

# Continuity and Change

Shaping the future together

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ANNUAL REPORT 2013





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Chair of the Advisory Board:  
Dr. Eugen Trautwein (until 31.12.2013) and  
Hans-Jürgen Adorf (from 01.01.2014)

## Continuity and change

From the macroeconomic perspective, the prevailing uncertainty in countries affected by the European crisis and the reluctance to invest associated with it affected many businesses in 2013. Bearing little resemblance to the major crisis of 2009, although by no means a reason to jump for joy, the overall somewhat diffuse mood of the last business year could be carried over into many areas of production-related trading (B2B) and thus to E/D/E. Added to this were internal structural effects created by the separation of Zeus from the timber sector.

The results show that E/D/E sales and earnings remain at a high level although they decreased slightly in comparison with those of the record year 2012. This year we shall return to our usual growth path. We have taken the first steps. In developing CHALLENGE 2020 we have worked closely with our partners to define and tackle the groundwork for tasks that need to be completed in the future. Two of the milestones for 2013 are the start-up of the data management eDC and the creation of further international E/D/E structures. At the PÁNTA RHEI Unternehmertagen (entrepreneur days) we presented our members and contract suppliers with a full picture of the E/D/E Group's future strategy. I would like to take this opportunity to thank participants for their constructively critical dialogue and support.

New competitors and changes to transaction and communication methods call for a response by the wholesale trade. The substantial core projects that are part of CHALLENGE 2020 present answers, food for thought and concrete recommendations for action both for us and for our members. In implementing them, E/D/E is building up a high level of operational excellence, and so these vitally important projects require the support of additional qualified personnel at all levels.

The quality of the team makes all the difference. This key recognition spurs us on to invest more energy in qualifications for employees of our partner companies. Together with

CHAIR OF THE  
ADVISORY BOARD

the combined strengths of the B2B, the WUPPER AKADEMIE which we initiated will help to ensure that in our partner companies we have the best skilled workforce and management in the sector and that we develop this.

For many years now the E/D/E corporate bodies have been setting the course for continuity. In this sense, the long-planned handing over of the reins as head of the company from Hans-Jürgen Adorf to Dr. Andreas Trautwein embodies this message: E/D/E is and will remain a family firm that speaks the language of its members. The business model which has operated for more than 8 decades is built to last and has earned respect.

The cooperative outlook of our syndicate has taken shape in a number of ways. One eminent partner committee is the partner Advisory Board, which had a change of personnel at the beginning of the year. We are pleased to welcome 5 new entrepreneurial personalities from the sector to work with us. The 5 members who have stepped down to accommodate this deserve our heartfelt gratitude for their sterling contribution and collaboration. The partner Advisory Board will continue to play a valuable role in E/D/E affairs under the new chairmanship of Hans-Jürgen Adorf.

Particular thanks are also due to our employees. Their dedication and their willingness to rise to the challenge of new developments make a positive and decisive contribution to our idealistic and economic entrepreneurial success.

We would also like to welcome the operational skilled workers and managers to the E/D/E Group who have joined us in the last year. As only one example I would like to name Dr. Ferdinand von Alvensleben, a new member of the E/D/E management team, who from now on will work with Dr. Andreas Trautwein and Dr. Christoph Grote. A fourth manager will join us shortly. Together with all the skilled workers and managers they are an excellent team.

E/D/E has planned ambitious growth targets for 2014. A good start to the new business year has spurred us on to a positive outlook. Adverse political factors have not, however, been taken into consideration.



Dr. Eugen Trautwein



Hans-Jürgen Adorf

E/D/E Management Board (from left to right):  
Dr. Christoph Grote,  
Dr. Ferdinand von Alvensleben,  
Dr. Andreas Trautwein



## Year of consolidation and course-changing

In previous business years we have, in collaboration with our members and contract suppliers, achieved a trade volume of around 5.2 billion Euros. With a slight dip of 2.2 per cent, we were able to come close to the outstanding result of the previous year (5.3 billion Euros). Our cautiously optimistic expectations for a year of consolidation and point-changing for the future were very largely fulfilled in 2013.

The results of the previous business year are generally very satisfactory, as the market conditions presented a particular challenge and together with other influences qualified development. Thus we were able to maintain our trade volume at a high level, despite special structural effects in the wake of the split between Zeus and the timber sector of almost 300 million Euros. With adjustments made by the structural effects referred to earlier, we actually closed the last business year with slight growth in the B2B sector. We were able to achieve this despite a weak first quarter as a result of a long, hard winter, which was followed by better quarters in a brightening sector environment.

**Financial year closes with growth in the B2B division**

### **The state of the German and European economy**

The German economy saw stronger growth in 2013 as expected, with a rise in the gross national product of 0.4 per cent, only slightly over 2012. It might be argued that the reasons for this were the continued recession in some European countries together with restricted development in the global economy. Strong domestic demand could compensate for this only to a limited extent. Germany is, however, still in a better situation than most European countries.

### Domestic development expressed as a percentage

| Type of business                            | Actual 2011  | Actual 2012 | Actual 2013 | Target 2013 |
|---|--------------|-------------|-------------|-------------|
| Domestic storage                            | +8.3         | -11         | -10.4       | +2.2        |
| Domestic central payment/chain transactions | +11.9        | +1.4        | -6.2        | -2.7        |
| <b>Total</b>                                | <b>+12.4</b> | <b>+1.5</b> | <b>-6</b>   | <b>-2.7</b> |

Meanwhile the European economy stabilised last year and a recession which had lasted for one and a half years was overcome in the second quarter of 2013. Portugal and France as well as Germany contributed to this. The decline in production in Spain and Italy slowed down noticeably and started to bottom out.

As well as catch-up effects in the building sector due to heavy storms, the positive tendency can be attributed to growth in foreign trade. Meanwhile the situation on the employment market throughout Europe remains tense.

### The situation in the sector

Just as in 2012, the prevailing economic conditions for the sector in the last business year were very largely stable. The situation was, however, influenced by the long, hard winter, particularly as regards the development of the building and skilled trades sector industries which, together with the production industry and municipal authorities, represent the main customer target group for our member companies.

Overall we stayed at a similar level to that of the wider market. And so the sector results growth rate moved between minus 1 per cent and plus 3.5 per cent.

E/D/E at a similar level to market growth

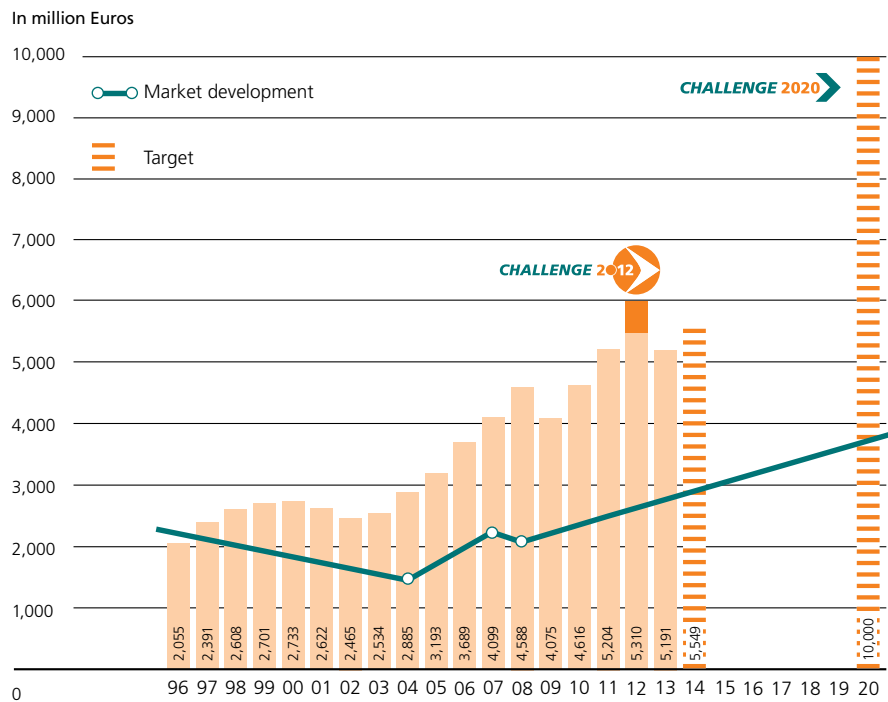
The basic tendency in the building industry thus remained positive. The Federal Statistical Office indicates sales for the construction industry of 96.6 billion Euros (plus 3 per cent) for 2013. The skilled trades sector, however, showed a slight drop in sales of 0.6 per cent to 506 billion Euros, according to the German Confederation of Skilled Crafts (ZDH). The growth of sales improved steadily, however, in the course of the second half-year. The sanitary and building technology industries again held a strong position in the skilled trades sector. The German Plumbing Industry Association reported a growth in sales for 2013. Proceeds from sales rose barely 2 per cent to 21.4 billion Euros.

The German Association of Wholesale Building Suppliers (DG Haustechnik) reports growth in sales for 2013 of 2.4 per cent. Local authority investments amounted to 20.8 billion Euros, having been 19.7 billion Euros the previous year. The German Machinery and Plant Manufacturing Association (VDMA) amended its production prognosis in the course of 2013 from its originally expected plus 2 per cent to minus 1 per cent.

The economy continues to set a moderate course for growth

The German economy is generally setting a moderate course for growth, with some forward thrust coming principally from the domestic economy.

### Turnover development CHALLENGE 2020 – decoupling from the market





### E/D/E development 2013

Together with our member companies we had to take on board a weak first quarter at the beginning of the last business year and despite all our efforts had a minus of 7.5 per cent leading to a result of 1.2 billion Euros. Ultimately the months of February and March in particular but also May and August prevented a result comparable to that of the previous year and so not according to plan. In the second quarter sales were at minus 1.7 per cent – 1.3 billion Euros – and in the third quarter (at minus 0.9 per cent – 1.4 billion Euros) rather less obviously below the values of the same periods the previous year. Sales recovered in the fourth quarter at plus 1.3 per cent (1.3 billion Euros). 2013 closed, therefore, in a much kinder environment than the one in which it had begun.

Our 7 E/D/E product areas showed varied patterns of growth in 2013. Just as in the previous year, the steel sector (UNION STAHL-HANDEL) and building technology were able to pull themselves up with single figure growth in sales. Our business divisions precision tools, hand tools, machinery (business division I) together with electrical tools, construction equipment and tools, shop fitting, welding technology (business division III) were able to keep their head above water in the market despite some tension in the environment. In our business divisions fastening technology, components, building and furniture fittings, safety technology (business division II) and also occupational safety, technical trade, workshop materials (business division IV) sales results in 2013 have fallen slightly compared with the previous year.

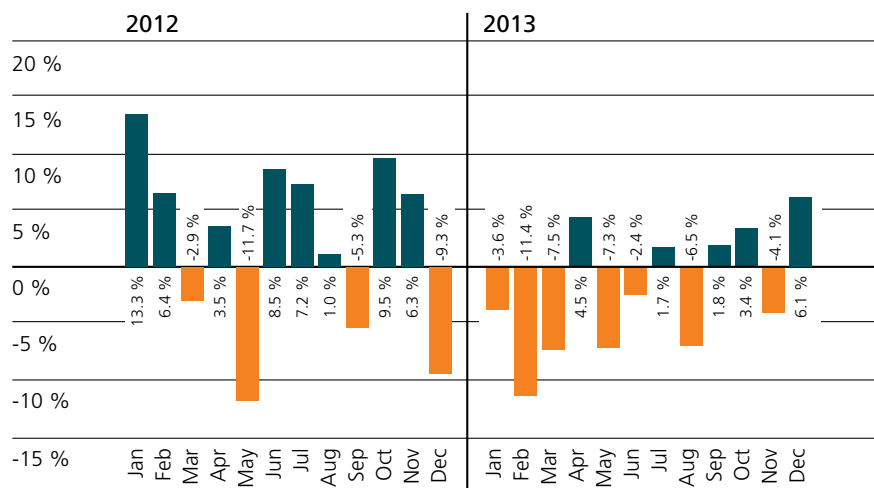
### Varied developments in the 7 product areas

Increasingly positive sales growth in the course of the year

### Growth in monthly values 2013

Due to adverse weather conditions, growth on a monthly basis exhibits a varied pattern, with a weak first Quarter compared with the previous year. The remaining months until March and May showed a noticeable improvement, although the presentation did not take into account the specific constellation of working days. The general trend is towards an increasingly positive pattern of sales growth in the course of the year.

### Growth in monthly values



### Share of turnover in the business divisions

New structures achieved the desired effect

The introduction of new structures by splitting off business division II and the creation of the two independent business divisions II (construction) and IV (technical trade) had the desired effect on the last business year. Further consistent specialisation in terms of our members successfully resulted in our being in a position to offer even more concentrated specialist support.

