

Entrepreneur

January 2020

An entrepreneur's view

simple versus complex

Digitalization in the lab

The start-up Andrew Alliance and its connected pipette robots

Flow sensors

Digmesa helps coffee flow perfectly around the world



Andrew Alliance SA

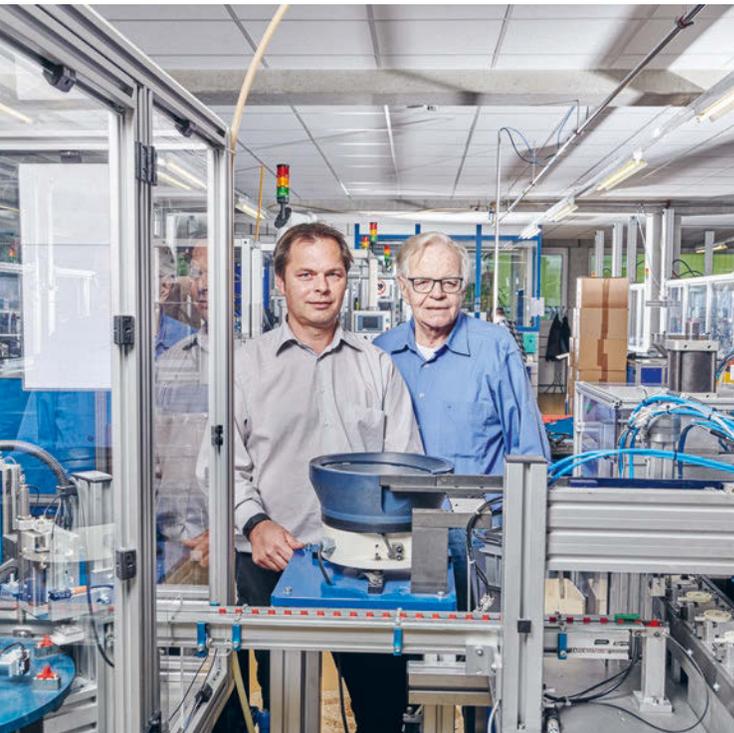
Soon after it was founded, this start-up from Geneva and its pipetting robots won out against a number of pharma giants. The company recently repeated its success.

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Schwab-Guillod AG

Growing and delivering vegetables may sound simple at first, but a visit to the Bernese Seeland reveals the logistical finesse involved. Page 20



Digmesa AG

Their flow sensors measure the water flow in coffeemakers. The development of the company has been characterized by curiosity and perseverance from day one.

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Complexity is the rule



Dear entrepreneur

You've no doubt found yourself wondering, "Why is this so complicated? It could be so much simpler." The founder of Digma AG had this very thought in the 1980s when he was taking apart a coffeemaker. These types of thoughts are often quickly forgotten, but Heinz Plüss couldn't stop thinking about it. You can read about what came next in this magazine.

In fact, throughout this issue, you will encounter the contrasting pair "simple versus complex" again and again. For example, in the Andrew Alliance start-up: The business concept was to replace the simple hand motion of pipetting in a laboratory by using a robot. In this case, only the execution by the laboratory technician is simple – the robot itself is fairly complex.

We too are constantly working to simplify complex processes. In a recent study by the University of Lucerne, Credit Suisse was ranked as the Swiss bank with the highest level of digitalization in corporate banking. In this regard, our primary goal is to ensure that you, as an entrepreneur, receive the very best service – as simply as possible.

I hope you will enjoy this issue of Entrepreneur magazine.

Yours sincerely

Andreas Gerber
Head of SME Business Switzerland

From conventional pipettes to the connected lab

Andrew Alliance develops pipetting robots and electronic pipettes. The start-up's driving vision is to enable a connected laboratory and automate increasingly complex workflows. CEO Piero Zucchelli shares the secret to their success – and it's not just highly sophisticated technologies and robotics.

