



**Höchsmann**  
TECHNOLOGY FOR WOOD

# Annual Review

**2008**

931	HEX3	23.54	TC 23.54 / 23.55
8)	HEX	16.43	TC 16.40 / 16.44
<b>HOMAG</b>			
2)	MRK	80.16	TC 80.13 / 80.21
10)	MUV2	109.92	TC 110.02 / 110.03
<b>SCM</b>			
37)	VOW	169.60	TC 170.19 / 170.22

Index World Economy October 2008



ADS	34.670	( 34.670 / 34.700 )
ALV	109.740	( 109.710 / 109.750 )
<b>RIESSE</b>		
DRI	37.700	( 37.690 / 37.710 )
DBK	53.300	( 53.290 / 53.310 )
<b>WEINIG</b>		
FRE	35.850	( 35.850 / 35.870 )



# Where Does the Wood Industry go after the Financial Crisis ?



Experts interviewed...

**WHAT DO THE MANUFACTURER GROUPS EXPECT OF THE FUTURE**

from Page 4



New hall inaugurated...

**3300 M<sup>2</sup> MORE SPACE FOR USED MACHINES IN KLIPPHAUSEN.**

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The sinking of the Titanic...

**WADKIN ENGINEER PERISHED WITH SECRET DRAWINGS**

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## ABOUT THE FINANCIAL CRISIS 2008

# The Crisis Affects us all

### The Financial Crisis Affects our Industry as Well

During the last weeks the mistakes made on the American property markets have developed into a global crisis. Like a row of dominos the crisis is spreading from one country to

»SUBPREME« OFFERS »»



**27110**  
KENNETH PROST, Moulder  
Winner 878, 2004, 8 spindles

**Price 12.000 EUR**



**29239**  
SCM, CNC Rekord 220, 1999,  
5400 mm, c-axis, horizontal  
routing

**Price 15.000 EUR**

the next, and from one industrial sector to another. When assessing real estate the banks optimistically assumed that the market would grow. Now the sudden collapse has also surprised the car manufacturers who have misjudged leasing residual values, and it is no different for us with incorrectly estimated purchase prices of used machinery ordered long term. Also the new machines industry has to adapt to harder times. The Italian association ACIMALL confirmed, that incoming orders already fell in the 3-rd quarter in 2008 on average by about 18%. The financial crisis has also arrived in our industrial sector, and it is too real and far reaching to overlook. We therefore wish to consider it in this review of the year's events in 2008 in our usual unconventional manner, raising some questions on this riveting subject, namely:

» What consequences does the financial crisis have on our industry? «and » Which outlook, opportunities and risks exist for the coming years? « As usual, in this issue we will also review the last year at Höchsmann and consider some social issues connected with the theme of the title, well beyond our own four walls.



### Parallels Between Machine Sellers and Stock Market Brokers

Just as in the financial markets there are in our industry also products in very high demand with rather stable prices and low margins, but also more exotic products with quickly fluctuating prices and higher margins and risks. As with long-term futures trading on the stock exchange we must also anticipate the market of the future as accurately as possible; and just as in financial dealings speed and correct timing of buying and selling are vital. I believe that we used

machinery people are not as different in our being, our character structure and our talents as those people on the stock exchange. Like the brokers we are goal-orientated, aggressive, make decisions instantly and intuitively and coolly weigh up the risks. I think many new machines sellers have a similar personality structure. Therefore, before we place the blame too quickly for this crisis only on Wall Street, we should ask ourselves whether we have also not been too greedy and have closed our eyes to the risks of the future. I think with this honest starting point we have the best conditions to discuss the crisis objectively.



## A Simplified Explanation of How the

»SUBPREME« OFFERS »»



**27290**  
BRANDT Edgebander  
KD85-CF, 1998,  
pre-Milling, copying  
**Price 10.000 EUR**



**27506**  
COSTA Widebeltsander  
CC1350, 2002, 2 bands,  
for solid wood, as new  
**Price 22.000 EUR**



**27731**  
KOCH Drilling automat  
Sprint PTP, 1999  
**Price 10.000 EUR**

### Value Losses on the Used Machinery Market

In my case, I have to confess that I assessed the value of machinery too optimistically in 2008, similar to the banks with the real estate. It was quite clear to me that the stock market bubble would burst sooner or later, but I did not consider what consequences this would have for the used machinery market. I therefore took certain risks. I wanted to continue on the one hand the rate of expansion

of the previous years, and in doing so protecting the jobs of all employees, but it slowly dawned on me that greed was also present in my purchases. And greed does, as everybody knows, make you blind to risks. However we now have the task - just like the banks with the real estate - to adjust the value of some of the machines purchased in the warehouse because the market will not pay the prices which we thought were still achievable until recently. The market prices for used machinery have fallen

deeper in 2008 than ever before in our short history. Now some machines which were still easy to sell in 2006 or 2007 have become almost unsellable. Nevertheless we were able to hold our turnover of 2007, which signifies another increase of the used machinery sales of approximately 8%, as we abandoned our own little section of producing flow coating units, and we also made reasonable profits until November 2008. However I see difficult times for us ahead, and therefore I have decided to be more carefully in purchasing machines in the future, even if this should cost turnover and jobs.

### Price Collapse of Machines in Stock from Poor Purchasing

Here are some examples of the machines which we paid too much for. We are prepared to sell these machines at our cost price or substantially less. But just as on the stock exchange, it is a matter of waiting for just the right time for the correct current price. Should demand increase, the prices could again rise above our cost price. Call us and make us an offer!



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»SUBPREME« OFFERS »»

