

Spirit of Optimism

What challenges does digitalization bring with it? How will work environments and job descriptions change? What new partnerships and business models are possible? And which products will benefit the STIHL portfolio over the next few years? CEO Dr. Bertram Kandziora and CDO Dr. Christian Vogt make clear: Digitalization is not a project, but a core mission for the entire company.



With digitalization,
move closer to the market and the customer

DR. BERTRAM KANDZIORA Digitalization is certainly one of the most important topics for us in the coming years. It has what it takes to become the next growth engine for STIHL. The decision to focus on battery products over ten years ago has yielded enormous growth in that area and shows that future strategies must be tackled at an early stage. That's why we've been working on digitalization for some time now – but in 2017 things really got going. When dealing with new technologies, digital services and intelligent networking, our ultimate goal is to increase customer value. Above all, it is about creating added value through innovative digital functionality. Digitalization helps us to get even closer to the market, customers and employees – to better understand their wishes and needs and to serve them individually.

DR. CHRISTIAN VOGT Under the title “STIHL Connected,” a series of digital development projects currently are in motion. These aim to further improve the user-friendliness of our products with the help of smart functionality: For example, users of STIHL devices will be able to retrieve information about usage time and power consumption. Tips to improve the user's working technique can be displayed directly on a smartphone. We also see great potential in areas such as fleet management, theft protection and optimization of maintenance intervals. We want to make systematic use of all the possibilities of digitalization and develop new business models for STIHL and its customers at the point where the analog and the digital worlds intersect. This also fits in with something new for our servicing dealers. “Virtual reality” complements the classical STIHL product training and introduces employees, retailers and customers to our products in a whole new way. New tools and functionality can be experienced in a virtual environment and interactive approaches to complex services can be discovered.

KANDZIORA In all future strategies, we must not forget where we came from. STIHL has grown as a classic mechanical engineering company and we are proud of these roots. They have made STIHL the world's best-selling chain saw brand and the technological leader in our industry. They allow us to go in new directions, to change ways of thinking, to adapt processes and take calculated risks. In the future, we want to bring innovations to market faster, use resources more efficiently, increase our productivity and optimize our processes.

Strong roots open up
new possibilities

“We understand the potential that further digitalization brings, but we will always set clear priorities and act carefully to truly seize all opportunities.”

DR. BERTRAM KANDZIORA



Industry 4.0
is already part of everyday life

VOGT For a long-time global market leader such as STIHL, it is important not only to keep pace with the ever-faster development of new technologies, but also to actively shape them. This is only possible if we consistently improve ourselves and our processes to be positioned to act even faster and more dynamically. One example of this is the promotion of interdisciplinary project work in small, powerful teams within the framework of so-called “innovation labs.” Moving forward in small, iterative steps and being able to respond quickly to customer requests has already been implemented in an exemplary way in these labs.

KANDZIORA It is important that we understand digitalization not as a revolution, but as a continuous evolution. It goes without saying that our values also apply to digital projects and measures. Robust and reliable products are still at the center of all our activities. We make these even more attractive with software and smart services. With this in mind, we ask: What does the customer need, what does the customer really want and which solution creates the maximum added value?



KANDZIORA An important building block in these projects is the willingness to experiment. STIHL has always been brave – change has been part of our DNA for 90 years. This includes the courage to make decisions for completely new approaches and directions. There will be experiments in the future too, the outcome of which may not be clear at first. What matters is that we do not label things that do not go as planned as failures. We need to see them as experiences that we are motivated to learn from – in short, as something positive.

In addition, with the advent of new technologies, the nature of collaboration will change. For example, the production cycles for electronic and battery-powered products are already significantly shorter and require more agility. Faster, however, does not simply mean to increase the speed of work, but to use intelligent tools, to set clear priorities and to collaborate more effectively.

VOGT The new business division Digitalization is a good example of this. A diverse and interdisciplinary team works both on visions for the future and on concrete implementation projects. We see ourselves as an ideas engine, developing a digital strategy and driving its implementation throughout the company. We provide expertise in all relevant technologies – such as big data analytics, artificial intelligence and robotics. In addition, through the aforementioned innovation labs, we are also contributing to innovative ways of working and digital, networked thinking in as many areas as possible, thus promoting the further development of digital leadership at STIHL.

Change is part of
STIHL'S DNA



“We are very close to the market and the start-up world. We sift and evaluate new ideas, and prepare investment decisions.”

DR. CHRISTIAN VOGT

KANDZIORA And we founded STIHL Digital GmbH, which invests in young companies that are developing digital businesses and helps make them market-ready. The new Digitalization division acts as an internal innovation laboratory for ideas that come from the company. Externally, STIHL participates in innovative start-ups and supports spin-offs. For example, the start-up “Freiraum” offers landscapers, gardeners and tradespeople an app with which they can record, document and invoice their jobs.

Another initiative, “Logbuch,” is developing an innovative assistance system for voice-based forest mapping and data collection that will help forest rangers and foresters at work. In addition, STIHL has acquired a stake in “High-Tech Gründerfonds” (HTGF), and at the beginning of 2017 it also acquired a stake in the Israeli start-up “GreenIQ,” which develops networked products for smart garden applications. We are very close to the market and the start-up world. We sift and evaluate new ideas, and prepare investment decisions. Even if much is still open and needs to be continually reassessed, I see STIHL on the right path to becoming a pacesetter for digitalization within our industry – and possibly beyond.

Sights set on

start-ups

ACTIVATR AND HIGH-TECH GRÜNDERFONDS III

ACTIVATR is a project that, so far, is unique in Baden-Württemberg: The program brings together talents from the start-up scene and employees from established companies. In three phases of the program, and over a period of about nine months, the teams develop ideas and business models within previously defined areas. Accompanied by experienced mentors from both worlds, the interdisciplinary teams develop innovative business models and create a start-up. At the end of the program, the business ideas generated will ideally be spun off as independent businesses.

STIHL is also participating in this project, initiated by Pioniergeist GmbH. So far, four teams have been established with STIHL employees. Some of the ideas that emerge from this very intensive process will remain with the STIHL founding company, while others will be spun off as an independent company, or as an associated company of the STIHL Group. So far, one start-up has successfully mastered this step: "Freiraum."

In addition, the STIHL Group has acquired a stake in High-Tech Gründerfonds (HTGF), the largest seed fund for the financing of young technology companies in Germany. This investment aims to promote the development of innovative companies and to further strengthen research and development activities. The collaboration also provides an overview of developments and trends in the start-up scene. Thematically the fund is broadly positioned. Investors in the public-private partnership include the Federal Ministry for Economic Affairs and Energy (BMWi), KfW Group and well-known commercial enterprises – now including STIHL.

🕒 WWW.ACTIVATR.PIONIERGEIST.XYZ

🕒 WWW.HIGH-TECH-GRUENDERFONDS.DE



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STIHL EMPLOYEES AND 10 FOUNDERS HAVE WORKED ON 4 PROJECTS SINCE THE FALL OF 2016.



SO FAR ONE IDEA HAS BEEN SUCCESSFUL: "FREIRAUM."



FREIRAUM
GmbH

"FREIRAUM" WITH ITS MESSAGING AND DOCUMENT MANAGEMENT APPLICATION "MEMOMEISTER" AIMS TO MAKE WORK IN THE OFFICE AND IN THE FIELD EASIER.

🕒 WWW.FREIRAUM.XYZ

🕒 MEMOMEISTER.COM