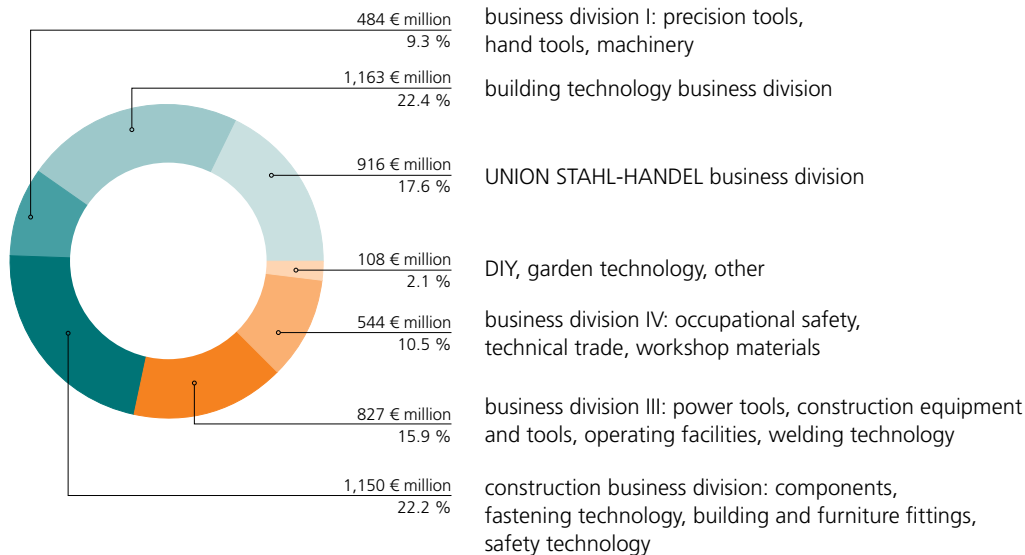
The building technology product sector, with WUPPER-RING and the two important cooperation partners VGH and mah is the strongest division in E/D/E, showing an increase in turnover of 1.163 billion Euros and a share of 22.4 per cent. The specialist areas of components, fastening technology, building/furniture fittings and safety technology (construction business division) were close behind with 1.150 billion Euros (22.2 per cent share), followed by the steel product group (UNION STAHL-HANDEL) with 916 million Euros and a 17.6 per cent share. Power tools, construction equipment and tools,

company equipment, welding technology (business division III) showed a 15.9 per cent share with 827 million Euros. This stable and well diversified spread was re-inforced by the business division IV specialist areas of occupational safety, technical trade, workshop materials (544 million Euros, 10.5 per cent share) and precision tools, hand tools and machinery (484 million Euros, 9.3 per cent share) in business division I. With regard to our members' main customer target groups, this represents a volume of 3.229 billion Euros and 62.2 per cent in the construction sector (the construction, steel and building technology business divisions) and 1.855 billion Euros (35.7 per cent) in the industry (business divisions I, III and IV).

The European market together with the important domestic market in Germany is moving as planned into sharper focus. International business also showed an improvement in 2013. A turnover of 798 million Euros exceeded the level achieved in the previous year by 26 per cent. We are thus keeping pace with our strategic target of achieving a 1 billion Euros turnover in Europe by 2016. The upward trend is intact and the advance performance leading to further growth in subsidiaries and cooperation partners has been achieved.

The European market moves sharply into focus

E/D/E specialist area turnover as at 31.12.2013 (5.191 million Euros)

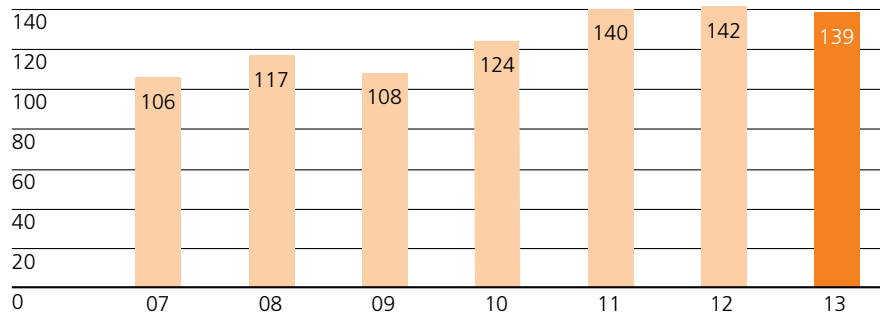


Sustainable effects  
in the members' annual results

### Reimbursements 2013

Reimbursements for our member companies almost matched the highest level of the previous year at 139 million Euros, despite a structural decline in sales. Significant bonus payments are therefore flowing into the annual results of our retailers, where they have a lasting effect.

Distributions to members in million Euros



### Sales and turnover situation 2013

Both the sales and company turnover results for the E/D/E Group, 2013, are on an even keel. The annual net profit at group level reached 23.3 million Euros and cash flow in the last business year stood at 31.8 million Euros. The annual net profit was once again largely retained as planned and the equity ratio rose to 43.6 per cent. The equity ratio increased from 293 million Euros (2012) to 316 million Euros. We are in the comfortable position of being able to continue to operate flexibly and independently and to fund our planned future projects from our own resources.

Future projects will  
be selfsufficient

## Milestones 2013

### Successful PÁNTA RHEI entrepreneur days

The "PÁNTA RHEI" Unternehmertage (entrepreneur days) 2013 went well, and 400 representatives from our member companies and contract suppliers were informed about our future strategy. In this regard we are fully committed to our visions and targets as well as to the future orientation of the company. Through positive feedback and constructive critical dialogue we feel that the pillars of our strategy have been affirmed and encouraged. Interesting highlights were also provided in the historic City Hall in Wuppertal by prominent speakers including Prof. Dr. Christoph M. Schmidt (Chair of the Wirtschaftsweisen), Cem Özdemir (Federal Chairman of BÜNDNIS 90/DIE GRÜNEN), Sascha Lobo, author, blogger and strategy adviser, the retail trade expert Prof. Dr. Dr. Joachim Zentes and the e-commerce expert Prof. Dr. Dirk Morschett. A report of this event is being prepared and will be available to all participants in the second quarter of 2014.

Future orientation of the company revealed

### Succession concept implemented according to plan and continuity achieved

As part of the long planned change of responsibility in the leadership of our syndicate, the baton of top management was duly handed over during the Unternehmertage. This emotional high point amply demonstrated that ours is a family firm. The continuity and reliability of our company was secured by the retirement of Hans-Jürgen Adorf as Chair of the E/D/E/ Advisory Board and his replacement at the head of the business by third-generation Dr. Andreas Trautwein.

## CHALLENGE 2020

We are placing full confidence in the company strategy CHALLENGE 2012 and have formulated a clear vision as well as ambitious targets up until 2020. The new, challenging programme of strategies CHALLENGE 2020 was developed into a structured process in the course of the last business year, integrating all the business divisions. The basis for the strategy process was our own market analysis and assessment as well as the wide-ranging B2B future-related study 2020, which we carried out in collaboration with the Fraunhofer Institut in 2013.

New strategy programme with clear targets up until 2020

CHALLENGE 2020 includes numerous core projects in already-identified future-related areas, and it indicates some significant investments which might strengthen the competitiveness of our members and contract suppliers.

When all measures have been successfully completed, together we will be able to increase turnover to 10 billion Euros – effectively doubling it. We will then have reached 7.8 billion Euros in Germany and 2.2 billion Euros in Europe. The strategic operative targets and fields of action connected with CHALLENGE 2020 have been consistently derived from market requirements. These include:

- The development of data management and the implementation of an electronic data centre (EDC)
- An expansion in the range and the doubling of warehouse capacity to 150,000 items
- The development of ETRIS BANK activities
- The intelligent linking of regional strengths of the B2B with the opportunities provided by online retailing (eB2B)
- The reinforcement of training and continuing training with the WUPPER AKADEMIE
- The intensification of networking and group communication

#### **Further development and extension of international structures**

European subsidiaries provide potential for growth

The European subsidiaries, DELCREDIT France and DELCREDIT España, founded in 2012, condensed operational business in 2013 and represent the potential for growth for the future. Increased cooperation with the important Spanish cooperation partner, CECOFERSA, the new cooperation with the Spanish B2B group, ASIDE, and the increase in collaboration with the French group, SOCODA, is an indication of further structural development in European business. E/D/E is thus pursuing its target gradually stepping into a leading role in European markets.

#### **ETRIS BANK takes over central payment**

At the beginning of 2013 ETRIS BANK, as special Institute for central payment transactions and trade finance, assumed complete control of central payment and del credere for E/D/E. Together with E/D/E, the bank creates a stable joint liability association, representing a link between our members and contract suppliers. 2013 also saw the establishment of the right conditions for developing and making available other bank products and financial services as required.

### EURO-DIY successfully positioned

EURO-DIY started up as planned on 1 January 2013 as a newly formulated retail trade system Centre for E/D/E and the EK/service group. EURO-DIY, as a retail trade company within the E/D/E group, is the service and procurement centre for our retail trade members. EURO-DIY services such as product group management, preparation of lists, data, assortment modules, advertising material, store planning and sales support from members have proved their worth in live operation. Work on assortment modules was intensive and encouraged the development of focus on specialist retailing. EURO-DIY will be collaborating in future in the area of products acquisition with HELLWEG Die Profi-Baumärkte GmbH & Co. KG. The combined purchasing company, DIYpartner GmbH, will create synergies by bundling purchase volume and making best use of logistics.

Emphasis on specialist retail promoted

### eDC start-up goes according to plan

The data management centre, eDC (electronic data centre) is one of the core projects of CHALLENGE 2020 and started operations in the course of the last business year. The foundations were laid by engaging qualified employees and introducing a new product information system. The first data was classified, refined and partially delivered in the product areas fittings, technical trade and occupational safety.

Electronic data centre is one of the core projects

### Opening of Junior Uni/extension of Children's Hospice

As one of three co-founders, the E/D/E Foundation is a long-term sponsor of the Wuppertal Junior Uni. Building work began in autumn 2013 on this educational establishment for young people between the ages of 4 and 18, largely supported by E/D/E and the E/D/E Foundation. E/D/E also supported the building of the Bergisches Land Children's Hospice with a large sum of money. After building work started at the end of 2012, Children's Hospice Foundation held a symbolic Bergfest in October 2013.

### Personnel offensive successfully completed

In 2013 our company was also successful in recruiting a number of qualified employees and creating new jobs. By the end of the year the association had 895 employees, 27 more than the previous year. This successfully completed the personnel offensive. The number of trainees reached an all-time high of 59 in August. 20 traineeships are advertised and all of them were filled. We particularly value the fact that we train skilled workers of the future ourselves.

Numerous qualified skilled workers recruited

### E/D/E target figures 2014 by specialist area

| Product group   | Actual total 2013 in € m | 2014 plan total in € m | Difference in € m | Increase in % | Expected market development |
|---|--------------------------|------------------------|-------------------|---------------|-----------------------------|
| Steel   | 916                      | 950                    | 34                | 3.7 %         | k. A.                       |
| Building Services   | 1,163                    | 1,204                  | 41                | 3.5 %         | 3.0 %                       |
| Precision Tools, Hand Tools, Machinery  | 484                      | 558                    | 75                | 15.4 %        | 4.2 %                       |
| Fastening Technology, Components, Buildings and Furniture Fittings, Safety Technology | 1,150                    | 1,213                  | 63                | 5.5 %         | 3.2 %                       |
| Power Tools, Construction Equipment and Tools, Company Equipment, Welding Technology  | 827                      | 916                    | 89                | 10.7 %        | 3.2 %                       |
| Occupational Safety, Technical Trade, Workshop Materials                              | 544                      | 597                    | 53                | 9.8 %         | 4.3 %                       |
| DIY, Garden Technology, other   | 108                      | 111                    | 3                 | 3.0 %         | 2.0 %                       |
| <b>Total</b>  | <b>5,191</b>             | <b>5,549</b>           | <b>358</b>        | <b>6.9 %</b>  |                             |

### Outlook for the 2014 business year

After a year of virtual stagnation in 2013, the leading financial institutions forecast much stronger growth in the German economy for the current year. Growth of between 1.5 and 2 per cent is expected. There remain some risks around development in European countries affected by the financial crisis and these could, of course, have an adverse effect on the German economy. Signs of more positive development in Europe are, however, increasing. The relevant target groups such as construction and manufacturing also made a good start this year and are expecting growth of 3 per cent or more.

#### Return to our usual path to growth

In this positive environment, after a year of consolidation and realignment, we can work towards a return to the familiar path to growth. With this in mind, our objective is a result that will exceed the level of the previous year and that of the market environment. The net result of ambitious planning in the specialist areas is growth of almost 7 per cent on a turnover of around 5.5 billion Euros.



The emphasis for 2014 is firmly on growth activities and the resultant return to an ambitious medium-term path to growth.

Strategic investments and projects in conjunction with CHALLENGE 2020 are also on this year's agenda. Investments in the development of technical, organisational and constructional infrastructure at the Wuppertal site are also being planned. As well as the core projects of CHALLENGE 2020 which include the extension of data management by the implementation of the electronic data centre (eDC) and the development of the multi-regional online sales channel for business-to-business trade (eB2B), the reconstruction of the SAP landscape is on the budget, thus securing an increase in central, IT projects to safeguard the future of the company. On the construction side, the building of the "Die EDEfanten" children's day care centre, a recreation hall and a multi-storey car park for employees must be added to the balance sheet. These three projects will be completed in 2014.

#### CHALLENGE 2020 strategic investments and projects on the agenda

2014 results to date are promising and confirm our optimistic assessment. In the first quarter we have achieved 2.6 per cent more than planned. This translates into a turnover of more than 1.3 billion Euros by 31 March 2014. The three strongest business divisions were business division II (293 million Euros), the building technology business division (284 million Euros) and UNION STAHL-HANDEL (234 million Euros).

E/D/E Management Board,  
April 2014

Dr. Andreas Trautwein

Dr. Christoph Grote

Dr. Ferdinand von Alvensleben

# THE COURSE HAS BEEN SET

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Continuity and dependability have always been a central factor throughout the 80-year history of E/D/E. Changes at the head of the organisation were, therefore, carefully prepared and implemented at the end of 2013. This was also an affirmation of E/D/E as a family business, as Dr. Andreas Trautwein (on the right of the picture) took over the reins as the third generation of the family. His predecessor as Chairman of the Management Board, Hans-Jürgen Adorf (centre), continues to contribute his knowledge and experience after 41 years in operational business with E/D/E. He has taken over chairmanship of the Advisory Board from Dr. Eugen Trautwein (on the left of the picture).

