December 2023

ceo

The magazine for decision makers

pwc

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“You will either step forward into growth or you will step back into safety.”

Abraham Maslow, US psychologist, 1908–1970

Bigger, better, stronger.

In this magazine, you can learn more about how numerous founders and CEOs have recognised this principle and have been able to secure lasting success.

Size brings opportunities: to save, to grow, to shape the future. This makes it all the more important for a company to scale consciously.

Growth has a qualitative aspect. That's why it makes sense to learn from mistakes, choose new perspectives or improve processes and skills.

Strength helps through good times and bad. It grows from experience, knowledge, innovative power and a strong corporate culture.

Scaling sustainable growth

Successful growth means being able to scale sustainably. Acting in this way enables something big to be created out of something small.

Further information as well as the online edition of our magazine can be found at:
magazine.pwc.ch

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With a trunk measuring 83.8 metres and a volume of 1,487 cubic metres, the General Sherman Tree in California's Sequoia National Park is the largest tree in the world. The world's oldest bonsai – also known as the Ogata Bonsai – is in the Crespi Bonsai museum in Milan. It is a good three metres tall and over 1,000 years old.

Andreas Staubli
CEO PwC Switzerland

Why this detour into botany? Because these two natural wonders have mastered for centuries what we decision-makers deal with every day: successfully scaled growth. Both the General Sherman Tree and the Ogata Bonsai impressively show us that size, strength and quality are relative – to time, environment and aspiration.

In the latest ceo magazine, entitled 'Bigger, better, stronger', we look at these correlations. In interviews with founders and CEOs of companies from various industries, we explore the ability of an organisation to grow or shrink as appropriate in uncertain times. After all, it's only through sustainably scaled growth that long-term success is possible.

In our interviews, we shed light on different stages of the growth path. At the same time we combine the issue of right time with that of right size, and draw two of the most important scaling axes. We discuss influencing factors such as customer needs, skill shortages, cost pressure, neo-ecology and the importance of vision and corporate culture.

One thing's for sure: whether they're forward thinkers, founders, entrepreneurs or the next generation – all the people we talked to have the ability to place milestones on the timeline at exactly the point that proves to be the best moment in each case. By doing this, they have made decisions and initiated changes that have a lasting impact on the current and future generations.

The Swiss economy is above average compared to other countries. We owe this to the many multinational companies based here and to countless SMEs that help to shape or dominate world markets with their innovation, flexibility, fundamental values and often a unique history. Switzerland's strength as a location comes from the combined power of companies that – depending on their size and degree of maturity – strive for great things in small steps. And achieve them.

I wish you an inspiring and insightful read.

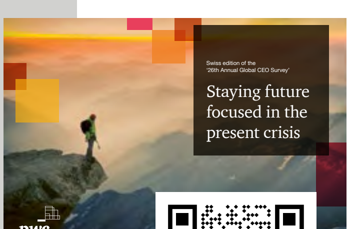
Andreas Staubli

Current studies on the subject

PwC

The secret to accelerating performance
In top-class sport, fractions of a second make the difference between winning and losing. The same holds true in business. This publication from PwC shows that companies need to dynamically harmonise their decisions, approaches and investments in order to achieve excellence.

Hopes and fears
Everyone wants transformation, but what if the most qualified employees don't take part and prefer to reinvent themselves instead? This PwC study explains why neither the workforce nor the company culture are taken for granted today – and why that is.



Swiss edition of the '26th Annual Global CEO Survey'
The agenda of Swiss CEOs is characterised by multi-layered crisis management. What's special about this is that all of these crises are happening at the same time. This PwC study sheds light on how CEOs think about it, what exactly they do and how they look to the future.

External

Scale-ups and scaling in an international business context
This piece of research takes a close look at scaling in an international context, and concludes that sustained rapid growth can expand – or revolutionise – existing initiatives, organisational environments and ecosystems.

Clarifying the scaling concept
According to this scientific publication, scaling is currently taking place in the areas of markets, volume, finance and organisation. The authors provide a consistent definition of the term as well as various metrics for comparing companies' scaling performance.

Growth is dictated by success

PwC growth expert Reto Brunner advises corporate groups and SMEs on issues related to scaling. For the experienced consultant, sustainable scaled growth is the result of a comprehensive view, far-sighted planning and conscious decisions.

Reto Brunner
Partner, PwC Switzerland

An equation with different factors

The growth equation is determined by a number of factors. On the one hand, it involves systemic variables like market development, the competitive environment, company maturity and the innovation cycles of products and services. On the other hand, growth is shaped by the owners' expectations. The weighting of short-term versus long-term aspects varies depending on the investor configuration, and may be eclipsed by specific exit plans. Short-term and profit-oriented demands don't always foster the development steps that a company needs to achieve solid, long-term growth.

Many good reasons to grow

Growth is usually at the top of the strategic agenda. But both the targeted goals and the expected benefits can vary. Companies with a new business model want to be in a position to implement it through growth. They expand their customer structure quickly so that they can capitalise on it at a later stage.

Those who want to become cost leaders aim for economies of scale in volume, production capacities and other key factors. This kind of growth target is mostly seen in areas where there's little difference between products, for example in consumer electronics.

Growth brings further value-adding benefits like higher investment opportunities, broader access to the market and the potential for further diversification. In addition, the more a company grows, the more exciting and varied the tasks and development opportunities become for current and potential employees.

Beware of growth traps!

With extreme growth targets and a fast pace, there's a risk that structures and systems for quality, compliance, safety and generally efficient processes might not be able to keep up. As a result, they may become more vulnerable and less resilient. An organisation needs a certain amount of time to absorb growth. Particularly in the case of inorganic growth – through acquiring specific competencies or capacities, for example – it takes time to integrate the new elements and use them effectively. Even if organic growth happens very quickly, the company's risk profile can increase if levels of investment are high and the share of fixed costs goes up. If a lot of capital is tied up in structures and systems, this can threaten the flexibility of the company in the event of economic downturns or other crisis scenarios.

Consolidating and cleaning up is a must

When a company is at an advanced stage of maturity, depending on the market situation it may be advisable to pursue strategies that aren't growth-oriented, for example reducing complexity, simplifying and standardising processes, streamlining portfolios, creating synergies and thus restoring or strengthening profitability. Anyone who knows about tree care knows that for a tree to deliver maximum yield, it must be pruned back regularly and according to a plan. Even consciously trying not to grow in certain situations is by all means sustainable. Cyclical industries like the semiconductor or textile industry use downward cycles to consolidate and prepare for the next growth phase.

Short and sweet

Growth is relative – to the market, to segments, to competitors, to the economy and much more. To achieve sustainable and scaled growth, a company needs to take account of the situation and make conscious decisions about which elements and strategies will ensure its long-term success. Good coordination between the owners, the board of directors and management is crucial for success. Companies should take a step back to see the bigger picture, to refuel and digest before tackling the next growth sprint.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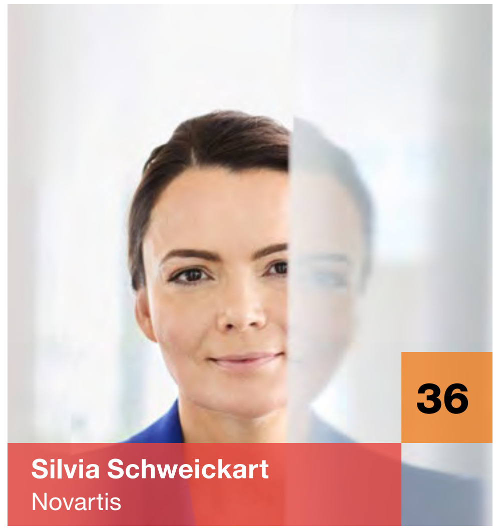
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Growth has many aspects

Which factors trigger growth and which ones hinder it? The interdependencies are varied and difficult to grasp. Here is an overview of current facts and figures on the topic of growth.

1

Global risk financing shrinks by 35% in 2022

In 2021, global risk financing still reached USD 681 billion. The decline of the stock market, mass redundancies in the technology sector and the collapse of cryptocurrencies led to a huge slump. According to an analysis by Crunchbase Inc, 2022 saw a 35% year-on-year drop to just 445bnUSD. However, start-ups can survive this trough by sharpening their focus and reducing their costs.

2

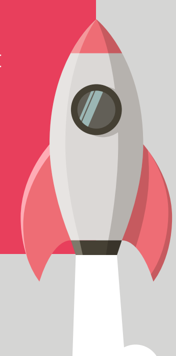
Are the unicorns dying out?

According to the American market research and analysis company CB Insights, there are currently 1,221 unicorns – private companies with a valuation of more than USD 1 billion (as at July 2023). But things are getting tougher for the former prodigies of the global economy. The unstable geopolitical situation, the central banks' interest rate hikes and, last but not least, the collapse of the crypto exchange FTX at the end of 2022 are generating a climate of uncertainty. The era of cheap money is over – and with it the boom years for unicorns.

3

Start-ups popular with investors

Despite the mixed economic situation, investments in start-ups in 2022 increased by almost 30% compared to the previous year, according to the Swiss Venture Capital Report. The biggest winners are young companies in the cleantech sector, where the increase in investments amounted to 291%, the highest of the year. The information, communication and technology (ICT) sector also performed well in 2022, with a 72% increase in invested capital to CHF 1.16 billion. By contrast, the biotechnology sector recorded losses (-47%).



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More and more companies are being founded

In the last ten years, an average of 43,838 new companies were registered per year. The year 2022 once again saw an increase with 49,398 new companies founded by 27 December 2022, equating to a rise of +12.6%, which is significantly higher than the average for the last 10 years. This was shown in the National Analysis of Swiss Incorporations 2022 conducted by the start-up support organisation IFJ. Compared to the record year 2021, there was only a slight decrease of 1.4%.

1 https://news.crunchbase.com/business/global-vc-funding-unicorns-2021-monthly-recap/
2 https://www.cbinsights.com/research-unicorn-companies
https://www.fdiintelligence.com/content/data-trends/unicorns-face-mass-extinction-as-funding-plummets-82690
3 https://www.startupticker.ch/assets/files/SVC%20Report%202023_web.pdf
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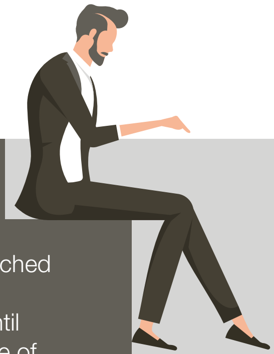
8 https://www.kmu.admin.ch/kmu/de/home/aktuell/news/2023/neuer-rekord-fuer-den-arbeitsmarkt.html
9 https://www.schillingreport.ch/de/schillingreport-2023/

5

Crowdfunding in Switzerland drops for the first time (-16.4%)

The first crowdfunding platform was launched in Switzerland in 2008. Since then, there has been a continuous upwards trend until last year. Even though a fairly high volume of CHF 662.2 million was processed through crowdfunding platforms in 2022, the market recorded a drop for the first time compared to the previous year (-16.4%). The number of successful funding campaigns also fell by 6.2% to 4,661.



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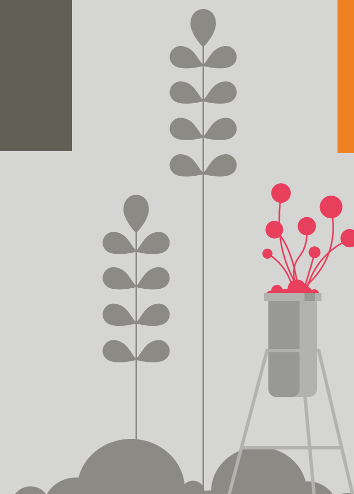
Are female founders less deserving of support?

In 2020, 36.1% of start-ups in Switzerland were initiated by women. Yet the gender gap in venture capital funding is much greater, according to a study on women’s entrepreneurship by Bern University of Applied Sciences. Only 1% of venture capital in Europe went to female founding teams in 2022, compared to 4% in Switzerland in 2021. There are various reasons for this. One of the most important – according to the financial platform for women ellexx – being that “The classic start-up investors, in other words predominantly male venture capitalists or business angels, are looking for tech start-ups that are aiming for infinite growth”. And these are founded almost exclusively by men.



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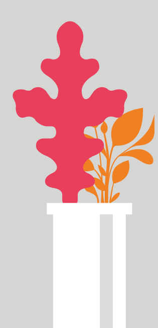
Fintech in Switzerland back on track for growth

In 2021, the Swiss fintech sector, which had been accustomed to success, suffered a fall of around 5%. It now seems to be back on track for success. At the end of 2022, the sector had a total of 437 companies, equating to an increase of 14% compared to 2021. The product areas of investment management and banking infrastructure – where most fintech companies are generally found – were the big winners here. There’s also a trend towards sustainability. By the end of 2022, 7.3% of all Swiss fintech companies were strategically focusing on sustainable products and services.

