

A successful future is no accident

As Pericles wisely said "...it is not a matter of foreseeing the future but rather being prepared for it."

Having at last completed the relocation from Esslingen to Waghäusel of all remaining production facilities, we are much closer to living up to that sage advice. With the hard part of our restructuring behind us, we want to take this time to thank all of our customers for their patience and apologize for any inconvenience that it may have caused.

We are now producing our complete range of products at one facility and therefore revised our master data and IT structure in order to be able to meet the demands of the markets of the future. All of this was done with the goal to be faster, better and more economical for our customers.

Due to the introduction of the ELS (ELEKTROR Logistics System) in the first half of the year, ELEKTROR has been able to offer extremely short delivery times, much to the pleasure of our customers. While change is always difficult at first, ELS shows how it can pay off in the end. ELEKTROR is setting the standard in the industry and will continue to make even more improvements to ELS next year. I would like to take this opportunity to wish all of our readers a happy and healthy 2006 and may the New Year bring continued optimism for Germany as an industrial location.

Ulrich W. Kreher, Managing Director

From the original vision to a modern production location: ELEKTROR shortens assembly processes by up to 50 percent!

At the Waghäusel site ELEKTROR showed just what is possible when assembly sequences are accurately planned and logically implemented. Consolidation of production at one location achieved an important milestone.

An internal reorganisation team made use of the restructuring process to reconfigure the assembly sequences so that a genuine "One Piece Flow" could be achieved. The internal working group was also the connecting link between the external partner Festool Engineering and our own production employees.

Festool was hired as a highly qualified company for the purpose of optimizing the efficiency of the assembly lines. The design of the new assembly lines took into account information gained from on-site workshops here at ELEKTROR.

This way we were able to make optimum use of the ELEKTROR employee's know-how and experience.

The results speak for themselves. At its Waghäusel location ELEKTROR is now producing all the radial and side-channel blowers on five assembly lines as well as three special work stations in "One Piece Flow". The Internal Logistics Department can now provide all material for the assembly lines permitting the production staff to concentrate fully on the added-value assembly work.

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Surely one of the most modern assembly shops for blower manufacture: ELEKTROR in Waghäusel.

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The approach has several clear advantages. First, the targeted use of employee skills improves the product quality. Secondly the production time has been reduced by up to 50 percent, which has naturally resulted in shorter delivery times. And thirdly the overall efficiency of the assembly process has been increased by almost 25 percent. The relocation of the production facilities with the simultaneous restructuring of the assembly process demanded a lot from all those involved. Setbacks had to be dealt with and processes had to be improved. Unfortunately some of our customers also suffered from slip-ups, mostly in the form of delivery delays.

However, the changes now put ELEKTOR in an optimum market position and all ELEKTOR customers now profit from the finest quality with shorter delivery times as well as more efficient collaboration. All these measures and the investment involved are a clear testimony to Germany as a vibrant industrial location. ELEKTOR is aiming for continued dynamic market growth, increasing customer demands and rapid international expansion with high quality technology and professional expertise.



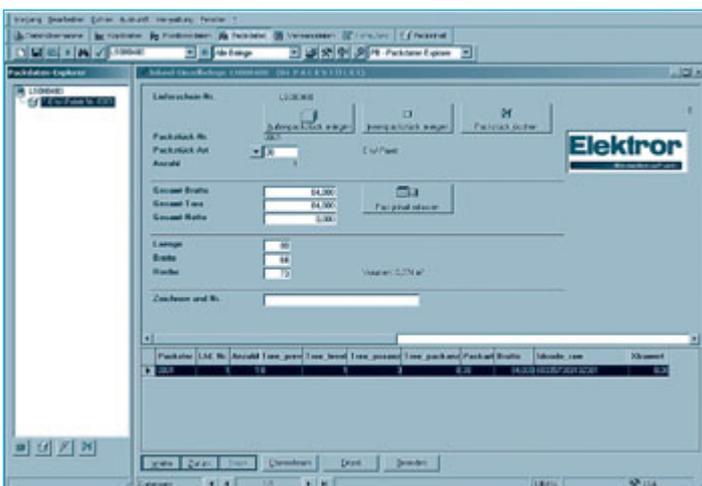
"Lean" production as the optimum precondition for short delivery times.

"EVA" is here! Now faster shipping and customs handling

Our new shipping and customs handling system (abbreviated to EVA) was launched in July, adding another important dimension to ELEKTOR's IT array.

