

Under the personal leadership of Fritz Hahne, Wilkhahn has created a niche for itself and earned a global reputation for designing high-quality, classically modern furniture that is both elegant and functional. In a rich overview of this German firm, Brigitte Wolf explores the business objectives, the work ethic, the design principles, the social and environmental values and, of course, the products and architecture that are the hallmark of this remarkable company.



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"I don't want to react to the market-I want to create the market," was one of Fritz Hahne's business principles. And that is what he did as the leader of Wilkhahn AG for 40-odd years and what he continues to do as the honorary president of the company's board of directors. It was his joy to initiate the pioneering projects that are Wilkhahn's trademark, and his task to define the research and development objectives that helped the company set the standard for high-design office furniture. Now 80 years old, Hahne looks back on a life spent in the vanguard of design, and smiles.

Company origins

Founded in 1907 by Friedrich Hahne and Christian Wilkening, Wilkhahn

started out as a small carpentry near Hanover, Germany. Like many others in that region, the company's main product was chairs made from the beech wood of the local forests. World War II, however, forced the company to close, and it was not reopened until the founders' sons, Fritz Hahne and Adolf Wilkening, took up the reins. Wilkening was an expert in construction and technology and a whiz at production, but Fritz Hahne truly shaped the company. His respect for aesthetics, as well as functionality, made it easy for him to differentiate his company from its competitors. He is known for a certain amount of self-doubt, which has driven him to look always for a better argument-to let the company's philosophy grow slowly. He is also fond of saying:



Fritz Hahne (left): the man who designed the Wilkhahn company. Jochen Hahne (right) has been Wilkhahn's CEO since the year 2000.

"Small companies don't make long-term plans they recognize and feel the situation and act." In other words, small companies grow through what they learn as they face challenges.

Hahne also believed in doing what he could to improve other peoples' lives and to create a positive experience for everyone—customers, partners, and staff. Fairness and honesty are the values by which he measures all his activities. When he left his position as Wilkhahn's CEO nearly 15 years ago, one might have expected him to hand the position over to his son Jochen. On the contrary, Jochen had to go outside Wilkhahn to find his own way, and it was not until he was offered a leading position at another company that his father "headhunted" him back into the fold. "Competence must go before family relations," says Hahne. Jochen became CEO of Wilkhahn in 2000.

The ethos of the company

With his knack for anticipative thinking, Fritz Hahne recognized early on that Wilkhahn could position itself successfully in the market if it used an innovative design strategy. "Profit is not all," he says, "but without profit, everything is nothing." From the start, his principles were accepted and internalized by Wilkhahn's employees, and they have always informed company decisions—strategic or mundane.

Besides being a businessman, Hahne has always been a very social person. He took as his life principle Albert Schweitzer's motto: "I am life that wants to live in the middle of life that wants to live." It only made sense that he would dedicate his business objectives to providing sustainable improvement and cultural value to the public. Early in the 1950s, he went about establishing contacts with architects and designers known for their simple, clear design language, and he has always believed that design carries with it a certain amount of social responsibility. From his point of view, "form follows function" are still words to live by. Based on this

philosophy, Wilkhahn has produced many objects that represent the technology and the spirit of the time, but which are because of their "pure" design timeless examples of their era.

Architecture as an expression of company culture Wilkhahn's first factory, built in 1910 of brick, still stands at the company's headquarters in Bad Muender. It was refurbished and now houses offices, as well as conference and training areas. In the late 1950s, the Gropius "Fritz Hahne has always been more than a manager and also more than a design manager — he is a successful mediator. His entrepreneurial behavior is influenced by a life philosophy in which economics, aesthetics, and social responsibility stand side by side with equal rights."

