

2017 International Forum
Establishing a Networked
Industrial Ecosystems

Current state of collaborative networks in the swiss biochemical industry

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Content of today

The global, regional and industry challenges for the biochemical industry are the result of many “systems”:

- Economic systems: inequality
- Regional systems: fortunes of nations
- Industry systems: supply and demand

→ Collaborative networking in a regional system

Switzerland – center point of Europe



A small island - but in the center



The industry in Switzerland

- Switzerland continues to top the overall rankings
- Economic performance benefits from extremely strong fundamentals including public health, primary education, and a comparatively solid macroeconomic environment
- Its economy has a high level of flexibility, with its labor markets being ranked as the best-functioning globally.
- Absorptive capacity for new technologies is high, with an overall 2nd place ranking in the tech readiness of citizens and businesses.
- Switzerland further improves its scores for business sector sophistication and its innovation environment, thereby defending its top global ranking on those two important pillars.

Economic Competitiveness

- What is economic competitiveness? There are actually a number of definitions out there. The World Economic Forum, defines it as “the set of institutions, policies and factors that determine the level of productivity of a country”.
- Another way to think about what makes a country competitive is to consider how it actually promotes our well-being. A competitive economy, we believe, is a productive one. And productivity leads to growth, which leads to income levels and hopefully, at the risk of sounding simplistic, improved well-being.

How the competitiveness is measured by the World Economic Forum

- Competitiveness is broken into 12 distinct areas, or pillars, which are grouped into three sub-indexes. These are
- “basic requirements” which comprise institutions, infrastructure, macroeconomic environment and health and primary education.
- Next comes the “efficiency enhancers” sub-index. Different markets but also higher education, training and technological readiness, which measures how well economies are prepared for the transition into more advanced, knowledge-based economies, are watched.
- The last pillar consists of two pillars: business sophistication and innovation. These are more complex areas of competitiveness that require an economy to be able to draw on world-class businesses and research establishments, as well as an innovative, supportive government. Countries that score highly in these pillars tend to be advanced economies with high gross domestic product per capita.

Examples – world leading competitors

Mitgliedfirmen SwissHoldings



Examples of worldleading companies in switzerland



The Top 10 biggest companies in Switzerland

Company	Type
Glencore International AG	Trading Company
Vitol SA	Trading Company
Cargill International SA	Trading Company
Trafigura AG	Trading Company
Mercuria Energy Trading SA	Trading Company
Nestlé S.A.	Food and Chemistry
Louis Dreyfus Commodities Lint SA	Trading Company
Roche Holding AG	Biotechnology and Pharma
Gunvor SA	Trading Company
Novartis AG	Biotechnology and Pharma

