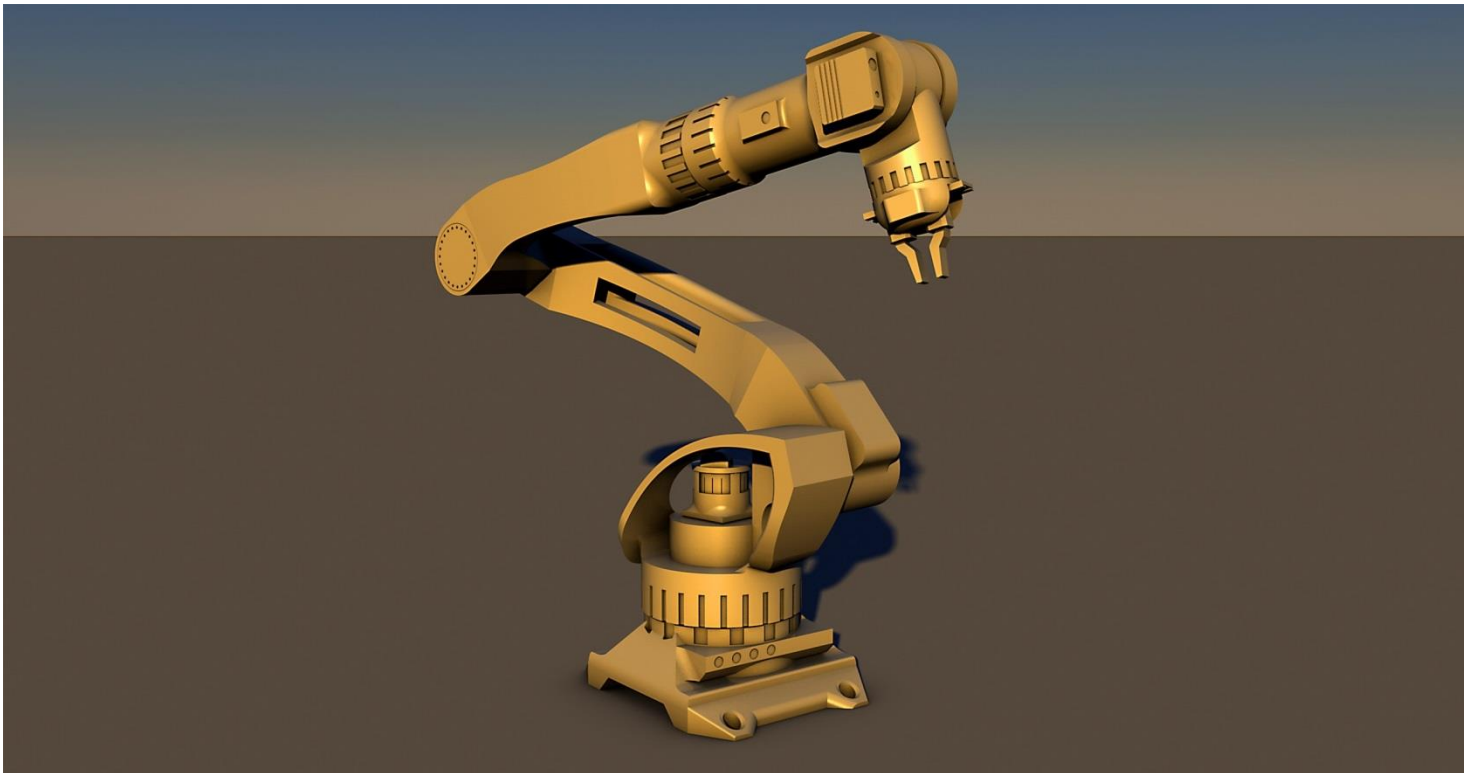
Thesis 5:

The quality and speed of the development process of innovative products and services as well as the proximity to the markets will determine the location of industry in the future.



