

Best Practices on how to achieve Sustainable Growth with a Family Owned Process Automation Company

Canadian-German Success Story



AGENDA

- Endress+Hauser world wide Overview
- Strategic approach for countries without an own sales organization
- Endress+Hauser Canada Overview
- Key success factors in Canada
- Best practice take a ways and recommendations for newcomers
- Questions

The Endress family and the company



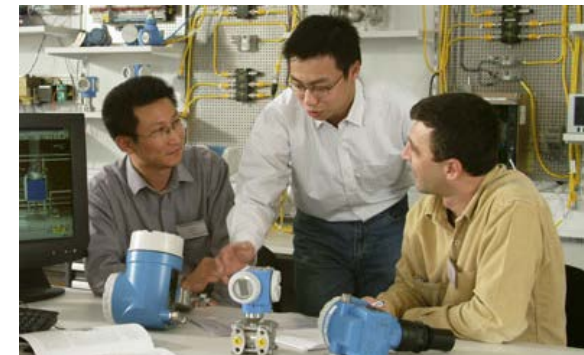
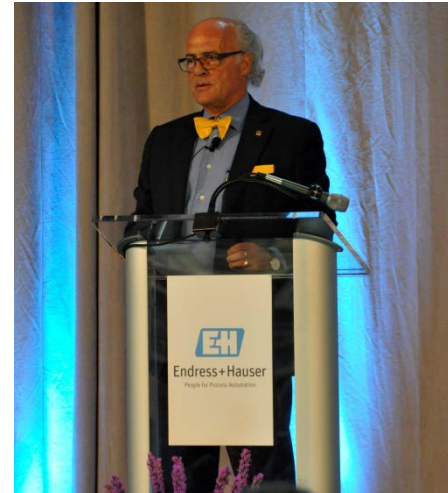
- In 1953 the company was founded by Georg H. Endress and Ludwig Hauser
- Owned solely by the Endress family since 1975

Goals of the family

- **Endress+Hauser is aligned to long-term and sustained development**
- Endress+Hauser takes its responsibility towards customers, employees, the environment and community seriously
- **Endress+Hauser will remain an independent, family-owned company**
- The family charter defines the interaction between the family and the company

Global Facts and Figures

- International family-owned company and one of the leading suppliers of measuring instruments and automation solutions for the industrial process engineering industry.
- Consulting and service for our customers world wide
- CEO: Klaus Endress
- Financial highlights 2012 (+11,0% to 2011)
 - Net sales 1700,0 Mio. Euro
 - Equity ratio 73,1 %
 - Investments 127,0 Mio. Euro
2013: planned 160,0 Mio. Euro
 - Workforce 10.066