8

Swiss job market looking positive

Swiss companies are still wanting to hire new staff, despite the uncertain economic outlook. The Swiss Job Market Index 2022 by the University of Zurich and the Adecco Group reports a pleasing upswing of 23%. This is in spite of inflation, the energy crisis and a weakening global economy. The only negative trend was among managerial staff, which was down 8%. The highest increase in demand was recorded in the occupational group of service and sales specialists, with a rise of 47%. Despite the prospect of a slight improvement in the economic situation, the forecasts for 2023 remain mixed in general.



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The proportion of women in management positions is rising slowly but steadily

The Schilling Report, compiled by the Swiss executive search firm Guido Schilling AG, has been tracking the development of the gender composition at senior management level since 2006. In 2022, the proportion of women in management roles at the 100 largest Swiss companies rose by two percentage points to 19% year on year. Around a quarter of newly appointed executive board members in 2022 were female. The trend is progressing faster for boards of directors – while the proportion of female members stood at 23% in 2018, it’s already reached a pleasing 34% today.

“I thought someone had hired actors to wear our shoes”

On was founded in Zurich in 2010. The founding trio acquired a patent from an ETH engineer for a particularly well-cushioned shoe sole, creating the basis for the company. In 2019, tennis star Roger Federer, who later also played in On shoes, joined the company. Since 2021, the company has been listed on the New York tech exchange NYSE, where it has a stock market value of just under CHF 10 billion. On now employs more than 2,000 people and moved into new offices in Zurich’s creative quarter ‘Kreis 5’ in 2022.

www.on.com

> Since day one, we've been growing by about 80% a year on average."

Caspar Coppetti | On

From Zurich to São Paulo, New York and Singapore: more and more people around the world are wearing running shoes made by Swiss firm On. Established 13 years ago, what was a start-up is now listed on the stock exchange in the US and has passed the billion sales mark. In this interview, company co-founder **Caspar Coppetti** tells us about On's success, which has been partly based on some very unconventional marketing methods.

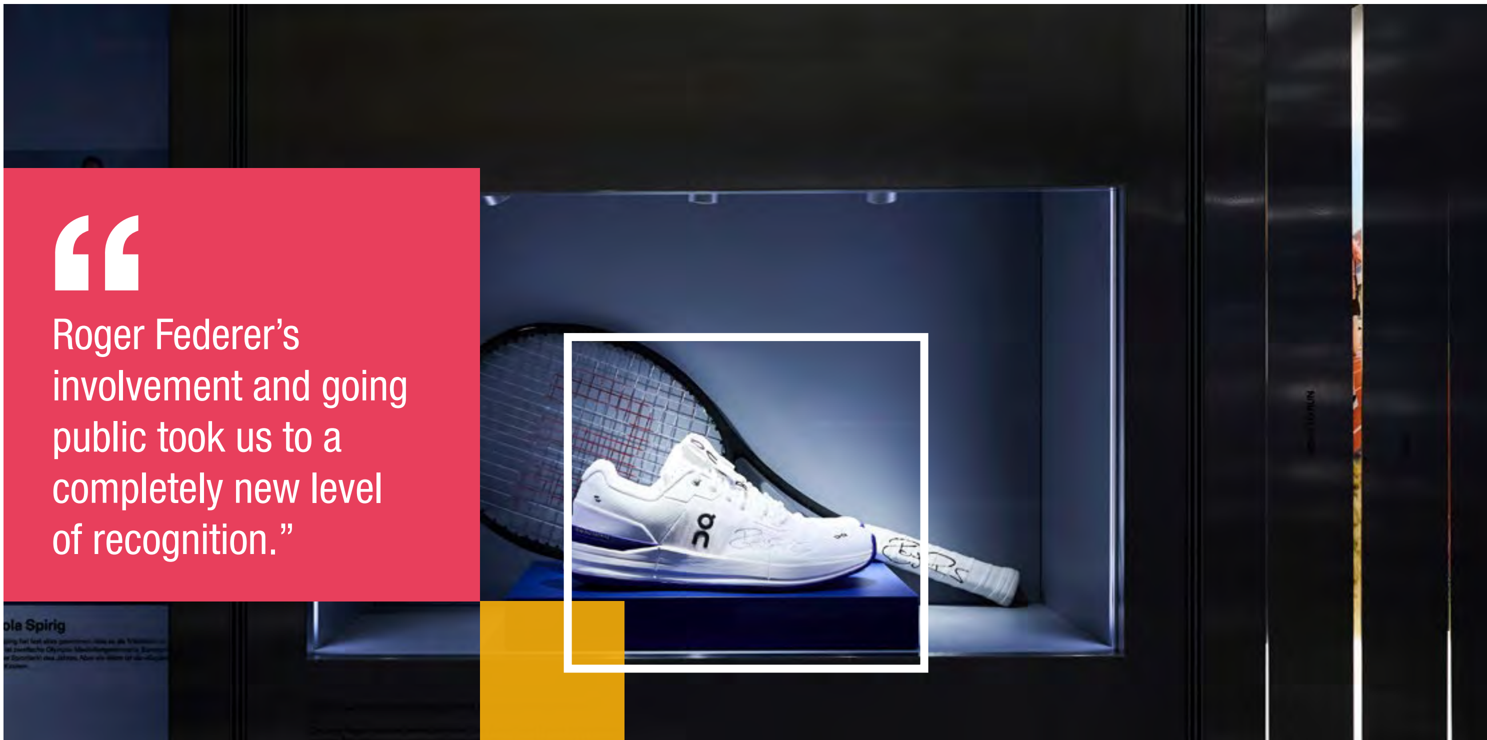
Journalist: Tabea von Ow
Photographer: Markus Bertschi

Mr Coppetti, a year ago you and On moved into your impressive new headquarters in Zurich, where we are now. What was your vision when you founded the company twelve years ago?
When we started, we had no idea how big the company might grow to be. We hoped one day to achieve about 20 million in sales so that On could be self-sustaining. Things turned out a bit different.

That's right, in 2022 you passed the billion mark. At what point did you realise that On was going to be much bigger than you'd ever imagined?
That happened during the Corona pandemic. We grew a lot in the US. At first, we didn't really notice because we weren't allowed to travel. Then, over a year later, when we were back in New York in 2021 preparing for the stock market flotation, at first we thought someone had hired actors to walk around with our products on their feet. People were wearing On shoes everywhere. We've sort of got used to it now. In the US, our shoes are worn by people from all walks of life, from hardcore runners to fitness fans and college kids.

How did this sudden growth come about then?
I can't say that there was one single magic moment. But our research shows that every person who wears On shoes recommends the brand to ten other people. That's how exponential growth comes about. Since day one, we've been growing by about 80% a year on average. A little less, the bigger we've become.

It sounds like you didn't even need marketing...
We work with influencers and we also advertise. But the things that've had the biggest impact we didn't plan. When actor Dwayne 'The Rock' Johnson took to the stage at the 2019 Super Bowl wearing a pair of our shoes, that particular model was constantly sold out for the next two years. A lot of people think we set that up, but Dwayne Johnson is signed to another brand. It was just luck. And we didn't know anything about it until it'd happened.



> “Roger Federer’s involvement and going public took us to a completely new level of recognition.”

In the clothing industry, it’s not exactly easy for new brands to make a name for themselves. Why did On succeed?
Thanks to innovative technology and our strategy. We were able to sell our brand to the right opinion leaders in the world of running. In addition, we’re the first sports brand to move into the premium segment. So we’re more like Louis Vuitton than Adidas. You can also see that in our gross margin of almost 60%. Our competitors work on the basis of 45% on average.

But let’s go back to the very beginning. How exactly did you acquire customers without a big marketing budget?
There were two approaches: we wanted the best runners to wear our shoes, and we also wanted to sell our brand to running retailers. In the beginning, we were particularly successful with runners who’d been injured and were able to get back running wearing our shoes. Former triathlete Nicola Spirig is one example. Luckily, a few runners then won European or world championship titles wearing our shoes. This led to other athletes finding out about On.

And what about the retailers?
Convincing them was the hardest part. In the beginning, we sent them a pair of shoes and asked them to go jogging in them because we were so confident about our special sole technology. But that didn’t work. That’s why, for about the next three years or so, we went jogging ourselves with about 1,000 people a year.

You just went into the shops and said to the managers, “come on, let’s go for a run together”?
Exactly. Sometimes I rang up retailers in New York or Hamburg and pretended that I was in the vicinity and wanted to go for a jog with them. When someone took the bait, I booked the next flight and the cheapest hotel and I went there. One retailer ordered twelve pairs of shoes after our first jog. Today, they sell 20,000 pairs a year. I think the impact we had then and our total belief in persuading one person at a time probably made the difference.

On has been listed on the New York Stock Exchange since 2021. By going public, what doors has this opened for you that would otherwise have remained closed?
Doors opened giving us access to the US capital market as well as expertise. In the beginning, we’d have preferred to list in Switzerland. But here we’d have been the only sports goods manufacturer, whereas in the US – which is also our largest sales market (with around 60% of group sales in 2022; editor’s note) – we’re one of many. The questions that analysts and investors ask us there help us to move forward. And competing with the most successful companies in the world makes us better.

“It’s important to have a dream and be able to achieve it.”

Video interview

Caspar Coppetti (47) founded the company On in 2010 along with David Allemann and former top triathlete Olivier Bernhard, who Mr Coppetti also supervised as a manager when he was studying. Mr Coppetti holds a doctorate in economics from the University of St. Gallen. While studying, he also worked as a journalist, including for the Swiss daily newspaper Tages-Anzeiger in which he published an interview with his subsequent co-founder Olivier Bernhard. Since 2021, a management duo has been in charge of operations at On. However, Mr Coppetti and his co-founders continue to be responsible as executive directors for strategy, innovation and product development. Caspar Coppetti is married and has two young children.

And listing in the US will undoubtedly also help you further increase brand recognition in what is so far your biggest market, will it not?
There were two things that took us to a completely new level of recognition. The first was the involvement of Roger Federer as an investor, the second was going public. Searches on Google jumped 50% after both these events – and they didn’t drop back down afterwards.

Roger Federer getting involved in 2019 also meant entry into a new sport – tennis. Do you plan to expand into other sports?
We actually entered the tennis arena out of the blue – through Roger Federer. It’s a real success story. But for us, professional tennis is more of a vehicle for building brand awareness and gaining a foothold in youth culture, because white leather shoes are one of their most important lifestyle accessories. Runners, rather than tennis players, still make up the largest part of our customer base though. Our declared goal is to become the world’s number one for running. We’re currently in fifth or sixth place.

How do you know that?
Twice a year, we count shoes on the most popular running routes in the 60 biggest cities in our markets, using a specially developed app. That’s how we calculate our market share. But we also make outdoor products: clothing, trail running shoes and hiking shoes. We’re a big hit with people who work out at the gym, too. Probably almost half of the people jog on a treadmill and not outside, which we’re familiar with in Switzerland. In the fitness market, where On shoes are already well represented in the best gyms, we’re aiming to achieve significant growth for clothing and special training shoes.

So you want to become the biggest running shoe manufacturer?
Size in itself is not our ambition. Becoming the most admired and the most profitable, that’s our goal.

With regard to profitability, it’s said that you turned a profit for the first time last year. Is that right?
No, that’s a common misconception. We broke even back in 2014 and have become more profitable every year since then. When we went public, things changed because we switched to IFRS international accounting standards. In addition, there were special effects due to the public listing, such as share-based remuneration. We’re very conservative when it comes to finances and have always said that we’re only entrepreneurs when we’re earning money.

You’ve often been accused of that attitude abroad…
Funny enough, we hear the opposite in Switzerland: that we’re far too pushy and too American. I think it’s the balance that makes the difference.

> “We aim to become the world’s number one for running.”

“We wanted to be number one in the market right from the start”

Lukas Böni | Planted

Lukas Böni is one of the four founders of Planted, Europe’s fastest-growing food tech start-up in the field of alternative proteins. With plant-based meat made from yellow peas, the young entrepreneurs are increasingly making a name for themselves across Europe.

Journalist: Marah Rikli
Photographer: Markus Bertschi

Your first product was ‘planted.chicken Nature’, a meat replacement product based on pea protein and rapeseed oil. How did you come up with the idea for this?
My cousin Pascal Bieri worked in the food industry in the USA in 2017 after studying at the University of St. Gallen. There, he closely followed how plant-based meat products were being launched onto the market and was sceptical about the ingredients. Pascal wanted to create such a product without additives and asked for my opinion as a food technologist. I thought his idea was brilliant, and I was won over straight away.