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# The course is set for growth

## B2B business division I: tools, machinery



Real growth of 3 per cent is forecast for machine construction in 2014

**Skilled trades sector created bow wave of contracts**

The weather conditions in spring 2013 had an adverse effect on construction and the skilled trades sector. The German Confederation of Skilled Crafts (ZDH) corrected its originally optimistic economic forecast for 2013 to only 0.5 to 1 per cent. In other key sectors with special relevance to business division I, such as machine construction, the economy temporarily dipped slightly. The German Machinery and Plant Manufacturing Association (VDMA) spoke of "breathing space" and amended its production prognosis in the course of 2013 from its originally expected plus 2 per cent to minus 1 per cent. The market stagnated, particularly in relation to precision tools. The skilled trades sector has a strong influence on the high earning E/D/E hand and precision tools sector. The skilled trades sector while working at full stretch for long periods during the second half year had to defer several contracts and therefore turnover until 2014. The construction industry is expecting a plus of 2.5 per cent, and machine construction of an actual 3 per cent. The VDMA professional association for precision tools anticipates a plus of 4 per cent in the sector. The German Confederation of Skilled Crafts (ZDH) estimates 2 per cent growth overall for the German skilled trades sector.

### Development of turnover in B2B business division I (in million Euros)

|                                 | 2009       | 2010       | 2011       | 2012       | 2013       | 2014 (target) |
|---------------------------------|------------|------------|------------|------------|------------|---------------|
| Hand Tools                      | 229        | 251        | 277        | 269        | 237        | 254           |
| Precision Tools                 | 94         | 116        | 136        | 131        | 123        | 137           |
| Tools/<br>Woodworking Machinery | 86         | 94         | 104        | 100        | 100        | 133           |
| Fixed Machinery (metal)         | 13         | 14         | 16         | 17         | 15         | 16            |
| <b>Total</b>                    | <b>422</b> | <b>475</b> | <b>533</b> | <b>517</b> | <b>475</b> | <b>540</b>    |

E/D/E business division I has set the course for growth with a sales promotion offensive that includes a new catalogue for PREMIUM WERKZEUG HANDEL (premium tools trading), an apprenticeship marketplace and wide ranging business training. Purchasing and sales activities were strengthened by the creation of a head of department post that was filled in 2013 by a specialist with experience in this sector. This enhanced the consistent further development of purchasing and sales concepts. As a result of the deferment of skilled trades sector revenue, these business efforts will, of course, only become fully operational this year but will also receive a boost with the appearance of the new UNION WERKZEUG-HANDEL catalogue at the beginning of May 2014. At the beginning of the business year 2013, total revenue for this business division stood at 474.8 million Euros, which decreased 2.9 per cent short of the planned figure. The primary course of this decline can be attributed to the cessation of cooperation with Zeus. The decline in turnover for E/D/E storage was significantly less at 3.3 per cent. The PDH members who subscribe to E/D/E sales concepts have been able to stabilise their turnover at the previous year's level.

Sales offensives  
will pay off in 2014

An important highlight of the business year was the 5th E/D/E tools Forum 2013. 350 industry and trade managers came to Bad Neuenahr to find out about the sector situation and trends at first hand and to cultivate contacts. An increase of 100 participants compared with the previous event confirms this forum is extremely valuable to our sector.

The optimisation of the UNION WERKZEUG-HANDEL sales concept is concentrated primarily on the re-working of the FORUM trademark. The objective was to further develop the level of quality and to generate competitive advantages by obtaining new suppliers and extending the range. Also in 2013 a new concept was developed called UNION WERKZEUG-HANDEL pro that will be implemented in the early part of 2014. Its core element is much more intensive market processing with selected industry partners.

The FORTIS trademark was also re-worked in the course of the year and the FORTIS range extended. The level of quality was also significantly raised with the support of new suppliers. At the same time the sales team was reinforced with new personnel so that storage can be systematically expanded this year.

The new training concept, WERKZEUG TV, made a successful start in November 2013 after the first films had been completed during the summer months. Selected concept suppliers presented exclusive product innovation and technical details in 5 to 8 minute films. This free product training can be accessed at any time by E/D/E members via the E/D/E catalogue portal or on the catalogue portal App. Early assessments indicate in-



Free product training via the online channel WERKZEUG TV

Product training will be used intensively

tensive use of this training concept, particularly by B2B sales employees and junior personnel.

The Hülnden Company in Cologne joined us as a new PREMIUM partner in the course of the business year. The UNION WERKZEUG-HANDEL Group was also reinforced this year by two new partners; the Knust Group based in Herne and the Dortmund company, Bühning & Joswig.

#### Hand tools specialist areas

The hand tools specialist area expected to make a loss in turnover of 6.6 per cent in 2013 because of the influence of special effects as a result of the termination of cooperation with Zeus. The total turnover was in fact 236.5 million Euros which represented a loss of 12.1 per cent. This was largely due to the adverse weather conditions in the early part of 2013 which resulted in reduced building activities. Despite growth in the 2nd half year the losses of the 1st half of the year could not be compensated. After adjustment to those used special effects, losses occasionally amounted to 1.9 per cent and storage members subscribing to concepts were able to achieve a slight growth in revenue of 0.6 per cent. An overall loss in revenue of 3.9 per cent by the storage business had to be accommodated and the planned 3.1 per cent profit was not achieved as turnover for PGH members not subscribing to concepts and retail businesses remained below planned levels.



The VDMA professional association for precision tools anticipates a plus of 11.2 per cent in 2014

#### Precision tools specialist area

The positive mood of the world's leading trade fair, EMO, in September 2013 was no longer able to influence the annual result. The planned figure of 2 per cent plus for 2013 was not achieved by the precision tools specialist area and with a total of 123 million Euros failed to match the previous year's figures by 6.2 per cent. The negative effects on sales developments were largely due to a change in suppliers undertaken in 2013 by one retail group in the association specialising in precision tools. Ambitious targets have been defined for this year: New concepts and new suppliers should raise total revenue to 136.7 million Euros. This represents a rise of 11.2 per cent – parish by a new trademark concept for selected precision tool dealers.

### Tools/woodworking machines specialist area

Despite the generally difficult development in the sector for woodworking machines dealers, a total turnover of 100.3 million Euros or a plus of 0.2 per cent stabilised at a level approaching that of the previous year. Significant growth in turnover at plus 32.9 per cent is planned for 2014, based largely on the new cooperation with eumacop eG, a group of influential woodworking machine dealers. New catalogues have already been produced this year for eumacop members and for partners in GEWEMA AG, thus laying important foundations for future growth in revenue. These catalogues – tools catalogue and a large machinery catalogue – have been prepared to exactly match the requirements of partners and will support and promote the general development of the business.

Significant increase in turnover planned for 2014

### Metal machine tools specialist area

Machine tools revenue decreased last year by 9.1 per cent, reaching a total volume of around 15 million Euros. This development is evident in the general reticence in the market towards capital goods. Business supports were thoroughly re-worked during the business year and a new machinery catalogue produced that will be launched on the market with a total circulation of around 20,000 copies. These readjustments will have a positive effect in the 2014 business year and will provide the foundation for a planned increase in revenue of 5.2 per cent.



Market reluctance regarding capital goods causes turnover for machine tools to fall

### Outlook

A turnover volume totalling almost 540 million Euros is planned this year for business division I. This represents growth of 13.6 per cent. Positive stimuli are expected particularly from the new cooperation with eumacop eG as well as from the new sales concepts for precision tools. The new growth strategy will be supported by new concepts in the various products areas as well as by an enlargement of the team by specialised product manager and an increase in qualifications for employees.

## Specialised services

### B2B business division II: buildings and furniture fittings, safety technology, components, fastening technology

Turnover development in B2B division II (in million Euros)

|                                       | 2009         | 2010         | 2011         | 2012         | 2013         | 2014 (target) |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Fastening Technology                  | 137          | 145          | 158          | 147          | 122          | 141           |
| Buildings Fittings, Safety Technology | 702          | 742          | 771          | 769          | 726          | 753           |
| Furniture Fittings                    | 59           | 60           | 60           | 57           | 49           | 51            |
| Components                            | 206          | 218          | 232          | 231          | 219          | 230           |
| <b>Total</b>                          | <b>1,104</b> | <b>1,165</b> | <b>1,221</b> | <b>1,204</b> | <b>1,116</b> | <b>1,175</b>  |

Specialist support will be intensified

In the wake of increased specialisation, the product areas buildings and furniture fittings and safety technology, as well as components and fastening technology are part of business division II. This restructuring provides E/D/E member companies focusing on interior fittings with significantly more intensive specialist support and access to specialised services. With a turnover of 1116 million Euros in business division II, there was a shortfall of 7.3 per cent on the previous year's result and 2.3 per cent on the plan. Reasons for the shortfall in business volume with the effects on turnover of the cessation of cooperation with Zeus and the market effects of adverse weather conditions in the 1st quarter of 2013 which created a slump in sales across the entire building industry that could not be compensated in the rest of 2013.

#### Building and furniture fittings, safety technology specialist area

Fittings and safety technology recorded a turnover of 775 million Euros, leaving at 6.2 per cent below the previous year's result. The reason for this was the long winter, which put a brake on the construction industry until well into the early part of the year. In the following months manufacturing trade was unable to completely process the work on the full contract lists as they were insufficient skilled workers and capacity to deal with it. In the door fittings section, turnover failed to reach the previous year's levels by 5.6 per cent, whereas window fittings recorded a plus of 0.6 per cent. Furniture



fittings failed to reach the previous year's sales volume by 14 per cent. The fittings sector met at the beginning of September for 2 days of intensive discussion at the E/D/E industry conference in Nuremberg. This special industry conference, in which all the significant members from industry and trade took part, was unable to turn around the negative developments in turnover despite many positive effects.

The storage concept developed in 2012 for the fittings range was extended in 2013. Central to this is the availability of an important range of buildings fittings brands which, together with other products such as tools, are available to E/D/E members so that they can supply customers throughout Germany within 24 hours. The core range of the suppliers Hoppe and KfV Karl Fliether GmbH & Co. KG were integrated into the E/D/E central warehouse in 2013. Additional ranges and brands will be available in the first half of 2014. Warehousing revenue saw an increase in the business year of almost 40 per cent. Renewed two figure growth is expected for 2014.

Preparations started in 2012 for modern building fittings data management were completed in 2013 with the addition of a comprehensive, standardised modular data pool. All the important manufacturer data relating to fittings is collected in the eDC, where it is refined and permanently updated. Qualified specialist personnel have been employed, the expansion of eDC building fittings item data has been developed in 2013 and data maintenance begun. In the course of the second half of 2014 the first eDC sector packages will be available to E/D/E members. Our objective is to make readily available to E/D/E all the databases of the various fields of application such as inventory management systems, drawing up tenders, multichannel sales systems or e-commerce concepts.

EURO Baubeschlag-Handel AG (EBH AG) can look back on a successful business year. After a weather-dependent start, turnover with contract suppliers increased by 1.8 per cent. Based on the strategy paper EBH 2016, the first steps were taken to improve the position of EBH as a distribution cooperation with a systemic system. The EBH team was reinforced by a business manager and business management conferences were undertaken for the first time.

An EBH focal point for 2013 was range management for building and furniture fittings. A new concept, "fitting systems for furniture with format", comprising 6 chapters and 13 individual brochures on the theme of ornamental fittings office and kitchen fitting, lighting technology and made-to-measure formatting was collated in a ring binder. Sales by EBH members brought around 10,000 items onto the market in 2013.



Intensive exchanges by the fittings sector at the Branchentreff special in Nuremberg



Manufacturers information on fittings collated in new eDC

Internet-based e-learning platform developed

EBH has developed its training and professional development programme with its Internet-based e-learning platform, currently offering 4.5 hours of material from various suppliers. Within a very short time more than 500 EBH member employees have made use of this facility. Concepts for processing new markets such as living and building with comfort, assembly concepts or Iloq were further developed in 2013. EBH has also initiated a building products portal to implement the new building products regulations (BauPVO), applicable from July 2013. The objective is to provide free, simple and clearly arranged access to services statements. The EBH plus programme has been extended to promote the concentration of suppliers.

Market growth of around 3 per cent is expected for the fittings section for 2014, allowing for price rises. E/D/E is planning a rise in turnover of 3.8 per cent to 800 million Euros.

**Building components specialist area**

Building components recorded a turnover of 219 million Euros in 2013, falling below the previous year's result by 5.2 per cent. A loss of 5.7 per cent had been planned. E/D/E members took less than proportional part in market growth in the living room door sector the residential construction industry due to retailers' market orientation. In future the residential construction industry will move more strongly into focus in the PRO.ELEMENT specialist group. 4 new competency groups were instigated in 2013 to address issues related to the exhibition business, the property business, industrial door services, sun protection and façades. Each competency group has developed their respective sales and marketing concepts together with the relevant instruments and procedures in order to generate further growth. The concepts will be implemented in 2014.



Property business increasingly important

It is expected that residential building will develop positively in 2014 compared with other stagnating areas of construction. Allowing for pricing effects, growth of around 3 per cent is expected overall in the building components market. E/D/E is planning for an above-average turnover of plus 5.2 per cent and a turnover of a total of 230 million Euros. This planning is largely based on positive turnover effects taken from outline concepts supplied by the competence groups and the building components forum. In mid-March 2014, the building components forum drew a total of 120 participants from trade and industry to Bonn where, operating as a sector Forum, they gave new impetus to increased cooperation with market partners.

### Fastening technology specialist area

Fastening technology, in common with the entire construction sector, also had a poor start in 2013 due to adverse weather conditions. The long winter had a negative effect until well into the first half of the year. The cessation of cooperation with Zeus also had a negative effect on turnover in the fastening technology department. A turnover of 122 million Euros stood at 17 per cent below the level of the previous year and 5.4 per cent short of the planned values. The main activity in 2013 was the restructuring of specialist trade circles. Our objective is to support members buy new sales concepts in their competition with direct suppliers. These concepts are oriented towards the requirements of both fastening technology specialists and B2B fastenings retailers and will have a positive effect on the development of turnover in 2014. Fastening technology reacted promptly to the recast construction products regulation and introduced all necessary steps. The relevant ranges will be gradually integrated into the electronic logistics centre (eLC) and could then be supplied together with a CE label and the necessary performance information to members and end consumers.

