



Digitalization – CGS leverages a joint platform for its portfolio companies.

Digitalization and innovation

Optional today, digitalization will be a must tomorrow. CGS provides its portfolio companies with a common platform to make Industry 4.0 a reality. The laser specialist InnoLas Solutions, a company of Photonics Systems Group, has a lot to offer its customers in this area too.

Thomas Lehmannn wanted to arrange for his succession and step down gradually. Find out in our interview with this entrepreneur how things suddenly turned out differently and what he is now planning as CEO of EOL Packaging Experts.

There are innovations that fundamentally change conventional methods. For example, SF Tooling has started using a new technology to cast large structural parts for electric and hybrid vehicles, replacing around 70 parts with just one. This reduces weight by as much as 40%. Car manufacturers are highly interested.

I hope you will enjoy discovering this issue of CGS Update.



Dr. Rolf Lanz,
Managing Partner

>>> INDUSTRY 4.0

DIGITALIZATION: TODAY AN OPTION, TOMORROW A MUST



Markus Laesser,
Director Operational Excellence

Digitalization is a competitive advantage. Today, customers are willing to pay for it, but this may very well be different in two to three years. Digital processes and services will be a must for doing any business at all. Knowing this, CGS supports its portfolio companies with its own digitalization program to stay a step ahead of the competition. The case of the laser specialist InnoLas Solutions, a company of Photonics Systems Group, exemplifies the advantages for customers and suppliers.

The CGS digitalization initiative is a largely standardized procedure that helps portfolio companies introduce applications for Industry 4.0 production. But their machines must be digitized first, as their digitalization is the basis for the 4.0 services provided to customers. These services include analyzing data coming from their sites in real time in order to ensure high overall equipment efficiency (OEE). With preventive and predictive maintenance, companies can shorten the durations of planned machine downtimes and avoid unplanned ones. The latter in particular are expensive and make the production process inefficient and unpredictable. Virtual reality glasses can be used to provide customers with remote maintenance or troubleshooting support.

Focusing on customer benefits

CGS builds up internal and external programs within the portfolio companies' operations in order to offer the customers innovative and technologically advanced solutions. The core concern here is always how these activities can benefit the customers. By default, CGS uses the industrial service platform EQCloud, short for EquipmentCloud,

InnoLas Solutions is synonymous with innovative laser technologies, customized site solutions and processing systems, and the highest level of quality and productivity. Specialized in micro-materials processing, InnoLas Solutions develops and produces high-precision laser applications for customers operating in the photovoltaic, electronics, and semiconductor industries. The company has over 25 years of experience in laser technology. It took on its present form as the spin-off of the photovoltaic and electronics business units of the former InnoLas Systems in 2013. In May 2018, InnoLas Solutions joined Photonics Systems Group, a market leader in laser applications for micro-materials processing.

which allows customers to access all the data regarding their machines. The platform offers CGS portfolio companies the major advantage of being able to jointly utilize resources and expertise.

A typical example of the digitalization process and its specific benefits for customers is InnoLas and its cooperation with a German technology firm with a turnover of over EUR 20 billion.

Two years of preparation

InnoLas needed about two years to digitize its internal processes and map them substantially in the cloud – a must for offering digital services externally. For over 15 years now, the machines have been equipped with databases that record all statuses and signals from sensors.

Creating more value

By connecting the new machines to EQCloud, the technology firm mentioned above can monitor and control the InnoLas machines as well as connected systems remotely. With the smart phone app, the firm can check on the performance and status of each individual machine. The customers receive a message whenever there are downtimes or errors and can contact InnoLas' support department directly to take any measures necessary. They receive status updates automatically while service is underway.

In this technology firm's case, this helped reduce the installation's downtime significantly and raise its OEE from 95.4% to 98.1%. This increase creates additional value amounting to about EUR 200,000 per year. ■

See www.innolas-solutions.com for more information.

	DIGITALIZATION OF INTERNAL PROCESSES	Introduction of suitable software (DocuWare) for managing documents and automating the workflow
	AUGMENTED SUPPORT	Introduction of augmented support services through high-resolution cameras and virtual reality glasses for real-time troubleshooting
	EQUIPMENT CLOUD	Introduction of an EquipmentCloud for real-time data collection as a basis for big-data analysis and preventive maintenance
	PARTS & SUPPLY APP	Introduction of a mobile app with access to the catalog of replacement parts and the helpdesk

Examples of digitized projects that CGS facilitates within the portfolio companies.

