

In for the long haul

German crane manufacturer Wolffkran has had an eventful 150 year history surviving the ups and downs of an entire industry not to mention the challenges of significant ownership changes. Following its purchase by a Dr Hans-Peter Koller and Dr Peter Schiefer in 2005, the company is now setting a new course for even greater achievements.

Cranes & Access recently caught up with chief executive officer Peter Schiefer to get an insight on the person driving the new Wolffkran forward into its fourth half century. Mark Darwin reports...

Wolffkran has had a long and varied history which started way back in 1854 in Heilbronn, Germany. (see history) Peter Schiefer has been around less than a quarter of that time, but has also had just as exciting and varied history although rather untypical for the owner of a crane company.

Schiefer was just 32 years old, the youngest ever Siemens division chief, responsible for a DM1.2 billion business which employed 1,200 in Germany and a further 400 abroad. An impressive achievement. However he then left Siemens to pursue a financial career with global investment banking and securities



Peter Schiefer (above) and Hans-Peter Koller are now driving Wolffkran into its fourth half century.

were totally different in their outlook and business philosophy as Schiefer explains: "Siemens was a traditional type of company with high values and ethics. Goldman Sachs was purely financial driven, money in - money out, impersonal and extremely straight-forward. Its sole purpose was to make money with a short turnaround of a couple of years."

After leaving Goldman Sachs in 2003, he bought a company involved in wind farms (part of ABB) for an investment fund. Although a small company with just 30 people he says he thoroughly enjoyed running the company which ended as the biggest wind park in Germany.

When Wolffkran came onto the market it was ideal for Schiefer geographically and because of its long emotional history was a company that needed total commitment - similar, says Schiefer, to the wind farm company and Siemens.

"I had no clue about the crane business, my strength is getting the best people and motivating them. That also includes getting rid of people who do not fit but you have to take the tough decisions."

"Goldman Sachs did this in a sense bringing in 100 good people but getting rid of 300, but only for the short-term gain," he said. "Wolffkran is not a short-term play, it is a long-term project which can't be done remotely. It is a hands-on job and I'm looking at a 15 to 20 year horizon."

Wolffkran is building up its rental fleet (the manufacturing businesses largest customer), according to Schiefer rental is the asset base for

the company with the benefit of a monthly income. He is also investing in property - something its previous owners MAN did not want to do.

"We understand financing which is a major plus in arranging and structuring finance deals," he adds.

So were there many worried Wolffkran employees when they heard the news that Schiefer was one of the new owners?



One of the latest luffing cranes unveiled at Bauma 2007.

Originally from Western Germany, he graduated as an electrical engineer from the technical university in Munich. He gained a scholarship from Siemens to complete his PhD thesis in 'semi conductor compression video' before working for the company in a business development role during the early 1990's in 'Silicon Valley' USA.

Running projects in the US and Germany resulted in several promotions leading to the top job at Siemens' growing Power Generation division.

Overseas markets such as the UK were becoming increasingly important. In 1954 Wolff cranes were used on the world's first commercial nuclear power station at Calder Hall.

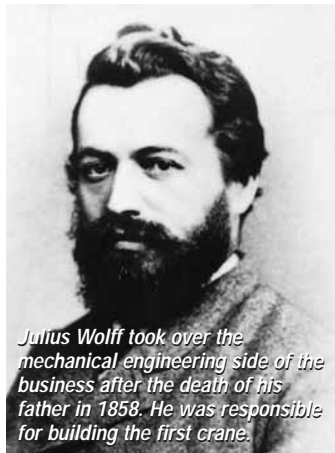
company Goldman Sachs becoming managing director of private equity for Europe.

As well as being two totally different career paths, the two companies



The Hilton Hotel in Manchester.





Julius Wolff took over the mechanical engineering side of the business after the death of his father in 1858. He was responsible for building the first crane.

"I think that most employees were pleased that we had purchased the company because Wolffkran had been in trouble for sometime."

"We made the business model clear from the first meeting and we are working hard to carry this through. The demand for cranes has pushed employment from 190 in 2006 to more than 300 people in just 18 months."

"I am not a fan of labour unions, I feel responsible for the employees and need to take care of them. This is a cyclical business we will have good years and bad years. When it's good we pay good wages and bonuses to everyone in the company."



The company celebrated its 100th anniversary in 1954 - a year after MAN took a 51 percent share.

"But if there is a lean period, the employees must understand and accept the situation."