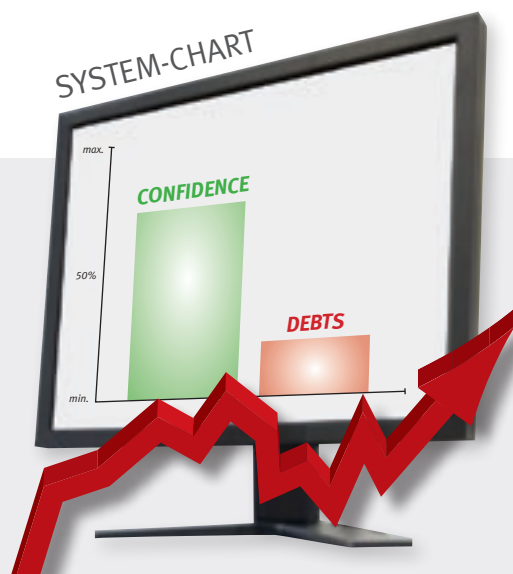


**27578**  
BIESSE Through-feed drilling machine Techno FDT,  
2001, 7 supports from the bottom  
**Price 24.000 EUR**




































**28057**  
ANDERSON CNC Router, 2005,  
gantry, toolchanger  
**Price 25.000 EUR**

## Financial Crisis Influences our Industry



## COMPARISON OF THE MARKET LEADERS 2008

# The 4 Manufacturer Groups

	 <b>HOMAG</b>	 <b>BIESSE</b>	 <b>scm e group</b>	 <b>WEINIG GROUP</b>
HEADQUARTERS	Germany	Italy	Italy	Germany
FOUNDED	1960	1969	1952	1905
MAIN FIELD	Panel processing			Solid Wood
MAIN SUBSIDIARIES (WOODWORKING)	 <b>BRANDT</b>  <b>FRIZ</b>  <b>BARGSTEDT</b>  <b>WEEKE</b>  <b>HOLZMA</b>  <b>LIGMATECH</b>  <b>WEINMANN</b>  <b>BUTTERING</b>  <b>TORWEGGE</b>	 <b>SELCO</b>  <b>BIESSEEDGE</b>  <b>BIESSEARTECH</b>  <b>COMIL</b>  <b>RBO</b>  <b>Bre.Ma.</b>	 <b>CELASCHI</b>  <b>CMS Industries</b>  <b>DELMAC engineering</b>  <b>DMC</b>  <b>CABBIANI</b>  <b>IDM</b>  <b>MORBIDELLI</b>  <b>ROUTECH</b>  <b>STEFANI</b>	 <b>Waco</b>  <b>Dimter</b>  <b>Grecon</b>  <b>Raimann</b>  <b>Luxscan</b>
EMPLOYEES	2000: 3.663* 2005: 4.385 09/2008: 5.404 <i>* excl. Schuler Group</i>	2000: 1698 2005: 1873 2008: 2500	2007: ca. 3800	2007: 2266
ANNUAL SALES	2000: 561,3 Mio. EUR * (IFRS) 2005: 613,5 Mio. EUR (IFRS) 2007: 836,9 Mio. EUR (IFRS) <i>* excl. Schuler Group</i>	2000: 344 Mio. EUR 2005: 335 Mio. EUR 09/2008: 345 Mio. EUR	2007: ca. 700 Mio. EUR	2007: ca. 400 Mio. EUR
SALES IN WOODWORKING	100 %	74,1 %	ca. 90 %	100 %
KEY PRODUCT	Edgebanding Lines	CNC-Machinery	–	Moulders
EXPORT RATE	2005: 80 % 09/2008: 80,5 %	09/2008: ca. 76 %	2007: ca. 70 %	2008: 89 %

[www.hoechsmann.com](http://www.hoechsmann.com)

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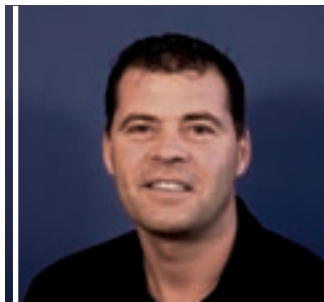
Home

[www.hoechsmann.com](http://www.hoechsmann.com) – one click and you see a list of all current machines of each group with its subsidiaries, viewing all recent machines younger than 2000.



A Simplified Explanation of How the

# WEEKE – Werner Brinkhaus



## Werner Brinkhaus

CNC Product Management

### What is your forecast for the market of wood-based materials?

Wood is a material of the future. We are anticipating a kind of a process of 'returning to the roots'. Wood is a natural, biological and above all renewable raw material. One example is the »new« use of wood as a heating material in the form of pressed pellets. As regards furniture: Wood emits natural warmth and will also influence living needs positively in the future. Nevertheless non-wood materials will continue to

### STATEMENT >>>

»Growth is still to be expected in Eastern Europe and Russia.«

Werner Brinkhaus  
WEEKE

be considered »in fashion« from time to time. In the same way also in the future, energy prices, environmental protection and/or nature conservation, climate change as well as regional and global developments in general will very much affect the future of wood as a product. Raw material production will continue to shift further east to Eastern Europe and Russia.

### How do you see the European furniture industry today and which future prospects does it have in a global world?

WEEKE is a company which exports 85% of its production. More than 65% of our machines are sold within Europe. The European wood industry must remain competitive. Today we notice that more furniture producers are shifting their production to Eastern Europe. However, there are also customers who are holding to their western European location

and are updating their factories continuously with modern machinery. The European wood industry must see globalisation as an opportunity and invest even more in exporting. It is possible to travel the whole world, to communicate and to do business immediately worldwide. The fast will beat the slow. Winners will be those who choose the correct marketing strategies worldwide. WEEKE does not belong to those companies that see global developments as a threat. We see a big opportunity in globalisation.

### Our woodworking machinery industry depends on the global economy. How do you see its future?

WEEKE is anticipating a continuous growth of the global economy

*The CNC machining Centre Venture 4 m is the absolute all-rounder which is also used for the heaviest solid wood processing. Additionally, a new fastener technology can be used with the Venture 4 M for solid wood components which allows a 6-sided machining - for example, for window- or door frames.*



in its long-term plans. There will always be regions in which we can generate growth. Even in stagnant markets you can increase market share with a good product. We are adapting the WEEKE Company to the needs of the market and will react accordingly with our product policy.

### How well can you react as a machinery manufacturer to unforeseen market turbulences?

The machinery technology will adapt itself to the market. WEEKE has already developed machine programs in the modular design principle for many years now. We can respond to changes in the market very quickly. Single components can be assembled flexibly in different machine concepts. Quality and longevity is also improved even when the market changes quickly. In this way the machines of WEEKE and the demands of the customers can develop hand in hand.

Additionally WEEKE responds to unique country requirements with its market-specific machinery. In local assembly plants basic machines are assembled for the local market. WEEKE can therefore respond to changing trading conditions at short notice.

## Financial Crisis Influences our Industry



## THE INTERVIEWS 2008

# HOLZMA – Martin Kress



### Martin Kress

Product Manager

#### How do you see the market prospects for Asian machines which are increasingly being offered in Europe?

As concerns our products, we are unable to identify this trend. The Asian competitors relevant to us are primarily active in the Far East even today. There they have the best sales prospects:

Their products are cheap - not least because they are blatant copies thus no development costs are incurred- and they have lower safety standards and a lower quality level. They are focussed on customers who purchase exclusively on price; as quality, individuality and safety are of secondary importance. HOLZMA however, is confronting this with both a healthy respect and also self-confidence: We have - these days at least- better technology, better operating systems, better service and above all decades of experience. We provide a wide choice and offer individual solutions. We have the innovations and work hard to be quick

(»time to market«). We will also work hard in the future to maintain this position and believe that this strategy does pay off. If prosperity rises, and it will, the demands of the customers will also rise. And with it the wood product manufacturers' quality and performance requirements of their processing

machines automatically will rise as well. As a premium supplier HOLZMA will always have the correct answer ready for such requirements. It will become very interesting when Asian competitors bring out their own developments on the market in the near future. The potential, especially in China and India for

#### TOP-OFFER >>>

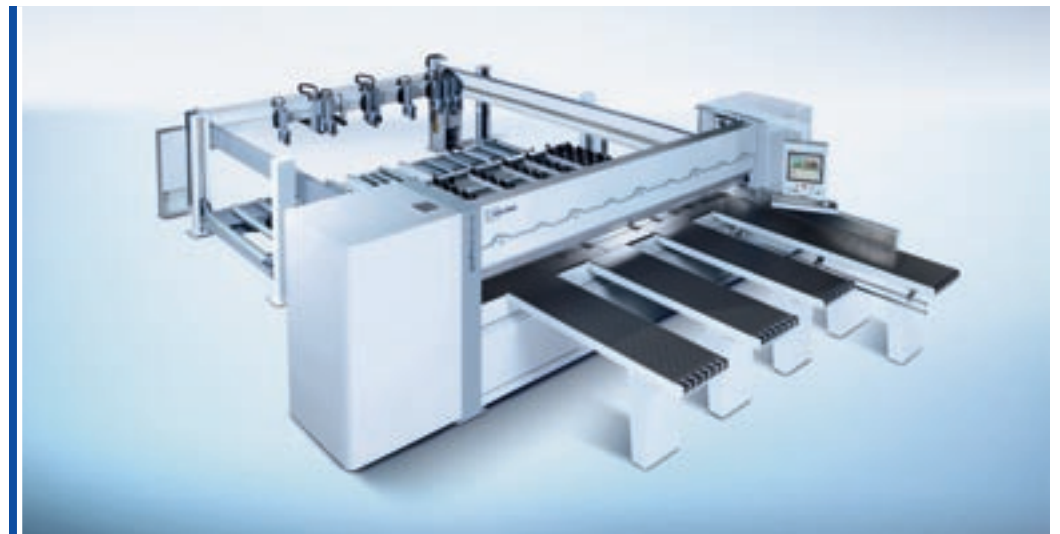


**26927**  
HOLZMA Angular Plant HCV11, 4300 x 2200 mm, 1999, with vacuum loading  
Price 129.000 EUR

#### STATEMENT >>>

*»Just as the new lightweight panels with a relatively low wood content are in high demand today, tomorrow there will be other kinds of boards.«*

**Martin Kress**  
HOLZMA



## A Simplified Explanation of How the



promising ideas is enormous. In time however, with the innovations and the quality the price of the machines will also rise. Then the Asian supplier will become a competitor like an Italian or Austrian machinery manufacturer today. And this will stimulate business.