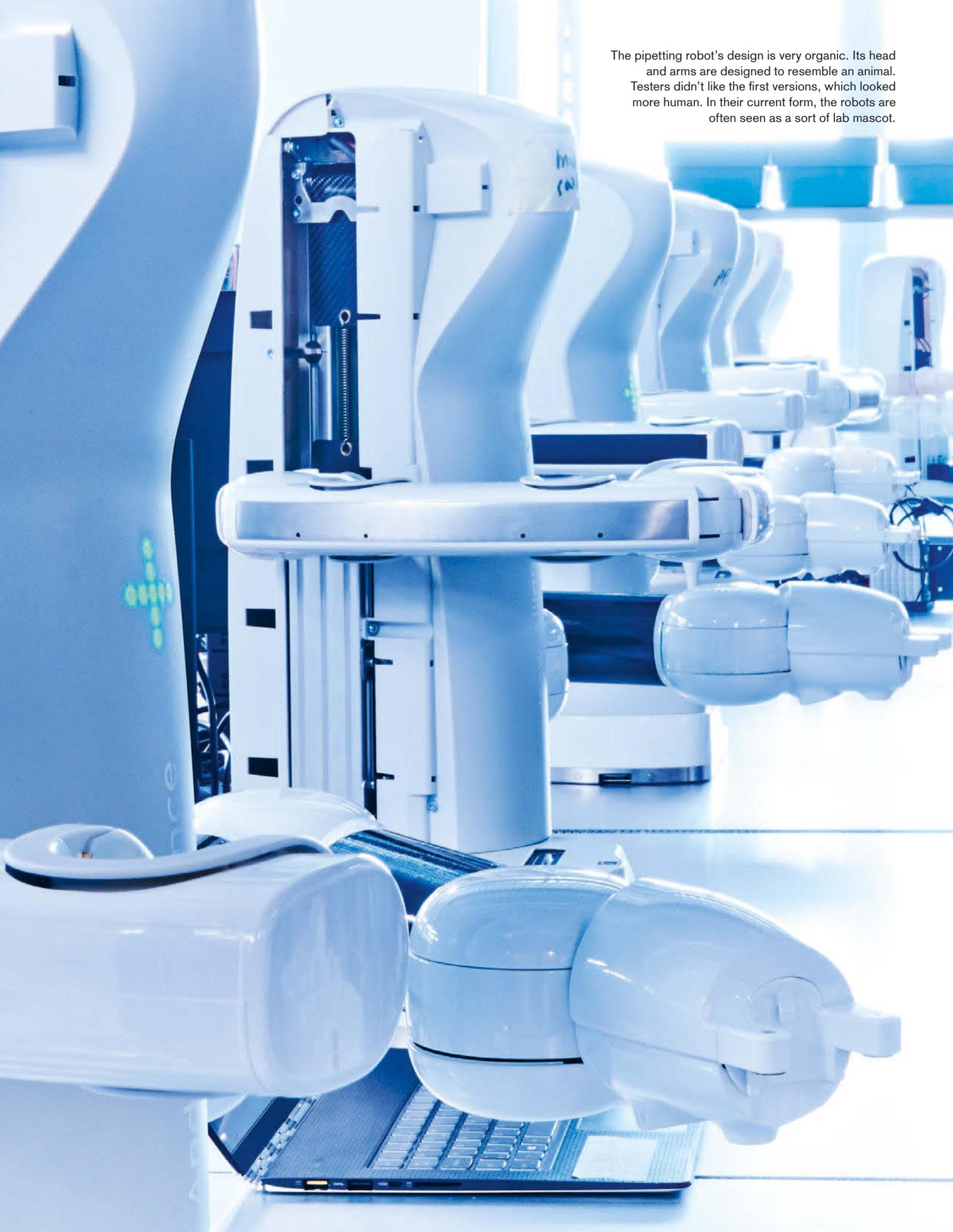
Text: Eva-Maria Morton de Lachapelle

With a PhD in particle physics and wild hair, Piero Zucchelli, CEO of Andrew Alliance, looks more like the stereotypical image of a scientist than a highly successful entrepreneur. In fact, Italian-born Zucchelli did spend 11 years researching at the particle accelerator at CERN in Geneva. It was a chance meeting with an investor that led Zucchelli to found his first company. "At the time, I thought everything started with a good idea. We developed truly fantastic technology – for which there ultimately was no market." Nevertheless, that failure laid the foundation for a second start-up company. Several investors and colleagues were willing to join the physicist for another adventure.

Drawing inspiration from a problem

This time around, Zucchelli took a different approach. "In 2011, we were a team of four people with a problem that we wanted to solve." Through their work at the first start-up, the team was already in touch with big pharmaceutical companies and research labs. And they had noticed that scientists in the labs – though standing right next to state-of-the-art devices – were drawing liquids into pipettes and distributing them into test tubes by hand. And they were spending up to two hours a day doing it. The repetitive movements of their thumbs and wrists often caused health problems. In addition, manual pipetting is also imprecise. Researchers work with volumes ranging from 10 milliliters to 0.001 milliliters. Comparing laboratory research to cooking, Zucchelli explains that "If two cooks follow the same recipe, the results won't always taste the same." But in the lab, it is absolutely crucial that protocols can be repeated without error and produce the exact same results every time.

The pipetting robot's design is very organic. Its head and arms are designed to resemble an animal. Testers didn't like the first versions, which looked more human. In their current form, the robots are often seen as a sort of lab mascot.



The biggest challenges on the road to success

- **Fixed costs**

Costs to develop the robot were high, while no income was generated. The start-up had to look for ways to save.

- **International customer base**

Because the pipetting robot's first buyers were North American and Japanese companies, the first payments were in foreign currencies. However, the start-up had no experience dealing with foreign exchange transactions.

- **Young talent**

Geneva is a magnet for highly qualified developers, but finding young talent in this field is challenging.

- **Financing**

The start-up needed more investors to expand into new business areas.

These solutions enabled Andrew Alliance to meet the challenges

- **Fixed costs**

Fixed costs were kept in check in various ways: The Credit Suisse banking platform gave the entrepreneurs a practical, cost-effective infrastructure for their financial transactions. In addition, to save on rental costs, the team members worked from home or in coffee shops during the initial development phase.