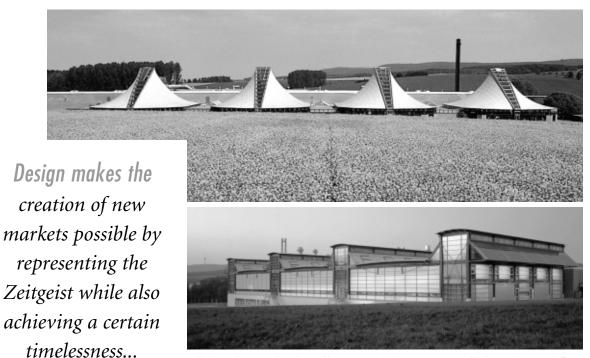
—Dieter Rams

student Herbert Hirche designed a new building in the spirit of the Bauhaus and the Institute of Design, in Ulm, using the concrete technology and cubicle forms of this era.

By 1984, however, Fritz Hahne was telling us, "At Wilkhahn, no more bricks will be laid on top of one another unless it is to create a building that equally satisfies ecological and economic requirements, aesthetic and human requirements."



Herbert Hirche designed this Wilkhahn office building, built in 1960.



Wilkhahn production pavilions designed by Frei Otto and built in 1988 (top). Wilkhahn's production and office building, designed by Thomas Herzog and built in 1999 (bottom).

By 1989, Wilkhahn had become famous for its landmark architecture. Architect Frei Otto, famous for his work on Munich's Olympic stadium, designed four light and airy production pavilions. The tent-like roofs are an excellent example of contemporary industrial architecture, but at the same time, they symbolize an employee-oriented environment. These buildings became a symbol for the company. The newest buildings used for production and as office space, as well as a new energy plant, were designed by Thomas Herzog, who is justly famous for his ecological designs, and they represent Wilkhahn's environmental principles. They were all constructed out of reusable materials and are designed for the optimal utilization of natural energy.

Employees whose lives matter

Wilkhahn's company culture has always seen good human relations among employees and management as a fundamental and inevitable requirement. Fritz Hahne has always been cognizant that only staff members who are satisfied with their workplace and identify with the company's objectives can truly achieve excellence in their products and services. One of his favorite maxims, "No order without explanation," demonstrates this respect for the workers, their skills, and their competencies. The way they are perceived and treated at Wilkhahn has guided the company toward new forms of communication, new forms of work, and profit-sharing. Many of these ideas were ahead of their time. Wilkhahn, for instance, was one of the first German companies to successfully introduce autonomous working groups to production. As Hahne concluded: "Our workers are intelligent enough to manage their private life. They build houses, administer their accounts, rear children, and have social lives. If they can manage all that, surely they will be able to manage their own work processes." Today, Wilkhahn production is nearly completely run by working groups, and employees are given great discretion in working overtime and making up hours missed due to time off. Thus Wilkhahn's order-oriented production maintains the flexibility it requires. The teams themselves schedule their time and plan their costs and staff capacities. A performance-based bonus system has also been introduced. All of these improvements have increased employee motivation and satisfaction with their workplace; at the same time, the rate of sickness and accidents has decreased. When this news was presented by Hahne at a company event, he good-naturedly remarked, "This is how we exploit our staff."

Bear in mind that the humanistic values that guided Hahne's leadership were much easier to establish in the small carpentry factory of the '40s and '50s than they would be today. As Wilkhahn grew, so did the markets it targeted. Competition increased; there were new technologies to consider and a greater demand for advertising and public relations. There were environmental problems and recessions to weather, along with globalization and the threat of "knockoff" products. Company structure and processes had to be modified constantly to adapt to new situations while protecting market share and preserving company identity. Today Wilkhahn's structure uses a flat hierarchy that gives responsibility to the workers and decentralizes decision-making. It's a structure that has grown from the seeds Fritz Hahne planted. Workers identify with the companies' objectives because they agree with its value system. They take pride in contributing to products that make sense, that are of good quality and produced under environmentally friendly conditions. Staff turnover is low at Wilkhahn; many employees come to the company as trainees and spend their entire working lives there. It is not unusual to find three generations of a family working at the company. This faithfulness is rather rare in our fast-moving world of work.

The principle of fairness was the basis for Wilkhahn's generous pension scheme, begun in 1953, and also for Fritz Hahne's decision, taken in 1971, to share 50 percent of the company's profit with the employees. Thus everyone who works at Wilkhahn is linked to the company's ups and downs financially, as well as emotionally.