Package content acquisition, automatic label printing and electronic data transmission are just a few of the ways that EVA adds dependability to ELEKTOR's shipping and customs handling.

Whether shipping to locations in Germany, in the EU or abroad, EVA has significantly improved the efficiency of our export operation. Every aspect of the process has been streamlined for peak efficiency by exchanging data with the ERP system.



Simple to operate and extremely efficient – with EVA the handling of shipping orders takes place quickly and efficiently.

At designated packing stations in our shipping department, the previously packed products are electronically retrieved and labelled. Then the proper shipping information is sent directly to the carrier via electronic connection making the entire process time-saving as well as highly reliable. When the carrier picks up the goods for shipping he already knows the destination address and this means quicker delivery times to the customer!

But not only does EVA save time by linking to the carriers, it can also transfer data and paperwork to customs and other governmental authorities. So the export process, including European Certificates of Origin and other customs documentation is handled in a smooth and seamless process that reduces delivery time and ensures reliability.

People make the company what it is

From personnel administration to active personnel development

The Personnel Department at ELEKTOR has transformed significantly in recent years. We used to think of personnel as merely the department tasked with the duty to provide the company with the proper employees to do the job. Today we know that there is a lot more to it. As an active part of the ELEKTOR team, our Personnel Department works to support the objectives of the company.

This has been achieved by restructuring the organization and optimizing its processes. Qualified employees are essential to successful reorganization.

But even employee attitudes and expectations have changed. People know that job security is dependant on the success of the company. For that reason, all of our employees have a personal stake in ELEKTOR's success and are encouraged

to contribute at all levels of decision-making. However, in order to make a valuable contribution our staff must have the necessary qualifications in their areas of expertise.

Furthermore, we expect our employees to continue to improve their communication skills and speak out about ideas or problems so that we can react quickly when changes need to be made. Thus, the Personnel Department is focused more and more on employee qualification and training, because knowledge is our most valuable asset.

ELEKTOR has for some time provided commercial and technical training to its employees, through both internal and external programs. Our highly qualified staff provides internal training for various software programmes and pro-

duct applications and the company's ERP system "Infor". A wide range of external training courses are also available for our employees who wish to continue their education, for example toward attaining the status of Master (IHK) and Technical Specialist (IHK).

ELEKTOR is committed to the continued professional and personal development of its staff and we encourage all of our employees to take advantage of this opportunity.

Judging by the popularity of our current training program, we are on the right track.

Just take a look at www.elektor.de

It's worth it! It's a promise.

ELEKTOR felling good: Our second annual summer celebration was a big hit!

At ELEKTOR teamwork is one of our main priorities and in recent years the entire ELEKTOR team has worked together to meet several challenges.



...long time not seen - they have a lot to tell each other.

One company, two locations and a lot of employees who would like the chance to get to know each other better. These are certainly a few good reasons for a joint celebration.

The second annual summer celebration took place in Waghäusel on September 23. Just because we work hard doesn't mean we can't have fun together. An ELEKTOR shuttle bus brought "Esslingers" to and from Waghäusel so that they could celebrate carefree.

No expense was spared and everything was first class, from the fantastic catering, to the incredible show band.

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We talked, we danced and we celebrated late into the night.

Without exaggeration we can say that fun was had by all. And we all agree - there will be a 3rd annual summer celebration next year.



The secret of successful sales people: Dancin' until the soles start to glow.