Economic importance of SME

– small/mediumsized enterprises- in Switzerland

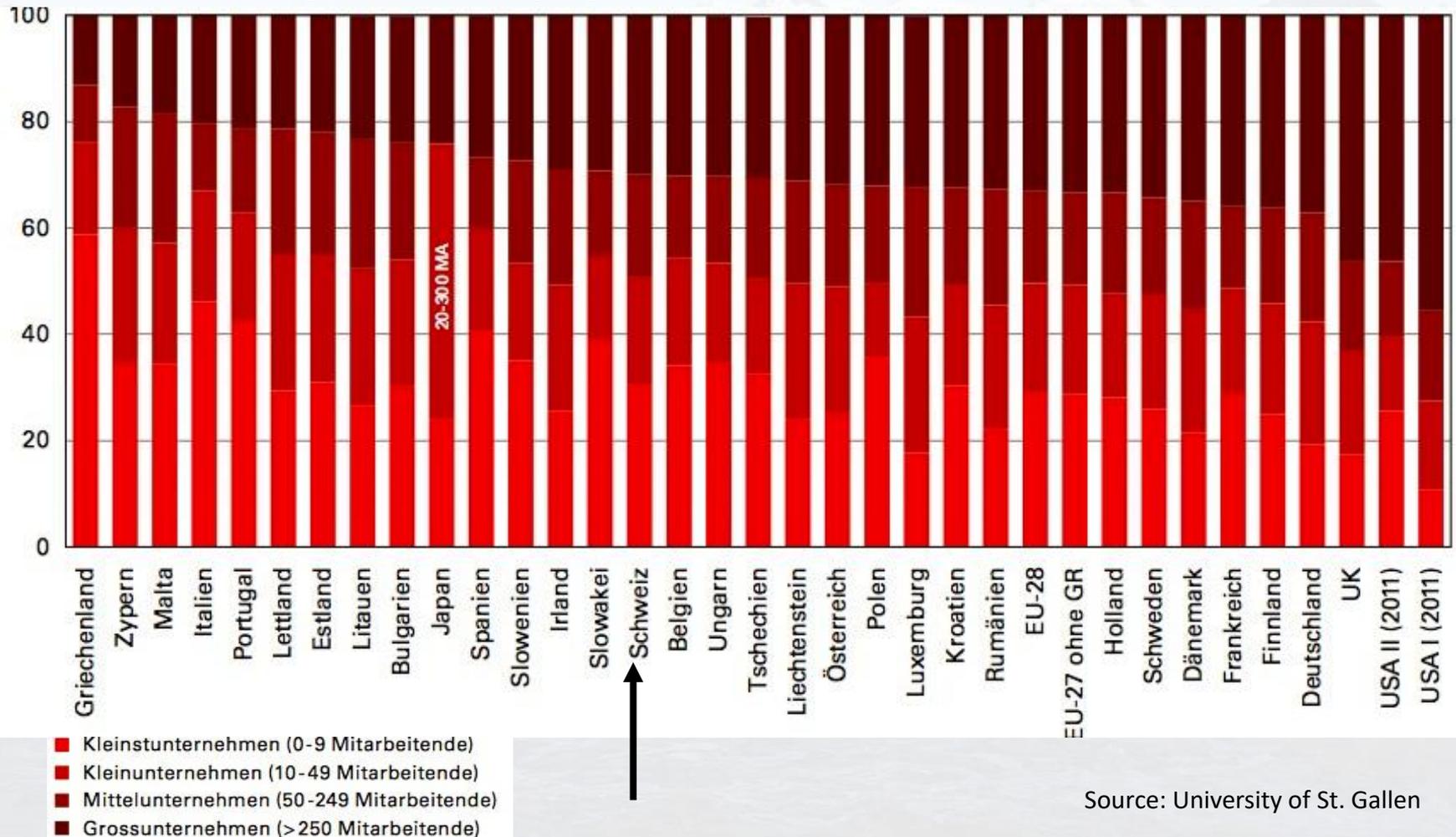
Size	Total	%	employees	%
0-9	534.077	92,4	1.332.196	30,5
10-49	35.596	6,2	882.898	20,2
50-249	7.175	1,2	841.006	19,3
>250	1.273	0,2	1.310.694	30,0
Total	578.121	100	4.366.794	100

- How do we define the size of a company in Switzerland?
- 30% of the employees are working in very small companies
- 30% of the employees are working in «big»companies

Economic importance of SME

– small/mediumsized enterprises- in Switzerland

International comparison of employees



Source: University of St. Gallen

Distribution on three divisions

Division	SME	%	Employees	%
Agriculture	55.000	9,5	161.200	5,3
Industry	90.000	15,7	784.800	25,7
Service	431.000	74,8	2.110.100	69

- 3 main divisions
Agriculture Industry
Service
- **75%** of the SME employees are working in the service area
- Only 15% are working in industry

Ranking overview

	Switzerland	Korea,Rep.
Institutions	4	58
Infrastructure	6	8
Macroeconomic environment	3	2
Health and primary education	2	28
Higher education and training	5	25
Goods market efficiency	6	24
Labor market efficiency	1	73
Financial market development	8	74
Technological readiness	2	29
Market size	39	13

- Mostly all SME employees in the Service area.
- SMEs are specialized, wellorganized and service oriented
- Let us discuss an example from Switzerland
- The supplier: InterApp in Rotkreuz (SME)
- The customer: Biochemical Industry, Rotkreuz