- **International customer base**

Experts from Credit Suisse advised the start-up on handling foreign exchange transactions. Andrew Alliance has been using the bank's services internationally ever since in order to hedge itself against exchange rate fluctuations.

- **Young talent**

Andrew Alliance recruited developers in Paris and set up a second location there.

- **Financing**

Zucchelli found potential investors through his own network and that of Credit Suisse. The bank supported the company throughout the negotiations, right up to their conclusion.



Organic substances like blood and tissue samples are drawn into pipettes and then dispensed into test tubes. They are then mixed with enzymes or other contact materials, and spun or cooled, depending on the selected process.

In the lab: From simple to complex

Manual dosing follows the same procedure that was used 30 years ago, when lab tests required only a few protocol steps and yielded binary results. For example, scientists checked whether the liquid in a test tube changed color. Now, test protocols like DNA sequencing require several hundred steps and deliver datasets that are measured in gigabytes. Pipetting robots already existed when Andrew Alliance was founded, but, as Zucchelli explains, scientists often found it more practical to pick up the pipette and do the operations manually than to call in a software engineer to program the robot. "Scientists wanted devices that were easy to use. Then as now, nobody really cared how sophisticated the technology was under the hood."

Andrew the pipetting robot

Zucchelli was able to capitalize on this realization. "In 2013, our team of four believed we had found a solution to the

problem,” says Zucchelli, smiling broadly. That year, the four-person team unveiled Andrew™, its pipetting robot, at a major robotics fair in Orlando, Florida. They wanted to find out whether their solution, which was the product of two years of hard work, would appeal to its target audience. “We only had three prototypes on display at a tiny booth. Giorgio Horak, who’s now our CTO, built them in his living room and also developed the relevant software. By the end of the first day, only two of the three were still working.” It seemed an inauspicious start for a team that was hoping to outshine the competition, which included pharmaceutical giants and well-known robotics companies. So, their joy was all the greater when Andrew™ received the 2013 SLAS New Product Award in Orlando and then quickly became established on the market.

“Our strength is not only robotics but also that we are striving to simplify how people interact with machines.” Piero Zucchelli



Andrew Alliance employees test and calibrate every robot in Vernier in accordance with individual customer specifications. The robot's application depends on the size of the lab bench, the type of protocols executed, and the number of pipettes.

“+” for “more connected”

The start-up was able to repeat its success in 2019, as the Andrew+™ robot won the 2019 SLAS New Product Award, following in the footsteps of its predecessor. The plus sign in its name represents the start-up's new vision of creating a truly connected laboratory, automating workflows, and producing repeatable results every time. OneLab software makes it possible. With it, scientists can design protocols digitally and have Andrew Alliance devices execute them automatically. The company is currently working to connect OneLab with all other lab equipment – such as centrifuges and shakers – via WiFi or Bluetooth using existing networks.

Financing

Andrew Alliance needed additional funding sources to accomplish such a great advancement in the product's development. The start-up phase had been financed by business angels and grants, and venture capital funded the marketing of the first robots. In 2017, Zucchelli began looking for investors who shared the team's vision of a connected laboratory, and he was able to raise USD 14 million. Two of the investors came from within the Credit Suisse network. Zucchelli's advisors at Credit Suisse put him in touch with the investors and supported the start-up through the negotiations that followed.



The name Andrew Alliance was inspired by the main character of the novella “The Bicentennial Man” by science-fiction writer and biochemist Isaac Asimov. “Alliance” stands for the company's strong focus on making the applications user friendly.

Trust

Andrew Alliance has worked closely with Credit Suisse since the very start. Zucchelli appreciates his advisors' accessibility and proactive approach. The CEO of Andrew Alliance also relies on the bank's expertise in a number of areas. He explains, "We've discussed important topics ranging from a possible IPO to financial forecasting to the Swiss market. Credit Suisse has always had the right person available to consult with us and provide clear, simple answers to very complex questions."

Andrew Alliance

Andrew Alliance was established in 2011 by Piero Zucchelli and three colleagues, who worked for the CEO's first start-up. The company currently employs 40 people from 13 different countries. Their headquarters in Vernier, near Geneva, are home to the company's research and development, marketing, service and support, and product assembly and calibration activities. The company also has a team of 12 software developers in Paris. The Boston office primarily works on sales to the high-volume North American market. Andrew Alliance generates 90% of its revenue outside Switzerland. andrewalliance.com



Piero Zucchelli is the founder and CEO of Andrew Alliance. Before embarking on his entrepreneurial career, Zucchelli worked as a researcher at CERN in Geneva for more than 11 years. Born in Italy, he studied at Stanford University, where he earned a PhD in particle physics.