Market growth of 1.5 per cent is expected in 2014. E/D/E calculates that there will be growth of 9 per cent with a volume of turnover of 133 million Euros thanks to the reorientation of the specialist trade circles. With the inclusion of turnover from special suppliers for the chains and ropes product group, a total turnover of around 140 million Euros in fastening technology is expected.

### Outlook

Residential building, particularly apartment block construction, continues to drive the construction industry in 2014. According to a survey of architects conducted in December 2013 by the Institute for Economic Research, the backlog of orders in a range of up to 6 months is again at high level. Public sector construction projects are supporting investment due to the improved revenue situation of public authorities. By contrast it appears that commercial construction will not deliver any growth impulses in 2014. Faced with this environment, E/D/E would like to increase its market share in the fields of fittings, fastening technology and building components. The course has been set through much clearer specialisation and target group oriented services for E/D/E members and their customers. A further revival of business activity is expected in the last quarter of 2014 with the E/D/E sector conference in Leipzig, which will be attended by 2000 participants.



Increased market growth expected for fastening technology in 2014

Market share increased by target-group oriented approach

## Decreased turnover due to special influences

### B2B business division III: construction equipment, operating facilities, power tools, welding technology

Turnover development in B2B division III (in million Euros)

|                                       | 2009       | 2010       | 2011       | 2012       | 2013       | 2014 (target) |
|---------------------------------------|------------|------------|------------|------------|------------|---------------|
| Construction equipment                | 110        | 122        | 136        | 134        | 126        | 132           |
| Operating Facilities                  | 176        | 193        | 222        | 228        | 203        | 218           |
| Power Tools, Compressed Air Equipment | 416        | 446        | 504        | 499        | 415        | 428           |
| Welding technology                    | 31         | 35         | 42         | 42         | 41         | 44            |
| <b>Total</b>                          | <b>733</b> | <b>796</b> | <b>904</b> | <b>903</b> | <b>785</b> | <b>822</b>    |

#### Project business becomes even more professionalised

With the integration of the construction equipment specialist area into business division III, specialisation of the E/D/E product areas was implemented according to plan in the course of the business year. A firmer interlocking of products from the operating equipment and power tools sectors, together with construction equipment resulted in an immediate improvement to synergies. In the course of 2013, project business was also intensified and individual product areas more clearly differentiated and extended in business division III. The operating equipment specialist area was augmented by the business fields of packaging and office materials.

Sales developments in business division III are determined first and foremost by the contractual situation in industry and the skilled trades sector as well as the general construction economy. The latter was adversely affected by the long winter of 2013. Total revenue decreased, therefore, in business division III to a volume of 785 million Euros and 13.1 per cent. The planned shortfall of 8.1 per cent, blamed primarily on special effects and the cessation of cooperation with Zeus, could not be achieved.

### Construction equipment

The weather-related drop in sales of minus 15 per cent during the first quarter in the construction equipment sector could be only partially regained in the course of the year. Total revenue stood at 126 million Euros, 5.9 per cent lower than the previous year and 2.1 percentage points short of the planned figure for 2013. Growth of 4.7 per cent and a turnover of around 132 million Euros are planned for this year. Capacity utilisation by building firms leads the expectation of market growth of around 3 per cent for 2014. A plus of 4 per cent in building construction and 2.5 per cent in civil engineering is predicted.

The specialist group gained an additional 3 members. In order to optimise collaboration with partners from industry, the specialist conferences were hosted by selected suppliers. The intensive dialogue that ensued increased the understanding of the expectations of the various market partners. The specialist group will gain another new partner this year and the market coverage of its members will be extended.

This year for the first time the E/D/E construction equipment marketplace will take place as an additional communication platform for members and around 30 strategic suppliers. Central to this will be new items in the construction equipment catalogue which according to plan will be introduced to the market in May 2014, with almost 820 pages and circulation of almost 60,000 copies.

After the rental concept MIETEplus has been optimised in detail, new marketing and business concepts will provide additional impetus for turnover in 2014. Training for field sales staff will also be provided and image advertisements improved in sector magazines and the website [www.mietepius.de](http://www.mietepius.de). An appearance by MIETEplus at the demopark trade fair in Eisenach is also planned.

### Operating equipment

An investment backlog in the project business suppressed all development in 2013. Sales revenue decreased to 203 million Euros or minus 11.3 per cent. A drop of 8.5 per cent had been planned because of the Zeus special effects. This year the specialist area is assuming definite growth of 7.4 per cent and revenue volume of 218 million Euros. Plans are based on an expected market growth of 4 per cent, which should be exceeded particularly through the activities of the partners in PREMIUM and UNION BETRIEBS-EINRICHTUNG business concepts.



The utilisation of building contractors allows for market growth in construction equipment

**miete**  
professional service **plus**



Innovative planning software pCon Planner further developed

A main focus of the work carried out in specialist areas this year was to process the contents of the operating equipment catalogue that will be launched on the market with a total circulation of around 20,000 copies. By the end of 2013 all relevant item data from a total of 25 suppliers could be prepared for the planning software pCon Planner and placed at the disposal of members for their planning tasks. More article data for planning software will be prepared in the course of 2014.

A new range of packaging material will also be processed and almost 1000 items will be presented on 100 new catalogue pages. The UNION BETRIEBSEINRICHTUNG sales group has integrated a number of extracts in the new UNION catalogue, due to appear in 2014. As well as the new packaging materials product range, foundations will be laid by the end of 2014 for a new range of office materials. An additional catalogue will appear at the end of 2014 in support of this new product range.

#### Power tools

Despite relatively stable returns in the rechargeable and measurements technology product ranges, overall expansion in the year under review, according to the Association for Consumer Research (GfK), was negative at minus 4.6 per cent. An E/D/E revenue volume of 415 million Euros was 16.7 per cent below the results of the previous year. The planned loss of 12.2 per cent, principally the result of the special effects caused by the cessation of cooperation with Zeus, could not be achieved, although the specialist area had made every attempt to revive turnover with 5 new catalogues. Revenues of 428 million Euros and revenue growth of 3 per cent are planned for 2014.

The PREMIUM and UNION BETRIEBSEINRICHTUNG marketplaces and for the first time a marketplace in Poland are planned for 2014. A power tool catalogue for Poland will appear in July 2014. The production of a total of 5 new catalogues is anticipated.

#### Welding technology

Noticeable restraint in willingness to invest

A great reluctance to invest was evident in welding machinery and equipment in 2013. With a turnover of 41 million Euros, welding technology took a total of 2.3 per cent loss in turnover in comparison with the previous year, falling 3.1 percentage points below the planned figure. This year a turnover volume of 44 million Euros with a clear plus of 7.6 per cent is expected together with market growth of 3 per cent. An expansion in turnover is expected first and foremost from new members and suppliers as well as from additional activities connected with the FORMAT trademark.

The specialist group can look back on 20 years of its existence and celebrated this in Frankfurt in June. Since the beginning of 2014 comprehensive marketing and sales concepts have been implemented under the new name "Die Schweiß-Profis" (The Welding Professionals). This was decided in the course of 5 regional conferences and the members of the specialist group appear united in the market newly-branded as "Die Schweiß-Profis".

The new FORMAT machine series was launched onto the market with great success, with the support of E/D/E central warehouse logistics. A new welding technology catalogue with a circulation of 50,000 copies will be published in the middle of this year with a completely new design and the logo, "Die Schweiß-Profis".

### Outlook

Business division III is forecasting turnover volume of 822 million Euros and a plus of 4.7 per cent for 2014; growth that exceeds general market growth.



20 years of the welding specialist group celebrated in Frankfurt







## TRUST IN PERFORMANCE

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Business never stands still: it seems today that procedures are changing ever more rapidly. E/D/E logistics are also picking up tempo and significance. Falko Staub and more than 300 colleagues in the Wuppertal eLC are very clear about one thing: Trust in member companies is the basis of everything we do in E/D/E. This holds good not only for the supply of products but also for all other services provided by the system headquarters. Because encouragement and support from mid-range structures in the B2B is key to company strategy. This has been the case for decades. And it will not change in the future despite gathering speed.

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## New structure proves its worth from day one

### B2B business division IV: technical trade, occupational safety

#### Turnover development in B2B division IV (in million Euros)

|   | 2009       | 2010       | 2011       | 2012       | 2013       | 2014 (target) |
|---|------------|------------|------------|------------|------------|---------------|
| Occupational Safety                             | 241        | 283        | 332        | 333        | 336        | 357           |
| Technical Trade, Workshop Materials, Pneumatics | 159        | 187        | 208        | 207        | 196        | 210           |
| <b>Total</b>                                    | <b>400</b> | <b>470</b> | <b>540</b> | <b>540</b> | <b>532</b> | <b>567</b>    |

Trading in technical products and occupational safety ranges has steadily grown in importance in recent years. Within just a few years turnover in this product area rose by more than 30 per cent. As a result of this development, at the beginning of 2013 E/D/E moved the occupational safety and technical trade specialist areas to become the independent business division IV. With the help of business division IV and targeted reinforcement with qualified personnel, E/D/E will be better suited to progressive specialisation in the technical trade and occupational safety fields and so continue to achieve high growth rates.

#### Rise in revenue from the middle of the year

A result matching that of the previous year could, however, not be achieved and total revenue remained minus 1.5 per cent behind 2012. As well as special effects as a result of the cessation of cooperation with Zeus, a major influence on investment reluctance by the industry in the early months was the development in revenue in technical trade. It was not until the middle of the year that revenue noticeably rose.

A major task for business division IV was the electronic data centre project (eDC). The foundations were laid for article classification in occupational safety and technical trading and start made on data maintenance for occupational safety items. The initial results of this work will be supplied to members in 2014.

### Occupational safety skills specialist area

Despite a weak start at the beginning of 2013, the turnover for the occupational safety department finally rose by 1 per cent to 336 million Euros. This development was supported by a positive economic environment which encouraged stable employment figures in many sectors and so increased the demand for personal protective equipment.

New ground rules for future collaboration were worked out at the specialist group conference in 2013. Concepts and procedures relating to risk assessment, the optimisation of the specialist group catalogue and the on-line shop were defined and were implemented in 2013. Since 2013 members have received up-to-date information on new market developments in the occupational safety sector from a newspaper.

In March 2013 the new specialist group catalogue on occupational safety was launched on the market with a circulation of 60,000 copies. The catalogue is divided into 5 product groups, providing a detailed overview of more than 14,000 items from leading manufacturers.

With its occupational safety personal safety manager, the specialist group has created a new concept for the documentation and management of risk assessment and this will be implemented in the market in 2014. Based on the detailed analysis of everyday life in the workplace with regard to possible hazard sources, appropriate counter procedures will be developed based on the occupational safety personal safety manager.

Within the setting of the leading sector trade fair, A+A, in Dusseldorf, E/D/E and the specialist group FAVORIT successfully presented the new occupational safety brand ForSec. Prescription safety glasses and workplace computer glasses as well as tailored ear protection (Otoplastiken) are marketed under the ForSec label exclusively by FAVORIT partners. The ForSec trademark range will be much enlarged by other items in 2014.

Anticipated market growth of 4.5 per cent for 2014 is forecast to result in a much stronger plus in turnover of 6.2 per cent. The basis of this is not only the new 250 page PREMIUM occupational safety catalogue that will be launched on the market with almost 50,000 copies, but also concepts for expanding for occupational safety ranges.



Increased demand for personal safety equipment needs to revenue plus



New occupational safety ForSec brand launched at the A+A trade fair

### Technical trade specialist area

The technical trade sector laboured in 2013 under a weak inflow of orders into the industry. Total revenue for the technical trade specialist area decreased in 2013 to 196 million Euros, representing a loss of 5.3 per cent.



“Der Dichter” compendium by specialists for specialists

The drive for positive turnover has prompted production of a new E/D/E reference work for specialists in the field of sealant technology. This reference work, entitled “Der Dichter”, is intended as a compact overview with edited content of the complex sealant technology theme, which at the same time offers advice on detailed questions.

The new industrial technology catalogue was distributed to members of the specialist group in 2013. With almost 1000 pages and a circulation of more than 60,000 copies, this catalogue has become an important reference work in the sector. A major feature of this catalogue as well as amendments to the layout was its comprehensive procedures for optimising core data.

At the beginning of 2014 a trade fair concept for the technical trade came into being with the name Vertriebsforum Technik (technology sales forum). Important innovations introduced by partners in industry were explained in detail to sales staff employed by specialist group distributors. The contents of the resulting file provided at the end of 2013 the basis of a new specialist group catalogue. With almost 350 representatives of trade and industry the E/D/E technology sales forum had exceeded all expectations.

### Mobile E/D/E trade fair concept supports members’ technical expertise and innovative performance

Further activities supporting sales for specialist group technical trade members are planned for 2014. The E/D/E mobile trade fair concept TECHNIK KOMMT AN makes it possible to provide training and product presentations directly to distributors’ customers. In this way the technical expertise and innovative strengths of the members can be supported.

Delivery of the first issue of the new catalogue Industry Requirements is planned for 2014. Numerous core ranges for the technical trade, which member companies can obtain from the E/D/E central warehouse, will be presented in 6 product groups on around 400 pages.

Technical trade is planning a turnover plus of 7.1 per cent for the 2014 business year, that will exceed general market development.

**Outlook**

In 2014, the new business division IV is planning significantly higher growth than the market in its field of occupational safety and technical trade. This business division intends to see growth of 6.6 per cent to 567 million Euros. The intended reinforcement by qualified personnel will have perceptible effects on turnover this year. Increasing specialisation in the technical trade and occupational safety departments will be even more compatible with E/D/E.

## Increase in turnover despite a difficult first quarter

### B2B business division Building Technology

#### Turnover development (in million Euros)

| 2009 | 2010 | 2011  | 2012  | 2013  | 2014 (target) |
|------|------|-------|-------|-------|---------------|
| 800  | 916  | 1,001 | 1,089 | 1,163 | 1,204         |

The long period of frost in the early part of the year provided a bad start to 2013 for the entire building technology sector. The drop in revenue for WUPPER-RING in the first months could not be compensated in the rest of the year. SHK skilled trades were fully stretched and a growth in revenue through increased demand could not be realised because of a lack of skilled workers in plumbing. The Deutsche Großhandelsverband Haustechnik e.V. (German wholesale association for building services) reported a growth in revenue of 2.4 per cent for 2013.