**Which chances does globalisation offer to you as a machinery manufacturer?**

Globalisation in itself offers an incredible number of opportunities. The state borders are losing their importance and the world is growing together. We still have to practice a little, to be able to deal this new situation and perspective and also to bear the responsibility which a wrong decision can then suddenly have worldwide.



But the advantages outweigh this: In a global market German products can of course also be sold much easier worldwide. Another aspect is production. Today HOLZMA produces in Spain, in China and also in Bulgaria. Not in order to give up the

German base in the long term, but on the contrary, in order to strengthen it. And the third positive point is that in the long term prosperity will rise in the world and with it also the demand for quality will continue to increase. This means that also manufacturing firms such as a carpenter's workshop must also be technically well equipped.

**Which machinery technology in your opinion holds the future?**

Energy saving technology, safe and innovative technology and reliable technology which is easy to understand. And in addition technology with good performance and quality. In short, the technology which provides for a quick amortisation of investment.

STATEMENTS >>>

»Whoever would like to succeed in these days must offer coherent overall concepts. This also applies to HOLZMA.» Customers simply assume that the saw will perform the services required of it. In the mean time, factors such as speed, efficiency, ergonomics, „life cycle cost“ (LCC) or rationalisation are becoming increasingly important. And all this in addition to maintaining or even raising quality of the end product. This is why HOLZMA is always raising the benchmark- of course in the area of technical innovations and especially also in its supply of services, such as consultation, training and maintenances as well as in the software field.«

»At the moment one can assume, that in addition to the standard MDF-and HDF boards increasingly more boards will come on the market which will have a low density and therefore less weight. This saves a lot of money in transports, which in the light of globalisation is an extremely important argument.«

**Martin Kress**  
HOLZMA



Financial Crisis Influences our Industry



## THE INTERVIEWS 2008

# BIESSE – Jacek Pigorsch



### Jacek Pigorsch

General Manager Germany

#### The economists are talking about a coming recession. What has Biesse planned for 2009?

If the market declines, we want to increase our share of the market. Our defined goal for 2009 is to repeat our positive results of 2008.

#### Other manufacturers are certainly heading for this end as well. Why are you confident that you will achieve your goals?

BIESSE is known for an excellent organisation of its production. The continuous improvement process of the previous years was intensified in the beginning of 2008 via the changeover to the KAIZEN philosophy. During this changeover, all processes of the CNC machine production were

critically examined and millions of € were invested. This proves how well BIESSE has prepared itself for the future. What was initially applied to the CNC machine production should now also be applied to the other product lines, so that in the future we can also continue to improve our products and our service, and can satisfy demands through innovations. Another advantage for us is our high manufacturing depth – because those who hardly depend on suppliers, will be able to react to the market better and faster.

#### In which sector of the machinery market do you see specific growth potential?

In order to increase our market share especially in a weaker



phase of the market, we placed particular emphasis on the Xyl-expo in 2008 on our more basic products in the BIESSE-ARTECH range. With this line we can offer nearly all machines for local craftsmen, from the sawing right up to the assembling. I believe that the sector of the small and middle-sized companies in particular will become an important business section, because these companies can adapt themselves faster to new market conditions on account of their size.

#### How do you see your future chances on the Asian markets?

Today the pressure of the Asian »cheap machinery manufacturers« can be felt most on the Asian markets, as well as in Australia. That's why we are proud to be able to announce that the BIESSE Group has started producing in its new manufacturing plant in Nelamanagala, Bangalore (India). An important landmark in the Group's industrial plan for 2008 - 2010 has therefore been reached.

BIESSE is the first multinational company which manufactures woodworking machinery in India. The strategically important investment (5,800 square metres) allows the BIESSE Group to supply the Asian markets, and to therefore be nearer to the customers and markets in the region.

#### TOP-OFFERS>>>



**28448**  
BIESSE Excel 5800, 2005,  
3 routers, 3 toolchanger,  
for Nesting or Mass Production  
Price 119.000 EUR



**27365**  
SELCO Beamsaw EB 80, Bj.  
2007, 4300 x 4300  
Price subject to offer



**27733**  
SELCO EB100, 2004,  
4300 mm, With Opti-  
Plannung  
Price 31.000 EUR

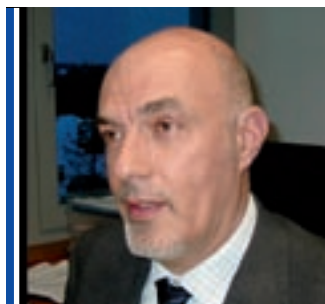


## A Simplified Explanation of How the





# SCM – Francesco Rava



**Francesco Rava**  
General Manager Germany

**In 2008 steel and oil prices fluctuated considerably. How do you think prices will develop for new machinery?**

At the moment I expect relatively stable machinery prices for 2009. However, due to the weakening exports the price battle will increase in Germany and worldwide and this might reduce profit margins - especially for weaker manufacturers.

**The SCM Group has grown massively during the last years via numerous acquisitions. Is this now an advantage in times of economic downturn? Will this trend continue, and will SCM at some point be listed on the stock exchange?**

We are well positioned as a group for difficult times because of synergy effects in production and distribution. I expect that the tendency of »group-forming«

will continue in the future. In terms of our size the SCM Group is like an organisation, but in terms of ownership, however, we are more like a family enterprise. It is a big advantage for us that the owners are »approachable« and »not hidden away« and it should stay this way.

**Do please tell us something about the production sites of the SCM Group?**

The SCM Group produces its woodworking machines only in one country - in Italy. Approx. 6 years ago the question arose, whether China or other countries would be advantageous as production sites. The management made a clear decision for the base in Italy, therefore leaving

quality control and production on site.

**Will we soon have more competition from Asia in CNC technology?**

The Asian manufacturers will certainly also remain strong competitors in the future whom we should not underestimate. Asians are quick and clever, but as well as some European manufacturers in the past, they have not properly understood yet what really matters to the de-

manding customers in Europe. They want 4 things: consultation, service, service and service yet again. If they gain a foothold in this field, they will become harder competitors.



TOP-OFFERS>>>



**27362**  
SCM CNC Record 220, 1999, 2 routers, 2 toolchangers  
Price 27.000 EUR



**27724**  
SCM Double end tenoner Concept, Bj. 2000, 5 aggregats / side, jump routing  
Price 35.000 EUR



**26796**  
SCM CNC Record 220 P, 2000, Nesting, 5300 mm, 2 routers, 2 toolchangers  
Price 34.900 EUR



**27799**  
MORBIDELLI CNC Author 500, 1999, toolchanger, table flexible matrix or beams  
Price 24.500 EUR

## Financial Crisis Influences our Industry



# WEINIG – Thomas Weihmann



**Thomas Weihmann**

Sales Manager UK, AU, NZ

**How do you see the future prospects for products made of wood and timber derived products in comparison to other materials?**

We expect that wood due to a variety of factors will be even more in demand than it is today. Consider first of all the rising cost of energy, which is necessary for example, to produce PVC and aluminium. Wood, the only renewable raw material offers us countless manufacturing possibilities and also distinguishes itself by its low thermal conductivity, as a trendsetting material in particular for manufacturing doors and window. Also from an ecological aspect wood as a raw material clearly has the advantage, as no other raw

material can be harvested so sustainably.

**The Asian woodworking machinery manufacturers are also increasingly selling their products in the Euro zone. How do you see the future prospects of these machines on the European market?**

The competition from Asia must without doubt be taken seriously and presents us with a challenge. With regard to production costs we are clearly at a disadvantage and can only succeed these days through our long-standing experience and specialist solutions as well as quality. It will only become clear in the long term whether the Asians themselves are able to further develop products, instead of just copying, or whether they will remain at the current level. However, a constellation is most likely to develop as can be found in the automotive industry, where Asian machines alongside German quality brands are becoming more and more the standard.