A learning environment

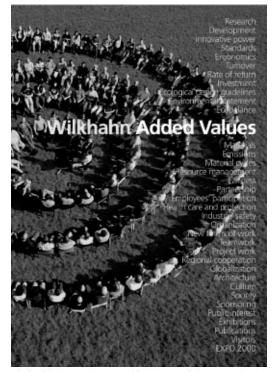
Communication is a tool with which to build good human relations, and it is the only way we learn from one another. From the very beginning, Fritz Hahne believed he could learn a lot from his employees, and he always had an open ear for his staff. Back in the 1950s, he was a young and inexperienced entrepreneur and greatly needed his staff's input and ideas. So he established regular company meetings. There were no constraints; the floor was open to complaints, as well as to ideas. The meetings took place after work, and there was no time limit. Hahne was serious about the conversation, and he wanted his employees to be serious too; that was why the meetings required investments of free time from both the staff and their leader. It was the beginning of a learning organization.

Lifelong learning is a must for successful companies today, but creating an environment that makes this possible can be a difficult task and often requires professional help. Wilkhahn worked at reducing levels of hierarchy, staff were trained by experts in moderation techniques so that they would be able to communicate well and to share their knowledge.

But learning happens outside, as well as inside, the company. Wilkhahn is always open to the public, and visitors are welcome. The intention is to establish

a dialogue with neighbors, visitors, local authorities, associations, universities, and the like.

The company's strategic orientation, as well as its farsightedness, made it possible to recognize the improvement and support of communication processes as ...it speaks of originality, truthfulness, and honesty in materials, including a promise not to take more from the earth than will grow again



All of Wilkhahn's employees posed for the cover of this company brochure.

tasks that would be key to the office buildings of the future. This understanding would contribute to future products, such as the Confair system, which was designed to fulfill the communication needs of learning companies. Confair is a flexible conferencing system and contains a foldable conference table, individual writing desks, furniture for computer and projector equipment, pin walls, flip charts, and armchairs and is compatible with the use of all other office equipment.







As a result of intensive study of new forms of work and conference methods, Wilkhahn developed Confair, a "toolbox" for conferences, workshops, and interactive group techniques. (Design by Wiege; folding table, Andreas Störiko.)

The role of design

Looking back at more than half a century of Wilkhahn history, we observe a continuous process of innovation. Over the years, the company has worked with many designers; it also created its own design company, Wiege, which is an independent profit center and works for other clients, as well as for Wilkhahn. Design is highly valued: "The last 5 percent of design quality dictates 50 percent of the product's success. Design makes the difference between a good and a very good product," explains Fritz Hahne. From his point of view, design signifies a high level of quality, naturalness rather than fashion, the fascination of the simple, spirit and innovation, and new technical solutions. Design makes the creation of new markets possible by representing the Zeitgeist while also achieving a certain timelessness; it speaks of originality, truthfulness, and honesty in materials, including a promise not to take more from the earth than will grow again.

The products

Wilkhahn's "brand promise" is visible in the construction of its products. Though innovative, they are not "fashionable" per se. Their materials speak of honesty (and can be recycled), and the way Wilkhahn products are manufactured makes it clear that they can be repaired if damaged. The focus of their design is the fascination of simplicity. They are built for the long term and well described by the expression "technical minimization."

In the 1980s, Wilkhahn celebrated a breakthrough market success with its introduction of the FS program—a line of office chairs that adjusted to each change in the user's posture



From the FS line—swivel chairs 211. (Design: Klaus Franck and Werner Sauer.)



The Tubis bench system (above) was honored with the German Design Prize in 1992. (Design: Wiege.) The furnishing of the passenger terminal of Hong Kong's Chek Lap Kok Airport was the largest single order in the company's history (bottom).

automatically. The designers made the chair's functions visible; the construction itself thus became an aesthetic element. The product was presented first in Cologne at Orgatec, the world's largest office-furniture fair. As is often the case, nobody knew at that time whether Wilkhahn's investments in technology would ever pay off, and it was impossible to gauge with any certainty how consumers would react to such an unusual product. However, the FS was an enormous success and moved the company far ahead of its competitors. Wilkhahn has continued to manufacture the FS, and it still sells well.