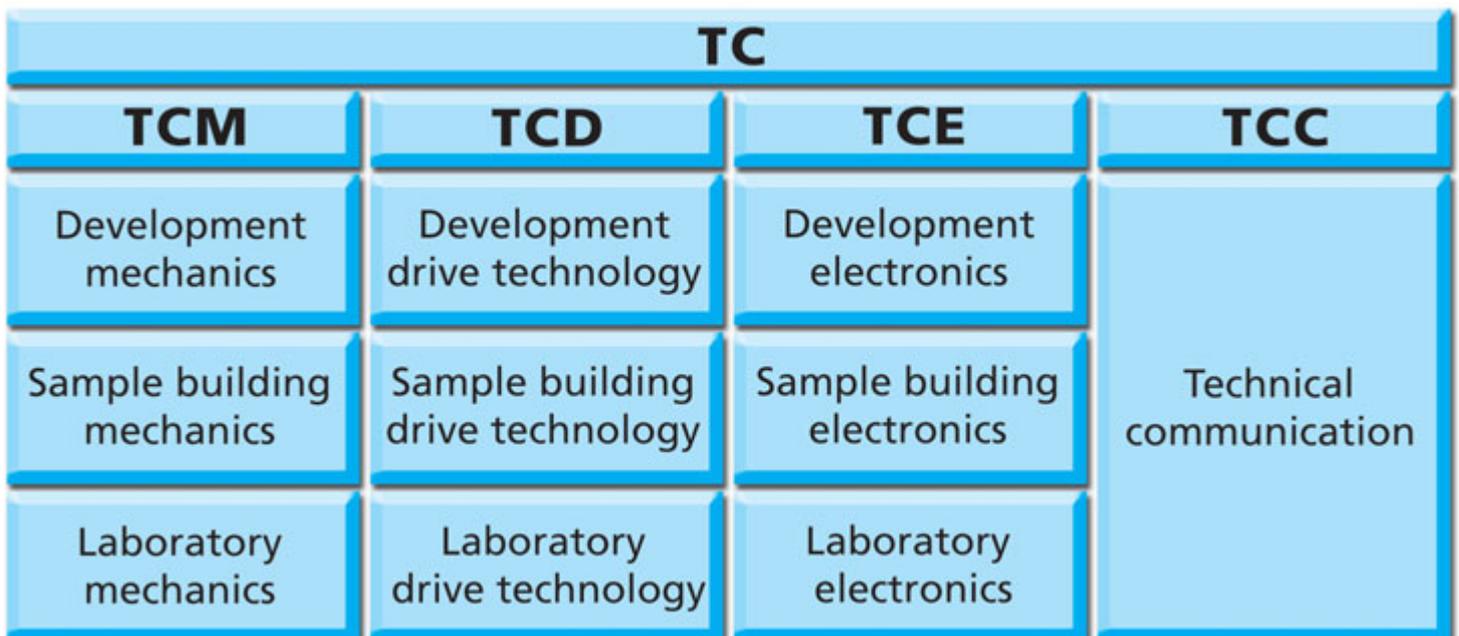
Mr. Kreher thanks Rita Götz for the organization of the summer celebration.

Restructuring of ELEKTOR's Research and Development Department to better serve our customers

Restructuring of ELEKTOR's Research and Development team, under the leadership of Reinhard Gantke (we introduced him to you in "Airmail" No.10) will now be known as the Technology Center (TC). Looking toward the future, the work of TC will focus on strengthening our core products, opening up new technological fields, and identifying new applications for existing technology.

The newly formed divisions are Technology Center Mechanics (TCM), Technology Center Drives (TCD) and Technology Center Electronics (TCE). The Technology Center Communication (TCC) was installed as the Technology Center link to the outside world.

The following diagram clarifies the new TC structure:



TCM

The mechanical development and construction of our products takes place in the Technology Center Mechanics (TCM). The classic fields of technology have been gathered together here, such as fluid technology, bearing technology, strength calculations, sealing technology, gearbox technology, vibration technology and materials technology. In short - the basis for the already almost legendary ELEKTOR product quality. Efficient management of the many variants ensures that through cleverly-designed modular systems the delivery times will be extremely short even in the case of custom devices.

TCD

In the Technology Center Drives (TCD) we design and develop our motors, which we optimize for each individual application. Adapted speed control with frequency converters are special problem-solvers for demanding drive tasks. Also in the TCD there is now more emphasis on the development of the fundamental principles of new drive technologies, which permit the widest fields of application and take less valuable space at the customers' locations due to their high power density.

TCE

The Technology Center Electronics (TCE) expands the classical disciplines of mechanical engineering and drive technology by the addition of intelligent electronic systems. The innovative application

options of radial and side channel blowers increasingly plays a major role because of the often rough conditions our products face in everyday factory conditions. Mechatronic systems for service and maintenance purposes as well as for the early detection of potential errors help to avoid unplanned system downtimes.