A marketplace for companies

Entrepreneurs interested in selling and investing are brought together via Credit Suisse's internal platform OpportunityNet. Text: Mariska Beirne

Managing your own company, taking responsibility yourself, investing in the future – this is the dream of many. But for those who lack the brilliant idea for a start-up, then a takeover or an investment stake in an existing business may be the right solution. On the other side of the equation, many companies in Switzerland are currently looking for a successor and it is becoming increasingly rare to find this successor within the family. As part of a structured succession process, Credit Suisse examines various options together with the company's management: Is selling to an external manager a viable option? Or is it rather a matter of looking for an investor or industrial partner?

The right industry, asking price, and region

Here is where OpportunityNet comes in: The platform, operated internally by Credit Suisse, functions like an exchange. Information on companies up for sale or purchase is matched with clients who are already registered on the platform. Credit Suisse client advisors then receive anonymized profiles from suitable companies, which they can submit to interested parties. If potential buyers and sellers are interested in the other side's profile, they will be put in contact. From this point on, the client advisors together with a team of in-house succession experts support both parties until an agreement is concluded. Up to 20 business relationships with a transaction volume of between 1 million and 20 million Swiss francs are established annually.



Going against all trends in the shoe industry, Helvesko AG successfully produces shoes in Switzerland. Melanie Wicki-Amrein is the second generation to lead the company.



Watch the video to find out more

When Robert Amrein was looking for a new challenge, his Credit Suisse client advisor gave him dossiers on four companies that were looking externally for a successor. One of them was a match. And so Helvesko AG was created and soon became very successful. Amrein's daughter Melanie Wicki-Amrein, the company's current CEO, tells the whole story here: credit-suisse.com/network



Are you thinking about the fire service? Why not.

Entrepreneurs think ahead. For example,
about how they could use drones to fight fires.
And we're the bank that supports them.

credit-suisse.com/entrepreneurs

**Credit Suisse
promotes
innovation**

Uncertainties in financial markets challenging Swiss companies

A majority of Swiss companies are active in foreign trade and hedge currency risks. Text: Joeline Fruchi

Economic, geopolitical, and political events continue to impact exchange rates. This affects companies because maintaining business relationships abroad comes with the risk of exchange rate fluctuations.

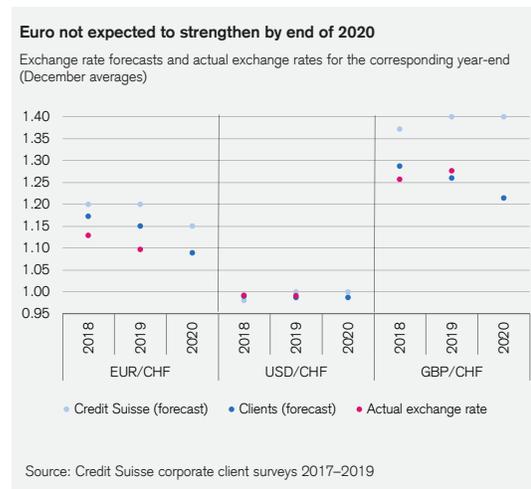
Transactions frequently in foreign currencies

The Swiss corporate landscape is especially impacted due to the large number of Swiss companies active in foreign trade. However, exporters are not the only ones affected – importers as well as companies focused exclusively on the domestic market often conduct transactions in foreign currencies, as shown in the Credit Suisse study on exchange rate developments for 2020.

Currency fluctuations can significantly reduce margins in the operating business, markedly impacting business results. Leif Woodtly, Head of FX Sales, recognizes that the volatility in financial markets will pose a challenge for Swiss companies in the future, too. “We’re noticing that clients are thinking more and more about foreign exchange rate developments.”

Euro not expected to strengthen

As part of the study, Credit Suisse surveyed 1,280 Swiss businesses, asking about their views on the global economic and exchange rate developments for 2020. The results show that roughly 50 % of the companies surveyed anticipate stable development for the Swiss economy. Similarly, respondents forecast that the USD/CHF exchange rate will continue to hold at 0.99. Due to the slowdown in global industrial activity, among other factors, the surveyed companies do not expect the euro to rise against the Swiss franc by the end of 2020. They see the development of the British pound, however, to be somewhat more volatile.



Companies hedging against currency risks

Swiss companies prefer to avoid risk when it comes to currency management. This is the case with Scott Sports. The company is active in a number of sports with multiple brands and also actively hedges against currency risks in a targeted manner. “At Scott Sports, we welcome risk – but not when it comes to currency hedging,” remarks CFO Alain Hasler. Scott Sports is in good company with this far-sighted strategy: Around 43 % of survey participants actively hedge against foreign exchange risks.



Hedging foreign exchange risks early on?

You can find expert forecasts and tips in the study on exchange rate development. Read about how three companies approach currency management: credit-suisse.com/fx

Overcoming trade barriers

Swiss companies involved in exports currently find themselves in a complicated situation: Basically, the global economy and globalization are offering them more growth opportunities than ever before. At the same time, international free trade is now being called into question worldwide. The result? New trade barriers are springing up in many markets. Text: Silvana Giger

However, these tend not to take the form of traditional tariffs. The trend is toward non-tariff barriers such as quotas or strict regulations and standards – for example, regarding production, packaging, labeling, safety, or environmental compatibility. “For some years, we have observed that Swiss exporters are increasingly coming up against so-called non-tariff barriers, and they are reaching out to us as a result,” says Alfonso Orlando, head of ExportHelp at the export promotion agency Switzerland Global Enterprise (S-GE).