Marked lack of skilled workers in plumbing



Sanitary and heating wholesale trade characterised by increased pressure from competition

The situation in the German sanitary and heating wholesale trade is characterised by persistent consolidation processes. Many companies face increasing pressure from competition and an accompanying fall in margins. This development has been further accentuated because of the success of online trading.

#### WUPPER-RING

#### Turnover development (in million Euros)

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 (target) |
|------|------|------|------|------|---------------|
| 344  | 363  | 386  | 392  | 382  | 388           |

WUPPER-RING also lost ground in 2013 in the wake of weak sector development in Germany. The turnover of 382 million Euros and a plus of 2.6 per cent failed to match the previous year's figures and remained significantly lower than planned. Both the inclement weather and lack of capacity in the skilled trades sector, together with extraordinary developments in the circle of members placed a strain on the annual result.

The fall in revenue was less apparent in the field of heating as in sanitary/installation. WUPPER-RING has shown good growth by comparison with foreign member firms and sees future growth potential there.

### Data management building technology

With around 950,000 maintained items and about 108,000 images, the WUPPER-RING data portal provides a comprehensive source of information which is indispensable for many building technology distributors. Its inventory has been significantly extended by comparison with 2012 and it now has many additional functions. The conditions module contains all agreed conditions including net prices and these can be recalled with a single click of the mouse for every item. The data portal relieves the trader of the often time-consuming task of searching for the currently valid manufacturer's price list. The portal provides more than 200 contract suppliers with not only current price lists but also their previous versions. All data is maintained according to the strictest quality control guidelines. The data pool enables members to access more comprehensive information – from stock lists and purchase conditions complex data structures for printing catalogues or their electronic use in shopping systems.

Data portal supplies a wealth of indispensable information

### Sanitary and installation

The sanitary and installation department could not detach itself from weak market development in Germany. According to DG Haustechnik the sector reported a growth in turnover of 1.9 per cent for wall-mounted sanitary ware in 2013 and 2.1 per cent for installation goods. WUPPER-RING recorded a drop of 2.8 per cent in this range.

The central task was the integration of 3 new members from Belgium and the intensive further development of important projects. The sales procedures "comfort bathroom" and "internet alternatives" were conceived in this way. A bath booth was put together with 7 suppliers to demonstrate the theme of comfort in the bathroom. The objective is to support dealers with advice and sales arguments which go further than just design and price and thus help their expertise to rise above internet trade. The previous year, prepared procedures in the trademark brand industry led to double digit revenue growth for focused suppliers and so emphasised the success of the WUPPER-RING marketing partnership.

In the installation section there was a focus on implementing the Uplus concept in metal pipe systems. A growth in revenue was achieved particularly by concentration suppliers in the water purification field.



Bath booth demonstrates the theme of comfort in the bathroom

## Heating

DG Haustechnik reports growth in heating range sales for 2013 of 2.8 per cent. One particularly positive development in the main heat generator group was in gas-fired condensing boilers. As a result of exchange schemes run by housing associations there was also a demand for non-condensing gas boilers. The biomass market showed positive development in the first 7 months and then dipped from August onwards ending with a 4 per cent loss as against the previous year. The German Industry Association for Building, Energy and Environmental Technology (BDH) reported market growth in the sustainable energy sector for heating pumps. As a result of changes to subsidy criteria, sales in solar panels decreased sharply. The radiator sector also showed restrained business development. By way of contrast, an increase in demand for under-floor heating was evident.



Satisfactory development in bathroom radiators

WUPPER-RING could not keep pace with this development and reported a dip in revenue of 2 per cent in the heating sector. The reason given for this was extraordinary individual development among members. The development of surface heating, panel radiators and bathroom radiators was better than the market. The range of under floor heating distributors and heating pumps also developed positively.

In 2013 WUPPER-RING concentrated mainly on optimising procurement conditions in its heating business, as it had done the previous year. The centrally-controlled purchase of items made it possible to bundle customer requirements and to place bulk orders with suppliers. Around 100,000 thermostatic heads, more than 300,000 metres of under floor heating piping and over 5000 heating pumps were purchased in bulk in this way.

Following the revised Ordinance on Heating Cost Allocation (Heizkostenverordnung), property management companies and owners must compile an account of their annual expenses for their tenants and lessees. As a result of this the demand for heat meters took off and increased turnover for some specific suppliers.

## Cooperation partners VGH International and mah

The cooperation partner VGH International GmbH is showing renewed positive development, not least as a result of the consistent implementation of its European expansion strategy. VGH achieved growth in turnover of 17.3 per cent and an E/D/E total turnover volume of 549 million Euros. The two main reasons for VGH's growth are the positive market development of individual members and the expansion of the supplier portfolio.



### Number of cooperation partners in VGH and mah

|     | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 (target) |
|-----|------|------|------|------|------|---------------|
| VGH | 296  | 347  | 390  | 468  | 549  | 593           |
| mah | 160  | 206  | 225  | 228  | 232  | 223           |

The structural effects on mah as another significant trading group in the building technology sector were mainly the result of changes in membership. Despite this, mah was able to disengage itself from negative influences and build on the strong development of individual members to increase its turnover by 4 million Euros or 1.4 per cent.

### Services

WUPPER-RING again supported its member companies with a varied bundle of services, and so various sales promotion measures for FORMAT and Uplus brand supplier activities were carried out. The "Badezeit" (Bath time) journal achieved consumer circulation of around 3 million copies. The sales concept "See baths.plan.buy." raised brand awareness considerably. The concept was launched in a total of 30 locations in 2013. 2 advertising spots were individually created for each member. Barcelona was the 2013 venue for the biennial members' conference.

### Outlook

WUPPER-RING expects a steady demand from consumers in the building technology sector in 2014. The economy in the house-building industry is persistently good and as always there is a significant investment backlog in Germany. Capacity in the skilled trades sector remains limited and so the WUPPER-RING members' business sector expects an increase in turnover of 1.6 per cent to 388 million Euros. This was helped by the addition to membership of foreign companies. The focus of activity in the sanitary sector is the introduction of the new FORMAT design shower partition, the continued development of the "comfort bathroom" concept and "internet alternatives". The focus in the heating sector is the expansion of centrally-managed purchasing and the implementation of a focus group. VGH International GmbH is planning further growth of 8 per cent to 593 million Euros in 2014 in Europe in cooperation with E/D/E. The sound-barrier of a 600 million Euros turnover now seems achievable. E/D/E expects that mah will make a slight loss of 3.8 per cent due to changes in membership.



Business concept on the way to becoming the best-known brand

The "comfort bathroom" and "internet alternative" concepts to be developed further

# UNION STAHL members value market expertise and purchasing power

## B2B business division UNION STAHL-HANDEL

### Turnover development (in million Euros)

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 (target) |
|------|------|------|------|------|---------------|
| 442  | 616  | 815  | 884  | 916  | 950           |

The coalition of high-achieving steel distributors as UNION STAHL-HANDEL has proved its worth. The trust of 130 members in the team's efficiency combined with the consistent efforts by employees to offer personal service to each member bears fruit every year. This is evidenced by the growing number of subscribing distributors. In a highly volatile steel market, expert "purchasing assistance" and market knowledge are highly prized. Members have access via this service to concentrated market observation and the close contact that UNION STAHL-HANDEL has with manufacturers and suppliers. As the E/D/E business division can offer the appropriate purchasing options it enjoys the benefit of increased membership.

Range tailored to requirements with matching purchasing options



Steel production: Low market levels depress the mood

The advantages of partnership were apparent from the UNION STAHL-HANDEL volume in 2013. Turnover increased by 32 million Euros to 916 million Euros. The E/D/E business division took pole position among associations. A plus of 3.6 per cent was achieved despite a distinct fall in purchasing prices, which UNION STAHL-HANDEL estimates as being close to 5 per cent. The rise in real terms remains at a similar level to that of last year at 8.6 per cent. An increase in turnover was possible for profiles and particularly for structural steel, although pipes and flat products performed less well.

Low price levels have depressed the mood in the steel sector since the middle of 2011. Pressure on prices lifted slightly in the final months of 2013. There was often no supportive basis for calculation in regard to inconsistent and widely variable conditions. Distributors were thus dissatisfied with the results of the previous year.

Some metal bending shops fixed their prices for several months during 2014 and are now facing a difficult year. Previous purchasing conditions do not suit the object prices in this respect. Many bending shops can therefore only speculate about a drop in purchasing prices. It remains to be seen whether or not this plan works out.

UNION STAHL-HANDEL sees one of its ongoing tasks as achieving the best purchasing conditions. Sustainable networking between members contributes to this. Possibilities for increasing collaboration and tightening the network will be discussed at a working session of the wider group in September. UNION STAHL-HANDEL can benefit from increased membership only when it is able to provide well-matched purchasing opportunities in its portfolio of contract suppliers. This close partnership between UNION STAHL-HANDEL, members and contract suppliers was exemplary last year. It will also pay off in the form of higher supplier bonuses and a correspondingly higher distribution.

Higher supplier  
bonuses and distribution

Members had an opportunity to discuss the current market, trends and purchasing strategies at 6 regional conferences in June and July. The Advisory Board attended conferences in May and December. As well as an exchange of information about the market, there were also discussions on important entrepreneurial issues.

### Outlook

Predictions for the new year are good, as is the mood. Economic research institutes are expecting a revival in domestic demand, not least because of increasing investment. In the key sectors – machine and installation construction, electronics, automotive and chemical industries – a growth rate of 1.5 to 5 per cent is expected. UNION STAHL-HANDEL is working on the assumption that steel trading and bending industries can expect a good if not a very good quantitative year in 2014.



Good to very good  
quantitative predictions for 2014

Unless there is a further decline in prices, UNION STAHL-HANDEL expects a plus in turnover in the order of 3 per cent and a turnover level of 950 million Euros in 2014. The E/D/E steel business division has the potential to grow over the next few years as well as the likelihood of attracting new members. The objective is to consolidate and extend its position as a leading association. Another UNION STAHL forum is planned for November 2014. This biennial sector conference has proved to be a communication and market analysis platform for members and contract suppliers. The 10th forum of this kind, held in 2012, was attended by more than 180 participants.





## AVAILABLE EVERYWHERE

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Advances in technological development require new specialist retail strategies. E/D/E does not only respond to these changes but looks ahead to the future. Our members appreciate this and make increasing use of the different e-commerce services, such as the mobile solution E/D/E Multishop where customers can order the materials they need from their specialist retailer anywhere, anytime – whether on site or in the office. Christian Obeser and his colleagues in the E/D/E eBusiness division make the software for this available to members. And also their up-to-date knowledge – anytime.

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## Many new offers for members

### Business division Strategic Membership Development/ Systems



In the light of the increasing importance of personnel development and qualification, the business division Strategic Membership Development/Systems initiated a new qualification series for juniors and young entrepreneurs in 2013. At the same time a new concept entrepreneur network was developed at the centre of which are several ERFA groups. By systematically bringing together important qualifications procedures, the responsibility for seminars, the TEAM concept and the "B2B Talent" competition initiated by E/D/E is transferred to the member development/systems business division manager.

The systems sector was similarly extended in 2013 and as well as expanding the existing HANDWERKSTADT and PLUS 1 sale systems, an entirely new sales concept for garden technology specialists was implemented under the name of GreenMoto.



#### E/D/E Unternehmer Netzwerk

2013 saw the promotion of a targeted exchange of experience between entrepreneurs under the umbrella brand "Unternehmer Netzwerk". This attracted a total of 115 participants in the various qualifications groups, quickly establishing the Unternehmer Netzwerk. This includes 8 ERFA groups, each of which includes a junior/young entrepreneur group with its corresponding qualification programme and Unternehmer Netzwerk TEAM. The new concept was used intensively in a total of 30 institutions with the support of experienced moderators and trainers using target group specific content, diverse conference locations and programmes that encouraged communication.

The 2014 seminar programme for B2B member companies was completely reworked and given additional content. Professional speakers, who addressed the themes of personal development/company management, sales, purchasing and marketing, were able to generate optimum transfer of knowledge because of their close association with B2B trading.

A completely new concept was developed in 2013 for the Unternehmer Netzwerk TEAM. Activities in the different TEAM workshops included the formulation of job profiles for all relevant positions in B2B companies as well as deciding the content of qualification courses on the themes of personnel management, personnel selection, team building and team development. Certification as top B2B employer following successful completion of the two-year procedure is planned.

The "B2B Talent" competition was started together with IHK Wuppertal – Solingen – Remscheid and is aimed at trainees and students undergoing deal training with E/D/E member companies. The personal and specialist skills of participants are promoted at this biennial event. Prizes were awarded at a celebration for the 10 finalists and their company representatives in Dusseldorf.

Qualification and training are an essential component of the company strategy 2020, as is the exchange of experience between member companies and their employees. Management and skilled workers, particularly junior staff, will achieve the qualifications necessary for various career paths. One of its central functions is the institutionalising of procedures under the name of WUPPER AKADEMIE, which will come to life in 2014 ready to start officially in the course of the year.

## B2B sales systems

### Number of sales partners according to B2B sales systems

|                                       | 2012       | 2013       | 2014 (target) |
|---------------------------------------|------------|------------|---------------|
| HANDWERKSTADT                         | 72         | 74         | 78            |
| PLUS 1                                | 57         | 63         | 68            |
| motorisation/GreenMoto                | -          | 25         | 45            |
| <b>Total number of sales partners</b> | <b>129</b> | <b>162</b> | <b>191</b>    |

Launched into flight by the new concept for garden technology specialists the B2B business systems HANDWERKSTADT, PLUS 1 and GreenMoto recorded a sharp increase in 2013 to a total of 162 system partners. The number of concept partners is set to rise by 29 in 2014; 20 from GreenMoto, 4 from HANDWERKSTADT and a further 5 from PLUS 1.