**What changes are you expecting during the next 10 years on the European market for wooden products?**

On account of rising energy prices, more environmental

awareness and the progression of global warming linked with increased temperature fluctuations and natural disasters we are anticipating good basic conditions for the raw material wood. Irrespective of which wooden product you think of, it can be obtained and be processed without requiring much energy.

**Today the future of the industrial sectors depends to a great extent on the global developments which many view as threatening. As a marketing strategist you most probably belong to those contemporaries with an optimistic nature. Which global development**

**makes you hopeful for the European wood industry?**

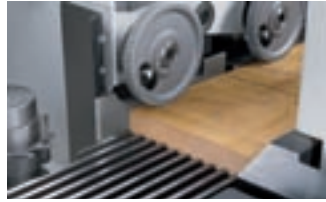
The trend towards sustainability; think only of the LOHAS movement in the USA. Nowadays wood belongs to the few renewable raw materials which are processed on a big scale by tradesman as well as in the industrial sector for homes.

**Which global developments cause you concern?**

The competition from Asia does concern me. Too many customers now decide purely on price and no longer take into consideration the quality, the service and also the development of new technologies which need to be financed. I



## A Simplified Explanation of How the



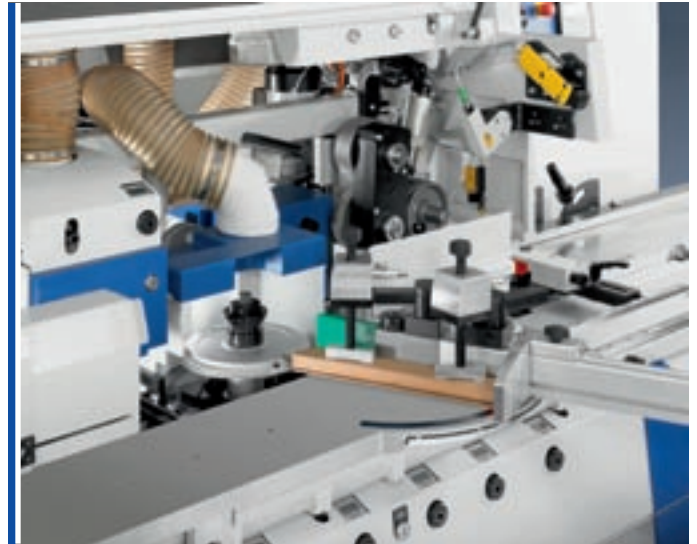
am sure however, that the pendulum will swing back if the Asians start to develop products themselves and give up the copy shop mentality.

**More and more people want to have more and more goods and the product production runs are becoming shorter and shorter and the transport routes longer and longer. Continued worldwide growth might burden the situation in the raw material and food markets further. New technologies could lead a way out if the huge financial demand can be covered for in spite of the banking crisis. How do you estimate the future of the global economy? Do you think the growth rate can be continued or are you expecting serious economic, social and political changes?**

I see the momentary recession only as a short downturn and correction of the bloated markets. However, I expect stable basic conditions for the end of 2009. We will definitely register further growth in Asia and also the Euro zone will once more recover slightly on account of climate and environmental problems. The raw material shortage will without doubt become the engine of progress in the future. The challenge of

storing green energy which appears cyclically must be solved. I believe immense progress will be made in the field of storage media within the coming years if we succeed in installing many small accumulators in cars, machines, products etc. In order for this to happen, the worldwide vehicle park and machine park need to be exchanged. This will offer immense growth with a concurrent CO2 reduction for the next decades.

**Nevertheless, in view of the global situation which is coming to a head, it would actually be desirable if consumers changed their way of thinking. Instead of striving for »more and more goods«, a striving for »sufficient goods«; demand for ever more inferior short life products became a demand for higher-quality and more long-lasting products: and instead of ever longer delivery routes production in the local region was encouraged. This vision of »sensible consumption« is of course not easily conceivable in the real world. However, if indeed the consumers did really respond with their buying behaviour to the global challenges and therefore initiate a new trend what consequences would this have**



**in your opinion on demand for machine technology? Would this in your opinion trigger a new trend towards new or old machine concepts, and if so for which?**

If this scenario should ever become true one day, WEINIG would presumably profit in two ways: On the one hand in the high-speed field with our highly competitive machine technology like Powermate and Hydromate as well as in the lower segment with traditional small plane machines or new developments like the Variomat which itself offers an inexpensive and extremely flexible machine technology for the one-man business. Naturally

such a development would be very welcome to us as well as our customers.

**Based on the assumption that the consumer will behave similarly tomorrow as they did yesterday, which machine technology holds the future in your opinion?**

The future will probably belong to CNC technology with fully automated machines or robotics which workers only supervise and no longer have any influence on the actual production process. We are currently experiencing a very strong increase in plant construction, which will intensify further in the future.

## Financial Crisis Influences our Industry



## OUR BUILDING PROJECT 2008

# 3300 m<sup>2</sup> More Space

On October, the 27th 2008 we finally got over a problem we have had for years: lack of space. After a building period of 5 months, we now have a total storage capacity of 6800 square meters for used machines. The new warehouse is ideally situated directly opposite our main entrance. We no longer need to store machines in a nearby hall, which proved very awkward. We are expecting to become more efficient thanks to the close proximity of the hall for technicians, salesmen and customers, as well as more attractive for our customers due to the vast increase in space. On top of a wider selection of stock

machines, we are also planning a demonstration centre for used machines, whereby we intend having one model of each of the most popular kinds of machines for permanent demonstration purposes.

Surprisingly enough, I – as Managing Director - was hardly involved in the whole project at all. From the planning of the building right up to the inspection and approval, I was free to concentrate on my duties in purchasing and sales. I delegated the whole planning and surveillance of the project to Frau Staub, who gained a lot of experience and know-

ledge through our last building project in 2004. Consequently I was presented with finished suggestions regarding the design, building realization and solutions to problems, and did not need to spend much time looking into the matter myself. Throughout the building period I had just one appointment – at the lawyers for signing the contract. Everything else, such as bank matters and negotiating with the construction firms, was dealt with in a few telephone calls. As I live in Hessen and only spend time in Klipphausen once every 1-2 months, I got to see the building-site for the first time after the summer break,

once the pillars had been erected and the final stages of building were underway. It would certainly not be advisable to delegate in such a way if you are a building expert yourself or if your staff are not reliable. In my case it was a sensible step, because I can greatly rely on my staff and knew that they could plan and survey the project far better than I could. I am very happy with the result and would like to thank especially Frau Staub and Herr Tempel for their quick and professional organization.

**Stefan Höchsmann**  
General Manager

### TOP-OFFERS >>>



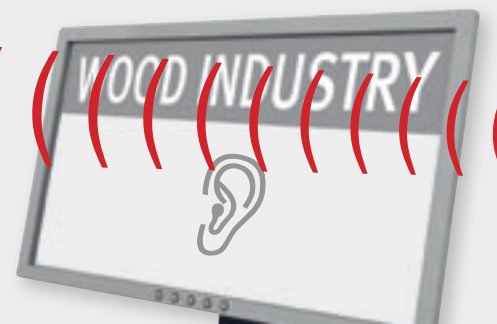
**27343**  
HEBROCK Edgebander  
AKV 3003 DK, 2001  
Price 10.900 EUR



**20538**  
BRANDT Edge processing  
automat for solid wood,  
2000  
Price 13.900 EUR



## A Simplified Explanation of How the





## CYCLING LECTURE ON ECONOMICS

A young economics student and an old wise man with a beard were holding a conversation:

- Student:** Everyone is talking about the decline in economic performance in Europe; what's so bad about it?
- Wise man:** Just imagine a group of students went on a bike tour which led them downhill for a long time. At the start they had a gradient of 11%, then it reduced somewhat to 8%, then 5% and finally 2%. How do you think they would feel?
- Student:** I guess they would have a thrill of supersonic speed at 11% and would still be able to roll gradually downhill without any effort at 2%.
- Wise man:** And what would happen if the gradient would be reduced by 3 points again, bringing it to an uphill climb of 1%?
- Student:** The advanced cyclists wouldn't have a problem with that, but the more comfortable ones would complain that they have to pedal.
- Wise man:** That's just what it is like with the economy. There are just three little points between +2 and -1 economic growth, but it's a critical zone. During times of economic growth the market functions as it should do. Companies produce and offer their services, capacities are extended, banks hand out credits, clients purchase – the market is balanced. In lucrative years many companies economize, invest and actively develop their future. Others lean back and don't see any reason to exert themselves. The companies which actively made use of their time will be better prepared in times of crises. Zealous people have no problems climbing up a gentle slope. Those who are too easy-going don't have it as easy; they trail behind and put the blame on the slope or their bike.
- Student:** And what would you recommend me to do?
- Wise man:** Grab your bike and start training hard, then you will be well prepared for the next hill.

