

Future Brose: Renewal program to increase competitiveness

Coburg (17. October 2019) The transformation of the automotive industry, a declining market – particularly in China, global price pressure but also internal causes have affected business development in the Brose Group. The one-sided debate about climate change at the expense of the automotive industry adds to the uncertainty. Rising personnel and labor costs threaten the competitiveness of German manufacturers. The Brose Group is dealing with serious declines in earnings as well. To promote growth and increase competitiveness, the corporate group has launched the “Future Brose” renewal program. The goal is to achieve several hundred million euros in savings, thereby creating the financial latitude needed for investments in renewal and growth and ensuring that we are able to continue to offer attractive jobs in the future.

Kurt Sauernheimer, CEO of the Brose Group, sees the responsibility for future development within the company: “We will take decisive action. We want to improve quality, develop cutting-edge product innovations and reduce costs in the mid three-digit million range to increase our competitiveness. This is necessary to secure orders, growth and work for our employees.”

In order to strengthen the company, workflows will be streamlined and hierarchies broken down, says Sauernheimer. Other measures include qualification and retraining of staff with regard to digitization in development, administration and production. The automotive supplier is therefore looking to hire more software and IT specialists.

Global competition, as Sauernheimer explains, is also forcing Brose to move jobs to low-wage countries. Brose plans to reduce the number of current jobs in Germany by around 2,000, mostly in the central and business divisions, by late 2022. This will primarily affect the locations Bamberg, Hallstadt, Coburg and Würzburg. Brose will relocate closure systems production from Wuppertal, where around 200 people are currently employed. Some 600 jobs will be eliminated in the Coburg, Würzburg, Hallstadt and Berlin plants.

The executive management board is determined, in collaboration with employee representatives, to avoid compulsory redundancies to the extent possible. Apprenticeship training will remain an important part of the family-owned company’s HR activities. However, the number of apprentices will be reduced by ten percent starting next year.

Chairman of the Brose Group Michael Stoschek already made this appeal to his employees on the occasion of the 100th anniversary of the Coburg location: “We want to return to the characteristics of a family-owned company that made us stand out in the past and were the reason for our extraordinary success in the first place. This is the reason we have launched the largest renewal program in the company’s history.”

Ulrich Schrickel, Executive Vice President Door, is heading the Future Brose program. “The current situation is not easy, but we are optimistic about the future. The program will strengthen our long-term competitiveness and we will be able to offer our customers a new level of comfort with intelligent, connected products,” says Schrickel.

The mechatronics specialist has more than 100 years of experience and sees more opportunities than risks in the changing mobility industry. Brose is adding software to its system expertise through collaborative partnerships to create intelligent products by combining components, sensors and software. This will ensure that the company remains an attractive partner for its customers in the future.