Prize-giving at the "B2B Talent" competition

Number of concept partners set to rise

Turnover in the goods sector within the sales system showed varied development: Whereas the power tools and occupational safety sectors were able to grow, turnover development in the fastening technology sector declined. This was marked by weather-related dips in the first half year of 2013, so that the sale system was able to post plus of between 1.3 per cent and 2.3 per cent.

**Development by product group (turnover in per cent compared with the previous year)**

|               | hand tools | power tools | fastening technology | occupational safety | Total |
|---------------|------------|-------------|----------------------|---------------------|-------|
| HANDWERKSTADT | -3.5       | +7.6        | -9.3                 | +0.2                | +1.3  |
| PLUS 1        | -3.8       | +7.3        | -9.8                 | +5.2                | +2.3  |

**HANDWERKSTADT**

After a weak first half of the year, the number of contracts in the skilled trades sector increased significantly in the 3rd quarter of 2013. In short, skilled trades contracts moved slightly above the level of the previous year. The 10 suppliers in the HANDWERKSTADT promotion programme posted a total turnover plus of 4.3 per cent. A questionnaire for members and users of the FORUM trademark produced consistently positive evaluation of the 2 important features, quality and price. The FORUM ranges developed noticeably better than the general hand tools market with a turnover plus of 2 per cent. In order to keep up with growing demand HANDWERKSTADT in product marketing, the PRO 3 seminar series started in 2013. 100 participants attended this event which was fully booked and which focused on sales.

Positive evaluation for quality and price

A new edition of the 1500 page 2014/2016 HANDWERKSTADT catalogue was issued in 2014 and had a circulation of around 50,000 copies. New marketing activities were started to raise awareness of the FORUM brand.

**PLUS 1**

The PLUS 1 sales concept experienced sustained encouragement from E/D/E members; so much so that the 2013 objective of recruiting 6 new partners was achieved. As a result of the newly issued specialist catalogue, turnover development for concept suppliers totals plus 2.3 per cent. The PLUS group stands out for the wide ranging services it offers in the power tools sector, which enabled it to disengage itself from



the overall development in power tools and to report growth of plus 7.3 per cent. Additional marketing measures for the FORTIS trademark are central to the sales activities planned 2014.

### GreenMoto

The garden technology, lawnmower, power saws and forestry technology product areas increased in importance for many E/D/E members last year. In order to keep pace with this development a completely new motorised concept was developed and introduced onto the market under the trademark GreenMoto. The new concept received so much encouragement at the launch event that within a few weeks a total of 25 member companies had signed up to the new GreenMoto sales system. On the supply side, more than 30 brand manufacturers support the establishment and further development of this sales system.



Marked encouragement for the new GreenMoto concept

Its activities will be markedly reinforced in 2014, particularly in the marketing/advertising section with spring and autumn brochures. A 100 page specialist catalogue was published in collaboration with leading brand manufacturers and launched on the market in the course of the year. 20 more partners are likely to join in 2014.

### Materials management and industrial services

In contrast to 2012, there was an increase in the interest shown by member companies and their customers in industry in the optimisation concepts for MRO requirements. A permanent topic in the selection of optimisation measures in industry is the reduction in the number of suppliers. Additional projects and thus customer contacts could be instigated in 2013, particularly in the occupational safety and technical trades, with the new RFID concept of optimising the flow of materials which complemented the existing eLogistic systems. All the systems in the eProcurement portfolio and eLogistic sections experienced more demand than in the previous year. This was evidenced by the growing number of events with customers in industry on the subject of "MRO optimisation with system to system innovation".

Customer links strengthened by the new RFID concept

The successful events will be expanded in 2014 and other specialist conferences held with the E/D/E eLogistic competence group. The successful eBusiness events will be continued in 2014. The eLogistic competence group will hold special conferences in spring and autumn. It is expected that the business processes in eProcurement and eLogistic between distributors as service providers for material flow optimisation and industrial firms would be even more strongly interlocked.

## Conditions for further growth achieved

### EDE International

#### Turnover development (in million Euros)

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 (target) |
|------|------|------|------|------|---------------|
| 458  | 518  | 599  | 634  | 798  | 902           |



Since 2011 the consistent further development of international activities has been managed by the subsidiary EDE International based in Zurich. The objective is to extend the local market presence in order increasingly to serve E/D/E members and suppliers in other countries as Europe's leading syndicate in B2B trade.

EDE International is now represented either directly or indirectly in 24 countries. There is a significant difference here in the range of services of the core markets already developed and those of the potential regions.

2013 saw a growth spurt across all foreign activities. The record turnover of the previous year was overtaken again by 26 per cent to 798 million Euros and was 55 million Euros higher than the formulated target result. Growth was principally the result of strong expansion by VGH International, one of E/D/E's most important cooperation partners. By way of contrast, development in traditional business areas remained difficult in many countries and particularly in southern Europe because of the tense economic situation.

In order to shorten communication channels and move closer to customers, EDE International realigned itself organisationally in 2013. The 3 former international areas (North, South and Central Eastern Europe) were bundled into 2: the southern area including France, Spain, Portugal and Italy and the North-east area with the other countries. This new orientation facilitates faster reaction to customer requests and has demonstrated its worth right from the start.

At the end of 2013 EDE International had 190 direct members and a further 603 distributors who were indirectly associated with E/D/E via 6 cooperations.

The focus of internationalisation for EDE International is currently on market processing in the tools sector by introducing efficient business concepts. The product areas of building services, fittings and steel are mainly extended via cooperation partners. EDE International can provide a support function in this area.

The new subsidiaries DELCREDIT France and DELCREDIT España, founded in 2012, commenced operations in 2013 and together with E/D/E and ETRIS BANK are building up central payment in local markets. This is in tune with the EDE International strategy: Local structures are put in place wherever possible and wherever it makes sense in order better to reflect local market conditions so that reaction to specific requirements can be met.

**DELCREDIT**  
France

**DELCREDIT**  
España

Last year throughout Europe distributors had to battle against strong crosswinds and prices and margins were under pressure. Difficult market conditions predominated, particularly in southern Europe. There was a large proportion of stagnating markets in central Europe and only in a few countries was there evidence of slight growth. Many E/D/E members were able to disassociate themselves positively from this development. Business in Spain, for example, bucked the trend with a turnover plus of 31 per cent. This underlines the significance and efficiency of the business concept. Trademarks are gaining in importance throughout Europe. On the Iberian Peninsula it is becoming apparent that a trademark is essential for every Association.

The cooperation agreed on 1st of October 2013 with the Spanish B2B Association ASIDE and its 37 members increased potential. EDE International is recruiting more industry-oriented customers in Spain with the corporate business concept, FORUM-plus. Established cooperation with other long-term partners in Spain is not affected by this development. Every group of distributors will in future market its own trademarks (FORUM, FORMAT and CircumPRO), each of which will be manufactured for a target group of professional consumers in accordance with a set of strict quality criteria.

More industry-oriented customers  
through common business concept  
in Spain

EDE International has also strengthened its partnership with the purchasing association, CECOFERSA. The further development of over 140 members in Spain and Portugal will be strengthened by a new business concept. In this context the common strategy programme will be further developed.

Business was difficult in France in 2013. Turnover fell below the previous year's level by about 8 per cent and remained significantly below expectation. The task of transporting the concept of central payment into the neighbouring country is still on-going. The relevant advantages of this service have been highly valued for some time by contract suppliers such as members in Germany. The introduction and expansion of central payment in France are pending. EDE International together with the DELCREDIT France subsidiary founded in 2012 and operative since last year has created the structure which will facilitate significant expansion of business in coming years. The expected economic upturn in France should supply a tailwind.

#### **Differentiated development in Europe**

Eastern Europe saw a strong upturn in 2013. Poland (plus 27 per cent) and Hungary (plus 13 per cent) showed a clear plus in turnover, even though still at a low level. Development in the traditional priority countries of the Netherlands, Belgium, Austria and Switzerland was variable. Business in the Netherlands (minus 2 per cent) suffered because of the renewed weakness of the economy in relation to the construction industry which had been showing a minus rate since 2008. Belgium reported a weak first half year, recovered strongly in the summer, however, and achieved overall a plus of 4.4 per cent.



The Swiss subsidiary ZEDEV increased by 16.5 per cent and developed in terms of medium-term expectation. Business increased strongly in Austria at plus 10 per cent. This growth is chiefly the result of the cooperation partnership with VGH International.

There was further investment in the expansion of the international unit in 2013. The foundations were laid and local structures created for further accelerated growth. The marketing and purchasing departments in the head office of EDE International in Zurich were reinforced.

#### **Outlook**

The overall environment will not improve significantly in 2014. Competition remains intense and prices and margins are still under pressure. The after-effects of the financial crisis which has not yet been overcome are slowing down business development in southern Europe. Nevertheless EDE International sees considerable opportunities in Europe and intends to grow despite the difficult circumstances, as business concepts enable E/D/E members to detach themselves from tense market developments.

EDE International forecasts a further rise in total turnover to 902 million Euros in 2014. Continuing concentration in business sectors is therefore unlikely to result in a significant rise in the number of members. With the jump to the 900 million Euro mark the strategic target of achieving a foreign turnover of 1 billion Euros by 2016 in collaboration with cooperation partners was already within reach.

In the long-term view (i.e. by 2020) international trade should be contributing 2.2 billion Euros to total revenue. At the forefront is the continued expansion of decentralised structures. The home market remains, however, Germany with the largest turnover volume and the best structure.



2014 further growth planned for members and turnover

## Important service provider for E/D/E partners

### Business division Marketing

Substantial components developed  
further to extend quality of support

The marketing business division has become an important service provider for E/D/E members, cooperation partners, E/D/E specialist areas and E/D/E subsidiaries. One focus for 2013 for example was the processing of the concept of new sales brands in the areas of building components and welding technology. Other achievements include catalogue production, edited publications data management, classic advertising and trade fairs and events organisation. Substantial components were further developed last year in order to extend the quality of support. For example, on the basis of a wide-ranging comparison of around 90 significant advertising catalogues, numerous valuable insights were gained which could be used to improve future E/D/E catalogues. 4 specialist teams in the marketing business division completed a total of more than 700 individual projects in 2013.

#### B2B catalogues

Employees in 4 groups (publishing, image and data management, database publishing and production) in the catalogue section are working on the management of all individual catalogue projects in one unit. The catalogue data management team has been integrated into the B2B catalogue section in order to reduce overlaps and increase efficiency. COMET, the new database publishing software, has been integrated into the system and in combination with the product information management system (PIM) which will be introduced in the catalogue department in 2014, will continue to implement digitalisation of the workflow. In 2013 the department produced 58 catalogues with a total of more than 54,000 pages for the German and European markets. The total print run of all catalogues amounted to 800,000 copies.



58 catalogues produced in 2013

### B2B advertising

The B2B advertising team has developed into a full service provider with a high real net output ratio and completed over 600 individual projects in 2013. They developed over 20 new corporate designs, supporting them with various marketing activities. Working with the different specialist groups, the concept and graphics team worked on logo development and corporate design tasks for brochures and prospectuses such as, in the case of GreenMoto for example, a product brochure with 21 individual alternative versions. The marketing team focused on various components such as packaging design, the market launch of the sales concept "Die Schweiß-Profis". A cinema commercial for WUPPER-RING with 17,000 showings throughout Germany was processed and implemented. The B2B magazine was completely re-designed with a modern layout and stronger magazine-style graphics.



Full service providers – also for new corporate designs

### Trade fairs and events

In 2013 the team planned and organised trade fairs and events for E/D/E as well as numerous events for members. The various appearances at trade fairs and specialist group events and E/D/E's PÁNTA RHEI entrepreneur days in November provided a valuable mobile advertisement. The anniversary celebrations of an important E/D/E member, which included a laser show and fly board demonstration on the Rhine, were also spectacular. The team was also able to give comprehensive support to the 65th anniversary celebration of another E/D/E member with an in-house trade fair, where ongoing digitalised attendee management was used as a special feature. Numerous member and supplier events took place such as the WERKZEUGFORUM in 2013 in Bad Neuenahr. The event was organised in its entirety and speakers such as Joschka Fischer were engaged. The trade fair stand concept, staged in collaboration with the FAVORIT group in the context of the A+A trade fair in Dusseldorf, was a complete success.



Fantastic laser show at E/D/E member Kistenpfennig anniversary celebration

### Outlook

The services catalogue configurator, which is due to come onto the market in the course of 2014, will simplify and individualise processes for members. The "catalogue building block system" will allow distributors to access the E/D/E warehouse range and put together the contents in a flexible and economic way. An increased number of marketing projects will be implemented at European level, such as for instance the first marketplace power tools in Poland in 2014. New process management software will also link and standardise the processes of all 4 specialist teams in the marketing business division from 2014, creating more transparency and efficiency in processing individual project contracts.

# Mitarbeiterführung

- => Vorbild sein ☺
- => Klare Kommunikation ☺
- => Strukturiert
- => Miteinander
- => Betriebsklima
- => Teamgeist
- =>





## SUCCESS CAN BE PLANNED FOR

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Learning from each other strengthens the independent midrange business and promotes togetherness. An example of business succession: Through balanced dialogue and by contact with experienced bosses, junior staff can learn step-by-step what it means to manage a company. E/D/E deliberately promotes these exchanges through ERFA groups and special qualification procedures and conferences. Svenja Heblinger-Leisten (2nd from the right) and her father Hans Heblinger (right) of EBV Vertriebs GmbH and Sabrina Schmidt of Ernst Schmidt GmbH (left) enjoy sharing their experiences under the watchful eye of E/D/E business division manager Erik Schillig (left). E/D/E develops positively in this way: In future the syndicate will offer a central platform for qualification and further training in B2B under the umbrella of the WUPPER AKADEMIE.