After that, you were joined by two other like-minded people.
The third member of Planted was Eric Stirnemann, who like me was doing research at ETH at the time. Shortly afterwards we were joined by Christoph Jenny, who knew a lot about financing and marketing. He started his career in asset management at Credit Suisse and worked at Jacobs Holding before the founding of Planted. The four of us pooled our knowledge together and created a concept. Then we were given CHF 150,000 from the ETH Pioneer Fellowship, which we used to found our own start-up – Planted. We now produce over a tonne of plant-based meat every hour here in Kemptthal, and employ over 200 people from 28 countries.

At your main plant in Kemptthal, your employees can enjoy the company’s own products at the adjoining ‘planted.bistro by Hiltl’. Do you and your employees still eat meat at all?
Most of us are probably flexitarians, or in other words flexible vegetarians. Over the time that our employees work for us they often become big fans of our products on their own accord. Personally, I do eat meat from time to time, but only good quality meat and not very often.

“Save the world. With every bite” is what it says on your website. So is Planted less about profit and more about saving the world?
Meat production has continued to increase in recent years, and uses up huge quantities of resources. It releases a lot of greenhouse gases as well as requiring an enormous amount of water, fertiliser and space – which is all a massive burden on our ecosystem. What’s more, there are people suffering from hunger. We can’t feed ten billion people with meat. For ecological reasons in particular, Planted wants to offer a tasty, plant-based alternative to cheap meat from factory farms.

After completing his doctorate in food science at ETH Zurich as well as doing various internships, 33-year-old **Lukas Böni** founded the start-up Planted in 2019 with his three colleagues Pascal Bieri, Eric Stirnemann and Christoph Jenny. Lukas is married and lives in Zurich with his wife and three children.

“To grow and be successful, you don’t just need a culture of mistakes but you also need the courage to fail”

Founded in July 2019 as a spin-off from ETH Zurich, **Planted** is currently one of the fastest-growing start-ups in Europe in the field of food from alternative protein sources. Planted combines proprietary structuring and fermentation technologies to produce meat from plant proteins. The focus is on delicious taste, a meaty and juicy texture and exclusively using natural ingredients.

www.eatplanted.com

> “We have to be pragmatic as well, though. Switzerland will hardly be able to cover the food industry’s entire demand for raw materials without imports, especially if we don’t change the way we eat.”

That said, I am also convinced that a new, more ecological way of thinking is emerging when it comes to nutrition, especially among young people, and that a growing business sector is being created.

According to the industry report by Barclays, the plant-based meat business will grow to USD 140 billion by 2029 and make up ten per cent of the global meat market. However, the market is highly competitive and many companies already offer meat substitutes. What makes you stand out from your rivals?
Consumers prefer the texture and taste of our products compared to those of our competitors. We are also consistent when it comes to using sustainable and healthy ingredients in our products. We don’t use any artificial flavours or colourings, only use very little salt and generally avoid any raw materials from outside Europe. This is more expensive, but better. Our products also have a very high protein content, in some cases even higher than an animal-based chicken breast.

Thanks to investors, you were able to invest an initial CHF 36 million in your company, Planted, and then another CHF 70 million. This means you are in the middle of another huge growth phase.
This investment means we can expand our product range. Our chicken breast, for example, will now be available in retail outlets throughout Switzerland from October, whereas up until now it has only been available to the catering industry. In terms of research, technology and product development, we have also developed new prototypes, which we are now testing, optimising and scaling. The investment will allow us to accelerate the testing phases and put a lot more resources into scaling our products, and therefore into growing our business.

How are you covering the massive increase in demand for raw materials due to your rapid growth?
Compliant soya or wheat would of course be a lot easier to obtain because it is available in large quantities and is needed for a lot of food sectors, including meat production. Yellow peas, on the other hand, are

> “For me, growth means being able to handle what life throws at you. It’s about having to adapt to new situations and environments.”

Video interview

still a new raw material, and we would also want them to be local and organic, which puts extremely high demands on our suppliers. At the moment we source the raw materials from Western Europe, and so cover our requirements as well as having relatively short transport distances. Nevertheless, we are in talks with Swiss farms that are testing cultivation. It isn’t clear yet whether they meet our quality and quantity requirements. But we also have to be practical. Switzerland will hardly be able to cover the food industry’s entire demand for raw materials without imports.

You are planning to grow abroad and set up more production facilities in export countries.
Producing where our customers are based makes sense in a lot of ways. The transport routes are even shorter, which makes us even more sustainable. It also means we can produce locally with staff from the region, which ultimately makes the product affordable due to the lower wages. Export growth is a challenge for Swiss companies like us. Costs in Switzerland are high, which makes the product very expensive abroad.

Was really fast growth the goal of your start-up from the very beginning?
Yes! We wanted to be number one in the market right from the start, and we still have great ambitions. Together with our employees we want to replace meat on as many plates in the world as possible, and thereby reduce the negative impact of the meat industry. This shared sense of purpose is also the recipe for Planted’s success.

Have you also made any mistakes yet?
Of course we’ve made mistakes, even if I can’t name an obvious one right now off the top of my head. In my opinion, having a constructive and positive culture of mistakes is essential in founding a start-up and especially when scaling up. Mistakes need to be admitted to and seen as a learning opportunity.

This also includes being willing to take risks.
Yes, both on the part of the company and the investors. It happens far too often that a start-up doesn’t make the most of its potential due to a fear of failure or an unwillingness to take risks. To grow and be successful, you don’t just need a culture of mistakes but you also need the courage to fail. Failure has an bad reputation in Switzerland, which is wrong. After all, failing always raises important questions that are important for scaling: “What didn’t work?” “Why didn’t it work?” “How can we do it differently?”, etc.

Let’s take a look at the future. Will we no longer be eating meat in five to ten years’ time?
People’s habits in terms of buying and eating food is very culturally embedded all over the world. The kind of disruption we want for potentially the entire population of the world, i.e. ten billion people by 2050, will take at least half a generation. For this to happen, people’s consumption habits need to change in such a way that plant proteins become as commonplace as animal proteins are today.

What do you need in order to achieve this goal?
People choose good taste. People will only change their habits and buy our products if they actually like them. For us to grow as we intend to, we need to develop even better technologies. We want to branch into red meat, for example by launching a Planted steak.

“Luck is what happens when preparation meets opportunity”

Sandra Emme | Google Cloud

Sandra Emme is one of the best-known digitalisation experts in Switzerland and is responsible at Google Cloud for the IT infrastructure, machine learning and cloud solutions used for the online and digital strategies of global corporations and industries. She believes that digital education and artificial intelligence (AI) are the best foundation for scaling companies.

Journalist: Editorial team ceo magazine
Photographer: Markus Bertschi

“Luck is what happens when preparation meets opportunity,” says Sandra Emme at the start of our chat, quoting the Roman philosopher Seneca. Sandra Emme has already made the right decisions at the right time a number of times – and today she’s one of the most successful managers in Switzerland, including at strategic level.

She sits on the boards of directors of both Zehnder Group AG, an indoor climate specialist, and Belimo, the building automation company. She has held the position of Industry Leader Cloud Enterprise at Google Cloud since 2019.

Emme and her team at Google Cloud offer companies and developers a wide range of cloud-based products and services to help companies modernise, scale and optimise their IT infrastructure. These include offers like the ‘Google Compute Engine (GCE)’, which is an infrastructure that enables companies to adapt computing power as needed, or even a platform-as-a-service offer that lets developers create, host and scale databases, for example.

“Nowadays it’s not just about purely volume-based scaling any more, but increasingly about automated personalisation.” She goes on to explain using a public case study of ‘Spotify’, which has been based on Google Cloud since 2016, that the company relies on machine learning and constantly expanding personalised playlists. “Among other things, in the space of a decade the company has become one of the most important players in audio entertainment.”

Another example: the Swiss Federal Institute of Technology (ETH) recently announced plans to store its entire library in Google Cloud. The ETH library has a vast database, including everything from books and journals to images and digital replicas. Emme says that “As a result, digital solutions will be able to make an enormous amount of knowledge available to the general public.”

> "Nowadays it's not just about purely volume-based scaling any more, but increasingly about automated personalisation."

Google Cloud accelerates the ability of every organisation to digitally transform their business and industry. Google Cloud delivers solutions for businesses using Google's cutting-edge technology and tools that help developers work more sustainably. Customers in more than 200 countries and regions rely on Google Cloud as a partner to generate growth and solve their most critical business problems.

cloud.google.com

> For us, digital education isn't just about our own growth but also about sustainably strengthening the entire Swiss economic system."

Artificial intelligence as a growth accelerator

"With the right technologies and innovations, sustainability and growth don't have to be mutually exclusive. AI is an important part of that," says the digitisation expert when answering the question of how sustainability and expansion can go hand-in-hand in today's world. Google's AI and cloud solutions help to reduce CO_2 emissions.

One simple example of this is the transport of parcels. If AI helps load a delivery truck more efficiently and with more parcels, that reduces the CO_2 emissions per parcel, and if AI calculates shorter and therefore more climate-friendly routes for delivery, emissions decline even further. She describes another example: "A large retailer was recently able to use Google Cloud and AI to improve its demand forecast for fresh food by 43% and reduce food waste accordingly. As a result of this the company now needs to throw away much less fresh food, and is even cutting costs."

Emme continues to enthusiastically sum up the situation by saying that "AI offers a great deal of opportunities to make the economy more sustainable and companies more efficient. There's also potential in the areas of mobility, energy and agriculture, where AI can be used to reduce a company's environmental impact while also scaling it."

Switzerland is still in its infancy when it comes to digitalisation

Before joining Google Cloud, Sandra Emme studied in Bremen in her native Germany as well as Marseille and worked as a serial entrepreneur in the IT industry. She also joined forces with a fellow student to found several start-ups in France and the USA, including the PC hardware manufacturer AS Media and later the software company SoftThinks.

She has been working in Switzerland since 2008 and at Google Cloud since 2011. In Switzerland she appreciates the close proximity to large universities like ETH, Swiss precision, quality and the spirit of innovation. However, she also notes that "Switzerland still has potential when it comes to digitisation."

Google and education

Google has been investing in digital education in schools, companies and private individuals for years. Google has launched a corresponding programme – the 'Google Atelier Digital' – which is a free education programme aimed at private individuals and companies. People can use this programme to attend live webinars and online courses on topics ranging from digital marketing and e-commerce, machine learning and AI to certificates in IT support, project management and UX design.

Since 2011 **Sandra Emme** has been working at Google, Zurich, where she has held various functions in Global Business Development ranging from Industry Head Luxury and Finance to Industry Leader Automotive. In 2019, as Industry Leader Cloud Enterprise she took over the Platforms, IT Infrastructure, Machine Learning and Cloud unit for global corporations in the manufacturing industry. She holds a master's degree from Bremen University of Applied Sciences and Arts and the Ecole Supérieure de Commerce in Marseille, as well as degrees from IMD Business School and the Swiss Board School at the University of St. Gallen.

Given that digital media has become a central part of our everyday lives and that professions of the future will become even more digital, Sandra Emme considers digital education at school to be of vital importance. Training the next generation in computer science and software development is fundamental for counteracting the shortage of skilled workers, especially in the IT sector. According to Emme, “For us, digital education is about sustainably strengthening the entire Swiss economic system. The next generation needs to be able to help shape the future.” To achieve this, Google offers schoolteachers free tools for computer science lessons and helps them with programming courses via a scheme called ‘CS-First’, for example.

Emme thinks it’s important for people at all levels in a company to have digital skills, especially at management level and on the board of directors, and that these skills are updated on an ongoing basis. She’s convinced that a lack of digital know-how prevents companies from reaching their full potential. All areas of a company are becoming increasingly digitalised, including the entire value chain.

This means that instead of being viewed as a pure service provider like in the past, IT must be included in decision-making processes as a strategic business partner. Furthermore, IT must proactively address potential risks, including cybersecurity, data protection and business continuity.

But Sandra Emme isn’t just known for her digital expertise – people say that she also exemplifies a good feedback culture in her team. She’s a doer, communicates transparently and creates trust in the process.

What advice would she give to young people aspiring to pursue a career similar to hers?

Emme says, “Be brave and step out of your comfort zone. It’s worth it – both for your personal and entrepreneurial growth.” She also has another tip specifically for women: “If you want a partner by your side, make sure you’re a team, that you are equals and can help each other. I wouldn’t be where I am today without my partner.”