In 1992, the Tubis bench system was awarded the German Design Prize as one of the



One innovation of the Sito cantilevered chair is the combination of the supporting round tube and the supporting strut. The seat surface, which is only connected to the base in front and back, only appears to swing. (Design: Wiege.)

Germany's 10 best-designed products. It had its first installation in the Munich airport, and just two years ago, it was installed in Hong Kong's new airport, thus earning the biggest contract Wilkhahn has ever signed.

Earlier in 2002, Wilkhahn introduced the "Sito" line of cantilevered chairs. Like other company products, Sito exhibits excellent material and design quality, comfort, and functionality while avoiding the pitfalls of temporary fashion. All the chairs' constructive connections can be taken apart; covers and upholsters can be changed. Finally, when the chairs are at the end of a long life of usefulness, the purity and labeling of their materials facilitate recycling. A completely new program of office chairs will be presented in October at this year's Orgatec.

Fritz Hahne is still the driving force behind such research projects as The Future of Work, which brought together a consortium of partners from software development, planning and consulting, and information systems to study the world of labor as it might appear in the 21st century.

Because it is likely that digital media will soon be integrated into many interior-design objects, Wilkhahn and his partners worked on designs such as the InteracTable, which has a



The InteracTable supports stand-up meetings of small groups. The 50" monitor provides digital information via a touchable surface. (Design: Wilkhahn, Fraunhofer-IPSI, Andreas Störiko.)

touchable plasma screen for informal teamwork. Another design, the CommBoard, is fixed to the wall and provides extensive projection and direct data processing with fingers or sticks.

Furthermore, the mobile InterWall serves as an

These new furniture developments are called roomware

electronic flipchart in team work sessions.

These new furniture developments are called roomware. The idea is that conference and projection rooms are no longer just

rooms; they actually function as interfaces between the real and the digital world. Roomware provides a common work surface for worldwide teamwork.

As a sort of virtual laboratory, Wilkhahn instigated a roomware project at the ETH Zurich (also known as the Swiss Federal Institute of Technology). The ETH is establishing a virtual campus to allow people from all over the world to study independently from their physical locations—sharing virtual lectures and seminars with "real" students. Because this form of working demands a new type of seminar room, Wilkhahn equipped the laboratories with interactive roomware furniture—continuing its investigation into "the future of work."

As we all know, the nature of work today dictates more and more activities that can only be done at the computer—but must be done as a team. This is a contradiction. Teamwork suffers as more of us spend more time working at the computer. To solve this problem, roomware facilitates teamwork that can be done at the computer.



CommBoard allows an interactive presentation to be made to several people at once. Up to three interactive 50" monitors are connected, making it possible to work with three different sets of data at the same time. (Design: Wilkhahn, Wiege.)



InterWall is a mobile interactive flip chart, as well as a mobile presentation tool. It is designed for small groups. The 67" surface is made out of holographic glass to which the data are transferred by rear projection. (Design: Wilkhahn, Fraunhofer-IPSI, Wiege.)

Environmental issues

Unlike a lot of other entrepreneurs, Fritz Hahne opened his ears instead of closing them when environmental problems began to be discussed in the 1970s. In his typical pioneering way, he hired an environmental specialist as a manager, and gave him the job of elaborating guidelines for the company's future ecological strategies. Wilkhahn was one of the first German companies to achieve the environmental accreditation now known as the ISO 14 001 Standard. It was the first time a complete Input-Output analysis had been tested in a furniture company under scientific control. The results were further specified for furniture production. To carry out such an analysis, all the company's processes had to be described, and every input (raw materials, energy, and manpower) and every output (not only products, but also waste and pollution) had to be listed, measured, and described in detail.