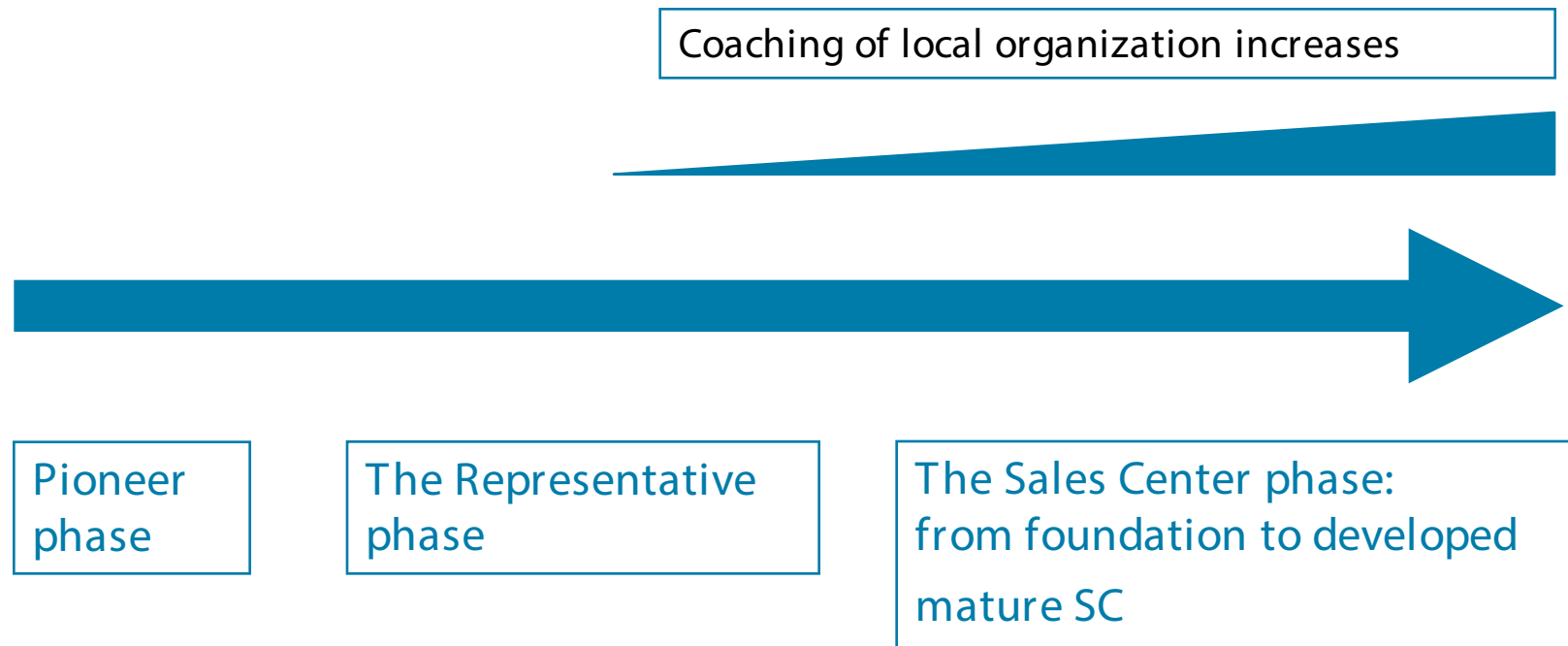
Mission of E+H Instruments International AG – E+H I.I.

Endress+Hauser Instruments International AG is the Endress+Hauser operative unit in charge for business development in countries without an own sales organization, with representatives or with new Endress+Hauser Sales Centers.

Endress+Hauser Instruments International AG develop markets, prepare the foundation of Sales Centers , support and enable them until they are sufficiently developed.

Business development in emerging markets

The mission of Endress+Hauser I.I. is to develop the business and sales organization in a country towards local management and local competences through certain development phases



The phases of business development

Pioneer phase

- The sales and market development in a country which is to be developed starts without a local partner, the activity is managed from E+H I.I. AG out of Reinach or out of a Regional Support Centre.
- In parallel a local partner is to be found, and trained towards a local competency and representation

The Representative phase

- During this phase the local sales partner is to be developed to a competent representation with a strong commitment to Endress+Hauser.
- More and more sales and service activities are taken over from the representative
- E+H I.I. also supports the representative in structuring its organization and processes in order to penetrate the market.

