

## 75 YEARS OF EMBRACING CHANGE

The product may not change much but Plettenberg's **Güde** takes pride in being ready to adapt its business, whether that's adding a production site in Poland, adapting to the challenges of finding skilled labour or producing 50% of the energy it needs in-house. *Torque Magazine* speaks with CEO **Lutz Güde** about the milestones of Güde's first 75 years...

### How's business?

I think the atmosphere in the market is worse than the actual situation is. We are hearing from many of our customers that August 2023 was one of the worst months in the last two to three years for them. August usually is a bad month in terms of sales, because all of Europe is on vacation, but this one does seem to be uniquely poor.

But we are doing OK. Business is down around 18%. Some of it is because of price, but of course it's demand too. If you look at 2021-2022, I doubt that we will see this again. We can't compare it to other years because it was so unique. There were high prices and high volumes. Now things are normalising. I would rather have had a weaker 2022 and a better 2023, but that's the way it is, you have to get along with it!

### That's what we are hearing from a lot of the market. Would you define that as something primarily happening in the German market or more broadly?

We operate internationally, but Germany is our biggest market. We export to Europe of course, like Italy, France, Spain, Scandinavia, etc. We've been acting in North America for around 10 years now, which gave us a really solid foundation – in the hard times of 2020, the US market helped us out a lot. Now it's not so strong and I think the US economy has the same problems as the rest of the worldwide economy.

Sometimes we receive these unusually large orders and we don't know how the people have come to us. We are shipping products to India, we are shipping products in huge volumes to Australia. We just finished a shipment for a very interesting project in Japan... So, we are very internationalised. We believe that somewhere in the world, there's always an opportunity to increase in business.

### Güde has been investing a lot lately, including a new logistics building?

We are constantly investing and always invest our money into the company. We keep adapting and investing our headquarters, we keep investing into our branches in Eastern Germany and Poland.

We believe that you don't need to change every day, but you have to adapt every day. Everything around the product changes, so we have to adapt.

The demand for lockwashers is there and we invest where we see the need. There is a danger in the amount of skilled labour, so we are automating our logistics to keep it lean and less dependent on people. You hear it in every conversation you have, that skilled and unskilled labour is hard to come by. That's the reason we're investing huge money in optimisation. This is also the reason why we invested in Poland and the people are doing a great job there.



**Güde moved to its current location in 1990 and has since expanded its buildings in 2012, 2017 and now again in 2023**



**Güde generation: Father of current CEO Lutz Güde, Friedrich-Wilhelm Güde, took the business on 50 years ago**



## → Can you tell us more about the new building in Poland?

We are renting in Poland around 1,700m<sup>2</sup>; we are building a new premise here in Plettenberg. We are constructing a new premises of about 1,600 m<sup>2</sup>, it will have an effect on every single department. We will have more stock so we can expand our packing units, so we'll be able to pull out some machines and have more space for our production to have more machines. So it is not about increasing space for a particular department, like logistics, it will have an impact on every department.

It's not just build it and you're finished, it's about the complex process behind it. In management you have to take that helicopter view, of how do you take these bricks and move them around so you have a clear process view? I think that change is very important, this is what we do not just in 2023 but what we did 75 years ago.

**You've touched on the fact that Güde is celebrating its 75th anniversary. I am sure there are many, but can you identify any specific milestones or landmark moments for the business?**

There are many! Seventy-five years ago, the company was founded in the house where I'm now living, which is a very romantic view. In 1973, my father took over the business and his first premises were directly linked to the house. Then my mother joined into the financial sector, so when I was a kid,

the company was always one of the first things talked about over dinner. I used part of the yard as my football pitch and was upset whenever there were machines or pallets standing on my soccer pitch!

In 1980, from the Human Resources side, sales manager Mr Rolf Hoyer joined the company, which was a huge step. Because he and my parents formed a very strong team.

In 1990, there was no room for expansion anymore in Plettenberg city centre, so we moved to the industrial area here. This is the year that things dramatically changed, because we had space. In 2006, my father went on to buy the area next to the company which was triple the size of the company itself. At the time it might have seemed crazy, but looking back you'd say he was a very wise guy. We took advantage of this in 2012, constructing a hall, also in 2017 and now again in 2023. Now we are mostly done with the area. We've only got a smaller space left to develop now.