And just like she welcomes visitors in person at the entrance, she escorts them out of the building personally again with a firm handshake. “Now I have to get back behind the monitor,” she says with a wink. “That’s where I feel most comfortable.”

“With the right technologies and innovations, sustainability and growth don’t have to be mutually exclusive.”

Video interview

“For me, personal growth always has positive connotations. It doesn’t just happen of its own accord, but rather it’s planned.”

A harmonious partnership?

Growth can become a challenge if it becomes out of sync with the corporate culture. Conversely, a strong culture is the catalyst for growth.

Companies that are expanding need employees who can be flexible. When the pace is being set by innovative solutions and business ideas that are constantly changing, processes, structures and cultures are often put to the test – and people are forced to keep up. It takes stamina to keep evolving, to be flexible at short notice and not to lose sight of long-term strategic goals, yet these qualities are crucial in order for businesses to grow. But how does a business manage to retain flexible talent with staying power?

The corporate culture makes all the difference

Mindful treatment of employees plays a key role in companies that are experiencing growth. Growth means change, and change can create uncertainty. During a period of transformation, having a strong culture provides stability. It is an unspoken rule that the corporate culture shapes people's behaviour, decisions and interactions. It is essential for an organisation to consciously define its culture, implement it and also to live it.

A culture does not come about by accident

A strong culture must be actively created and be part of the corporate strategy. Leaders in particular need to exemplify the corporate culture and employees need to understand it. Clear and regular communication of the company's values as well as continuous training can help in terms of anchoring the culture, maintaining it and adapting it when necessary. It is only when employees know and experience this culture that they can build a profound understanding of it and work together towards the same goals.

Management integrity matters

At this year's edition of Best Workplaces™ Switzerland, the winners stood out from the Swiss average due to their high level of management integrity. While having pride in your employer is still the most important factor when it comes to job satisfaction, this year's evaluation concluded that management integrity has greatly increased in importance. Ethical conduct and management integrity were among the top five drivers of a trust-based workplace culture. According to Harvard Business Manager, this is also confirmed by Harvard professor Raffaella Sadun and her team. Their research shows that today's best managers are characterised first and foremost by their so-called people skills, also known as soft skills. A team of authors made up of scientists, coaches and consultants for executives found much evidence of this in an article for Harvard Business Manager. Their conclusion: "More than ever, we need leaders who know how to foster employee creativity and commitment. If you want to be successful at the highest level in a company, you need a broad repertoire of people skills to help you indirectly lead large numbers of employees."

A breeding ground for new ideas

Leadership behaviour therefore plays a major role in conveying the corporate culture, because leaders are not just role models – they are also culture bearers. Their behaviour, their decisions and their way of communicating has a big influence on how the culture is perceived and lived. If a company manages not only to strengthen the people skills of its managers, but also to use the corporate culture as a breeding ground for new ideas, this can promote innovation, strengthen employee commitment and ultimately contribute to growth. If the culture is based on values such as trust and responsibility and if people are motivated and inspired, it creates a climate of doing and learning. This feeling of being empowered is often perceived by employees as appreciation, which in turn translates into commitment, productivity and loyalty to the company – which are all key prerequisites for growth.

Leadership behaviour plays a major role in conveying the corporate culture, because leaders are not just role models – they are also culture bearers.

Don’t rest on your laurels

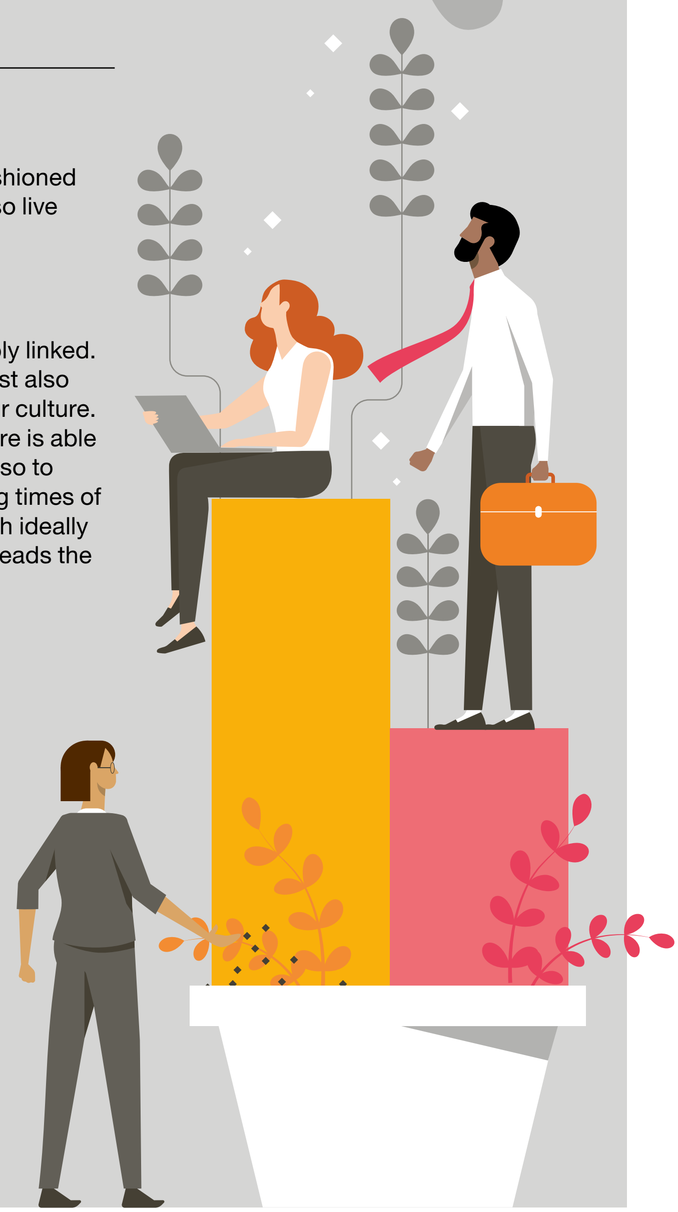
Even if all the criteria appear to be met, it is important to remain alert. How satisfied are the staff? The mood they are in makes a huge difference, and says a lot about the corporate culture. Carrying out a regular survey can help identify the need for action at an early stage. If the mood starts to decline, companies should have a rethink: do the company’s values still match its personality? And are values actually lived up to? If the surveys reveal a need for action, it is important that appropriate measures are introduced. Nothing is more demotivating than when a person is asked for their opinion but their suggestions are not taken seriously.

Organisations don’t transform themselves. They need people to do that.

Every transformation has a big impact on the corporate culture. To ensure that change doesn’t undermine the culture, it should be carried out consciously and carefully – especially if it relates to growth. It is important for employees to be involved in the processes of change, since this helps them understand the processes better and enables them to identify with the transformation more closely. When staff are empowered to help shape a change process, the transformation is fashioned from within by the people who also live the culture.

A harmonious relationship

Growth and culture are inextricably linked. Companies that want to grow must also carefully nurture and develop their culture. A strong, positive corporate culture is able not only to support growth, but also to serve as a stabilising factor during times of change. It’s a balancing act, which ideally results in a level of harmony that leads the company to success.



> “Software-defined vehicles, artificial intelligence, data management and battery technology are the new ‘growth topics’ within the automotive industry.”

Claudia Meyer (54) grew up in Switzerland in a family of car dealers. She’s been managing director of Renault Suisse SA since 2021. In May 2023, Claudia Meyer also joined the management board of auto-schweiz, the Swiss association of automobile importers. Her career began in 1998 in the marketing department of Jaguar Switzerland at Emil Frey AG. She then took up positions in marketing communications, product marketing and brand management at DaimlerChrysler Switzerland and Fiat Group Suisse SA. In 2014, she moved to Nissan Switzerland as marketing director, before taking over as the country director in 2017.

“We’re transforming large areas of Renault Group and becoming a high-tech and mobility provider”

Claudia Meyer | Renault

Claudia Meyer is steering Renault Group Switzerland towards carbon neutrality. To achieve this, the automotive manufacturer is transforming at several different levels. One transformation area involves producing fewer new cars and instead reconditioning used ones.

Journalist: Editorial team ceo magazine
Photographer: Markus Bertschi

Ms Meyer, Renault Group is aiming to become the greenest automotive manufacturer in Europe by 2030. Will you achieve this goal?
We’ve made great progress, but want to become even more innovative, even greener and even more sustainable. One of Renault Group’s clear goals is to be carbon neutral in Europe by 2040. To achieve this, we’re focusing on electric vehicles, clean energy, low-carbon materials in production and sustainable mobility solutions. The model initiative that’s already underway plays a big part in this. By 2025, 14 new Renault models will hit the market, seven of which are fully electric. The features of our new Megane E-Tech Electric are groundbreaking in terms of carbon-free mobility: zero emissions during operation, use of recycled materials in the construction process, a second life for batteries and a high level of recyclability at the end of its usable life.

Which challenges will the Group face on its way to meeting this goal?
In Switzerland, challenges include the political framework conditions. Compared to other European countries, in Switzerland we must achieve our CO2 targets with virtually no subsidies. What’s more, in Switzerland we have topographical challenges to deal with. Unlike in Germany or the Netherlands, there are lots of mountain roads, which affects the car’s power delivery and its range. And we need better infrastructure for electric and hydrogen vehicles in Switzerland.

More electric charging stations, for example?
Today, wherever you go you can easily fill up your car with petrol or diesel. We’re in talks with the oil producers so that together we can bring about the sustainable transformation of these filling stations and put additional fast-charging points in place. When it comes to e-mobility, we’re pursuing a dual strategy. On the one hand, we offer electric e-tech vehicles that need electric charging points. On the other hand, we’ve got hybrid e-tech vehicles that are electrically powered and don’t need to be charged. Instead, they charge while braking and slowing down, so no external power source is needed.

"Renault Group will do everything in its power to pursue its ambitious goal of being carbon neutral in Europe by 2040. Important levers include zero-emission vehicles and the circular economy as well as sustainable energy and materials."

Electric vehicles are more expensive than the ones that run on petrol. Is this impacting growth potential at a time when inflation is also affecting the middle class?
Studies by TCS (Touring Club Suisse) show that after just five years, driving is cheaper for the consumer with an electric car than it is with a petrol-run one, as the charging costs are much lower than the price of fuel. That's quite an incentive. But the fact that Switzerland is a country of renters poses a bigger challenge. Renters rely on underground parking spaces with charging stations or a parking space outside their home. We're calling for it to be easier and for there to be subsidies so that charging points can be installed in rental properties. And we want to see the creation of a charging infrastructure in the public space.

You grew up in a family of car dealers. How has the industry changed over the decades?
In the past, the focus was on the conventional sale of new cars and accessories like tyres. The dealerships also had a workshop for servicing vehicles. Today, it's much more complex and things will continue to change. We're going to see a lot of transformation.

What does this mean for Renault Group?
We're transforming large areas of Renault Group and evolving to become a high-tech and mobility provider. We're diversifying our brand portfolio, for example, by expanding our Alpine sports car brand to include six different electric models by 2030. Renault is already known for innovative e-tech cars and Dacia remains the 'smart buy' brand for affordable cars with attractive outdoor flair. In general, we'll no longer produce as many new cars, but instead explore new mobility options. We'll also pursue our Refactory strategy, which involves reconditioning more and more used cars to create new cars. An increasing number of customers will want to extend the life of their vehicle – and do this with the original manufacturer.

Does this mean there's no conflict between sustainability and growth at Renault?
That's right. We took environmental protection seriously really early on, and it's now working to our advantage. In 2013, we built and launched the first full-electric cars. Of course, new challenges crop up, but with the newly founded business unit 'The Future is Neutral', we're taking the next step towards battery recycling, by pushing forward with the recycling of materials to produce new batteries.

Will artificial intelligence (AI) help Renault Group continue to scale?
We mainly use AI in our built-in multimedia systems, for predictive maintenance and in data management. With the new Renault 5, for example, an AI avatar called Reno will help users enter their preferences in the multimedia system. We expect demand for modern technologies in cars to continue to increase in the future and some exciting collaborations are emerging. In France, for example, Renault Group's new mobility brand Mobilize can provide data on road conditions and safety, noise and charging points thanks to Smart Road Monitoring technology. This means local authorities can analyse where they need to make improvements. These are great innovations.

Innovation always represents a challenge for the workforce though. How do employees deal with the changes?
Through our new strategies and products, we can optimise profitability and make the company more attractive. Renault Group has also experienced challenging times and the French government had to step in with financial support. Today we're debt-free. This experience has certainly motivated employees to work through these changes and kick-start the revolution in the automotive sector.

