

CLEAN LINES GÜTERSLOH

Preface: Running a family business doesn't mean having to stay small. German white-goods producer Miele is still run by the same two families that founded it in 1899 but today it employs thousands. The key to success? Staying local and keeping its expertise concentrated.

Company: Miele
Location: Gütersloh, Germany
Founded: 1899
Number of employees: 17,251
Number of premises: 12
Bestselling product: vacuum cleaners, with around two million units produced each year

Quote: *'We are educated to think in terms of generations, not only in our products but also our employees'*

Carl Miele and Reinhard Zinkann set up a workshop to manufacture butter churns for northern German farms in 1899. They would have fallen off their milking stools to learn that over a century later their great-grandsons would still control the family business – one that now has over 17,000 employees, 12 manufacturing plants and a domestic product range that warrants over 400 catalogue pages.

A white-goods Goliath, Miele has never cut corners on quality or compromised on price by offshoring outside Europe. Ninety per cent of product manufacturing, including washing machines, fridges, vacuum cleaners and ovens, is still carried out in Germany – the company's headquarters are in Gütersloh, just a few kilometres from the original workshop in Herzebrock-Clarholz.

"At the time, our ancestors didn't know there were at least 40 other butter-churn manufacturers in the surrounding

area," says Markus Miele, joint managing director and co-owner of Miele. Despite this, the founders persisted and just two years after they launched the company, the men invented the product that would be the Meteor washing machine.

Markus – and Reinhard Zinkann, the managing director who heads up sales – were never expected to join the firm. When both Markus and Zinkann were ready they were made aware of the handover process that was set in motion by the founders' sons – their grandfathers.

"We have written rules in the family that state you first have to attend an outside business for at least two years to prove leadership, knowledge and skills. Maybe our grandfathers also had it in mind that it would be better that other companies pay for our first mistakes," says Zinkann with a chuckle.

"We are educated to think in terms of generations, not only in our products but also our

employees, ourselves and everything we do – it helps being independent."

Perhaps not the immediate image that comes to mind when asked to think of a family business devoted to craft, it's refreshing to see a multinational, multi-billion-euro company such as Miele hold fast to the ideals of the very craftsmen who founded the business in a small village nearby. — (M)

Family affair:

"Family companies have a very important advantage in that they can concentrate on the long-term strength of their business instead of having to take the often short-term interests of external financiers into consideration. They don't think merely in terms of quarterly reports but rather in generations. Further, they are also risking their own money and not that of external shareholders; this leads to maintaining a sense of proportion rather than taking a hectic or overconfident approach."

– Markus Miele

01 Markus Miele, joint managing director and co-owner
02 Exterior of the Gütersloh factory
03 Dishwashers en route to a distributor

04 Dr Rüdiger Hellenkamp in electronics
05 Drums being transported to assembly
06 Hand-assembling washing machine frontages