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## Convincing start for the newly-formed retail subsidiary

### EURO-DIY



The newly-formed E/D/E and EK/servicegroup retail subsidiary EURO-DIY came into being as planned on 1 January 2013 and was met with a positive response by both industry and members. It supports around 500 specialised retailers and markets in Germany. Services such as product group management, preparation of lists, data, assortment modules, advertising material, store planning and sales support from members have proved their worth in live operation. Work on assortment modules was intensive and the development of focus on specialist retailing encouraged. EURO-DIY has positioned itself well at the first attempt with a turnover volume of 170 million Euros.

#### Growth in the DIY sector

The long, cold winter and adverse weather conditions in the early year had a negative effect on DIY sector turnover in the first half year of 2013. The insolvency of a large DIY superstore chain and the resulting closing down sale also had a negative effect on results for the rest of the year. Even final positive developments in trade could not make up for the losses. Original predictions in 2013 were for a rise in turnover of 1 to 2 per cent for the DIY sector. A whole series of companies lagged behind this target or even experienced losses.

#### Strong competition because of DIY superstore concentration

It is not yet possible to predict whether the high concentration of DIY superstores in Germany can be relativised in the medium term by the withdrawal of more companies from the market. No basic changes to the very strong, hard competitive situation in the DIY sector can be expected, however. Up to now vacant sites have generally been taken over by other companies in the market or otherwise occupied. Online trading is also increasing to the detriment of the fixed retail trade and the market share in individual ranges is receding further.

### Activities of EURO-DIY

EURO-DIY functions as a system headquarters, offering services portfolio tailored to the requirements of affiliated E/D/E and EK retail members who have small and medium-sized sales areas. In 2013 purchase agreements were concluded with almost 500 suppliers. This provided members with a list of more than 350,000 items. Using single components they can put together their own individual range. This and other services such as support in operative day to day trade through sales were presented to members at the start of EURO-DIY at numerous regional events.

Members can put together individual ranges

The concept market in Wuppertal was completely re-worked. At the werkmarkt conference the market was introduced and the Advisory Board selected. Customers of werkmarkt members can have a newly-launched customer card since the late summer. The range concept was sharpened up with a view to stronger specialist market orientation. In order to make it easier for members to obtain small quantities, items available in the E/D/E warehouse are included in the range components.

The new own-brand CircumPRO facility in the skilled trades division was implemented on 90 sites. A further 30 locations will be added in 2014. EURO-DIY also took part in 2 EK/servicegroup in-house trade fairs in 2013 as an exhibitor, in order to introduce service components and step up member contact. Advertising flyers that had an 8-side format in 2013 will be offered in a 4-sided version from 2014. This will enable smaller sites with a more limited range to achieve the necessary advertising. Regional events are also planned for 2014 as well as the annual werkmarkt conference. The focus will be on work in bringing the range up to date as well as the launch of new range components. A seasonal calendar for seasonal themes will support sales.



The new own-brand, CircumPRO is already present in 90 locations

### Outlook

After the foundations have been laid and EURO-DIY has been successfully introduced into live operation, the basis for growth will have been established. Further expansion through the additional bundling of purchasing volume and the recruitment of new members is already planned for this year. Close cooperation in goods acquisition was agreed in January 2014 with the HELLWEG Group of Dortmund. Together they founded DIYpartner GmbH. By means of this joint purchasing company, EURO-DIY plans to make use of synergies in which procurement volume is bundled and logistics advantages are achieved.

## Well-placed for the future with new data management

### Business division eBusiness



In a process which has taken several years, E/D/E has re-applied its data management under the name of eDC (electronic Data Centre), reaching important milestones in 2013. eDC follows the vision of always being able to make current product data available. The objective is to compile a comprehensive data pool which will greatly facilitate data capture and maintenance for everyone involved. Up to now distributors have primarily been able to obtain necessary product data from manufacturers. This has generally only been available in an unstructured and variable format and has often been of a poor quality. The research and processing of the product data supplied has been extremely thorough. This is why eDC has received such a good response from distributors. The savings potential is hardly surprising; after all E/D/E members incur personnel costs of an estimated 80 million Euros for decentralised data management.

Manufacturers' data is managed in the eDC in order to make manufacturers' core ranges available to members. The former catalogue-related data management will now move towards manufacturer-related data. Several million items of data are dealt with overall. A start has been made to classify and specify items in the B2B product ranges of occupational safety, fittings and technical trade in order to set standards in the sectors for quality, availability and currency. Dates have been set for other sectors.



Complete data maintenance re-drafted

The new data management system has involved considerable investment in personnel and IT infrastructure for E/D/E. In 2013 alone 10 additional specialists joined the various product groups. Further investment are on the budget for this year and for the next few years.

### E-commerce – start of international activity

The eBusiness team for advice and sales supports member companies with a comprehensive package of services and in-depth advice on-site, so that distributors make active use of the online shop and generate additional sales. Services offered include central project management, help in establishing online shops for the company and help

with customers. 47 new member companies invested in this service in 2013 so that now a total of almost 300 member companies are using the E/D/E multishop. After the shop had been successfully established in Germany, international activities started and the multishop was established in France, Spain and Switzerland. An extension to Poland is envisaged. The mobile eCommerce display has been dynamically adapted for all common appliances such as Smartphones and tablets with Apple iOS (iPhone, iPad), android and Windows 8 operating systems. Customers visiting the website on a Smartphone or tablet have immediate access to an automated view of the multi-shop, optimised to the system they are using. MultishopPro, which came onto the market in 2012 and is a multishop that has been specially designed for the needs of the industry, has been added to with extra features such as incoming goods inspection.



Mobile e-commerce can be used on all devices

#### Group communication – data exchange converted

In 2013, E/D/E led the technological and organisational foundations reshaping business processes with partners more exactly and more flexibly with a view to future requirements. For around 850 suppliers and distributors, the old system was replaced and electronic data exchange was converted to business process management (BPM) software. This affects around 2500 electronic business process connections relating to ordering, delivery notes and invoices for instance.

#### Outlook

The eDC will be extended through investments in personnel and technical infrastructure. The data service will be extended to the product areas of fittings, occupational safety and technical trade. Data models and classifications will be processed and manufacturers' product data prepared. The roll-out for fittings and occupational safety is planned for this year. Data for an estimated 500,000 items in the fittings product area, for example, will be supplied to members. The data must also be continually updated afterwards. The data service is being prepared the next product areas of shop fitting, power tools, precision tools and hand tools. Training concepts for administrators for the E/D/E multi shop are being processed and one of the subjects on offer is "optimising search engines". The networking core project will continue to be promoted. The ordering dataflow between distributors and manufacturers will be analysed and how E/D/E as service provider can handle clearing processes to minimise costs for participants.

# Customer service pays off

## Central division Service/Member Support

The quality and service offensive, First-Class-Service 48, set the direction for the central division last year. After daily procedures such as delivery or price advertising, vouchers and similar processes had been reduced by 50 per cent in 2012, the number of complaints in the previous year fell again by around 10 per cent. Reaction times in the E/D/E service centre were also shortened and queries were answered within 48 hours. The important qualitative parameters for product availability were achieved: More than 98 per cent of all deliveries throughout Europe were received on time.



Study on B2B core areas presented

E/D/E collaborated with the Fraunhofer working group for supply chain services in Nuremberg to produce a comprehensive B2B future study. Research focused on 4 core areas of B2B:

- building fittings, furniture fittings, building components
- further technical trade, occupational safety
- tools, machines, power tools, precision tools, welding technology, construction equipment, company equipment
- sanitary, building technology

Members and suppliers at the E/D/E PÁNTA RHEI entrepreneur days in November 2013 were given the results of this research. These results have largely formed the basis for the E/D/E company strategy, CHALLENGE 2020.

### Membership development

It was again possible in 2013 to recruit major specialist wholesalers to E/D/E. Thus 10 national and 7 international firms with a turnover volume of around 25 million Euros have joined E/D/E. An additional 4 new members also joined via the FERNEY Group BV cooperation partner in the Netherlands and the Belgian Meno Group SC.

Again, important specialised wholesalers could be attracted

The additional turnover volume of the new members is mainly spread between the tools, welding technology, fastening technology, construction equipment, building technology and steel sectors. The total number of B2B members at the end of 2013 was 999 firms. The number of retail members sank by 32 to 322 firms. The main rea-

sons for the decrease in retail membership with a turnover volume of 19 million Euros were financial problems and the sale of companies.

eumacop eG transferred its central payment to E/D/E at the beginning of 2014. Transactions are processed by the E/D/E subsidiary ETRIS BANK. eumacop, based in Rödermark, was founded in 1967 and is a significant distribution group for woodworking machinery and tools.

#### E/D/E Framework Agreement (SPARPLATZ)

More than 600 members are already using the services provided by exclusive agreements with 26 service providers. Services were extended last year and a 2nd issue of the SPARPLATZ was distributed. New agreements were reached with companies including ZGV and ARAL.



#### Outlook

E/D/E asks its members once a year about their assessment of the overall economic situation. The result is an economic barometer which is viewed with great interest. This successful instrument is augmented by a quarterly analysis. From spring 2014 at intervals of 3 months distributors will be asked to supply the most important indicators for the current business situation as well as an estimate of the future outlook and this will be made available to members as an additional service.

Economy barometer appears every quarter from spring 2014

The First Class Service 48 programme will be pushed forward again. The objective is to make a noticeable difference to service quality for members as well as to reduce the number of complaints. The target is a reduction of a further 10 per cent.

Now that the level of automation for planning and scheduling has been raised to more than 50 per cent, further planning and scheduling parameters will be optimised and the level of automation will be raised even further. E/D/E SPARPLATZ will also be extended in 2014 with the objective of widening the spectrum of attractive agreements for E/D/E members.

## Further education considerably extended

### Business division Personnel

Demographic development presents the German economy with challenges. All companies will have to spend more in order to raise their profile as employers and attract the best workforce. In view of this E/D/E has increased its personnel and training offensive. Its opportunities for further education have also been considerably extended. All management and skilled posts have been filled. The high rate of applications is evidence that E/D/E which operates as a successful family firm is a popular employer.



The new E/D/E apprentices training quota exceeds national and regional average

At the end of 2013 E/D/E had 895 employees; 30 more than in 2012. A further 20 new trainees were taken on. In the course of the year 59 young people successfully completed their E/D/E professional training, principally in the wholesale and foreign trade areas of business. The training quota of 6 per cent was higher than the average for North Rhine-Westphalia and the national average.

Good prospects for new starters. Regular accolades from the Chamber of Industry and Commerce affirm the high quality of our training. E/D/E is keen to take on trainees. This is why in 2013 many more school leavers wanted to start their working life with E/D/E than there were places available. E/D/E received more than 700 applications. In order to consolidate its reputation as one of the most popular training companies in the region, E/D/E has increased its collaboration with schools.

Working with the universities of cooperative education in Thüringen and the Baden-Wuerttemberg Cooperative State University, E/D/E offers dual courses of study. Every 3 months trainees switch between a theoretical phase at the university and the practical phase at E/D/E. The course takes 6 semesters and is based on practical tasks. By the end of the year 7 career entrants have successfully completed their course of study in the disciplines of trade, marketing and business information.

In an attempt to help employees to find the best balance between family and career, E/D/E began work in 2013 on building its own children's day-care facility.



This has places for a total of 45 children in 3 different age groups. The kindergarten will open in 2014.

E/D/E is actively recruiting on all channels Internet platforms are becoming increasingly more important. As a result of the systematic efforts of the personnel business division supported by E/D/E Management, all management and skilled posts were filled in 2013.

Opportunities for further training for employees were extended in 2013 and met with a positive response. E/D/E received almost 850 applications. The after-work training that had been available since 2012 was also very popular. This is intended to give employees the possibility of using their free time to learn more about particular subjects. The programme was enlarged in 2013 and includes language courses and health education. More than 70 E/D/E employees took part in after-work training in 2013.

### Outlook

Increasing ageing in society and a low birth-rate mean that in future greater efforts will have to be made find the right employees. E/D/E will therefore redouble its recruiting, particularly reinforcing its image in schools as a first-class, reliable employer, as it has done in the past.

The further education offensive will be renewed and reinforced. E/D/E sees itself as well placed in the competition for recruitment of the best employees, as medium-sized family firms are increasingly valued as employers because of their down-to-earth approach, modesty, hands-on mentality and their ability to find the balance between family and career. Flat hierarchies, high employment security and owner presence are all arguments that represent added value for applicants.



Further education offensive reinforced

# OPTIMAL DATA FOR B2B

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What grows together belongs together: E/D/E sets the sector standard for industrial wholesale distribution with its eDC (electronic Data Centre). All product data from one source, processed so that everything can be extracted from it – whether it's a product description, catalogue entry or a presentation on an online platform. Daniel Spitzer, Project Manager eDC (left), and Jochen Schmid, Team Leader (Fittings), clarify the benefits of this: The user can find all data centrally bundled and in one place. This is in accord with the wishes of E/D/E members for media-neutral data management. Data capture and maintenance is much easier and so much more cost-effective.

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## Central payment taken over

### ETRIS BANK



Since the beginning of 2013 ETRIS BANK has no longer functioned simply as a specialist institute for transactions and trade finance but as a central payment bank, that is establishing a stable joint liability scheme in collaboration with E/D/E. At the same time the bank represents the link between members and E/D/E contract suppliers.

The Institute provides all central payment partners with streamlined processing for finance and payments flows. The conditions were also met in 2013 for taking over further banking products and financial services for members and E/D/E contract suppliers and eventually from other associations. Consulting activities will also be extended with a view to consolidating service provision and industry comparison ratings.



ETRIS BANK remains a company bank

ETRIS BANK does not intend to change its business model in this respect: It will continue to be a company bank serving the medium-sized industrial wholesale distribution sector and its suppliers. ETRIS BANK will not be in competition with local banks but sees itself as a meaningful adjunct to these institutions.