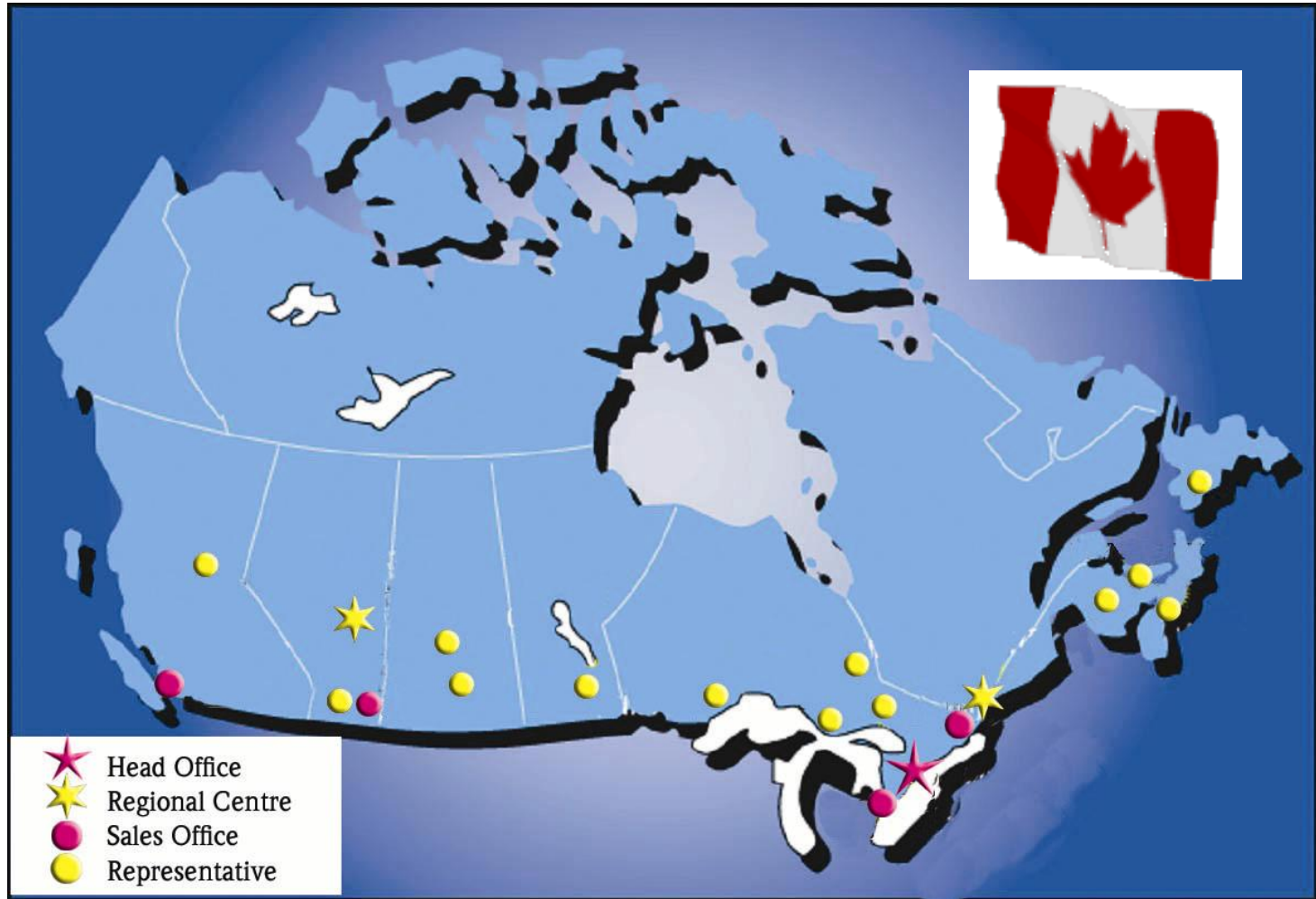
The Sales Center phase

- After foundation and establishment of a new E+H Sales Center E+H I.I. supports the further business and organization development of the entity.
- It normally takes a few years until the new E+H Sales Center is sufficiently developed in order to purchase directly from our Product Centers

E+H I.I. core competencies in a nutshell

- Intercultural Know-How
- Effective Cooperation with Representatives
- Preparation for foundation of new Sales Centers
- Business and Organization Development
- Process Implementation
- Handling of International Direct Business
- Expertise in Logistics processes throughout the world
- Center of Competence for Industry Solutions

Endress+Hauser in Canada



Endress+Hauser Canada Ltd. - 1990



Endress+Hauser Canada Ltd. begins operations in Burlington, Ontario
Up until 1990, Endress+Hauser products were sent to market through
a distribution network

Endress+Hauser Canada Ltd. - 1990



Endress+Hauser Canada Ltd. opens their first branch office in St. Laurent, Quebec

Endress+Hauser Canada Ltd. is operating business functions in both official Canadian languages - this is still the site of E+H Canada's Montreal office

Endress+Hauser Canada Ltd. - 1996



Endress+Hauser Canada Ltd. introduces their DemoBus
A bus fully equipped with field instrumentation devices and technologies
The DemoBus travels from Newfoundland to British Columbia and
everywhere in between to educate end users and trade show visitors

Endress+Hauser Canada Ltd. - 1997



Endress+Hauser Canada Ltd. moves west and opens the Edmonton, Alberta location - their first branch office in Alberta.