Non-tariff trade barriers cost time and money

Especially the registration and certification requirements can often involve protracted and cost-intensive processes. “For example, in China, as well as in many Western nations, there are strict requirements for healthcare products, medical technology, foods, and cosmetics,” says Alfonso Orlando. “The approval process for cosmetic products in China can easily last up to a year and cost several thousand Swiss francs per product.” For export to the United States as well, it is necessary to factor in sufficient time for the registration process. “One of our customers was quite astonished when he wanted to export food to the United States and the relevant authorities sent back a multipage document with numerous changes required.”

Dealing with trade barriers

According to Alfonso Orlando, there is no universal formula for Swiss exporters to deal with trade barriers. “The regulatory environment is constantly changing, and companies

must use a variety of criteria to estimate whether a market is of interest to them.” Orlando offers this advice to SMEs who may decide against an important transaction because of trade barriers: “It is worth the effort to investigate alternatives. Free trade agreements can be one option, because they facilitate market access in numerous countries.”



Do you have any questions about exporting?

Switzerland Global Enterprise (S-GE) guides companies along the path into new markets. On behalf of the Confederation (the Swiss State Secretariat for Economic Affairs, SECO) and cantons, S-GE promotes exports and investments, and helps clients realize new potential for their international business. Credit Suisse has been an important partner of S-GE since 2009. Further information about internationalization can be found at: s-ge.com/en/exporthelp

“If we cost too much, nobody will order from us – Swissness or no Swissness.”

The business idea for Digmesa was born when Heinz Plüss was taking apart a coffeemaker nearly 40 years ago. Today, his company is the market leader in many sectors for flow-rate measurement devices. In our interview, he and CEO Stefan Schneider talk about why their customers are willing to pay a little more, and why men in particular will also benefit from a Digmesa product in the future. Text: Anja Kutter

Heinz Plüss and Stefan Schneider, you make sure that my cup doesn't overflow when I press the button on my coffeemaker in the morning. How do you do that?

Stefan Schneider (SS): (laughs) That's right. We produce flow sensors. These measure amounts of liquid. The coffeemaker manufacturers can use them to guarantee that for an espresso, exactly 40 milliliters of coffee flow into the cup, every time.

Are the flow sensors for coffeemakers the main part of your business?

SS: Yes. Our sensors are installed in most of the coffeemakers around the world. We produce about ten million sensors per year.

Digmesa was born in the early 1980s. How did it all begin?

Heinz Plüss (HP): I was working in the water metering industry, selling water meters in the field. One day, as I was taking apart a coffeemaker, I thought: This is all much too complicated! I was convinced that it could be done more simply – with a flow sensor. But my employer was not interested in my idea.

That didn't stop you from trying it anyway.

HP: I began to tinker and to build things – working with my oldest son in the basement of our house in Schönbühl. When the demand rose and the space became too crowded, I rented a place in Biel, hired one employee, and bought some equipment.

Today, Digmesa is headquartered near Biel in Ipsach, earns about 20 million Swiss francs per year, and has more than 70 employees. In all that time, have there been any setbacks or crises?

HP: Of course. A few years after I began working on my own, a technology was invented that suddenly made it possible for our competition to replicate our products. That was a hard blow.

How did you overcome the crisis?

HP: We tried again to gain a competitive edge – primarily through innovation. And we focused on diversification.

What does that mean, in concrete terms?

SS: Today, we measure a wide range of liquids. Of course, coffee still constitutes more than half of our business activity, but now our products are used in a wide variety of



The Digma leadership team: CEO Stefan Schneider (left) and founder Heinz Plüss.

“One day, as I was taking apart a coffee-maker, I thought: This is all much too complicated!” Heinz Plüss

industries where small amounts of liquid are measured: whether in beer-dispensing systems, in specialized chemistry, in industry, or medical technology.

HP: The other major part of our current business is water filters.

Does this also involve measuring an amount of liquid?

SS: In that case, it's about monitoring. For example, water hardness for central-heating water. Originally, we did this at the request of one customer. It ultimately developed into a new line of business.

Does it often happen that way?

SS: It's part of why we are successful. The customer expresses a wish; we see potential in it, invest in innovation, and then transfer it to other markets. That sounds simple when I say it, but the path to a definitive

solution is often highly complex and requires entrepreneurial courage. The fact that we work on such a customer-specific basis is one of our greatest strengths.

What else do you think sets Digmesa apart from your competitors?

SS: The consistent quality. We achieve this, above all, through automation.

HP: Many competing products from China are made manually. The error rate is massively higher. By contrast, we are in a position to deliver very large quantities of uniform quality, on time. This builds trust. And our customers are willing to pay a little more for what we offer.