TCC

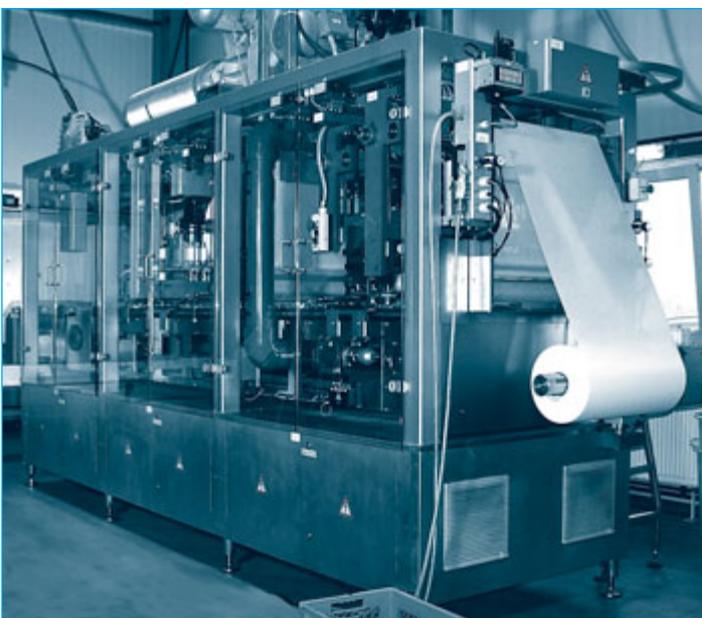
The management of the administrative tasks, such as legal regulations, contracts, patents and approvals as well as specifications is the primary focus of the new Technology Center for Communication (TCC). In addition, TCC supports the Sales and Marketing Department with ready-prepared and detailed technical information, thereby functioning as an important bridge between marketing and technology. TCC is tasked with establishing efficient communication within the company as well as with our external partners.

We will continue to strive to fulfil all of our customers needs, without limitation, and will continue to improve all areas of the company through the process of lean innovation.

By systematically binding market and technology, ELEKTOR can provide a clear competitive advantage with innovative products designed and developed with the customer's needs in mind.

ELEKTOR products add to the enjoyment of coffee

"Individual Enjoyment" is the slogan for the latest trend in automatic coffee pod machines



The coffee pods are made here, ELEKTOR is naturally there to.

These new machines allow everyone to prepare coffee precisely to their own tastes, quickly, easily and effortlessly. Individual portion coffee pods are gaining ground, not only in Germany. This innovative method of making coffee is becoming visibly more established and is gaining attention for its customer appeal.

What does ELEKTOR have to do with getting the right amount of coffee in the pod?

Initially, very complex systems were designed in order to fill the pods with the precise amount of coffee. ELEKTOR created highly accurate, powerful and reliable blowers to be incorporated in the system.

These machines can fill approximately 1000 pods per minute. Each pod contains about 7 g of coffee. So each filling machine can process on average 420 kg of coffee per hour.

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The pods are very sensitive to mechanical loads but still must be held tightly in place during filling. An ELEKTOR RD 72 is installed in the substructure of the machine, which creates constant vacuum pressure and holds the micro-perforated paper in place. The pod then must be filled punched and passed through the machine all without any structural damage. Technically this was a very difficult problem to solve. Because of the layout and use of just one blower, involving a total conveyor length of 8 m and 5 different diameters and pattern shapes, accurate air requirements calculations were essential.

A strip of micro-perforated paper is held in place and the coffee is deposited on that strip. Another strip of micro-perfora-

ted paper is held above it, placed on top and then the pods are sealed. The pods are punched out and transferred to the packing machine by Pick & Place transfer units.

Special suction cups were developed for these material pickup units to protect the sensitive pods from mechanical loads, since the pods have to be held tightly within the machine due to the high speeds. The transfer to the conveyor unit takes place with up to 72 suction cups per cycle, which are supplied with air by an SD 72 side channel blower.

These high-speed systems operate around the clock on a multi-shift basis. The highest quality and reliable operation of all machine components is therefore essential. It is no wonder then that ELEKTOR blowers are used.

ELEKTOR at Powtech and Fakuma

ELEKTOR's presence at sector-specific trade fairs has really paid off. Our exhibition stands experienced a high volume of traffic from the very first day at both Powtech and Fakuma. And we found that our visitors were very single-minded and extremely well equipped to test the technical knowledge and qualifications of our exhibition team. They asked concrete questions, discussed problem areas and we made important contacts. And we were very pleased to have gained one very large customer in the process. We will certainly expand our participation at specialist trade fairs in the future.



ELEKTOR creates a standard booth design even in small areas.

Our long-service anniversaries at ELEKTOR



40 years with ELEKTOR!

Wolfgang Schöllhorn

Laboratory Assistant / Technician
(Customer Support)



25 years with ELEKTOR!

Ingeborg Raab

Commercial Employee
(Reception)



25 years with ELEKTOR!

Johanna Dickert

Motor Construction
(Coiling Department)

Imprint

Elektror
We make air work.

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