Endress+Hauser Canada Ltd. - 2000



Endress+Hauser Canada Ltd. celebrates their 10th anniversary in Canada

From a small office in Burlington, Ontario, Endress+Hauser Canada Ltd. grows into a viable national business, and now operates in Alberta, Ontario and Quebec

Endress+Hauser Canada Ltd. - 2004



Endress+Hauser Canada Ltd. relocates their Edmonton, Alberta office to accommodate the continued growth in Western Canada
This is the present location of the Edmonton office

Endress+Hauser Canada Ltd. - 2006



Committed to continued growth and presence in Alberta, Endress+Hauser Canada Ltd establishes their first Calgary office
Alberta becomes the first province with two offices

Endress+Hauser Canada Ltd. - 2008

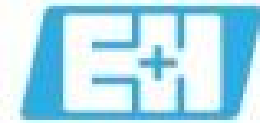


In 2008, Endress+Hauser Canada Ltd. makes a sizeable donation to the British Columbia Institute of Technology (BCIT)
This donation includes a lab for all future students to use as a learning tool for their careers

Endress+Hauser Canada Ltd. - 2010



Endress+Hauser



People for Process Automation

- Marking the 20th anniversary in 2010, Endress+Hauser Canada Ltd. continues the controlled growth
- We now operate in three provinces, with four offices
- In 2008, the projects department was created, and brought Endress+Hauser Canada Ltd. solutions to the forefront of growth.
- In 2010 that growth was gaining international attention

Canadian Headquarters Burlington, Ontario today



Welcome to the Endress+Hauser Canada Ltd. family

Customer Training Center

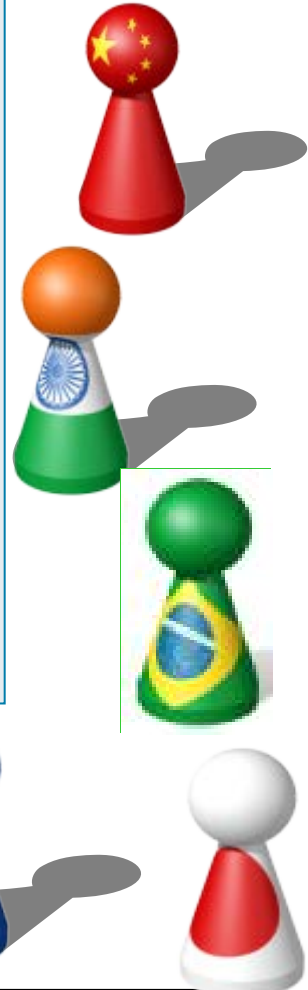


Milestones in E+H CAN history beside the offices opening

- 100th employee - 2008
- 1st million dollar order - 2005
- Created projects group - 2007
- 1st plant commissioned (full scope - managed commissioning team) - 2009
- Donated measurement lab to SAIT (Southern Alberta Institute of Technology) - 1.7 Million CAN \$ as Endress+Hauser Process Lab

Key success factors of Endress+Hauser Canada

- Going with a direct sales force in major markets
 - being close the customer through local offices
- Development of the service organization
- Quality products, people & service
- Raised market awareness with Demo bus tour 1996 - 2001
- Manufacturing in North America



Best practices and recommendations for newcomers

- Implementation of local management
- Ability to support what you sell
- Understand the local approvals – e.g. CSA. CRN etc.
- Develop products that have the necessary local approvals
- Understand and be sensitive to the regional differences
 - industry's, politics, culture, language
- Understand local market requirements
 - e.g. -40 °C ambient temperature requirement

Thank you very much for your attention

Your Questions Please?