Although Schiefer intends to run the company for the next 15-20 years he feels there is a need to grow the management team. "If there is just one person responsible, it puts the whole company at risk," he said. "We are fortunate in having many capable senior managers already within the company, but at the moment both myself and Hans-Peter Koller make the major decisions - two heads are better than one."

"I can work 24/7 if I need to, but you end up brain-dead and it is then impossible to make the right decisions," he said. "I am always on duty - just take some time in between."

Schiefer is a big sportsman enjoying sailing, surfing, tennis and golf when away from the business.

So what of the future for Wolffkran?

"The markets around the world look good at the moment - Eastern Europe and Dubai have at least 5-6 good years, Russia 10 years, UK until 2012 - even Germany is experiencing growth," said Schiefer. "But I only plan two years ahead - just in case, I always ere on the safe side."

Wolffkran history

1854 - Friedrich August Wolff establishes an iron foundry and mechanical workshop in Heilbronn

1858 - Julius Wolff takes over iron foundry and concentrates on mechanical engineering

1870 - Wolff starts to specialise in making cranes and elevators

1890 - Julius' son Richard takes over expanding crane production

1898 - First slewing crane leaves Wolff workshop

1908 - Designer Gottlob Gobel appointed - later part owner of the business

1910 - First 'quick erect' top slewing luffing jib tower crane developed taking four days rather than the normal 10-14 days.

1913 - Crane is awarded 'gold medal' at the international Leipzig Exhibition

1920 - 1935 The growth of the new Italian architectural style needed cranes to lift several tonnes up to

28 Wolff cranes were involved in the construction of Canary Wharf between 1989 and 1992.



40 metres and created a huge demand for Wolff cranes in Italy and Switzerland and later in France and Germany.

1928 - The trolley jib crane introduced so that it was not necessary to drive the whole crane on rails to reach the various parts of the site.

1938 - Richard Wolff dies at the age of 75, and son in law Eduard Hilger takes over. Wolffkran name introduced reflecting the company's most important product line.

1944 - Production ceased after the Allied bombing of Heilbronn destroyed the factory

1948 - Manufacturing resumes to cope with the building boom to rebuild Germany. Most early production goes into the Swiss market.

1952 - Wolffkran enters luffing jib crane market with boom transported on the roads. This H crane was quick to use and ideal for smaller construction sites replacing the Form crane.

1953 - MAN becomes partner with 51 percent share in Julius Wolff & Co bringing much needed expansion funds

1956 - Expansion starts with new building at Austrasse

1963-68 Wolffkran helps with the dismantling and reassembling of two ancient Ramses temples at Abu Simbel in Egypt to make way for an extended Aswan Dam

1963 - The first Wolff WK60S delivered to Robert Aebi in Switzerland. This crane used standard elements 4.5 metres long allowing the tower crane height to be varied and grow with the building. Also introduces the easy-to-assemble bolt connection

1970s - Modular crane construction meant customers could combine modules already owned - even with the introduction of new cranes such as the SL series in 1973.

1977 - Wolffkran developed offshore, slewing and overhead cranes with high load capacities.



Wolff cranes were involved in the dismantling and reassembling of the two 13th century BC Ramses temples between 1963 and 1968

1984 - Turnover increased to DM52 million and the company employed 317

1987 - First B series revolving tower crane with luffing jib introduced

1989 - Introduction of electronic crane control.

1989-1992 - 28 Wolff cranes are used in the Canary Wharf development including 14 luffing cranes all supplied by Wolff Davis Tower Cranes

1993 - Demand from the Tiger economies - Malaysia, Singapore, Thailand and Korea increased demand enormously.

1995 - The company opened its own office in Thailand

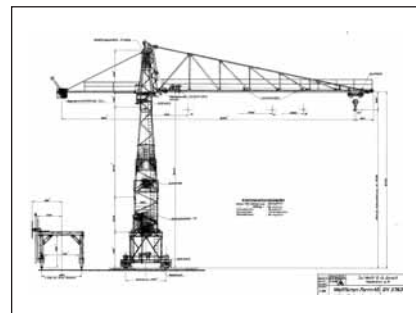
1996 - First optional add-on module for radio transmission of machine data

2000 - Introduction of the new XXL series cranes

2004 - 150 year anniversary

2005 - Takeover by German-Swiss consortium

2006 - New Wolff City class cranes



A technical drawing of an early Form 45 crane - one of three models with a maximum load capacity of 10 tonnes and hoisting heights of more than 40 metres.