

Schorch update



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Portrait of Schorch

Two tough years lie behind the traditional company Schorch and its 550 employees. But in time for the 125th anniversary they managed the turnaround. With financial engagement, a clearly focused reorganization concept and a new management A-TEC Industries as new owner together with its subsidiary ATB Austria Antriebstechnik brought the decisive change for the better to Schorch - Günter Görgen, formerly an executive with ATB, now spokesman for Schorch management and one of the three managing directors sums it up.

Austrians as knights in shining armour

Schorch Elektrische Maschinen und Antriebe GmbH in Mönchengladbach-Rheydt, a company producing electrical machines – some of them unique – up to 25 MW for a worldwide market ran into serious financial difficulties in 2005. The new principal shareholder (since 2001), Lindeteves-Jacoberg (LJ) group, Singapore, continually drew off any liquidity. Görgen: “customers ceased their down payments because we could no longer provide them with bank guarantees, many felt insecure and cancelled their orders. Important suppliers no longer delivered without advance payments, customers had to wait for their motors and the employees for their remuneration”. In short: Schorch was facing insolvency.

The new Austrian investors had perceived that Schorch’s range of supplies fitted ideally into that of ATB – the affiliate company. At first, bad debts were paid, i.e. outstanding wages and salaries, the Christmas bonus 2006 as well as taxes and suppliers’ invoices.

Görgen adds that Schorch is now back in a position to obtain the bank guarantees necessary to back the customers’ down payments. Thanks to the employees’ commendable commitment, their partial forgoing of salary and the network that has been set up over the decades, insecure customers and suppliers could once again be convinced by Schorch’s performance. Many important suppliers returned to the possibility of reserving material contingents.

Görgen: “We are confident that we can increase last year’s turnover of 62 Mio Euro to around 85 Mio Euro in the current business year. For a long time the brand name Schorch was the Mercedes of the electrical motor industry. Top technology will continue to exist in Rheydt. The highly qualified staff shows competence and commitment, the financial margin is being provided by ATB Austria” underlines Managing Director

Görgen. "We have a lot going for us".

Increase of Turnover to 85 million Euro in 2007

Schorch is an exclusive manufacturer of a number of niche products. Schorch employees built the world's largest motor for a gigantic shredder, which reduces steel scrap from ships to tennis ball size metal scrap ready for recycling. Focus is at present on branches, which are predicted to grow on a higher-than-average level. This applies especially to the growing markets in the CIS-states, in Asia and the Near East. But there is still a lot to be done. Many processes within the company can still be improved to increase productivity and guarantee a lasting competitiveness.

Regained confidence triggered by change in ownership and the new management have already motivated the workforce to significantly increased productivity combined with a growing order book. According to Görgen many departments still call for more engineers and skilled workers. 50 new employees are to be hired before the end of the year, the number of industrial trainees has already been increased by 50 per cent.

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