The results did not remain theoretical, nor were they stored and forgotten. Instead, they were integrated into the next design briefing. The result was 1991's Picto-the first office chair designed completely under ecological criteria. And once again, Wilkhahn proved that research, simplicity, and openness in design create a trend-setting chair. Picto set the standard for the visual appearance of ecologically designed products; in fact, it changed the image of such "ecoproducts," which up until that time had the look of being hand-woven. And Picto demonstrated definite advantages in the market. The amount of parts had been reduced by half, only 48 pieces used to build this chair instead of the usual 96; only pure and recyclable materials were used; and the production processes were carried out in a nontoxic, nonpolluting manner. To this day, all other things being equal, the company always bows to ecological factors.

New packaging concepts were also developed to reduce materials waste. Wilkhahn products are transported and delivered with the absolute minimum of packaging material.

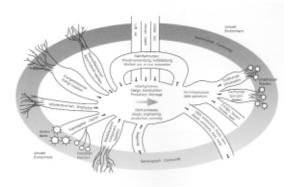
In July 2001, Wilkhahn was the first company in the German region of Lower Saxony to receive the EMAS II certificate based on the European Eco Audit Regulations.

Branding and corporate identity

When architects, interior designers, and consumers shop for office furniture, they are really pondering what the brand they choose says about them. Obviously, many people in that position identify with Wilkhahn's values.

Wilkhahn has built its image over many years. The brand speaks of environmental protection, high quality, durability, timeless design, and good service. To make a brand strong, a company must be true to its philosophy, and it must establish a corporate design that persists over time.

The Wilkhahn logo was actualized to the company's philosophy in 1965; the corporate identity was designed by two graphic designers educated at the Design School of Ulm, and it was honored in 1988/89 by the nomination for the European Community Design Prize.



The life cycle of the Wilkhahn company.

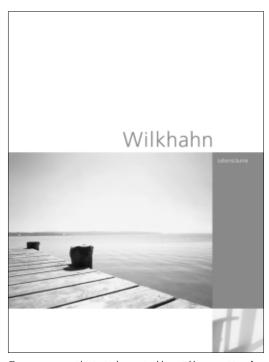


The Picto line of office chairs was the first to be consistently developed in accordance with an ecologically oriented design concept. (Design: ProduktEntwicklung Roericht [Schmitz, Bigge]).

Wilkhahn started 2002 with a newly designed corporate identity. The design studio design.net AG redesigned the brand and product guidelines and the visual appearance. This updated identity includes a more precise definition of the company's core values: design, innovation, and quality. Design is described by terms like originality, exploration, purity, and fascination. Innovation signifies evolution, conviction, curiosity, and debate; and quality connotes continuity, appropriateness, perfection, and experience. Around these core values are grouped other brand values that characterize Wilkhahn's corporate culture: responsibility, service, tradition, self-determination, balance, ease, and truth to life.

Public relations

"Information yes, publicity no"—that is how we could describe Wilkhahn's attitude toward the press. In the first place, publicity-seeking never



The new corporate identity is characterized by variable composition of color and image areas.

sat well with Fritz Hahne's world-view, and this sensibility remains.

The Wilkhahn was the name of the first magazine the company published with any regularity. There was a double meaning to this title: Hahn is the German word for rooster; the rooster sits on top of a church tower; and this lofty perch makes him the first to know what is going on. The magazine was sent to Wilkhahn customers to inform them about the objectives and the philosophy of the company, as well as news of research activities, new products, projects, and contracts, management strategies, environmental protection, and the like.

The Wilkhahn has recently been updated to reflect the new face of Wilkhahn and is now titled Thinking. The first edition of Thinking describes Wilkhahn's visions of "the future of work." The company has also published several interesting books and brochures explaining its environmental guidelines and company culture.

Wilkhahn's presence at fairs and exhibitions is carefully selected; quality, not quantity, is the main criterion. In keeping with the company's environmental ethos, the booth it uses for such events was redesigned. Most fair booths are ready for the trash after they have been used for only a couple of days. This is why Wilkhahn developed a booth that could be used multiple times.

