

SCHINDLER AND MAGNOLIA CMS

RECIPES FOR SUCCESS IN EMERGING MARKETS



Andreas Ryser presenting of the vision Schindler: Being the best service provider in the industry for its customers world wide. Photo: CK

© Increasingly Swiss companies aim to extend their businesses to foreign and less expensive markets. What particular challenges do Swiss companies face? What are the good, the bad and the ugly outcomes? Schindler and Magnolia CMS presented two great examples of Swiss companies that have successfully integrated their business strategies into the Central and South East Asian market.

SCHINDLER – GLOBAL EXPERTISE, YET LOCAL FOCUS

Schindler, the first joint venture from the Western world in China, has positioned itself as a global leader in manufacturing and maintenance of elevator and escalators. Despite the harsh initial conditions, such as a completely different cultural background or the lack of infrastructure and urbanisation, Andreas Ryser – Sales Manager of Schindler Top Range Division – sees a huge potential in the Chinese market. According to Ryser, China is the biggest market for elevators and escalators next to India and Japan. With its huge populations and pace of growth, Schindler deems it crucial to produce where the market is.

In the case of Schindler, the company could establish a strong network of subsidiaries in 100 countries all over the world. The key to success lies in controlling main operations in the headquarters in Switzerland. On top of that, Schindler offers its customers a product that is movable or as Ryser calls it 'mobility'. Despite the global activities of the company, Schindler focuses remaining a Swiss company. Therefore, the main business activities and the centre of Research and Development remain headquartered in Switzerland where the success story begun.

Ryser believes there are various opportunities for Swiss companies to collaborate with local companies to amplify existing technology, especially in the field of information technology and Industry 4.0.

Swiss companies still face major issues when entering the Chinese market. For instance, the country opens slowly and there is still a lack of governmental and legal protection. Only 50 years ago, there was no legal framework for private or business law.

“IT IS A CULTURAL FIT” MAGNOLIA IN VIETNAM

Boris Kraft - the co-founder and Chief Visionary Officer of Magnolia CMS- revealed the Good, Bad and even Ugly aspects which Magnolia faced when the company entered the Vietnamese market. Magnolia was interested in Vietnam due to the availability of skilled developers for its digital business platform.

The good things Magnolia came across during the market entry process were the motivation, discipline and commitment of the Vietnamese employees. This was highlighted by the willingness to learn from the professionals. The Vietnamese culture also appealed to Magnolia. "Vietnam is much more about community and society than Switzerland," said Kraft. From his perspective, Vietnam was a cultural fit for Magnolia. Magnolia also faced what they considered weak points: the income disparity between expats and local employees as well as the poor language skills. Magnolia therefore decided to become involved in their employee's education.

Then there were what Magnolia considered "the ugly": The communication infrastructure, the conduct of expats living in Vietnam, corruption and red tape and various environmental issues such as road traffic congestion.

Despite these challenges, Magnolia witnessed the biggest growth in Vietnam in comparison to its other locations. Kraft insisted that Vietnam has what it takes to offer Magnolia strategic potential growth in Asia, sharing similar quality standards with Switzerland. ● CK & KB



Boris Krafts, Co-founder of Magnolia CMS and chief visionary officer. Photo: KB