Buy & Build strategy

CGS invests in small to medium-sized companies in Germany, Austria, and Switzerland (the DACH region) with turnovers ranging from EUR 10 to 80 million and transforms the businesses into market-leading industrial groups in their niche, usually with two to four add-on investments worldwide. CGS only invests in industries in which it has operational experience: automation, construction supplies, industrial equipment, plastics, machinery, apparatus, and accessories as well as measurement and control systems/sensors.

>>> CGS BUY & BUILD

REVVING BACK UP



Thomas Andereg,
Managing Partner

To set up succession and step down gradually – that was Thomas Lehmann's plan when he sold a majority stake in his company BMS Maschinenfabrik to End of-Line Packaging Experts (EOL) in 2020. But things turned out quite differently, not least because CGS' Buy & Build strategy won him over.

Alongside the purchase of BMS, the search was on for a new group CEO for EOL. Thomas Lehmann, as the largest co-shareholder, was involved in the process. After discus-

sions with his team and family, he threw aside his original intention to step down gradually and asked the CGS partner in charge: "Why don't I do it myself after all?"

An outright stroke of serendipity – Thomas Lehmann and his management team know the technology and the industry and they overcame, with BMS, the very challenges that EOL is facing now. He and his closest colleagues are currently managing EOL and BMS in dual functions, which they will successively hand back over in the course of 2021.

Mr. Lehmann, you sold BMS to the EOL Group in spring 2020 – why? Was BMS too small by itself?

Yes, we were too small. We had the potential to grow, but

“Successful business management is like soccer: individual players can score goals and win a match, but you can't win the championship without the right approach to the game, a suitable coaching staff, and a motivated team.” Thomas Lehmann, 57, CEO of EOL.



we also knew that we would probably not be able to handle the growth on our own. On top of that, there was the issue of succession. I wanted to make sure that the company could stay in business with solid management and to give the employees certainty early on about their future. Since no one in my family wanted to take over the reins, we asked professionals to help us find a partner.

Did you consider other options at the time?

We considered everything, from industry partners and family offices to financial strategists. In the end, we were left with two possible solutions. EOL, with CGS in the background, was one of them.

What tipped the scales in favor of EOL?

The Buy & Build strategy completely won me over. I had always been wary of financial investors. As an outsider, you get the feeling that they pull the money out of the company and throw away the shell. But if you look at the portfolio companies of CGS, you can see that the Buy & Build strategy is a sustainable approach. We quickly realized that it would provide much greater impetus and create many more opportunities to achieve our goals. We were always treated as equals during the talks with CGS, and that fits in well with my philosophy of togetherness.

Is the Buy & Build strategy working as you expected?

Absolutely. I've been on board for just over a year now, and we're right on track. We are currently merging the companies, especially the two German units. Unfortunately, merging activities with the American company are only possible to a limited extent at the moment due to the pandemic.

Alongside BMS, the German firm A+F Automation + Fördertechnik and the American company Standard-Knapp also belong to EOL. How do the three companies complement each other?

They complement each other perfectly because they all

work with similar containers and packaging. There is also some customer overlap. BMS currently has an order volume of unprecedented size that it cannot handle on its own. That's why we have started to concentrate technology at A+F that we need for both companies. This is helping us to free up capacity at BMS and to manufacture more cost-effectively overall.

In the medium term, A+F and BMS will use Standard-Knapp's platform to break into the immense US market. With the combined expertise, we can expand our presence in the American market. A+F also offers BMS the opportunity to expand its machine portfolio and develop combined machines. BMS would not be able to do this on its own.

What is the added value of working with CGS?

Its external consulting services are very valuable. I appreciate our close dialog as equals, as it is based on respect and trust. I get the open and honest opinion of CGS – without the obligation of having to do it that way.

Which core projects do you want to pursue with EOL?