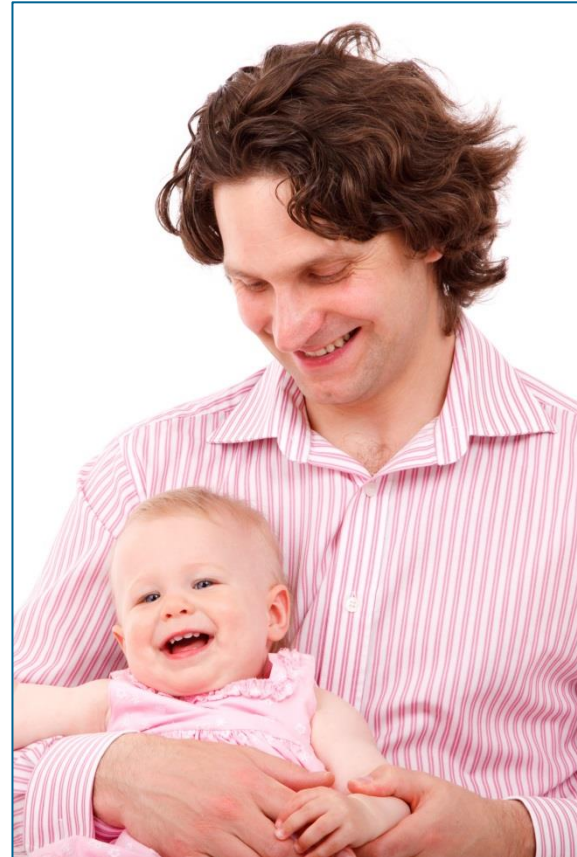
Thesis 6:

Especially simple activities are paid too much in industry. In the medium to long term this leads to their elimination through relocation or automation.



Thesis 7:

Companies must adapt to changing employee values and incorporate them in the design of their corporate culture structures.



Thesis 8:

The maintenance of employment and performance must be the responsibility of each individual. Companies must be able to promote this, but also demand it.

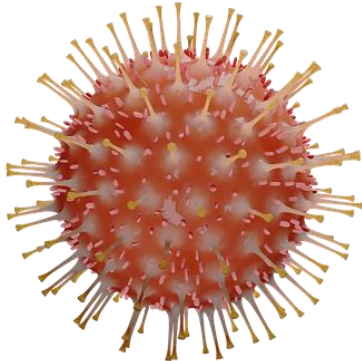


The fields of action



And today?

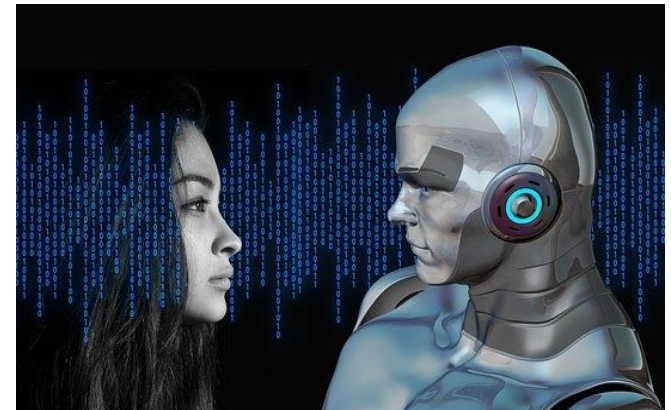
Corona virus



Economic crisis



Decarbonisation



Digital transformation⁴¹

What is to be done?



I do not know how, but I know what!

- We must secure the industrial base in Germany and especially in Baden-Württemberg.
- We must not only master the digital transformation, but also achieve a leading position.
- We must take up the new trends in the automotive industry (especially electric drive and autonomous driving) and use them to our advantage.
- We must strengthen management in companies through appropriate corporate culture and methodological competence.
- We must be internationally competitive in the value-added processes.

Conclusion: Our mission to secure production work will go on.

Et Rheinisch Jrundjetz

Das Rheinische Grundgesetz

The Rhineland Basic Law

- **Artikel 1:**

Et es wie et es.
Es ist, wie es ist.
It is as it is.

- **Artikel 2:**

Et kütt wie et kütt.
Es kommt, wie es kommt.
It will come as it will come.

- **Artikel 3:**

Et hätt noch emmer joot jejange.
Es ist bisher noch immer gut gegangen.
So far it has still gone well.

Kai Schweppe

Managing Director Labour Policy

Südwestmetall

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