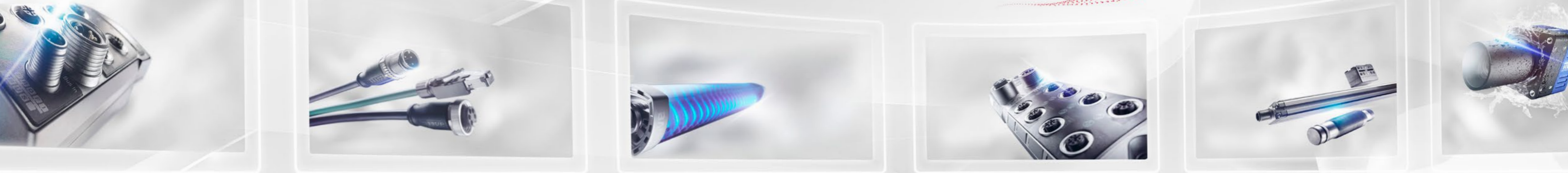


A New **Industrial Revolution**

KATRIN STEGMAIER-HERMLE & FLORIAN HERMLE

MANAGING DIRECTORS @ Balluff GmbH

German sensor and automation specialist Balluff GmbH has grown beyond recognition over the last century. We spoke to managing directors Mrs. Katrin Stegmaier-Hermle and Mr. Florian Hermle about the importance of legacy, the changing face of tech, and the 'Internet of things.'



Founded in 1921 in Neuhausen as a straightforward repair shop for bicycles, motor-bikes and sewing machines, the story of Balluff GmbH is interwoven with that of the global technological revolution. As the twentieth century evolved into the twenty-first, many manufacturers and components companies found themselves wrongfooted by the rapid pace of change. The arrival of the Internet in the 1990s and its accompanying wave of digitisation was largely unforeseen. It swiftly rendered many old ways of working obsolete.

The power of flexibility

Now an international group with nearly 4000 employees, what makes the Balluff story so impressive is the company's resilience and adaptability. Through several generational transitions at the executive level, Balluff has ridden the wave of the tech explosion, metamorphosing from a small family company in the 1920s to its current status as a sector leader with global reach in the 2020s.

Together with supply chain expert Mr. Frank Nonnenmann, Mrs. Katrin Stegmaier-Hermle and Mr. Florian Hermle form the management board. Siblings Katrin and Florian took over the management from their father, Rolf, in 2010. Since that time, the company has grown from a sensor supplier to a full line automation supplier with machine vision expertise and a strong software focus.

"Our father was a role model," Katrin explains. "He showed us the opportunities in the industry, and we learned so much about automation from him. Through him, we understood the opportunities for further devel-

opment in the sector, and so the idea of us coming on board was quite an easy discussion. I don't think for either of us it was a difficult choice to come to Balluff."

"That's right," Florian confirms. "You could say we were raised with Balluff from the very beginning. Balluff was always present for us. Our father would talk about it at dinner when we were kids, so we have always been emotionally connected to the company."

Rising to the challenge

Having an emotional connection is one thing, but that does not mean the assumption of senior executive roles was without considerable challenges. Following early careers in start-ups and other business, both Florian and Katrin had worked for Balluff since the early twenty-first century before taking up positions on the board. During that time, they witnessed a period of rapid change, both in terms of product offering and international expansion.

"We had to prove ourselves before we entered the management board," Florian adds. "We were not forced into it, but equally →



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there was no guaranteed place for us here, so taking over from our father also brought some pressure. We see the family aspect and the cultural implications of that as an asset, but we are very aware of it, and that can be a burden to carry. Ultimately, we are continuing the company that our great-grandfather founded, so Katrin and I place extremely high expectations on ourselves. The company was in good shape when we took it over, but we wanted to bring it to the next level.”

“When we started, Florian and I recognised huge opportunities in industrial automation,” Katrin recalls. “Our father had started the internationalisation of Balluff, and that’s something we sought to continue. Today, Balluff is all over the world. We have expanded the international production facilities to support this, and in this way, we have doubled the turnover of the company.”

The digital revolution

A large part of the work in the last thirteen years has been focused on digitisation. All industry sectors have been increasingly employing digital processes, and this trend quickened during the coronavirus pandemic, when large swathes of commerce went entirely online. It was essential for Balluff that it maintain its place at the forefront of these shifts in both consumer and corporate behaviour.

“These things affected us too,” Florian explains. “But in a way that helped us adapt. We had to work from home during lockdown, and it helped to bring about the realisation that not everything needed to be centred at our headquarters in Neuhausen. We started to delegate more and more and give more responsibility

to some of our great people working around the world. The digitisation of communication and the increased international collaboration has become very important for us and something we have deliberately retained in the post-pandemic era.”

This internal digitisation is mirrored by services provided by Balluff to its customers. These can be highly international in practice, with a machine builder in Asia, for example, a specification driven in Europe, and an overall plan devised in North America. Naturally, much recent business has been focused on

the automation of customers’ commercial practice. Whether that be on a shop floor, in a warehouse or in energy production, Balluff’s products are designed to provide complete solutions for all customers’ needs.

In a warehouse setting, for example, Balluff’s sensors can be used in conjunction with a bespoke cloud application to completely

digitise stock reordering and inventory management systems. In this way, tasks which were previously time-consuming and cost ineffective can be managed effortlessly. Similar solutions can be applied across a variety of other physical environments. This interrelation between objects which can then communicate with a central system via sensors has be-

come known as the ‘Internet of things.’ In the current, post-COVID landscape, this is an area of commerce with inherent growth, and naturally, Balluff is something of a pioneer in this field, feeding into ambitious medium-term plans.

“Following another record year in 2022 with Group sales of around 560 million euros, we have big growth plans for the next years,” Florian states. “We are having a very buoyant year this year and we aim to build on that as much as possible. At the moment, we are expanding with a new operation in Mexico, while



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our presence in America and the Asia Pacific region continues to grow at a very high pace. All this combined with our strong presence in Europe puts us in a solid position as we look to the future.”

Global expansion

A big part of this positive outlook rests on Balluff’s relationships up and down the supply chain, which have been carefully maintained over a long period of time. As might be expected of a company with such an international outlook and approach, Balluff deals with a global network of partners. Wherever it has production facilities, which currently means three continents, it cultivates a network of suppliers. This stability revolves very much around an approach of reciprocity.

“We don’t deal with our suppliers on a buyer and seller basis,” Florian explains. “We think of them very much as partners and vice versa. This is what we seek throughout our whole supply chain.”

With this forward-thinking business philosophy rooted in a century of family-based tradition, Balluff indeed appears set to continue its impressive upward trajectory. Florian pauses before summarising where things are at.

“Balluff is serving a market that is heavily reliant on the connection of software and hardware,” he concludes. “This is at a time when the world is becoming more digitised, and for Balluff, it continues to be the aspiration to bring IT and the shop floors together in order to help us all to create better products, better and more sustainable processes and all in all, a better world.”