So there was never any discussion of moving production to locations abroad?

HP: We have always wanted to keep our production here. Among other things, Swissness stands for precision. This is essential, particularly in the field of measuring instruments. In fact, many manufacturers explicitly demand Swiss or European quality. But if

we cost too much, nobody will order from us – Swissness or no Swissness.

I see a big excavation pit in front of your office buildings. You're still growing...

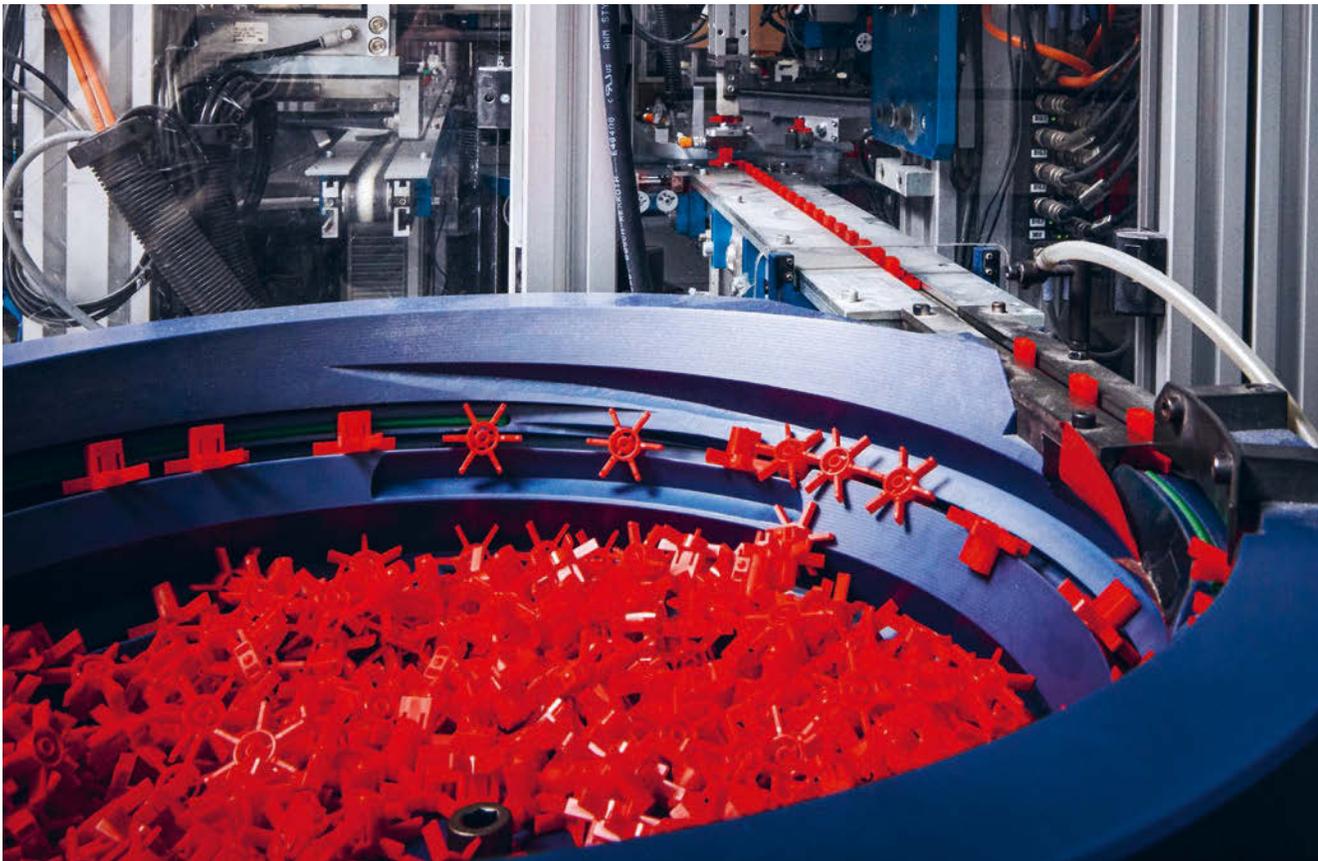
HP: A few years ago, we purchased a plastics injection molding plant, now Digmesa Polyform AG in Sutz. We would like to move its operations here. We are fortunate to have Credit Suisse as a partner for this. We could never finance a project like this on our own.

How long have you been working with Credit Suisse?

HP: Since the beginning. Credit Suisse has always given us good advice, and over the years we have developed strong mutual trust. The bank's support also keeps us motivated to pursue innovation.

SS: That is our vision for the future: strong innovation, strong expertise. To that end, automated, economic, efficient.

Mr. Schneider, you came to the company as a product developer 17 years ago, right after



Market leader: Digmesa has already sold more than 90 million flow sensors for coffee machines.



Digmesa owes its success to precise workmanship, consistent quality, and, above all, the courage to innovate.

completing your engineering studies. Two years ago, you became the CEO. What have you found so fascinating about Digmesa?