The priority is lean production, which we have made very good experience with at BMS. We also want to develop joint machine concepts and combined machines for carton handling and packaging. The digitalization of all value-adding areas is also a core concern, from cloud-based project management to commissioning with the help of the digital twin, the digital copy of the physical machine. This entails many advantages for our customers and EOL. Overall, we want to be able to build machines faster and better and commission them more quickly.

Where do you see the EOL Group in the next five years?

We want to be the first port of call for complete end-of-line packaging. We will also be present in the important Asian market, where we already put out feelers before the pandemic. ■

See www.eol-packaging.de for more information.

Based in Pfatter, Germany, BMS Maschinenfabrik specializes in packing and palletizing systems for the beverage, dairy, and food industry. The company develops and produces the systems and offers comprehensive service, from planning and control to delivery, assembly, commissioning, and maintenance.

EOL Packaging Experts is a global manufacturer of integrated, high-grade end-of-line packaging machines and automation for the dairy, foodstuffs, and beverage industries as well as for consumer goods. Founded in Germany in 2017, the group now includes the German subsidiaries A + F Automation + Fördertechnik and BMS Maschinenfabrik as well as the American company Standard-Knapp. Its turnover amounts to around EUR 70 million. The group's CEO Thomas Lehmann has lived in the US and in Asia and knows both of these important market regions first-hand.

The SF Tooling Group is a global market leader in the manufacturing of die-casting molds and tools for technologically sophisticated light metal structural parts. These molds, weighing over 100 tons, are manufactured for the processing and finishing of light metal parts made of aluminum, magnesium, and carbon. With approximately 200 employees, SF Tooling has a turnover of around EUR 60 million. The business serves its high-profile customers in the automotive and aviation industries from its locations in Germany, the US, and China.

>>> INNOVATION

SF TOOLING SETS A NEW STANDARD



Antonio Cives,
Managing Partner

SF Tooling Group has made a name for itself as a pioneering and technologically leading manufacturer of die-casting molds for light metal parts. With the support of CGS, the group has launched its internationalization strategy and set in motion the paradigm shift away from the combustion engine towards hybrid and electric mobility. SF Tooling is once again demonstrating its first-mover mentality by co-developing large molds. The new production process will fundamentally change the market and set standards. It is already bearing fruit: major orders and substantial interest from established automotive manufacturers.

In its 60-year history, SF Tooling has gained a great deal of experience in developing and optimizing high-tech die-casting molds and tools for its demanding clientele in the automotive and aviation industries.

Pioneer in die-casting molds for structural parts

In 1993, SF Tooling was awarded a manufacturing contract for molds for structural parts by a well-known German original equipment manufacturer. This cemented SF Tooling's status as a technologically leading

moldmaker. Accompanied by CGS, the company expanded into North America and Asia and built up its presence in key markets, strengthening customer loyalty through service and proximity.

Upheaval in the automotive industry

With the emergence of disruptive technologies such as autonomous driving and e-mobility with many hybrid and fully electric models, the automotive industry is undergoing fundamental change. This shake-up is hitting the established original equipment manufacturers in particular, whose situation has been further impacted by the COVID-19 pandemic and the resulting decline in sales.

SF Tooling recognized this trend early on and prepared for it technologically. The company's pioneering spirit and first-mover strategy are paying off: around 80% of current orders concern structural parts and e-mobility. This is well above the sector's average and the number of hybrid and electric models produced and sold.

New standard using large molds

Another technological breakthrough is taking form: the use of large molds weighing up to 140 tons. These allow very large and complex structural parts to be cast. For example, a single light metal part can replace up to 70 mostly small sheet metal parts. This technology offers immense advantages. In addition to reducing weight by 30–40%, it simplifies the production process enormously, freeing up assembly areas and eliminating many production steps such as gluing tiny parts together.

SF Tooling has developed and optimized these large molds together with a renowned electric vehicle manufacturer and has been able to land major orders in North America and Europe in recent months. Other original equipment manufacturers are interested in this disruptive production process and will make forward-looking investment decisions in this area in the coming months. ■

See www.sftooling.com for more information.



One of two parts, each around 7.5 tons, that help shape a die-casting mold for large structural parts of electric cars. The entire mold weighs a good 130 tons.

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