Revolution?
We're electrifying all vehicles and launching lots of innovations. By doing this, we're recapturing the largest part of the market – the C-segment, which is the market for compact vehicles. We want to better serve the class of vehicles that falls between the B-segment or small car and the mid-size executive class once again. We've already succeeded with two models and the next one is in the starting blocks.

“With every decision we make, we always check that the carbon footprint is right.”

Video interview

The car industry relies on many raw materials including steel. This can also hamper development.
Sourcing raw materials is a challenge in most of the company’s growth areas, so a change in thinking is needed here. The war in Ukraine led to a shortage of steel worldwide, so we decided to use less steel. Together with our alliance partners Nissan and Mitsubishi, we’ve developed flexible platforms on which 80% of the cars are based. This means we can achieve greater economies of scale. But in the new electric cars, bodywork parts that were previously made of steel are now also made of lighter materials, which is hugely important for the battery range.

Another challenge is the shortage of skilled workers. How do you find qualified staff to implement your growth strategies?
Jobseekers now have very high demands when it comes to salary expectations and flexible working hours, for example. We’re trying to respond to this trend, but it isn’t possible in all areas. There are certain jobs in the automotive industry that can’t be done working from home or where shift work is needed. So we have to make our company attractive in different ways.
As a group, we’ve got excellent references. We focus on diversity, trust and motivation, and our products are inspiring. Renault’s employees sit at the very heart of all this and receive continuous support with their professional and personal development.

Are there now more women in the male-dominated automotive industry?
We’ve seen a sharp rise in the proportion of women at corporate headquarters over the last few years – also because the industry has become more sustainable and diverse. This is a positive development that can be observed in lots of companies. We’ve created many new, exciting jobs, for example in IT, design, engineering and for new services. At Renault Switzerland, 40% of our management board members are female, which was not the case a few years ago. It is and remains a really exciting industry – for men and women.

With a market share of 7.23%, **Renault** Switzerland with its Renault, Dacia and Alpine brands is one of the biggest importers on the Swiss market and also one with the longest tradition. Dating back to 30 April 1927, Renault laid the foundation for importing and distributing the Renault brand in Switzerland through the joint stock company S.A.V.A.R. (Société Anonyme pour la Vente des Automobiles Renault) in Geneva, making it one of the first importing companies of a European automotive manufacturer in Switzerland. Today, the company trades as Renault Suisse SA and its headquarters are in Urdorf near Zurich.

www.renault.ch

"Dream big, plan well and anything's possible"

Mike Allison | VAT Group

Mike Allison is no stranger to growth. The Scottish business leader has made it to the top in the course of his career as CEO of the manufacturing company VAT Group. His highlight: leading the company to record profits in 2022 and breaking the CHF 1 billion turnover barrier for the first time. Allison tells ceo magazine how he stays ahead of the curve in a fast-paced industry.

Journalist: Olivia Kinghorst
Photographer: Markus Bertschi

The offices of VAT Group are unassuming, tucked away in the municipality of Sennwald on the border between Switzerland and Liechtenstein. It's here that we meet Mike Allison for our interview. The Scottish CEO has made VAT one of the world's most important suppliers to the semiconductor industry. The industry is responsible for making the silicon chips – small pieces of material containing electronic circuits – that can be found in everyday devices like laptops and smartphones.

Since Allison joined VAT in 2018, the Swiss-listed company has experienced incredible growth. VAT is the clear market leader in vacuum valves. In 2022, it achieved its best ever results and expanded its workforce to almost 3,000. "We've achieved great things at VAT: we've delivered strong growth, high profitability and great customer satisfaction," Allison says proudly. "That's not a simple achievement."

> “For a small Swiss company to be a global technology leader is a gigantic achievement.”

Mike Allison (60) is an entrepreneurial business leader with more than 35 years of experience in high-growth technology companies. Allison joined VAT as CEO in 2018 and successfully led the company to record profitability surpassing CHF 1 billion in revenues in 2022. He holds a BSc Honours in Electrical and Electronic Engineering from Glasgow University and has gained international experience in Europe, the USA and Asia. Allison is stepping down as CEO at the end of 2023 to start a new chapter with his family.

From Scotland to Switzerland

Allison's fascination with semiconductors began during his electrical engineering studies at Glasgow University in Scotland. It was here that he made a basic semiconductor chip – a small piece of material found in electronic devices – for the first time. As a student, Allison quickly saw the potential of chips, especially after purchasing his first PC. "I could already see that semiconductors were going to be the powerhouse of the next industrial revolution and I wanted to be part of that," he says. "Semiconductors would allow us to create chips to improve our modern life from wireless communication and wearable devices to electric vehicles."

Allison found himself at the right place at the right time during the data and Internet revolution. He moved around the world with his family – Germany, the United States, Korea and the United Kingdom – working his way up in the semiconductor industry. Allison spent two decades with the American manufacturer KLA-Tencor. He joined Edwards in 2008, and after Edwards was acquired by Atlas Copco in 2014, he became President of the Edwards/Atlas Copco Semiconductor Division. In 2018 the opportunity arose for him to lead VAT on the path to sustainable and profitable growth. "I was in a perfect position to move to Switzerland and I wanted to be a CEO. I'd spent the last decade building up my portfolio of skills and the international experience needed for this role."

It's clear during our conversation that Allison feels at home in this role. Today, VAT is a global manufacturer of high-vacuum valves and a major player in the global digital revolution. VAT's valves are used in the semiconductor industry by producers such as ASML, Applied Materials, LAM and Tokyo Electron, with a specialisation in chip manufacturing equipment. "We've changed the face of every industry on Earth," says Allison. "No new technologies are possible without the use of silicon chips. Why wouldn't I want to be a part of this industry?"

"You must never lose sight of the long-term goal."

Video interview

"It takes a lot of energy to lead, and I have to make sure that I do take time out with the family, or with my pastime, golf."

VAT is a leading manufacturer of high-end vacuum valves. Their valves are used in advanced manufacturing processes of essential products like mobile phones, solar panels and flat-screen monitors. The globally active company has its headquarters in Switzerland and its production facilities in Switzerland, Malaysia and Romania. VAT was founded in 1965 and employs almost 3,000 people. Listed on the SIX Swiss Exchange since 2016.

www.vatvalve.com

Recipe for professional and personal success

In 2022, VAT surpassed CHF 1 billion in sales for the first time. The company also increased their market share in semiconductors from 55 to 75% within five years. “For a small Swiss company to be a global technology leader is a gigantic achievement,” says Allison. says Allison. His ‘secret ingredient’ for success is simple: a strong strategic plan, heavy investments in innovation and research and the alignment of products with customer needs. To stay up to date with his clients’ needs, Allison can often be spotted at international trade shows and technology forums. “I understand not just what the customer wants now, but what the customer’s going to need in three to five years’ time.”

Thanks to this farsightedness, VAT is well on its way to reaching its next milestone by 2027: a turnover of CHF 2 billion. “Dream big and plan well – then anything is possible. You must never lose sight of the long-term goal, even when the semiconductor industry is in a downturn,” says Allison. The industry is currently facing a slowdown due to overcapacity in the chip industry. Despite this, Allison is optimistic about the long-term forecast. By 2030, the semiconductor industry is set to become a trillion-dollar industry driven by smart devices, 5G wireless networks and artificial intelligence (AI). This is good news for VAT and Allison – because all these technologies require chips that use VAT’s vacuum valve solutions.

Even in a hyper-growth environment, Allison appears at ease in his role. “The job of a CEO isn’t necessarily any harder than any other job I’ve done. Executive and senior management jobs are just as demanding, because we constantly drive ourselves to be better, seek out new solutions for our customers and manage the huge production ramps in our industry.” When he’s not at the office, Allison makes time for his personal passions, whether it’s playing golf at the weekend when he’s offline, or spending time with his wife and two children. “A good family life sustains me. I enjoy the simple things in life just as much as the exclusive perks that come with the CEO job.”

For now, VAT’s growth journey continues. But for Allison, it’s time to say his farewells. After six years at the helm, he’s decided to leave the company at the end of 2023. The timing feels right – Allison has turned 60 and wants to focus the next chapter on his family. “It’s always good to go out on a high,” says Allison. “I’ve achieved a lot here and I’m ready to hand over the helm to someone else to take VAT to the next level.”

"For us, the process was more organic"

Naomi MacKenzie | KITRO
Anastasia Hofmann | KITRO

Waste often goes unnoticed, but **Anastasia Hofmann** and **Naomi MacKenzie** thought otherwise. The co-founders of KITRO (a play on Kitchen and Hero) noticed an urgent problem: 2.8 million tonnes of food are wasted in Switzerland every year. The duo decided to tap into their hospitality background and build a device to measure and combat food waste. Today, KITRO can be found in commercial kitchens around the world from hotels to hospitals.

Journalist: Olivia Kinghorst
Photographer: Markus Bertschi

You're both shocked by what goes into our rubbish bins. When did you have this lightbulb moment?
Hofmann: During our time in the hotel and catering industry, we've always been shocked at how much food goes to waste. But it wasn't until our final year at the EHL Hospitality Business School that food waste really came to the forefront of our minds. At the time, the university was seeking sustainable ideas for the hospitality sector by 2025. This prompted us to dive deeper into potential solutions for measuring and monitoring food waste in commercial kitchens. We eventually won CHF 3,000 for our idea. That's when we came up with the idea of founding KITRO and developing a business plan for it.

From hospitality school to startup founders. What did this transition look like?
MacKenzie: There are certain people who set out to be entrepreneurs and to build their own company. For us, the process was more organic. We were both interested in sustainable issues, the catering industry, digital solutions and creating social impact. Plus we had a strong business background from our education at EHL. We also have a similar work ethic and we share the same values: resource efficiency, quality, forward-thinking, candour and impact.

What were your first memories of trying to get KITRO off the ground? How has the company grown since then?
MacKenzie: As you often hear from start-ups, we've made sacrifices to get to where we are today. When we started in 2017 we didn't have any resources, savings or any big investors backing us. We even relied on friends and siblings to offer us a place to sleep – we didn't have an apartment for nearly a year! Nor did we have the technical background required to build a product to measure food waste. We relied on early support from Kickstart Accelerator – one of Europe's largest start-up accelerators – to run a pilot and test our idea at Coop, for example.

Hofmann: Today, we have a team of over 15 staff and a product on the market. There are two parts to our business: the hardware and the software. The KITRO device is a scale, above which a camera is located. You put the waste bin on the scale, the camera looks directly into the bin, takes a picture and the algorithms detect which foods are being

> At the moment, we are saving over 200 kilos of food on average per month. That's the equivalent of 445 meals in a canteen every month."

KITRO is a Lausanne-based startup with an office in Zurich, whose aim is to monitor and mitigate food waste in the hospitality and food service industry. Its AI-driven device captures and identifies waste and can be found in commercial kitchens worldwide. Its customers range from office canteens to luxury hotels. KITRO's customers can reduce up to 60% of their edible food waste.

www.kitro.ch

Naomi MacKenzie (30) grew up in Texas and Switzerland. She studied hospitality management at the EHL Hospitality Business School in Lausanne and co-founded KITRO in 2017. She is also a trainer and startup coach at Venturelab for Swiss high-tech startups, was listed among Switzerland's 100 Digital Shapers in 2020 and 2021 and was a finalist for the SEF.WomenAward in 2023.

Anastasia Hofmann (30) grew up in Thurgau and Basel and also studied international hospitality management at the EHL Hospitality Business School in Lausanne. She has worked in Europe and the US and co-founded KITRO in 2017. She's also a startup coach and entrepreneurship teacher for Rhino Ventures and Venturelab. She was nominated for the European Institute of Innovation and Technology Awards in 2019 and was a finalist for the SEF.WomenAward in 2023.

thrown away. Every waste bin in a commercial kitchen can be placed on the scale. Every time food is thrown away, our artificial intelligence (AI) software captures and records the waste. When our clients then log into their KITRO dashboard, they receive a detailed analysis of their food waste – for example, the amount of food thrown away in kilos, or in costs.

With such limited resources, how did you secure your first client?
MacKenzie: It's a funny story. At the beginning, we didn't have the resources to build our own product for KITRO. Instead, we wrote down our business idea on a piece of A4. We showed this paper to potential customers and asked if we could measure their food waste. The Swiss burger chain Holy Cow! wanted to manage their food costs and saw the potential of our waste management device. That's how they became our first client. It was also the same day that we decided to quit our jobs and focus entirely on building our business.

Did the wheels start turning then?
Hofmann: It certainly wasn't easy getting our company established at the start. Many potential customers had never actually dealt with the problem of food waste, and some didn't even perceive it as a real problem. But this just isn't true – if you have food in your kitchen, some of it is inevitably thrown away. However, awareness of food waste has increased a lot over time.