SS: The fact that here, you're involved in the development of a product from start to finish. Also, the atmosphere – it's like a family.

HP: Stefan Scheider was one of my first engineers. I myself am still president of the board. After both of my sons unfortunately passed away, in 2017 I appointed him as my successor. I was 85 years old at the time.

Today you are 87 – and still closely associated with the company.

HP: That's true. But the future is also laid out. All of the capital is held in my foundation. And my two daughters, now in their late 20s, are interested in being involved with the company.

SS: And it remains exciting. We have a variety of projects in the pipeline that have great potential. In Germany, one woman had the idea of measuring a man's urine flow to obtain indications about prostate diseases. (laughs) The product is almost ready, with the initial trials pending.

When you look back over the history of the company: What has never changed at Digmesa?

SS: The company culture. Our employees are our most important asset! The senior's office is always open to everyone. And mine is too.

Digmesa AG

Located in Ipsach for more than 35 years, Digmesa AG has about 70 employees. Founder Heinz Plüss led the company until two years ago. Today, Stefan Schneider is the CEO. Digmesa develops and manufactures flow-rate measurement devices for small quantities of liquid, selling them worldwide. The product line includes mechanical flow sensors and non-contact devices with laser and ultrasound measurement technology. These are used for measurement, dosage, and monitoring in hospitals, research and production facilities as well as in coffeemakers, automatic washing machines, and beer dispensing systems.
digmesa.com

A meeting of minds

Learning new things, finding inspiration, meeting decision-makers on the Swiss SME scene, and helping to promote entrepreneurship in Switzerland – the Swiss Venture Club offers its members these very opportunities, and more. Text: Mariska Beirne



“I’m looking for an appropriate tool to better link the processes in our company.” – “I know about an application that was actually developed for another sector, but it might be the right solution for you.”

Conversations like this are not uncommon at events held by the Swiss Venture Club (SVC).

Prix SVC as a catalyst for connections

The SVC represents a network that promotes entrepreneurship and a setting where entrepreneurs across generations can meet and exchange ideas. To that end, the SVC provides a variety of platforms – most prominently the presentation of the Prix SVC, which is given out biannually in seven Swiss economic regions. The winners rank among Switzerland’s most promising companies, but many were previously largely



A company tour for SVC members, here in the production facilities of Seven-Air, an innovative manufacturer of ventilation systems located in Hitzkirch, Lucerne.

unknown outside of their sectors. The media attention associated with the prize often raises their profile dramatically.

Inspiring networking events and attractive benefits

SVC members, about 3,000 in all, also greatly appreciate the smaller networking opportunities, such as tours of each other’s facilities. They find it really inspiring to see how other companies are organized, learn about a different corporate culture, and talk with like-minded entrepreneurs. These more intimate events are open to those with corporate membership.

Impetus for the economy and society

However, the Swiss Venture Club aims to do more than connect companies with each other. As a driving force for the Swiss economy, the SVC is currently a supporting partner in two competitions for ideas: “5vor12” (five minutes to midnight) pursues smart deregulation, decreasing the number of bureaucratic requirements while giving individuals and companies greater responsibility. “Wunsch-Schloss,” held for the fifth time in 2019, supports innovative ideas from the public regarding a topic relevant to society as a whole. The winner receives media coverage and support for the subsequent political process. The focus is on actively shaping the future.



Find out more

For further information on the Swiss Venture Club and an opportunity to become a member, go to: [swiss-venture-club.ch](https://www.swiss-venture-club.ch)

Working from home

Employers want more flexibility from their workforce. As a result, flexible and mobile jobs are trending upwards. What are the considerations for working from home? Text: Martin Kuonen

According to the 2016 Flexwork Survey, there are already 1.8 million people in Switzerland who sometimes work remotely, that is, away from a regular workplace. In particular, home offices are widely used, and it's advisable to draw up a set of rules for such situations. What are the expectations when employees work in the office and also at home, communicating with the company electronically?

First of all, it must be established that the option of using a home office is mutually acceptable. In other words, no one is entitled to work from home. The time frame for permissible home office work should also be specified. The employee and the supervisor should agree on the days. The agreement should include a statement requiring compliance with the Labor Code (regarding breaks, daily time off for 11 consecutive hours, daily maximum working time of 14 hours). Compensatory time or paid overtime is permissible only if the supervisor requests it in advance, or if the employee informs the supervisor in advance and the supervisor approves this. This is possible only during the work hours determined by the company. Travel time between the remote workplace and the company is not considered work-related and is not included in work time.

The necessary tools for the remote workplace, including hardware and software, are provided and maintained by the company at no cost to the employee. These remain company property and may not be used for private purposes. The company can apply appropriate technical measures to limit the use of telecommunications equipment and to periodically monitor such use. The use of private infrastructure takes place strictly at the expense and risk of the employee. Additional costs accruing to the employee from the business use of private infrastructure (PC, telephone, equipment for the remote workplace, energy) are reimbursed by the company. Any additional costs can be reimbursed through a monthly lump sum.