### TOP-OFFERS >>>



**25016**  
MASTERWOOD CNC Project  
323, Bj. 2002  
Price 25.900 EUR



**28120**  
SANDINGMASTER  
Widebeltsander, 1999,  
3 belts, electronic pad  
Price 19.000 EUR



**28065**  
HEESEMANN LSM85/U  
Widebeltsanding line top  
bottom, 2002  
Price 58.000 EUR

## Financial Crisis Influences our Industry

 OUR FOREIGN LANGUAGE EXPERTS 2008

# Höchsmannellos, Höchsmannito



**Ronald Ulbricht**, since 1995 in the company, speaks English and if necessary Russian.



**Nataliya Ulbricht**, homeland Ukraine, since 2002 with Höchsmann, speaks Russian and related languages, and also English and German.



**Stefan Höchsmann**, since 1979 in the company, speaks English and since 1 year also French.



**Helen Höchsmann**, since 2006 back in the company, is from England and helps the company with her French.

## Working Together

International trade with second-hand woodworking machinery covers a lot of European languages, which a successful company should, ideally, be able to speak. When our business with second-hand machinery had just got into swing back in 2000, we

could just about speak broken business English. But we are a learning company and have since acquired a lot of knowledge that we didn't use to have. Especially our sales department is extremely well-equipped with linguists today.



Summer 2008: Become a better photographer

## Learning Together

In 2006 we produced our own language learning CD with everyday used-machinery vocabulary. Our staff could learn English or French on their way to work, for example. Nonetheless we have motivated several employees to learn a foreign language since our language campaign in 2006.

## Eating Together

Since 2006 we are pleased to have Loris Novello in our team, our multi-talented linguist for the Romanic languages. Not only has he enriched the Höchsmann' tongue with his language, but also with his cook-

ing. Once a week our canteen is filled with a Mediterranean flair. It usually works like this: one member of staff supplies the ingredients for his or her favourite meal and Herr Novello prepares a delicious meal, for example a pasta dish.



Frau Szameitat is learning English with the Höchsmann CD language course.



## ...SUMMER 2008



# s, Höchsmannoffs...



**Norbert Zeller**, started his apprenticeship at Höchsmann in 1999, speaks English, and has a basic knowledge in Spanish and Russian as well.



**Robert Janas**, from Poland and with us since 2002, speaks besides German, English and Polish several other languages: Czech, Spanish, and some Russian.



**Loris Novello**, our Italian cook and language-specialist joined us in 2007. He speaks English, German, French and Spanish. And he cooks and speaks Italian.



**Norman Schmidt**, since 1996 in the company, speaks English and is able to communicate with Polish customers as well.

## Arriving Together

As set out in our company philosophy, we don't just want to work, learn and eat together – above all, we want to arrive together. We are greatly concerned not to lose anyone, if possible, on our mutual path which lies ahead of the company. Fortunately it was not necessary to make anyone redundant in recent years. Time will tell if we can continue like this, it will probably be a challenge in a more challenging market. Regardless of what lies ahead, the best thing we can do if we want to »arrive together« is to keep on working, learning and eating together.

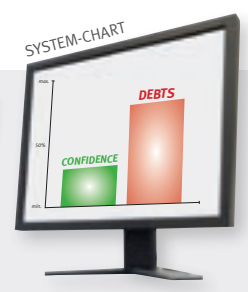


## A New Way of Tackling Foreign Languages: the Internet Translator

Learning is not very popular for many contemporaries, as it is connected with a high involvement of work and time. People who want to save time and effort can opt for internet translating programmes. They translate very quickly and sometimes better than you would imagine. But sometimes you need to use your imagination and have a feeling for art before you can understand what the internet translator means. At the start of the year we received the following text from Spain (translated into German): *Estimated gentlemen, as (after) recognition (dissolved, reminded) at La Feria de Valencia, 2007, modal (connection) with merchanting the machine: MOLDURERA SCM COMPACT, we attach the calculation of the same. We are dependent on it Weinig confirmed to us the exact date of the income of the new machine, so that you are, which SCM can withdraw. To wait, whose understand it the bank transmission in our favour (realize). Attentivly Industria de la Madera*



## AUTUMN 2008...



## OUR WEDDING BOOM 2008

# 6 Employees Get Married

DEAR BRIDES AND GROOMS,

19.07.2008



Norbert Zeller (purchases, sales)

since 30% of our 20 members of office staff are getting married in the next 8 weeks (LBÖ, NZ, RI, RJ, BJ, LN – not including Herr Weniger's Silver wedding), I have chosen to write to you all together. Thank you for not holding this rather impersonal touch against me. As you know, I always enjoy working efficiently.

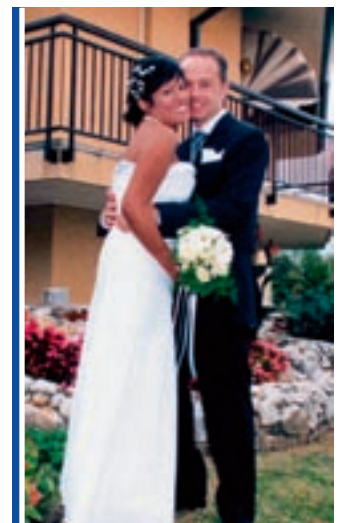
I am very impressed by the wedding boom in the company, all the more so because

the general trend in society towards fewer marriages and commitment is not a good one. Even though I speak from experience that marriage isn't always comfortable and has many challenges, I have still never regretted the step into marriage with my English wife and am very happy to be married. Our commitment to stay together supports us mutually and forms a perfect framework for the development of our children. Several members of staff - who had just started working in our very young company in Eastern Germa-

ny - attended our wedding in Egelsbach near Frankfurt back in 1993. Throughout the last 16 ½ years of Höchsmann in Saxony we have had a coming-and-going of employees. During job interviews I look out for applicants with relationship skills and am interested in their marriage and family life. If I gain the impression that an applicant is sound in his personal relationships, then that is a plus factor. It is hardly surprising therefore, that the majority of Höchsmann staff are married. What is unusual is that we have not heard of any divorces amongst staff in all of the 16 ½ years. Not only so, but even our employees who live in non-marriage-partnerships have all stayed together during this time, as far as I know. This fact is a big blessing for the company and I am very grateful for it. It is not difficult to imagine how much business potential is wasted due to relationship crises amongst members of staff.