Nowadays, our customers include major hotel chains such as Hyatt Hotels Corporation in the EMEA region and the Four Seasons Hotel des Bergues in Geneva. KITRO can also be seen in office canteens at UBS and Electrolux, and at universities such as the Swiss Federal Institute of Technology Lausanne.

What stage is the company at right now?
Hofmann: We are currently in the early growth stage. We have found that the product and the market are a good fit, because clients renew their contracts and we get a lot of inbound leads without doing any paid marketing. Most of our business at the moment actually comes from referrals. For example, as soon as one hotel or canteen is satisfied with KITRO, they recommend us to the next establishment by word of mouth, and the cycle continues.

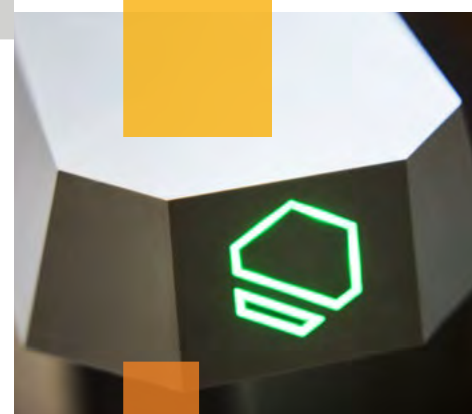
What has been the main stumbling block in KITRO's growth journey?
MacKenzie: The Corona pandemic, without a doubt. We started our company in 2017 before the pandemic. The pandemic had a negative impact on the hospitality industry, with hotels and canteens closed or barely operating. This had a negative impact on KITRO as well because our clients (such as hotels) are in the hospitality industry. We were ready to commercialise and bring our product to the market when the entire industry suddenly shut down. With hindsight, it was perhaps good timing. It gave us a unique opportunity to sit down and reflect, which is a luxury that most startups don't have. We asked ourselves how we wanted to expand our business and how we could create an effective customer success journey. This allowed us to build a good foundation for further growth.

In Switzerland, two-thirds of all the food waste that is produced can be avoided. How much food has KITRO saved exactly?
Hofmann: Since we started, we've been able to save over 530 tonnes of avoidable food waste. We make a distinction between avoidable and unavoidable waste. Unavoidable waste includes eggshells, peelings, bones and everything else you can't eat. However, we only focus on avoidable food waste. At the moment, we are saving over 200 kilos of food on average per month per client in Switzerland and abroad. This is equivalent to 445 meals per month. Based on data collected by the KITRO devices, we help our customers to take concrete, data-driven actions to reduce their food waste.

You're a Swiss startup with global ambitions. How present is KITRO on the international stage?
MacKenzie: Our devices are already being used in many countries across Europe, in Australia and more recently in the Americas and UAE. So far, KITRO has managed to grow internationally by word of mouth and

"To us, sustainable growth not only means progress, but it also means growing while keeping our values close at heart."

Video interview



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Our shared values have become our company values: quality, forward-thinking, candour, resource-efficiency, impact and enjoying the ride."

customer referrals. Especially the larger international hotel groups that we are working with; these have gained us a lot of visibility. They create awareness of KITRO and recommend us to other hotels by word of mouth.

What comes to mind when you picture the issue of food waste in ten years' time?
MacKenzie: We believe there will be more regulations and standards, especially when it comes to reporting food waste figures. The EU is currently working on these food waste monitoring regulations, which are expected to come into force by 2025. At the moment, these are still too vague. Hopefully, there will be clearer regulations requiring restaurants to report their food waste in the future. Then we could set a benchmark for our own clients. For example, a restaurant or hotel that is wasting less food than a set amount would be considered a high performer.

What has been the most memorable milestone for you in KITRO's growth story?
Hofmann: One of the highlights at the beginning was certainly the validation we received from outsiders, whether that was our first client or our investors. It's a special feeling when someone really believes in your product. It makes you realise that your idea can work and gives you the motivation to push on.

MacKenzie: It's a milestone to see so many talented colleagues coming to work every day. Everybody on our team is an extraordinarily talented person who could find a job elsewhere, but they choose to work at KITRO. That is both a milestone and a highlight.

"

It's a special feeling when someone really believes in your product."

“To grow as a company, you need staff who know what they are doing”

Silvia Schweickart | Novartis

She is an advocate of further training and part-time working, and sees this as a strategy to counteract the shortage of skilled workers. A conversation with **Silvia Schweickart,** Chair of the Executive Board of Novartis Pharma Schweiz AG, about the opportunities and challenges brought about by staff shortages.

Journalist: Marah Rikli
Photographer: Markus Bertschi

Ms Schweickart, your company has just gone through an organisational transformation aimed at ensuring future growth. What does it take for a workforce to accept and approve of change?
We have introduced a new organisational structure and a new operating model to achieve our target growth, innovation and productivity goals over the next ten years. Once again, it’s been made clear to me that what we need is frequent and transparent communication. Decisions have to be made very quickly, even if they aren’t always perfect! The longer a process takes, the more uncertain and restless the team becomes. I think allowing emotions and feedback is very relevant here as well as getting the staff involved, because otherwise these processes can fail.

You are known for supporting mentoring and training opportunities and the personal growth of your employees.
It always makes sense for a company to train talented workers with a specific goal in mind, prepare them for their next potential role and so ensure the availability of qualified staff. This strategy of promoting and developing young talent also counteracts the shortage of skilled workers. In this sense I also see this as something the entire industry needs to be involved in, because to keep the market stable and to grow as a company, you need staff who know what they are doing.

How exactly do you promote young talent at Novartis Switzerland?
For example, we offer a programme that accepts MBA graduates. Those who participate in this programme move through several countries and functions during the two years. In addition to this, our local trainee programme is very popular – and often leads to a permanent job afterwards. Many young employees want to move onto their next role or project after only one year, they want to develop quickly. If you don’t offer fast growth opportunities as an employer, young employees may quickly move on.

"If you don't offer fast growth opportunities as an employer, young employees may quickly move on."

The Swiss business unit of **Novartis** is responsible for marketing around 80 prescription medicines in Switzerland. The main therapeutic areas include oncology and haematology, neuroscience, immunology and cardiology. The company employs a total of about 260 people in the office and in the field. They work in marketing and sales, medical consulting and quality assurance among other areas, while the remaining employees take care of logistics, process orders or coordinate clinical studies.

www.novartis.ch

Silvia Schweickart has been Chair of the Executive Board of Novartis Pharma Schweiz AG since 2019. Previously, she was responsible for Switzerland as General Manager at Nestlé Skin Health. During an international career she has held positions in the US and Europe, including at Saatchi & Saatchi Healthcare in New York and Merz Pharmaceuticals in Germany and the UK. She holds a Master of Business Administration (MBA) from WHU – Otto Beisheim School of Management in Germany.

“It always makes sense for a company to train talented workers with a specific goal in mind, prepare them for their next potential role”

“It’s incredibly important to have foresight as well as stamina.”

Video interview

Does Novartis offer the development opportunities these people are looking for?
We provide perspectives, for example in projects relating to digitalisation or artificial intelligence (AI) – areas that young people are very interested in. Hybrid working is also very popular with Generation Z, and for us this is now a matter of course. It’s the same thing as with making work and family life compatible: we grant four and a half months of parental leave for new mothers and fathers. I’m an advocate of part-time working. Many of our employees work 60-80%, even those in management positions or on the executive board.

The shortage of skilled workers is also a big issue for your clients. Are you feeling the effects of this at Novartis Pharma Switzerland?
The lack of staff and the lack of time is particularly noticeable in doctors’ surgeries, pharmacies and hospitals. Our clients have a lot less time than they did before. However, I see this situation as an opportunity for us to become more efficient and agile. A fast-growing and increasingly important area at Novartis is digital and personalised solutions for providing information about our products. These help doctors save time because they no longer have to book appointments for our sales representatives – we can provide all the information digitally. As well as this, we relieve the burden on practices by supporting their patients.

In what way?
For example, we focus on tools that help chronically ill patients to manage their conditions, and we’re constantly developing these further. Ultimately, challenges like the shortage of skilled workers we’re experiencing at the moment also act as an incentive for us to become more innovative and even provide areas where we can grow, for example by using AI. AI is helpful for us in drug development and research, for example. Some processes that previously had to be done manually can now be done by AI a lot faster, which of course is enormously helpful.

What are some other issues that your company will be facing in the next ten years?
There’s a lot of focus on digitalisation and AI – I’m a big fan of it, and I see huge potential for growth as well as a way of addressing the skills shortage. We want to become the leading company in the pharmaceutical industry when it comes to AI and digitalisation. We are already the largest and best-selling pharmaceutical company in the Swiss market, and now we want to maintain this position and expand on it further.

“Our clients have a lot less time than they did before. However, I see this situation as an opportunity for us to become more efficient and agile.”

Growth needs to be strategically planned

Most companies aim to grow in order to remain competitive and survive in the market. Yet growth comes with challenges. Managers therefore need to see more than just the advantages, as Mathias Binswanger, Professor of Economics at the University of Applied Sciences Northwestern Switzerland, points out.

For many companies, growth is an essential pillar of success as well as a strategic goal. They want to use it to increase their market position, their value and their profitability. "Most companies warmly welcome the idea of growth," says Mathias Binswanger, Professor of Economics at the University of Applied Sciences Northwestern Switzerland in Olten and private lecturer at the University of St. Gallen. "They see entrepreneurial opportunities in it – for example, because it enables them to achieve a certain market power and perhaps even a monopoly position." However, companies don't necessarily have to grow to successfully exist. Instead of quantitative growth, companies can also grow in terms of quality. "Smaller organisations in particular can concentrate on a niche and still be successful, despite the size of their company remaining stable," explains Mathias Binswanger.

From growth to overheating

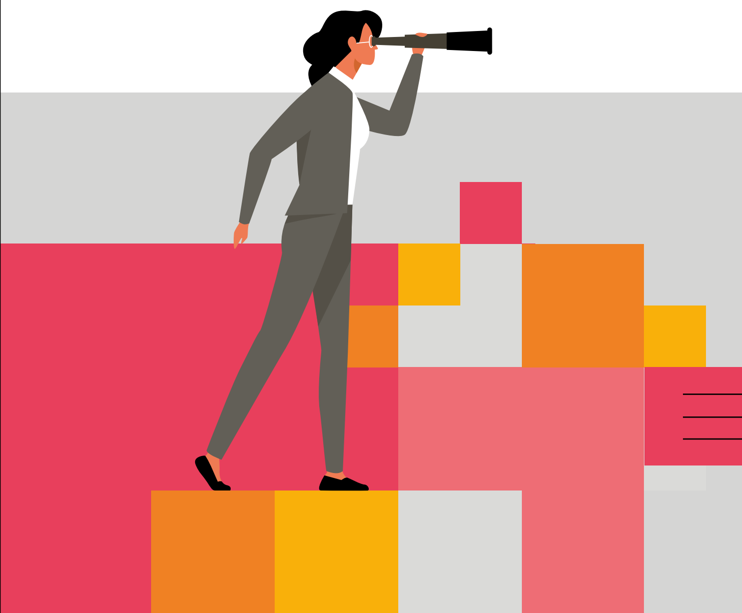
Companies that grow on their own usually offer products or services that are in demand among their customers. This kind of success is good, but it can become a trap. If the workload remains high for a long time, the pressure on staff increases. This creates a risk of overheating, of sorts, which has a negative impact on the working environment. "An excessively high workload shouldn't become the norm. Otherwise it can lead to staff going off sick, resigning or even making risky mistakes," Mathias Binswanger emphasises. It is the job of a manager to shape periods of growth positively, through open communication, efficient processes, setting priorities and making the right investments at the right time – for example in new technologies or extra skilled workers.