Certifications have been important too, achieving DIN EN ISO 9001 in 1996. In 2010, Dennis Zöller joined our company and took over a number of important roles, including in sales and also in terms of process, IT and quality. In a small company, when you're in the management position, you have to work across departments, so this I would say was a milestone. We've gone on to achieve further certifications; In 2018, we were approved by Bosch which is I think the highest certification we ever can achieve because we are not supplying to the automotive industry. We've gone on to be certified by various end users in the railway sector.

In 2021 we opened Güde Polska, which was 100% owned by Güde in Plettenberg and fully linked IT-wise.

These are maybe the main milestones we have made in the past 75 years. Currently we are talking about key words like digitalisation and sustainability. These have long been important for us – we invested in our first solar panels in 2010 and this year we'll markedly increase that. We started with a 100 kwp, now in 2023 we're signing the contract on increasing our solar capacity to a further 600 kwp. In 2013, we invested in combined heat and power plants, so we are basically making the energy on our own. We buy gas and fire up our heating system with it and the side product is electricity. This was so successful that we invested in it again. Now we create up to 50% of the energy we use ourselves.

The other key word we are following is digitalisation. There's that quote from a famous OEM about being an IT company with added production on the side. Of course it's different with us but I like the thinking. We keep investing in our IT, we now have production data software so we can track everything online. I can check any of our machines on my smartphone, when it's







running, why it's not running. We can track down our product and the raw material batch within seconds. You get online access to any information. So, things like mobile working or from the home office or even from your car is perfectly possible. I think everybody's thinking about digitalisation and sustainability.

**There's been a lot of disruption in terms of manufacturing and the whole supply chain. Do you think of yourselves as local European manufacturer, so you are in a good position to help people who are seeking a reliable supply of products?**

We are very reliable supplier. Some of our customers said they were surprised that we didn't complain much about the disruption of the last few years. Of course, we have had our problems in terms of raw materials, but we tried to forecast the market. We usually never produce something for our customer, we produce it to stock that our customer can then take advantage of.

We are expanding to get even faster in this process. We were one of the only companies who actually raised their capacity at the time with the move into Poland [in 2021], they said we were one of the first European manufacturers investing in new machinery and capacity.

The geopolitical situation with China and Taiwan is something where you cannot forecast what is going to happen. And over the past few years, most of the big companies saw how being over reliant on one country can be a risk. So, there is this de-risking strategy. We see the major players of the US are coming to us and saying, OK, we want you to produce good product for us.

I think as a European production company there is a lot of homework which you have to do with all the regulations which are coming – especially from the EU. But we work to be in the pole position.

**There is a lot of talk about shifting supply chains and sourcing product from different territories. India is a name that comes up a lot.**

If India is going to be the workbench of the world it will be tough for them because China did a great job in the past 30 years.

**Getting back to Güde, what about your future plans for the short and medium term?**

We are currently in the process of implementing and putting the new premises into operation. We're making the process lean again, reorganising things in our company. This will be our main task for the midterm future. For the very near future, it's about investing into our sustainable efforts and reducing our carbon footprint further.

Two years ago we reviewed where we use the most energy and we managed to reduce our energy usage by 20% but maintaining the same output, which was a great achievement. We will push this even more. We want to have a more or less green footprint, which will be our short term goal. And of course handling the everyday business, talking to the customers, trying to see where the market is going.

I think in 2020, everybody was reading the news and trying to predict when everything would recover again after Covid. You had all these experts saying 2025 or 2026, then came this huge boom that nobody expected. Now, I don't think anyone expects that there will be a huge boom in 2024, but I do think the market will improve.

[www.guede.net](http://www.guede.net)

1948

Wilhelm  
Güde

1973

Friedrich-Wilhelm  
Güde

2009

Lutz Wilhelm  
Güde



**We are family business.**

Founder Wilhelm Güde started in 1948 in Plettenberg.

Today GÜDE is managed by the 3rd generation.

Continuity is the cornerstone for solid development and the guarantee that GÜDE will remain a reliable partner in the future.



Güde GmbH  
Dieselstraße 8  
58840 Plettenberg  
Germany

+49 2391 - 91 90-0  
[sales@guede.net](mailto:sales@guede.net)