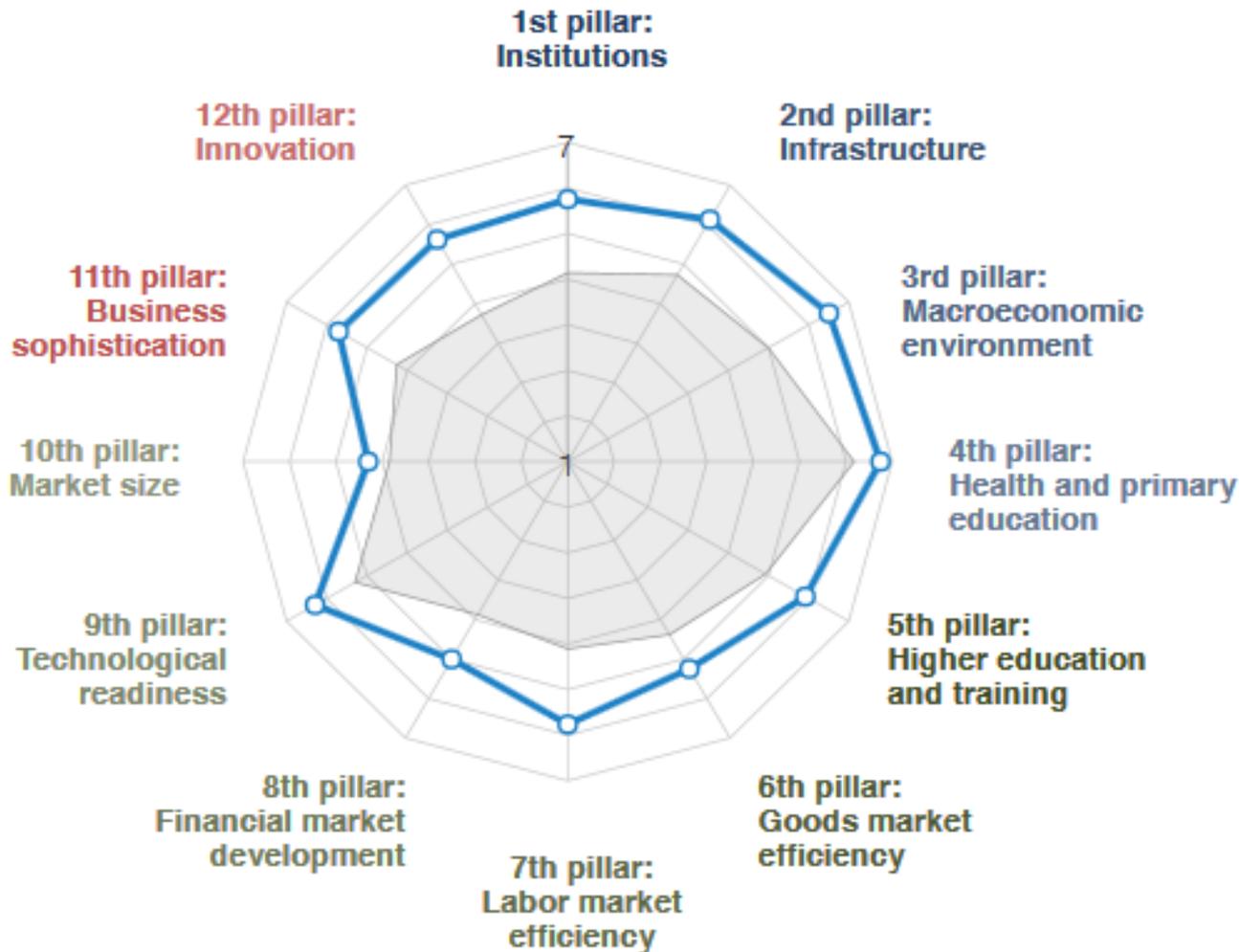
Promises from a SME/ InterApp Rotkreuz



What to expect:

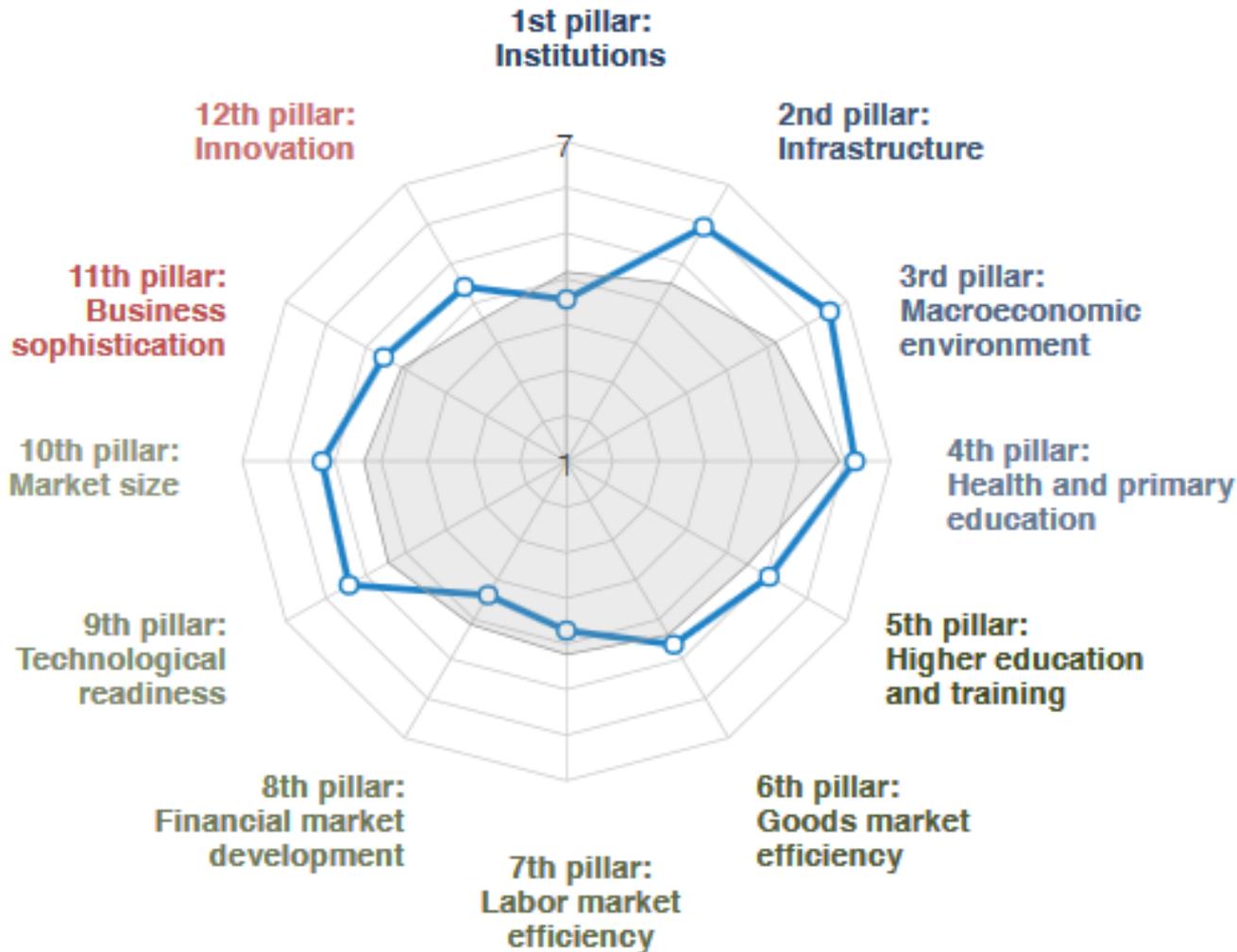
- more than products, expect solutions
- a global provider, with local commitments
- quality in every aspect
- an efficient and rapid approach
- significant cost advantages
- sustainable innovations
- a long-term partnership

Ranking / Switzerland



Population (millions)	8,3
GDP per capita US\$	79.242,3
GDP (US\$ billions)	659,9
GDP (PPP) % world GDP	0,41

Ranking / Korean Republic



Population (millions)	51,2
GDP per capita US\$	27.538,8
GDP (US\$ billions)	1.411,2
GDP (PPP) % world GDP	1,61

Facts to establish innovation



- Capacity for innovation
- Quality of scientific research institutions
- Company spending on R&D
- University-industry collaboration in R&D

Business sophistication No.1

Two main points which are used to measure competitiveness in this area are:

- Local supplier **quantity**

In your country, how numerous are local suppliers?

- Local supplier **quality**

In your country, how do you assess the quality of local suppliers?

The secret of success in switzerland

- It's a combination of factors
- stable, transparent and effective institutions
- sound and healthy public finances
- an attractive tax regime
- excellent infrastructure and connectivity
- a world-class education system
- relatively peaceful relations among social actors within a flexible labor market
- **the highest level of business sophistication and an exceptional capacity for innovation**

Reaction of a «big» company SIKA

- Supplier Relationship Management (SRM) at Sika is a process of classifying, selecting, evaluating, integrating suppliers and managing supplier's performance to mutually improve business results. Supplier Relationship Management is focused on the act of continuous improvements within the areas of Quality, Delivery, Service, Cost, Innovation which leads to:
 - Clearer focus on strategic targets and risk management
 - “one voice towards Sika supplier”
 - Improved supplier performance
 - Achieving harmonized, productive working relationships with other functional areas within the organization
 - Continuous improvement of customer service, supply, quality, overall cost and material flow
 - More efficient and transparent internal processes (e. g. standardization)
 - Faster response times (with business partners and customers)
 - A long-term-supplier strategy

Basic requirements

	Switzerland (Int. rang)	Korea, Rep. (Int. rang)
Basic Requirements/Total	1	16
Institutions	4	58
Infrastructure	6	8
Macroeconomic environment	3	2
Health and primary education	2	28
Higher education and training	5	25
Goods market efficiency	6	24
Labor market efficiency	1	73
Financial market development	8	74
Technological readiness	2	29
Market size	39	13
Innovation and sophistication factors	1	26
Business sophistication	1	26
Innovation	1	18

How to control the promises

Key performance indicators

1. Six Sigma level

2. Process waste time

3. Quality index

The most important KPIs



The most important KPIs

Build up a **partnership**

with an

excellent **communication**

How do we manage and increase our
partner/relationships

**A very special solution but absolutely
„Swissmade“**

Videopresentation

Time to say goodbye and thank you