#### Central payment

The acceptance on 1 January 2013 of E/D/E central payment and del credere liability by the 100 per cent subsidiary ETRIS BANK went smoothly. E/D/E and ETRIS BANK together constitute a strong joint liability association. One of the ways in which ETRIS BANK provides fast uncomplicated payment procedures is through its ZR-Online service, an electronic processing and information platform. At ZR-Online, numerous services are available that simplify payment processing and provide information on ordered items. ZR-Online will continue to be developed in future. It will become even simpler and more comfortable to use.

When ETRIS BANK took over central payment it also absorbed the established E/D/E employees. This ensured continuity with familiar contacts. The institute employed 65 employees at the end of 2013 and has retained this slim profile despite its wide field of operation. All business is transacted at the company's base in Wuppertal. The team combines many years of expertise in products and finance, making ETRIS BANK a company bank with strong market knowledge that understands the needs of its customers and speaks their language.

### Member rating

The member rating success story continued in 2013. More than 430 trading companies took up the offer of comprehensive analysis and professional rating reports and industry comparisons and allowed ETRIS BANK to compare them with other companies in the sector. This was included in a comprehensive assessment of the creditworthiness and future sustainability of their company with regard to market environment, strategy and risk management. This service represents a unique selling point for ETRIS BANK, which no other purchasing association or sector institution offers.

Since the introduction of this business comparison in 2010, the number of companies that have obtained valuable information for their business by means of this analysis has remained high. In 2013 more than 150 firms participating in member rating took part in the comprehensive assessment provided by this business comparison. E/D/E puts an efficient management instrument into the hands of its members in this way, enabling them to recognise more clearly the strengths and weaknesses of their own company. Company discussions on site complete this service.

### Introduction of SEPA

The implementation of SEPA regulations the simplifying cashless payment in Europe were successfully introduced throughout the E/D/E group and in particular in the ETRIS BANK in 2013. The transfer to the new, unified European method of banking details using IBAN and BIC instead of account and branch numbers was incorporated into central payment as planned at the end of 2013. All banking details stored as data had to be converted and checked – and this applied to members, suppliers and employees.



Member rating service is an ETRIS BANK unique selling point



SEPA implementation poses additional challenge

The implementation of SEPA requirements poses an additional challenge for all involved, which can only be met by a higher level of automation of payment processes. With this in mind and partly in order to meet SEPA requirements central payment will become slimmer, more transparent and more standardised. It will also have the advantage of optimising all work processes.

### Internationalisation

Central payment will be introduced in more regions

One of the most important objectives for ETRIS BANK in the next few years is to move with E/D/E into increasing internationalisation of business. European subsidiaries will work with the bank to introduce central payment. France made a start with this in 2013 and Spain will be included in 2014.

In France the work was started by DELCREDIT France together with its co-founded long-term local partner group SOCODA (France). DELCREDIT España was founded in Spain with CECOFERSA. Central payment thus became European and the established business model was transferred to more markets. DELCREDIT France and DELCREDIT España will establish in their own countries the advantages of central payment so valued by contract suppliers and member companies – reduction of processing costs, time-saving and security.

### Outlook

The financial market crisis is not over yet. This is borne out not least from the continued low interest rate. The situation in the credit business therefore remains tense.

Key role in E/D/E company strategy

ETRIS BANK will have a key role in E/D/E group company strategy until 2020. The foundation phase of the Institute is linked to the adoption of central payment. In coming years the bank will build on the development of central payment business to increase its financial services to members and suppliers.

ETRIS BANK already offers a whole series of financial products as well as central payment. Services include bill transactions as well as classic loans related to product financing and also individually to product-related current-account lines. The rating and business comparison services were already part of the ETRIS BANK portfolio.

Further acquisition and working capital funding, storage and investment finance will be added. The connection with products remains a particular strength and a demarcation criterion. Foreign members in particular are now requesting these services.

Connection with products remains a particular strength

# New role for process and project management

## Business division Organisation/IT

The organisation/IT business division acts as service provider for the whole of E/D/E in designing and implementing optimisation and change processes in the group. The restructuring that was completed in 2013 in the project management, process management, application management and IT business teams boosted the necessary expertise that supported growth for the E/D/E group. A full range of essential services is on offer from process recording and advice on all technological issues, IT business and project management. The business division has grown into its new role as complete solution provider for business process optimisation and change.



Project development is further professionalised

### Project Management

In order to improve project competences in all sections of the E/D/E group, appropriate training and coaching processes were introduced for project employees. This meant that the development of projects could be further professionalised and the innovative strengths of the E/D/E group improved. The next step will be to establish highly effective project management software into the project management and control. This will allow every team member to have a note that you have the current status of a particular project.

### Process Management

Recording and optimisation of all E/D/E group processes were consistently continued in 2013. The main emphases were processed recording in ETRIS BANK and in the section of catalogue production. These activities were actively supported by training and qualification measures for employees. The high quality of processing was again confirmed in 2013 by the award of an AGQS certificate of quality assurance. In order to maintain operative excellence a wide-ranging and clearly structured role and competency model will be compiled. A process information tool will be constructed and implemented.



### Applications management

Work on standardisation within the E/D/E group was successfully continued in 2013. The SAP retail system and business warehouse were brought right up to date with the SAP release changes system. Central payment is working successfully in Spain and France via the DELCREDIT España and DELCREDIT France subsidiaries.

### IT operations

In 2013, the technical infrastructure was completely reworked and re-conceptualised. This optimisation was used to centralise the whole of the E/D/E group user management system. The most important criteria were the efficiency and availability of the system together with the introduction of environmental protection and energy-saving technology. Printing processes were monitored and optimised with regard to ecological sustainability. One positive result is a considerable reduction in the use of paper. Further wide-ranging technical optimisation, particularly the introduction of a new services management tool, are planned for 2014. The organisation/IT business division is investing consistently in the internal expansion of new members. An historic high point has been reached with the addition of 7 trainees. Despite the continuing lack of skilled trades people, all key business division positions have been satisfactorily filled.



Technical infrastructure completely reworked

### Ideas management

The suggestions for improvement contributed by employees and collated by ideas management have been used for years to optimise business processes. In 2013 they exceeded the 600 mark.

### Outlook

More than 40 projects with an investment volume of over 6 million Euros have been planned for this year in the project management team. Sustainably high levels of investment are an indication of the high added value that the E/D/E group attaches to optimisation and innovation potential to project and process optimisation. Work on the progressive improvement of every individual value added creation process is continuous. Important stages of the process will be tackled this year as part of the central project "central payment 2020", where complete renewal and process-optimisation of the accounting system is envisaged. Step-by-step expansion of the integrated consolidation of all business units under SAP and the further automation of planning processes are also envisaged.

Optimisation and innovation potential as great added value

## Level of customer supply security remains high

### Business division Logistics



A glance into the E/D/E warehouse: a high level of supply security is achieved for customers

Storage continues to gain significance. Despite a decline in turnover as a result of the split with Zeus, the number of packages sent was similarly high to that of 2012 as customers increasingly changed their ordering behaviour: They no longer wait until a larger order has been assembled. With the increased frequency of orders there is also increased demand on storage.

In 2013 E/D/E concentrated on optimising supply chain management in line with a holistic viewpoint. Bearing in mind the objectives determined by the CHALLENGE 2020 concept, the first projects were set in motion. Productivity was raised by improved processes and cost saving. Active management participation by employees was also given impetus by a shop floor management scheme. This raised transparency and increased reaction speed in the implementation of tasks. The level of customer supply security remained high in 2013.

#### Parcel shipping and delivery to consumers

A constantly increasing number of customers take advantage of E/D/E logistics services. The driving force in storage is the increasing scope of parcel shipping. In 2013 almost 63 per cent of all deliveries were sent from the logistics base in Wuppertal on behalf of members to consumers. E/D/E sees this as an indication of trust: Customers are reducing the size of their own warehouse because they know that they can expect deliveries reliably and quickly. At peak times almost 5200 packages were leaving the central warehouse; on average 3500 dispatches per day. A total of 876,000 packages have been sent. The number of articles dispatched totalled 5.4 million.

The ability to deliver was guaranteed every week of the year – even between Christmas and New Year. Customers have come increasingly to value the fact that they can order goods from E/D/E are times when they would not be delivered from other sources.

E/D/E members rely on E/D/E logistics services in Wuppertal

Deliveries are made throughout Germany within 24 hours. E/D/E guarantees delivery throughout Europe within 48 hours. The delivery quota in parcel shipping was 99.2 per cent. Central storage currently has 80,000 items ready for dispatch. The extension of the electronic Logistic-Centre (eLC) planned over the next few years will see the capacity virtually double to 150,000 items.

### Employees to receive further qualifications

The planned doubling of storage capacity and the expected increase in parcel shipping will raise demands on personnel. In the past year E/D/E has already invested considerably in providing qualifications for its employees. New appointments were even made in order to plan future oriented processes. The shop floor management scheme introduced in 2013 also raised employee qualifications and enhanced management skills on the shop floor. Emphasis was also placed on improving employee information. In line with the newly introduced AMI (active employee information system), tasks involving VDUs along the logistics chain were updated through performance indicators and changes to work processes. Improved health management resulted in a noticeable reduction in sick leave in logistics.



E/D/E invests in employees in logistics

### Freight forwarding

As well as the optimisation of parcel shipping the sector wide outstanding transport conditions of freight forwarding for E/D/E members were secured in 2013. The delivery quota in package dispatch was 98.2 per cent.

### Outlook

The objective for 2014 is to match the logistics infrastructure to future challenges. Conveyor technology will be further optimised for this in order to accelerate processing times. A services and quality offensive is also planned. This should make it possible to respond even more quickly in future to customers' wishes. In order to optimise processing times suppliers will be more closely involved in future. The ejected is to develop high-speed logistics.

# Sustainability management further enhanced

## Social Responsibility

This family firm with a history spanning more than 80 years has always been based in Wuppertal, the centre of E/D/E's sustainable activities. Even before the word "sustainability" was current, the company was carrying out sustainability activities and the subject has been firmly anchored in the company strategy for 4 years. E/D/E and the E/D/E Foundation support numerous projects which assist needy children and young people in the Wuppertal area. Institutions and facilities in the town that offer concrete help and contact points for young people in need are supported. The focus is on partnership that offers long-term support for projects. The second E/D/E sustainability report was issued in 2013, in which the company described its sustainable activities on 40 pages.



Second E/D/E sustainability report issued

With its second sustainability report E/D/E was able to reinforce its sustainability management. It summarised the company's activities in the fields of ecumenical, community, social and ecological responsibility. The company's commitment to the future within the community focuses particularly on the Bergisches Land Children's Hospice, the Junior Uni and the Station Natur und Umwelt. The E/D/E Foundation promotes talented junior staff in the B2B sector specialist training.

### E/D/E Foundation

Since 2002 the non-profit E/D/E Foundation has been providing talented and dedicated young employees in the industrial wholesale distribution sector with stipends and grants. The recipients participate in sector-specific courses offered by the ZHH Bildungswerk education and training centre and are able to apply the knowledge and skills they gain there in their own companies. The foundation, which was founded by Eugen Trautwein, supported the following courses in the past year in cooperation with the ZHH Bildungswerk education and training centre: technical management assistants for fittings, specialist consultants for field sales and technical management assistants for tools/machines. In 2013 29 stipend recipients were able to pursue their vocational training at ZHH Bildungswerk.



### Bergisches Land Children's Hospice

E/D/E is supporting the construction of the Bergisches Land Children's Hospice in a project jointly managed by the Diocese of Wuppertal and the charitable organisation Caritas. The Bergisches Land Children's Hospice Foundation sets itself the tasks of providing hospice companionship, care and support for children with serious diseases and disabilities. E/D/E made a major contribution to the building of the children's hospice, with a donation of 600,000 Euros. The first symbolic turf was cut for the new building in December 2012.



Support for the new children's hospice building

### Junior Uni Wuppertal

Junior Uni Wuppertal shows children and young people in a lively way how to make learning fun and gain knowledge independently. The privately-run educational facility works with many different institutions that pursue the same goals. The E/D/E Foundation, as one of the 3 founding companies, continues actively to promote this educational facility. The Junior Uni new building was opened in autumn 2013. E/D/E and the E/D/E Foundation gave financial support.

### Children's day care centre "Die EDEfanten"

In order to support E/D/E employees in achieving a family and career balance, E/D/E is building its own on-site children's day care centre. The "Die EDEfanten" day care centre has space for 45 children in 3 groups, of which a third are for children under the age of three. About half the places will be reserved for children of E/D/E employees and the remaining places will be offered to children from the surrounding area. The day care centre will open in 2014.



New E/D/E children's day care centre has space for 45 children

### Other projects

In 2013, as in previous years, E/D/E organised a "Wishing-star" campaign for children in emergency paediatric units in Wuppertal and the children, young people and family care organisations run by local churches. In the course of the campaign E/D/E staff was able to grant the Christmas wishes of almost 200 children in need. E/D/E again supported the City of Wuppertal "Kältebus" ("Cold Bus") project, which takes homeless people to accommodation in winter and provides them with a hot meal and something to drink. The E/D/E Foundation supports the Wuppertal Diocese "Do it! Transfer" project, which offers young refugees the opportunity to learn German.





## EUROPE IS MOVING CLOSER TOGETHER

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E/D/E cuts through borders: with the establishment of DELCREDIT companies in Spain and France the company exported to Europe the successful business model for central payment. Managing Director Peter Peek (left) and E/D/E International Category Manager Jean-Pierre Valent (right) and Alexander Serre, Managing Director of the subsidiary DELCREDIT France (second from right) are well aware that this functions best as a result of close dialogue within the group and in collaboration with experts in products and markets. Expansion also offers opportunities for contract suppliers like Holger Marsch of SAMEDIA S.A.S. and the same is true for E/D/E members and cooperation partners in Europe.

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**Einkaufsbüro Deutscher  
Eisenhändler GmbH**

Office address:  
EDE Platz 1  
42389 Wuppertal

Postal address:  
42387 Wuppertal

[www.ede.de](http://www.ede.de)  
[webkontakt@ede.de](mailto:webkontakt@ede.de)