Difficulties in recruitment

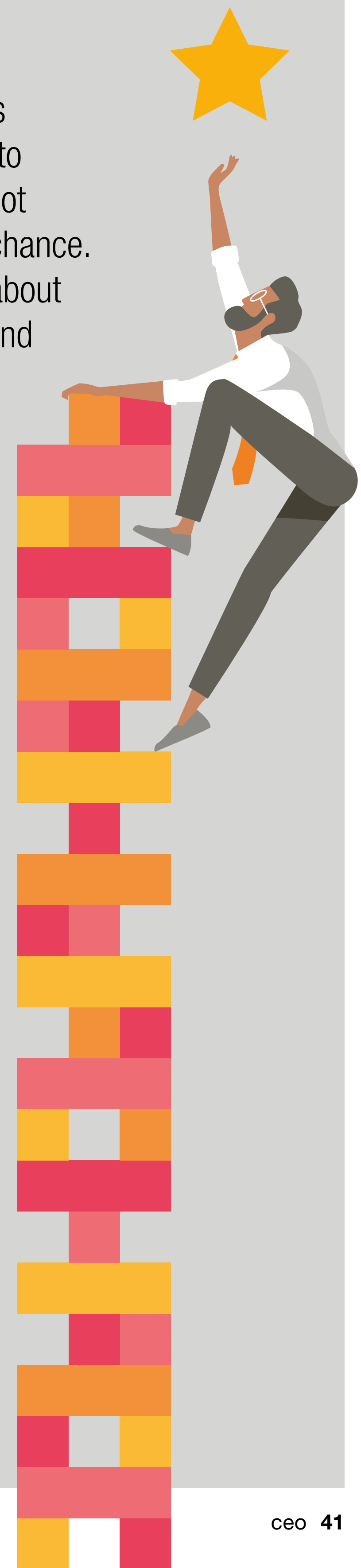
However, finding and retaining qualified employees is becoming an increasing challenge for many organisations. The reasons for this are that skilled workers are in high demand – especially in technical and healthcare occupations – and also that employees' expectations of their prospective employers have changed. "The problem is partly of our own making. The Swiss economy has got used to being able to recruit employees from abroad when it needed them," says Binswanger. "In the long term, this comes with the risk of skills being lost." Companies are trying various measures to tackle the problem, for example by allowing flexible forms of working and investing more in the training and development of their employees.

Adapting structures and nurturing culture

Once organisations have got their recruitment sorted, the structures within the company need to be continuously adapted to match the growing workforce. While in small companies people often communicate spontaneously and verbally, in more mature organisations processes need to be designed, responsibilities established and rules and regulations defined. "Larger companies need more management systems. This always comes with a certain level of anonymity, and so the danger of bureaucracy increases," explains Binswanger. It is important to create structures that are appropriate, so that the particular strengths of a company are not lost as a result of growth.



Because of all the challenges involved, growth always has to be a strategic decision and not something that happens by chance. Companies should be clear about how much they want to expand and weigh up the pros and cons.



Growth phases come with uncertainty

In general, growth phases require companies to be particularly vigilant. “There are more uncertainties than when a company is developing steadily.” New employees and increased production capacities or marketing activities mean that additional investments are necessary. In most cases, the costs of these investments are not immediately matched by rising sales and profits – it often takes time for investments to bear fruit. “Costs can rise disproportionately during a growth phase, while turnover and profit can’t be accurately estimated,” Mathias Binswanger points out. That is why it is important to prepare expansion measures properly. Careful investments and financial planning as well as continuous cost control help to ensure that investments and profitability remain in balance.

Monitoring opportunities and risks

Even if companies have done all their homework, growth is not entirely within their control. External factors such as the economy or offerings from competitors also play a significant role. New regulations and laws likewise have the potential to positively or negatively affect the success of a company. Companies must therefore keep an eye on risks and opportunities with the help of professional monitoring. “Even if this can be very difficult depending on the market, forward-looking planning is essential for sustainable growth,” says Mathias Binswanger. “Using the status quo as a starting point and assuming that things will carry on developing in the same way is the wrong strategy when conditions on the market are changing rapidly.”

Growth is a strategic decision

Because of all the challenges involved, growth always has to be a strategic decision and not something that happens by chance. Companies should be clear about how much they want to expand and weigh up the pros and cons. “Managers mustn’t just see the advantages of growth, they also need to consider the consequences,” Mathias Binswanger emphasises. This calls for a certain level of caution, though: “Managers often make the mistake of expanding too quickly during growth phases.” Before making investments and hiring additional staff, decision-makers should analyse how sustainable the current growth is. Is it a short-term phenomenon or a long-term market development? This is a crucial question as far as Mathias Binswanger is concerned.

“If you don’t have any challenges, then you haven’t tried enough things”

Yokoy revolutionised the management of expenses and invoices using artificial intelligence. The Zurich-based start-up has grown rapidly in a short time. CEO **Philippe Sahli** explains how it all began.

Journalist: Andrea Schmits
Photographer: Markus Bertschi

Philippe Sahli | Yokoy

Yokoy’s website says that your mission is ‘deeply personal’. Have you had to deal with tedious expense claims during your own career?
Yes, absolutely. Yokoy was born out of a problem. During my time as CFO at other companies, I saw how much effort can be involved in processing expenses. The hassle for people creating the expenses – keeping receipts, photographing them and so on – is just the tip of the iceberg. Most of the work lies with the finance managers and is done after a business trip or a business dinner. Authorisation, accounting, reconciliation with company cards and archiving are just some of the many tasks.

What makes Yokoy different?
For me, it’s all about simplifying the entire process, from submission to payment. At Yokoy, we do this by using artificial intelligence (AI), which allows us to automate 80% to 95% of all steps. We have our own AI research lab at our offices in Zurich, where the focus is solely on improving this model. How can it learn even better? What additional work could it take on? Where does it have errors? AI is what makes Yokoy different from other solutions. Thanks to the high level of automation, finance managers can focus on the receipts for which their judgement really is needed.

Yokoy has already been rebranded since it was founded in 2019 and has greatly expanded its service offering. Was that part of the plan?
The rebrand definitely wasn’t (laughs)! We started out as Expense Robot but it was quite a bad name as you couldn’t find it on Google. What’s more, the old name was all about expenses. Even then, the vision was much bigger. We wanted to offer a solution that would allow a company to handle all its costs, like expenses, invoices and card transactions, using a single tool. We want to make people’s lives easier.

How did you know when it was the right time to grow?
Some of our customers said they’d like to use our tool to do more than just expense accounting. So we decided to extend the product to cover invoices and corporate

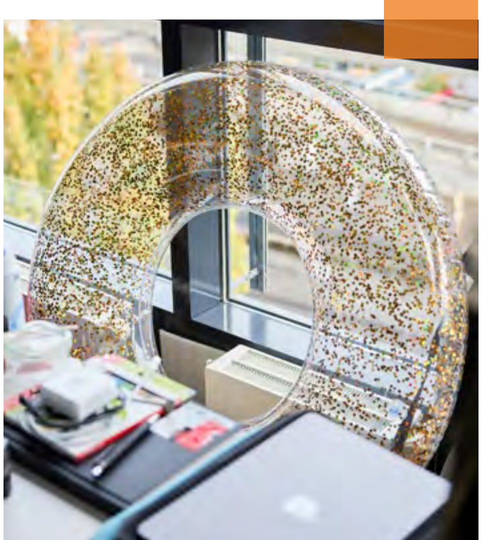
“At the beginning, what matters most are your own people. A start-up needs employees who share the vision.”

Yokoy CEO and co-founder **Philippe Sahli** (30) began his career at Novartis as a chemical lab technician. After studying economics in New York and graduating in London, he moved to Zurich to work for EY and later for UBS, and as CFO for the Swiss software start-up Beekeeper. As a former CFO, he knows how tedious managing expenses and invoices can be. Sahli, who is originally from Thun, started Yokoy together with his four co-founders from an office in Zurich’s Niederdorf district.

> “Artificial intelligence allows us to automate 80% to 95% of all steps.”

Yokoy was founded in March 2019 under the name Expense Robot and was rebranded 18 months later. The aim of its five founders is to make expense management easier and more efficient for companies through AI. The Zurich-based start-up began with an expense management tool, which has since been expanded to include invoice management and corporate credit cards. Today, Yokoy is represented at six locations and employs over 250 people. Its customers include Breitling, V-ZUG, ISS and Stadler Rail.

www.yokoy.ai



credit cards. But I’m glad we started with expenses, as this meant we could build on our existing AI. If we’d wanted to do everything right from the start, it might have been too much.

Did you ever doubt whether expanding the business was the right way to go?
No, never. Instead of doubting, we’ve focused on making Yokoy so good that customers want to use all three Yokoy modules – Expense, Invoice and Pay – together to get the best value from our product.

What role did scalability play in this?
A big one. While our aim was still to acquire as many corporate customers as quickly as possible, we took a different approach to the expansion. We set up the new service together with one customer and then gradually rolled it out to other customers. This made the development phase slower, but more prudent. It was only after about 18 months that we offered the product to all customers.

What are your success factors for sustainable growth?
There are many things that have to work together. They include building up a good reputation and finding the right customers, investors and partners. But at the beginning, what matters most are your own people. A start-up needs employees who share the vision. We were extremely lucky to have found people like this from day one.

"The longer the growth process takes, the bigger the challenges and the more interesting it becomes."

Video interview

What kind of mindset do Yokoy employees need?
We look for people with an entrepreneurial spirit, who want to build something and change the world. People who come to work for the cause and not for a high salary or a fancy office. They also need to have a good work-life balance so they don't burn out. The ideal employee is also able to switch off sometimes, and has a life outside of Yokoy too.

At Yokoy, are you also noticing the shortage of skilled workers?
We've been able to fill every position so far, even though we're very choosy. But yes, sometimes it takes a little longer – unless there's a wave of redundancies at other tech companies. We have the advantage of being based in many cool locations like Zurich, Amsterdam, Munich and Vienna, which also have good technical universities.

What's been your biggest challenge so far?
Without a doubt, the Corona pandemic. We'd only just founded our company and it was a long time before we were allowed to see new employees for the first time. That was not cool. On the other hand, this time also brought us many new customers, because companies had no choice but to digitise certain processes during lockdown. People stayed at home while bills were delivered to the office by post. That's when many people realised that a new solution was needed.

And has everything been running smoothly since then?
We're always facing new challenges, like a new feature that isn't working properly or that people just don't understand. But that's all part of it: if you don't have any challenges, then you haven't tried enough things. In technology companies especially, having a healthy error culture is simply par for the course.

What's the next step? Will there come a point at which you'd say "we're big enough now"?
No, that point doesn't exist. What we want next is to expand into as many countries as possible. We're also constantly talking to governments and tax authorities around the world. Our goal is to drive change in order to simplify expense management for businesses.

“

Digitalisation will advance extremely rapidly, and with it the demands of our clients.”

The Hotelplan Group is an international travel group headquartered in Opfikon-Glattbrugg near Zurich and a subsidiary of the Federation of Migros Cooperatives. Its international brand portfolio comprises 14 brands and travel companies in the areas of city breaks and beach holidays, specialist travel, holiday home letting and business travel. The Hotelplan Group is the largest Swiss travel group with a full range of services. The company employs around 2,000 people.

www.hotelplan.ch

“Being successful can also mean keeping turnover steady in a shrinking market”

Laura Meyer | Hotelplan

Laura Meyer took over the reins of travel company Hotelplan Group as CEO in the midst of the the Corona pandemic, and she was always optimistic that the travel industry would recover quickly.

Journalist: Editorial team ceo magazine
Photographer: Markus Bertschi

We have just lived through a summer of extreme high temperatures. There were extensive fires in Europe, and some places had temperatures of over 40 degrees for several weeks. So are the cooler Nordic countries the holiday destinations of the future?
Personally, I’ve just spent a holiday in Iceland with my family. The landscape, the vastness and the colours made a deep impression on me. We’re getting more and more bookings for northern countries at our specialist subsidiary travelhouse in particular, and we are continuing to expand our offering. We are also seeing growth in holiday regions such as Denmark or Scotland at our subsidiary Interhome.

What about Switzerland?
Switzerland has now become a year-round destination, though the Mediterranean still remains very popular. Because of the high temperatures, many clients are extending their summer and also travelling to Mediterranean countries in spring and autumn. This extended season leads to occupancy levels being better distributed throughout the year and reduces the backlog of bookings in the summer.

You became CEO of Hotelplan Group at the beginning of 2021, in the middle of the Corona pandemic. The company had to cut several hundred jobs, almost half of its turnover was lost and it made a loss of over CHF 100 million. How did you remain resilient under such stressful circumstances?
The pandemic was a huge blow for tourism. We have never experienced such a long and complex crisis before. When I took over as CEO, it was a matter of creating a long-term perspective and of finding the right moment to ramp up our service and our offerings for clients again. The staff did an excellent job. Knowing that the Federation of Migros Cooperatives offers support and financial security was and still is a great privilege.
I was always confident that the industry would recover and quickly return to the way it was before. We managed to compensate for part of the losses as early as last year, and this will also be the case this year.