Awards

Wilkhahn's values and principles have always paid off-in terms not only of economics, but of reputation and public evaluation, as well. The company has received an enormous number of national and international awards, including the 1992 German Marketing Prize, the 1995 Federal Award of Health Company Insurance Funds for Health Care, the 1996 German Ecology Prize, the 1997 Corporate Conscience Award, and the 2000 European Good Practice Award in Safety and Health at Work, from the European Commission. In 1999, Fritz Hahne himself received the Award for Design Leadership. The company has also received commendations awarded for its products, its architecture (buildings); its ecological packaging, and its communications. The variety of these awards makes it pretty clear that Wilkhahn's attitude to design is very broad.

Ups and downs

Like any company, Wilkhahn has had to weather crises. The furniture industry suffered particularly badly after the boom of German reunification. As it happened, those were years in which the company incurred much additional expense for new buildings, ecological restructuring, and new certification processes. Investments in new domestic and international markets had to be made, and in the case of some countries—the United States, for instance—they were based on unrealistic sales expectations.

It took the company some time to climb out of the red. It took a new CEO and dramatic changes in the company's structure to get Wilkhahn back on its feet. These included a 6.5percent cut in salaries for all employees—including management. Many customs and habits had to change dramatically, and an end was put to the 35-hour working week traditionally offered to highly paid executives.

In this crisis, Wilkhahn demonstrated its true strength. All these measures were taken without great discussion, and not one single employee left the company. Within a very short period of time, Wilkhahn managed an impressive turnaround.

Now the company finds itself in another

difficult situation. International market conditions deteriorated in the second half of 2001 with the terrorist attacks of September 11th. The war in Afghanistan and the crisis in the Near East reinforced the economic crisis. The company decided to extend its Christmas holidays to the middle of January 2002 and to reduce working hours. Nevertheless, management is convinced that the best way to survive a crisis is to jump forward and to keep the brand strong. New projects have been started: updating the corporate identity, designing new showrooms, launching new products, establishing research projects, and so on. "We are unable to influence economic conditions. But we do everything we can to be significantly better than our competitors. And we are on the right path! Even considering all these difficulties, I am not afraid of the future," says CEO Jochen Hahne.

The value of Wilkhahn

"Hard" values (capital, production media, machines, and so on) and "soft" values (image and reputation) define the overall value of a company. The soft facts are generated by the social values of a company, and not surprisingly they play a major role at Wilkhahn. This is why Fritz Hahne refuses to take the company public. At the stock exchange, he believes, decision processes are guided solely by financial interests. The New Economy—in the form of the recent dot-com bubble—has shown this does not guarantee a durable success.

Some business leaders have come to believe that long-lasting shareholder value can be achieved only by a high stakeholder value value placed on a company by customers, employees, society, neighbors, and so on. This is why Wilkhahn has decided to participate in a pilot project with other European companies that studies corporate social responsibility. The basic idea is to strongly communicate "soft" values and to implement them in a company's internal management system. The theory is there, but the reality, in everyday life, is often different. What does the manager really know about the motivation of his co-workers? How does he or she handle them? Does he or she support others to develop their ideas? What does everybody do to realize the values of the company? And—toughest question of all—how can these soft values be measured and evaluated? Wilkhahn will develop a monitoring system and offer workshops to achieve an increase in the "value" of the company. Conversations and discussions with employees and co-workers will be emphasized. Every employee should try to find an answer to questions such as: What signifies the company's value to me? How do I transfer company objectives to my day-to-day business?

Lessons

Wilkhahn has always been a pioneer. Its designs and all its activities have been driven by the belief that design must never be reduced to the mere shaping of a product's form; that it must always take responsibility for overall results and their consequences for human beings and the environment. Fritz Hahne has always been mindful of design's social responsibility, which includes the design of the entire company—its processes, as well as its performance; the benefits it extends to its users. This holistic approach enabled him to run the kind of company he admires. Wilkhahn's market success and the public's appreciation of the company confirm him in his beliefs.

Today, Hahne looks back at his life and is proud of what he has built. He puts it like this: " In a wonderful way, my life principles developed into the company's philosophy. I am glad we can do business based on truthfulness and fairness, even in times of opportunism and competition." He concludes: "The most satisfying aspect of my work was the confidence human beings had in me, because you cannot buy confidence with money." *Reprint # 02132WOL10*

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