There is therefore a certain amount of self-interest when I - as a business-man - wish

my staff healthy and stable marriages. But I also want to commit myself to do my own part as an employer. Because I am aware that the quality of your marriage is dependent on sufficient time and effort on both sides, I will ensure that the company supports these concerns. I intend respecting the needs of your marriage and family in good and in bad economic times, and will not exploit or stretch your present (and hopefully future) willingness to work overtime beyond a sensible degree. The fact that



Lorris Novello (purchases, sales)



## A Simplified Explanation of How the





Lisa Böwing (till 06/2008 secretary)



Raphal Idczak (software / hardware)

I commit myself has also got something to do with my relationship to you, which has some parallels to marriage. In business we often talk about being married. By that we mean our commitment to a supplier or, on the other side, our freedom to switch to a different supplier without feeling guilty, because we do not consider ourselves »married« to him. We can also use the term »married« to describe the relationship between a company and the members of staff. In the company in 2005 we announced our long-term goal and resolved to »arrive corporately with all willing members of staff« (»till retirement parts us«); apart from the »willingness« aspect, it is a similar commitment to a marriage bond. We are very grateful that we have since not had to hand out one »divorce certificate« to any full-time employee.

On top of my commitment to you I would also like to give you a piece of advice for your marriage journey. It occurred to me whilst reflecting on a newspaper article which I read

some years ago, based on research done at the University of Jena, Germany. As far as I can remember it was discussing which characteristics were common amongst successful business leaders. The research revealed, amongst other things, that successful entrepreneurs are usually egoists. At first I thought to myself »So that's why I'm quite successful«. Then I wondered what the term »egoist« actually conveys. Does it perhaps convey that a company's success is due to the boss's ruthless egoism in getting his own way amongst members of staff and other business partners? If so, his framework of success will collapse sooner or later. Or does it rather convey the selfish tactics so often observed in pursuing own commercial interests and ruthlessly ignoring the interests of competitors? There might be certain similarities between such an »egoist« and our activities in used machinery trade. There might even be some similarities between our business relationships and marriage – but please accept this advice:

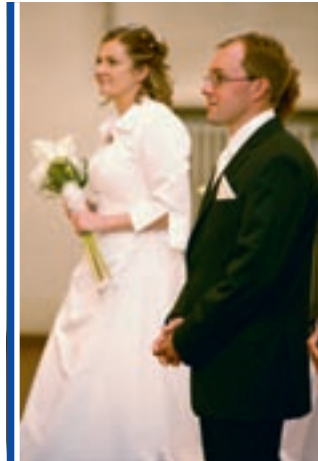
egoism is nothing for marriage! What marriage requires is self-sacrifice. I've got this advice (especially important for the grooms) from a wise and unusual book, which even explains how to acquire this virtue which is so unreachable by human effort. Just as we set out in our long-term goals for the company, I also hope that you as married couples will »arrive together«. Egoism will poison the beauty in your marriage, whilst self-sacrifice will heal the hurts. Try it out! It may cost a lot at present but the reward will be worthwhile in the future.

Remember also that if the trend continues, there will be greater need for self-sacrificial people when you are older. We see the spread of behavioural disorders like attention deficit disorder and dementia, in which self-sacrifice can bring comfort but egoism will bring yet more frustration. By the way, self-sacrifice has an encouraging and positive effect in the field of business, whilst egoism leads to discouragement.

My final wish for all of you is that you Höchsmann wedding boomers will become baby boomers in the future! Please accept my apologies if that doesn't fit in with your personal plans but I think it would be a good trend for the future of our society and – as an enthusiastic father - I know what I would have missed out on if I didn't have three children.

With best wedding wishes from myself and my wife Helen,

Stefan Höchsmann



Robert Janas (Sales) & Beate Janas (secretary)

## Financial Crisis Influences our Industry



## THE INSIGHT OF 2008

# Time for Adjusting Priorities

### Survey amongst Machinery Sales Representatives

**1. Which of the following 2 aims in life is your highest priority?**

Family 85%      career 15%

**2. What might rather positively influence your family's future happiness? You invest in your family:**

Time 88%      money 12%

**3. How contented are you with the time which you invest in your job?**

Scope of work just right	23%
I work too little	3%
I work too much	74%

**4. How contented are you with the time which you invest in your family?**

Just right	12%
Not enough time for family	88%
Too much time for family	0%

One should not take the results of this survey too seriously, because it was never carried out. It is based purely on speculation, similar to what happens on the stock markets. However, because the dilemma indicated here might be real for many, perhaps we should be serious about it. Many of us are caught in a Hamster's wheel, rush through life, but do not make progress with our true priorities. Elias Canetti stated very appropriately: »Everything became quicker, so that we would have more time. We have less time.«

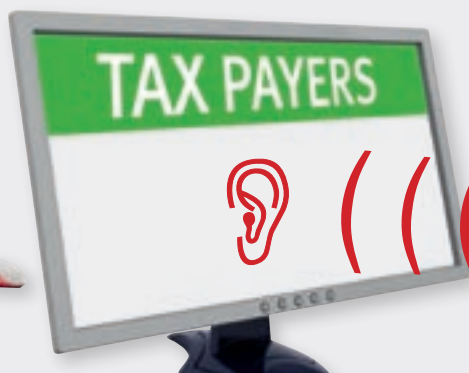
Always on standby, constantly on the move, our 'to do' piles get bigger and the time for decisions becomes more scarce. Therefore it's not a surprise, if we are inconsistent with our priorities. If life only roars past us, then real priorities easily fall out of our sights. The solution seems to be easy: Simply take time for yourself to adjust your priorities and reset your values in life. As easy as this step sounds, it is difficult for us modern people - because, for correcting our priorities we need the willingness to give up what we have grown fond of and are comfortable with. However, I am



*Impressions of a business trip*

firmly convinced of the fact that it is worthwhile to adjust our lives and give priority to the things that really matter. If we assign e.g. to our health and our family the values which are due to them when planning our time, then this should also have a positive effect on less important matters such as career advancement. This was my experience when my life was reshuffled in 2002 by an extreme adjustment of my values. Until then I had lived with my family in Klipphausen at the company and was caught in a hamster's wheel because I did not want to miss out on any possible business opportunity. This hectic lifestyle irritated me so much that I took courage and moved 300 km away from the company. And I found the liberation I was looking for. Interestingly this

step not only had positive consequences on my inner peace, my health and my family, but also on the business. After the move I reduced my working hours to approx. 40 hours and the company grew as never before. With inner peace we work far better than in a rush. Personally I also benefitted from the move. Without being involved in the daily affairs I suddenly had a lot of free space. My almost limitless travel opportunities and my undisturbed daily office routine corresponded exactly to my natural inclinations, and for a long time I felt I was holder of the »best job in the world«. I therefore committed myself to the target to visit all (...) major woodworking machinery manufacturers and dealers in Western Europe, distributing this enormous talk on



## A Simplified Explanation of How the



From cycling as a Hamster to cycling a folding bike

many relaxed and exciting business-trips till the end of my life. My explorer's drive and my affection of travelling were not neglected in my spontaneously and individually planned trips. Because nearly at all times and places there were machines for us to purchase, I could often combine my trips with my preferences of weather and scenery. Sometimes I waited for the winter snow report before fixing my route, and then included cross-country skiing breaks between the customers. In the hay fever season I travelled to maritime regions. Often I managed to fit the amount of 2 days work in one day, and other times I took time off and spent a whole day on my folding bicycle exploring e.g. a beautiful island. The GPS helped me to find lodging at the most fantastic scenic locations, sometimes in a youth hostel, sometimes in a 5\* Hotel. On holiday I often travelled with the whole family and reduced my business activities to a few effective visits. Even if all that sounds more like leisure activities, nevertheless most of it was very productive for the company.