Laura Meyer studied law at the University of Zurich and the Universidad de Deusto in Spain, after which she completed her Master of Business Administration (MBA) in Singapore and France at INSEAD. From 2014 to 2015 Laura Meyer worked for the NZZ Media Group as Head Key Account Management, Sales Strategy and Processes before joining UBS in 2015 as Head of Digital Distribution & Analytics. From 2018 to 2020 Laura Meyer was a member of the Board of Directors of the Hotelplan Group, and since the beginning of 2021 she has led the travel group as its CEO. Laura Meyer has also been a member of the Board of Directors of the NZZ Media Group since April 2022.

What do you think is the cause of this growth in turnover?
People have a huge need to travel, especially during or after times when things have been uncertain and stressful. People need to relax, learn about the world and broaden their own perspectives at the same time. I always like to quote the German Minister for Economic Affairs, Robert Habeck, who said: “There’s actually no better counterweight to war than tourism.” Because of their travel experiences during the pandemic, many people are again looking for reliable partners to organise their travel instead of booking it themselves. At the beginning of the lockdown many people had to travel back to Switzerland, which was sometimes a chaotic experience, or they couldn’t leave certain countries at all. We were always able to offer solutions to our clients, and now we are reaping the benefits of that. Our clients trust us and we are also appreciated by our partners abroad.

The pandemic is over, but there have been fires on Rhodes and earthquakes in Greece. Doesn’t that scare off your clients?
It’s precisely because of events like these that tourists want more services and more security. They need a contact person who can give them sound advice, make all the arrangements, provide 24/7 support and, if necessary, get them out of crisis areas. It’s not just private travellers who are increasingly booking through Hotelplan, bta first travel and Finass Reisen again, but also business travellers – the Corona pandemic has shown many people that they need reliable partners who act quickly and take the lead when there’s a crisis.

You have seen growth in private travel since the end of the pandemic. What about the business travel sector?
During the pandemic we all learned to work together virtually. Meetings are often held online, plus more and more companies have sustainability goals to achieve. When it comes to business travel we mainly focus on SMEs. This is the area that has recovered the fastest because most SME travel is not planned for internal meetings, but for direct contact with customers. We’re creating new offerings with opportunities to help combat climate change or to buy sustainable aviation fuel. In addition to this we provide support with the definition of in-house travel policies, which among other things, help to achieve climate goals – for example by requiring travel to be done by train.

To what extent is sustainability an important issue in business travel?
Sustainability isn’t just an important issue for business travel but also for leisure travel, and it’s an important goal of our strategy. We take ecological, economic and social aspects into account at the same time. We are constantly expanding our sustainability offering, e.g. through certified accommodation or train packages, and we’re increasing transparency with new filter ranges on our websites. The issue of sustainability affects all departments in our company and is everywhere.

Part of the sustainability and growth strategy includes investments and loans in key tourist destinations. You have just invested in a sustainability project in Turkey.
We can only reach our goals and achieve growth by working together with our partners and co-financing or pre-financing sustainability initiatives, for example in countries bordering the Mediterranean. We make a total of CHF 10 million available for these kinds of projects. In Turkey, for example, we are supporting two hotels in setting up solar plants to produce sustainable electricity. At the same time, we are helping them as well as other hotels in the region to obtain the necessary certifications as a sustainable tourism destination. For example, we offer advice on laundry services, water consumption and reducing food waste. We work with the hotels in order to be successful and meet the needs of the clientèle.

How important is growth for you to be successful?
Sales growth means that more clients are enthusiastic about our products and services – and that is our goal. By growth, I don’t just mean financial figures, but also achieving environmental targets, for example. Being successful can also mean keeping turnover steady in a shrinking market, depending on the business.

What about personal growth?
Personal growth comes with curiosity, a willingness to do new things and therefore

“I’m fortunate to have a job that I’m truly passionate about.”

Video interview

to step out of your own comfort zone. This also requires perseverance, especially when things don’t work out. Self-reflection is also very important. Keeping the right balance between different aspects of my life – work, family, sport, friends, travel – is also important to me but a big challenge as well, because there are only 24 hours in a day.

You have overcome a lot of challenges in recent years. What issues will the travel industry face in the next few years?
Digitalisation will advance extremely rapidly, and with it the demands of our clients. Artificial intelligence (AI) will automate even more areas, not only in customer service, where we are already working with chatbots, but in a wide range of applications. The demand for sustainability will also change the travel industry. As in all industries, the challenge of finding, retaining and developing the right talent will continue to increase. So we certainly won’t find it boring! The travel industry has always been changing, though – adaptability is a core attribute shared by all travel companies. No industry is as greatly affected by world events as ours is, but that is also what makes our work incredibly exciting and intense.

“Knowing that the Federation of Migros Cooperatives offers support and financial security was and still is a great privilege.”

“At the end of the day, it comes down to financial resilience”

The global airline catering company gategroup provides food to 3.3 million flights and more than 500 million airline passengers every year. When **Christoph Schmitz** took over as CEO in 2021, the Zurich-based firm found itself fighting to recover from the pandemic. But with every crisis, comes an opportunity. Schmitz’s next aim was to transform gategroup into a market leader for food both in the sky and on the ground.

Christoph Schmitz | gategroup

Journalist: Olivia Kinghorst
Photographer: Markus Bertschi/gategroup

Your journey with gategroup began in 2015 when you joined as CFO. What were your first impressions?
I joined gategroup right in the middle of a reshuffle of the whole management team. gategroup’s business had been very stagnant in terms of top-line development and there was also significant margin erosion. All of this led to a very depressed share price. Our business has always been in airline catering, but we had lost focus on our purpose along the way while trying to grow and seek out adjacent opportunities. It was clear that gategroup was struggling with its purpose – to provide passengers with superior culinary and retail experiences.

How did you steer the company back on the right path?
It was essential to be financially successful in our core business. We work closely with our customers, who are airline carriers such as Lufthansa, Air France, United and Delta Air Lines, to provide food on board as well as in airport lounges. As a result, we launched a new five-year strategy called Gateway 2020. Our aim was to tackle four key areas: airline catering, commercial innovation, geographic expansion and standardisation of our operations. This clear vision paid off and we managed to increase our sales from CHF 3 billion in 2015 to almost CHF 5 billion in 2019.

gategroup is currently the world’s largest provider for airline catering, with a presence in over 60 countries and 200 airports. What does it take to be an industry leader?
The motto of this magazine is ‘Bigger, better, stronger’, and at the end of the day it comes down to financial resilience. My opinion is that if you are financially superior, you can grow. At the moment, there is a lot of consolidation going on in the aviation industry. In this wave of consolidation, you can only be successful if you are financially strong enough to be the consolidator – and not be the one being consolidated. This requires several things: good operational performance, profitable contracts and a good cash generation profile.

Being an industry leader with a global footprint also comes with advantages. Our sheer size makes us more resilient to

“There is light at the end of the tunnel”

gategroup is a global industry leader in airline catering, retail and hospitality services. Since it was founded from Swissair Catering in 1992, the company has grown into a market leader with a presence in more than 60 countries. The company was delisted from the Swiss Stock Exchange in 2017 and is co-owned by the investment firms RRJ Capital and Temasek. gategroup is currently headquartered in Zurich and employs over 38,000 people.

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external and internal shocks. In the past, we have faced many crises, such as the SARS outbreak in 2003 or the 9/11 terrorist attacks. Since these crises mainly impacted certain regions, we were able to absorb these shocks more easily because we have a presence across six continents.

Nevertheless, the Corona pandemic brought the travel industry to a standstill in 2020. How did gategroup respond to the crisis?
We were very optimistic heading into 2020. We had surpassed CHF 5 billion in revenue and expanded our business with the acquisitions of the Air France catering business Servair and the airline catering provider LSG Europe from Lufthansa. When the crisis hit, we were one of the most heavily impacted companies in Switzerland. We lost around 90% of our revenue and we were burning through more than CHF 100 million a month. To overcome the crisis, we reduced our workforce from 50,000 to 25,000 people and launched a cost-reduction programme. It was a fight for survival.

The appetite for travel has returned, with global air traffic nearly reaching pre-pandemic levels. Has gategroup completely recovered from the pandemic?
Our top line has recovered to 90% of pre-crisis levels. On the bottom line, however, we have so far only recovered about 50% compared to 2019. This can be attributed to three reasons: shortages in the labour market and lower productivity, supply chain disruptions and high inflation.

We had to rebuild our workforce and it was a struggle to find talent. Rehiring on this scale means you don't get the same people back – a third of the workers that left during the crisis went into early retirement and another third moved to different industries. This led to productivity issues because we have had to retrain workers.

Secondly, we faced a food shortage in various markets due to supply chain issues. This led us to replace food items at a significantly higher cost, as we had to source them from alternative markets. In addition, high inflation also forced us to pay premiums of up to 40% for chicken and salmon, for example. The big challenge for us now as an organisation is to catch up to pre-pandemic levels, which we expect to achieve in the near future. Overall, I remain optimistic.

What drives this optimism? How can you scale and expand your business in the future?
Before the pandemic we had all our eggs in one basket: aviation. However, the Corona pandemic proved that no industry is safe. That's when we had a lightbulb moment and decided to look for new growth opportunities.

For example, we started to make lunch boxes for COVID-19 vaccination stations for people who were in quarantine. We also began producing ready meals for supermarkets and food delivery companies. They were struggling with the demand from everyone staying at home and ordering food. This made us realise we could leverage our core infrastructure – food, kitchens, logistics – and cater to an external market beyond the aviation industry.

“You can't be an effective leader if every crisis throws you off.”

Christoph Schmitz (58) joined gategroup in 2015 as Chief Financial Officer. In 2021, he was appointed Chief Executive Officer. Prior to this, he was CFO of ingredients supplier Wild Flavors and held C-level roles in multinational companies in North America, Australia, Germany and India. He earned an Master of Business Administration (MBA) from the Rotman School of Management at the University of Toronto. Schmitz was born in Germany and also holds Swiss citizenship. He is married and one of his hobbies is sailing.

“The quality of the corporate culture is independent of whether a company is growing or stagnating.”

Video interview

What does this mean for your strategy going forward?
Our strategy now is to recover our aviation catering business to its former glory as quickly as possible. At the same time, we are searching for new opportunities in the wider food solutions segment. We already have the expertise in food, so why limit ourselves to the skies? One example is creating ready-made food for supermarkets, because the margins there are at least as attractive as in airline catering. Another is producing pulp and paper-based packaging for large food chains such as McDonald’s.

Our food solutions business is already expected to generate close to CHF 900 million in revenue this year. Our ambition in the long term is to have a food solutions business that is as large as our airline catering business. In order to succeed in this, we will need to continuously work on our unique selling proposition (USP). For gategroup, this USP is the quality of the food that we produce. Without this uniqueness, we become replaceable.

Do you expect sustainable growth in the aviation industry in the next decade?
We can expect sustainable and steady growth of four to six percent a year in this industry over the next twenty years. Even though the Corona pandemic was a major hurdle, there is light at the end of the tunnel. The demand for flying is increasing. The world population is growing, the middle class is expanding, and people have more disposable income to spend on travelling. Therefore, it is essential for us as a company to grow in line with market growth. Our investors are looking for resilient companies such as ours which can deliver long-term value rather than short-term profits.

How have you grown as a person since taking on the role as CEO of gategroup?
When I transitioned from CFO to CEO in 2021, I had to prove that I was the right person to lead the business out of the crisis. I was able to achieve this by developing a clear plan and focusing on structured execution of the defined initiatives. Since becoming CEO I have also realised the importance of resilience in the aviation business, especially during unexpected events. You can’t be an effective leader if every crisis throws you off. I am optimistic by nature and believe there is a tendency for problems to work themselves out. At the end of the day, I have also learned to manage my energy. This means dedicating energy to the main priorities, and also surrounding myself with a positive team who I can draw energy from.

What milestones do you hope to achieve in your role in a decade from now?
I also ask myself this question when I get out of bed: what’s the legacy I want to leave behind? In essence, I would love to see a company that is recognised as a top provider of high-quality and sustainable food solutions, both in the aviation industry and the wider food industry. In addition to this, I hope to rebuild our financial strength to pre-pandemic levels and create substantial value for our shareholders. Our aim is to take the company public again in the medium to long term. Last but not least, I want to create a workplace where people are happy and proud to be a part of.

“He who attempts great things is admirable, even if he falls.”

Lucius Annaeus Seneca (Seneca the Younger), 1–65 AD.

“What could we accomplish if we knew we could not fail?”

Eleanor Roosevelt, US human rights activist, 1884–1962

"Every change in human nature is a change towards growth; without growth, life is not worth living."

Ernest Dichter, Austrian-American psychologist and market researcher, 1907–1991

"Only those who attempt the absurd will achieve the impossible."

Albert Einstein, Swiss-US theoretical physicist, 1879–1955

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