So it was a great benefit for me to correct my priorities back in 2002. Before I endeavoured to

move, it was actually clear to me that I could only benefit if I exchanged the stress of work for more rest and relaxation. The move was of course a business risk, but I gladly took it in view of the future gain, and my calculation proved right. Yet - adjusting inner values must not always immediately produce such pleasant results as was the case with me in 2003. In 2008 I experienced a severe adjustment once again, but one, which doesn't seem too attractive. I have since then given up my »best job in the world« and have significantly reduced my precious travelling. Why? Because I had noticed that my priorities in life were going off-track once again. If you simply follow your inclinations, it is easy to lose your way. This became painfully clear to me this year as I realised I was

slipping into the Hamster's wheel once more. The requirements of a growing company, many business trips and my high demands on enough time for rest and family - all this had once more increased the pressure and pace during the previous years. Then in June when I was on an especially long business trip on the French Atlantic coast, I had enough time to reflect. It became clear to me that my concentration and consistency had weakened, and how the unsteadiness of too many business-trips badly affected my personal peace and my influence on raising our children. Once more I corrected my values and thought to myself: I rather reduce the amount of travelling before I lose higher values such as inner peace or influence on the children. It was less a risk for the

business than for my temper, since the exciting trips had often provided a nice emotional counterbalance to quite a lot of grey daily routine days at home. During the last 5 months I had worked almost non-stop in my Home office, 50 hours each week in front of the computer screen – not really as enjoyable as exotic trips. But various business projects and some restructuring measures required this. In spite of these rather not so pleasant circumstances I did not fall into an emotional pit in these months. I also cut down the number of holidays and therefore still had enough time for the priorities in my life. In these months, there happened some encouraging breakthroughs in these areas of life. Knowing that I have set the right priorities gives me a lot of strength and confidence! This is utterly important. And I am convinced of the fact that in the long term my decision will also bring benefits to the company. My desire for my employees and our readers is: Dare to adjust your priorities. It will be worth it! For my part I have resolved to more alert of the Hamster's Wheel and too much travelling.

## Financial Crisis Influences our Industry



## OUR OFFSPRING 2008

# Facing up to One's Own Greed

The first week in October was an especially black week on the international financial markets. While the actors tried desperately to rescue their wealth from the noose of the falling markets, a girl's camp took place in Siegwinden (Hesse) whose theme would have been a fitting lecture for the financial community. It was all about how one can learn self-control and avoid greed.

### The Greed in the Financial Community and the Greed in us

In the children's radio play series `3 vom Ast` it is simply defined: »Greed is if you want more of something than is good for you«. It is a pity that apparently there was no-one who gave such lessons to the greedy investment bankers when they were young. Now they have been lured by their excess into a trap which could well signify the beginning of the end of their prosperity. And because they have operated with inconceivably huge sums of money, their greed not only has bad consequences for themselves, but also for the

rest of the world. The whole situation has off course sparked off a global anti-greed discussion, and now the whole world expresses outrage over these financial jugglers because through their insatiable greed they have dragged the whole world with them into the crisis. This reproach is indeed correct, but is mostly hypocritical, because these lawyers of frugality now present themselves in such a way as if they had always warned about the consequences of greed. However, did not the system, before it has transferred its liabilities to the state onto the tax payers, also transfer its greed through the media onto us consumers, and did we not willingly accept this greed, because it promised us pleasure and comfort? If a person has a beam of greed in his eyes how then can he remove the splinter of the money addiction from the eye of the stock exchange speculator? Basically, we have all been contaminated more or less by greed. If we wish to cure the system, we must have our own greed treated, so that curing the system can also succeed. Is there really anybody who would claim, that there is no problem with greed beyond the stock



exchange? He may look and compare the days of his childhood to today's child culture. It should be obvious, that today's children on the one hand much better fed than former generations and, on the other hand, also far more dissatisfied. More clothes, more toys, more presents, more sweets, more electronic »educational« aids... They want more and more, and in particular of those things, of which more is not good for them, as scientists often confirm. Too many things scatter their attention and concentration, too much junk food makes

them overweight and allows illnesses like diabetes to spread rapidly and too many electronic educational aids cause their creativity and social skills to diminish. Without a doubt, this greed was wanted and nurtured by the system, e.g., Wall Street, but who has then willingly accepted this greed and is therefore responsible for it? It was us, the stressed parents of today, who tried to compensate our lack of attention time for our children with an excessive generosity in material consumption because we believed - blinded by our own greed - the



## A Simplified Explanation of How the



4/16 = Höchsmann

a camp in Siegwinden for a week, for girls aged between 10-14. The camp was an experiment, because the girls were confronted from the start with unattractive sounding challenges. Thus, for example, electronic educational aids, mobile phones, games and sweets were not required, and it was requested they be left at home. Also other hot potatoes not necessarily popular among children were addressed. The seating order and sleeping order were prescribed, the daily communal program began early on time at 7.30 am and the winners of the team games were allowed to serve the losers by drying the dishes. Even if parents and children were initially skeptical because of these challenges, interestingly enough more girls signed up than were invited. When the camp started, the challenges continued. Every morning we quoted from an ancient book that has much to say about the current greed. In it it states the inexpressible, in unflappable boldness: Greed is evil and is condemned to failure! This is quite scandalous if you consider that our system has declared to us all this time that greed like everything else is

neither good nor bad, and that the greedy have no need to fear any risks or bad side effects. But the girls proved during the course of the camp that they don't mind being led in an anti-greed direction. Withdrawal symptoms were not observed, as they were not dependent upon being pampered constantly with spectacular experiences, sweet presents and the immediate fulfillment of their wishes. What turned out for them to be of greater value was being a community where nobody was excluded and where no quarrelling or a bad word was heard. Simple team games inspired great enthusiasm. Helpful for creativity was that no purchased games had been brought along, except for 3 jigsaw puzzles used for a strategical group jigsaw competition. However, beside the legendary TV guessing game

»Hot Streak« and a cycling skills competition it was, in particular games like »Pantomime« or »Parliament« which required no aids which provoked the biggest enthusiasm in the children. This gained a welcome momentum where the children independently invented their own parlour game in the beautiful surroundings where we were staying, which you could also call »Outdoors-Monopoly«. It was therefore no surprise when the girls declared unanimously at the end, that the experiment had succeeded. The next anti-greed camp will most probably take place in the winter holidays or Easter holidays. All those interested can contact me. It may be that there is still a long way to go, until this initiative reaches the speculators on the stock exchange, but one thing seems to be clear: The now so urgently required confidence in the financial system and in society will not return with lasting effect, as long as greed rules - where people learn to control themselves and their greed, there trust can also grow once more.



1/4 = Höchsmann

Stefan Höchsmann  
General Manager

empty promises of the system? A lasting and sustainable and promising turning away from greed begins not in New York, London or Frankfurt, but within the individual person. From here it can spread out powerfully and with credibility, within the family, to our children, in our social sphere and even to the above mentioned stock markets.

### The Anti-Greed-Girl's Camp

Recognising that greed first needs to be dealt with in ourselves, my wife and I organised

## Financial Crisis Influences our Industry



## OUR CHALLENGES FOR 2009

# WADKIN's Engineer Sank with the

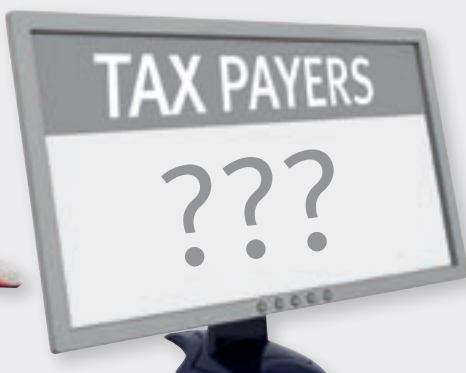
Today German and Italian manufacturers are undisputed the leaders on the worldwide markets in woodworking technology. This was not always so. At the start of the last century an English company lead the way. The sinking of the Titanic also appears in Wadkin's chronology, on which the brother-in-law of the company founder William Javis lost his life. When the young company was still undecided whether it should invest its inventive potential in the woodworking industry or automotive industry, a unique design of a motor car carburetor was developed. Mr. Javis set sail on the Titanic to America to see Henry Ford, to the land of the assembly line production. Neither he nor his secret technical drawings got there. However, Wadkin recovered quickly from this shock and its success story in the development of woodworking machines began shortly afterwards. Today the name Wadkin is not so well-known in the industry outside of Great Britain - in contrast to the name of the Titanic: Her sinking has become a myth because it was not a turn of fate in the usual sense, but the tragic outcome of incomprehen-

sible negligence and arrogance. But also the time of the accident was telling, because it occurred at the end of the period which has become known as the Belle Epoch. Between 1885 - 1914 Europe enjoyed an unusually long period of peace with rapidly increasing prosperity. Optimism and the unlimited confidence in the technically feasible gushed from the media and people. The fall into the abyss of the First World War was even more sobering. For the Titanic as well as for the Belle Epoch the saying became true: 'Pride comes before a fall'. The arrogance of the Titanic was symptomatic for something that has often recurred in history - from the Roman Empire up to the Belle Epoch: Often if a society enjoyed a longer period of peace and prosperity, it became decadent, its morality and culture disintegrated, and it fell. Today even our affluent society is not immune to arrogance - the current banking crisis for example displays amazing parallels to the sinking of the Titanic: unsinkable, carefree, delusions of grandeur. The owners of the Titanic boasted before the maiden voyage of their miraculous unsinkable ship: »Not even God himself could sink her«- banks like Lehmann Brothers felt secure

for a long time and believed: »Our dear governments will not let us go bust anyway.« Instead of enough lifeboats and emergency flares the Titanic had only tons of luxuries items and party rockets aboard - the banks too were carefree and squandered their profits on billionaire premiums, rather than investing in securing their equity capital basis. Those in charge of the Titanic sailed at record speed through the icebergs, and in their pride wanted to break all records - and the banks? - did they not speed up the development of ever bigger, quicker and riskier deals? And in doing so did they not ignore all warning signals because they did not want to resist the temptations of short-term profit? The difference between the banking crisis and the sinking of the Titanic is tragically only that in the banking crisis today many more people are sitting in the boat than on the Titanic. According to the current economical predictions for 2009, many people on this planet should prepare for a journey into the unknown on a boat of a worldwide recession. Which continent will be most intensely affected, America, Asia or Europe, or whether the boat will take a deflationary or inflationary route is still hidden.



In spite of these prospects I don't worry too much about the future of my business. Firstly my heart is not set on material things, and secondly I have confidence in our business model to keep itself above water during difficult conditions. However, I have more concern for the future of our society. When considering the current state of affairs it is impossible to exclude the possibility that the predicted recession will be severe and long. If so, a society pampered by prosperity is assumed to have difficulties with something like this. At least this is how former generations reacted as we trace back several abrupt endings of prosperity in history. After the First World War the world economic situation experienced an economic upturn again, and the »Golden Twenties« appeared. Even today one remembers this comfort-



## A Simplified Explanation of How the

# Titanic

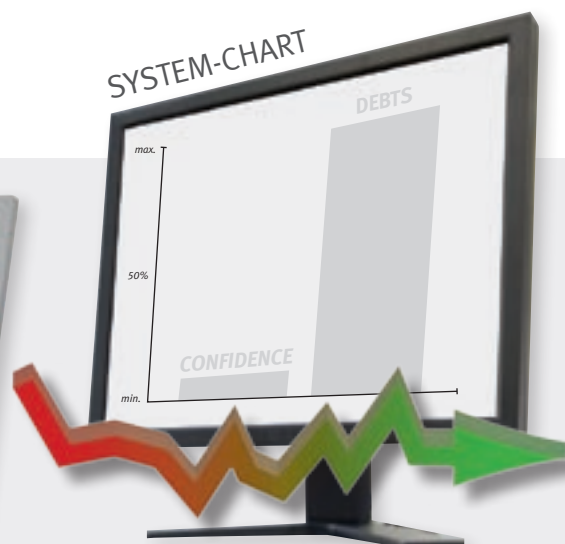
able and noble heyday full of progress and faith in the future; however, it also came to an abrupt end. Much of what characterised this period we know only too well: The boom was financed primarily with credits, namely, as it turned out later - with subprime credits. The crash from boom into depression then followed absolutely unexpectedly in October 1929, and the shock waves of the crisis spread out from Wall Street quickly throughout the American nation and the whole world. The worldwide economic crisis led to a strengthening of the radical forces in politics and society, laying the foundation for the Second World War. Until recently we were convinced that our society was unsinkable. Without a worry we believed, that as long as the economy and prosperity were growing, everything was proceeding in the right direction. And in our striving for more prosperity and comfort we did not want to believe on which clay feet our system really stood on. We willingly, and with great pleasure allowed ourselves to be led by the system. What the actors on the financial markets did was too complicated to understand, but their vision of a market growing ever larger and faster sounded attractive to us.

History as a subject was boring to us. If we had heard of the crises and conflicts of the past, we were certain: 'With all our enlightened knowledge such a thing cannot happen to us again'. But is this not titanic arrogance? The crew of the Titanic had a lot of knowledge, also about the danger of icebergs - however of what use was all this knowledge to them without applying it? Certainly today we have more knowledge than generations of the past. However, can we also claim for ourselves that we have more wisdom, which would express itself by us applying our knowledge in a sensible and precautionary manner? One could cite many examples of the fact that we lack wisdom. The bank crisis is one which illustrates this: We were led by very unwise 'actors' on the stock markets, who did not follow the knowledge in their heads, but the greed in their bellies. Greed makes us blind. It is no surprise that we now have a massive trust problem in the financial markets - who likes to put his faith in a blind guide? Politicians are trying to correct this mess now within the range of their possibilities, using monetary-political measures and economic programs. I cannot imagine how such programs

only fighting against the symptoms could create a solid future if the problem is not dealt with at the roots. Which is: The system has a blatant contradiction within itself: On the one hand it requires the trust of market participants, on the other hand, it is built up on arrogance and greed - but one cannot trust the haughty and greedy. And because this contradiction has been exposed in the banking crisis, this has a demoralising effect on the markets and on society. That is why I ask myself, how can society's morality be rebuilt, how can we attain trust and confidence once again? And how can we preserve the more valuable post-war achievements - liberty and peace - in a time of recession, so that afterwards growth and prosperity can blossom again? When searching for answers to such questions we quickly look to politicians. But good morals and unity within society are difficult issues to prescribe from above. Where this has happened, it often went off-track. Indeed, I would welcome it if politicians would advocate for a social climate in which, for example modesty and humility would become »in« again. But we should not push the responsibility for this onto the politicians. Before something

is prescribed for us in this manner, each one of us should rather by his own initiative turn away from arrogance and greed, and therefore help to build up trust and stability for our future society. It may sound very idealistic and unrealistic if I philosophise to abstain from arrogance and greed in regard to dealing with the financial crisis. Of course, this would not be the solution, only a tiny step. But it is one which can create much encouragement, especially if many take it! And we can also take this step without the politicians. However, I believe that without God it will not work. I have never discovered any effective strategy against arrogance and greed, except through Christ. God provides a stable framework of values and confidence. To those who trust in him, »He is their rock, their fortress and their salvation - they shall never be shaken.« (Psalm 62). According to a trustworthy report the Titanic was launched under another motto. On the bow of the ship which was later torn by the iceberg, there was written: »NO GOD«, surely by these letters the writer wanted to state: 'Look, how great a ship this is, unsinkable, it does not need God.'

## Financial Crisis Influences our Industry



BIESSE 1998...2008  
HOMAG 1998...2008  
SCM 1998...2008  
WEINIG 1998...2008

WEEKE 1998...2008  
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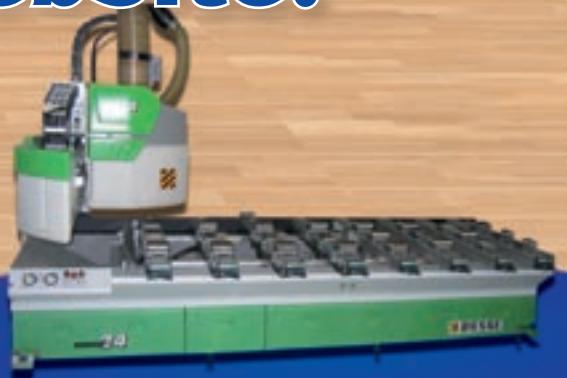
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