In addition, employees should be required to pay special attention to protecting data and information against access by third parties. They may not share or discuss any company and business data that they become aware of in the context of



Martin Kuonen
Director of the Centre Patronal
in Bern

their work. The space where their remote workplace is located must be locked whenever they are not present. If this is not possible, access to the company network, communication tools, and intranet must be blocked, and documents must be kept under lock and key.

Precautions for cross-border commuters

If cross-border commuters physically work at their (foreign) home more than 25 % of the time, they may be subject to the social insurance provisions of that country, which in some cases call for much higher social insurance contributions than those in Switzerland.

Centre Patronal

Centre Patronal is a recognized center of competence for labor law, the author of standard works in that field, a qualified partner for association management, and a provider of practice-related further education. centrepatronal.ch



Brothers Dominik Schwab (left) and Reto Schwab (right) run the company as co-CEOs. Michael Walther (center), Head of Finance and Accounting, is also a member of the Board of Directors.

The logistics expert in the vegetable garden

Broccoli and papayas, potatoes and lychees – these fruit and vegetables are quite different, and so are their origins, storage, and processing. A visit to Schwab-Guillod AG in the Bernese Seeland, where decisions are made quickly and the employees often go to unusual lengths to meet commitments to their customers. Text: Mariska Beirne

The largest vegetable garden in Switzerland is located in the Bernese Seeland. We are on the road to Müntschemier, a small village surrounded by vegetable fields. A short distance away are the company premises of Schwab-Guillod AG. Numerous trucks marked "Fruit & vegetables" come toward us on the narrow streets, as we are about to arrive at our destination.

Simple only at first glance

"Our fleet of trucks comprises 50 vehicles. With our 620 employees, we deliver to large customers, wholesalers, and private retailers all over Switzerland," explains Dominik Schwab a short time later. He had greeted us with his brother Reto Schwab and Michael Walther. The two brothers run the business as co-CEOs, while Walther, likewise a member of the management board, is responsible for finances. As we walk through the bustling operation, the three of them take turns describing the company. "At first glance, our business is a simple operation: We receive vegetables and fruit from the producers and then sell them," says Reto Schwab, glancing at huge wooden crates filled with potatoes. As if on cue, a truck unloads its cargo of exotic fruit from overseas, and we visitors

begin to suspect that it is probably not quite so simple. Dominik Schwab agrees: "About 50 % of our products come from Switzerland or the surrounding region. We purchase the other half on the international market, depending on the season and availability."

A few steps farther along is the department for convenience food. Conveyor belts transport peeled potatoes that are quickly washed and then vacuumed. Workers wearing white overalls, blue plastic aprons, gloves, face masks, and hairnets oversee the computer-controlled machines.

Hygiene: a key challenge

"As you can see from their clothing, one of our key challenges is maintaining impeccable hygiene," explains Michael Walther. Bacteria and contamination through humans can be monitored well through a variety of measures. Less easy to manage are the vegetables, which come from fields that are also wildlife habitats. Wild animals do not comply with hygiene regulations. Reto Schwab comments: "You can't wash salad greens at 60°C (140°F). Unlike in other countries, we don't use additives in the washing process. We clean our products very thoroughly with cold water."



While fresh produce leaves the facilities in Müntschemier within 12–36 hours, in winter carrots are stored in wooden crates for several months.



All Schwab-Guillod AG trucks bear the recognizable Frugem logo. The 50 vehicles transport the fresh fruit and vegetables from Seeland throughout the country on a daily basis.



Schwab-Guillod AG was founded by the Schwab brothers' grandfather. Their father, Hans Schwab, is Chairman of the Board.

“You can’t wash salad greens at 60°C (140°F). Hygiene remains one of our greatest challenges.” Reto Schwab

Credit Suisse as partner in construction project

By now, we are on the second floor of the three-story building. Michael Walther comments: “We built this 10,000-square-meter facility ten years ago with help from Credit Suisse.” Dominik Schwab remembers: “That was a major decision. Our father, Hans Schwab, was still the CEO. He needed a partner that he could trust, and one that could trust him as well, and he found that in Credit Suisse.” While construction was under way, Hans Schwab passed operational management on to his two sons, who are now the third generation to lead the 82-year-old company. The good relationship with the bank continues.

Lively traffic among islands of fruit and vegetables

The building is divided into various packaging islands, around which are stacked green multiple-use containers, filled with vegetables or fruit. Right now, bright

green spinach is passing through the sink. Once drained, it will be lifted out and divided into portions on a conveyor belt. On the adjacent island, cherry tomatoes are being packed into small cartons, each marked with the company logo of its end customer. There is lively traffic in the aisles; small electric forklifts are constantly carrying the pallets out of the hall or delivering new goods. A total of 150 forklifts are driving around the area. It is very clear that everyone is concentrating on their work. But when a huge pile of tomato boxes topples over, in just a few seconds several people come over to gather them, sort them and stack them up again.

Spur-of-the-moment trip to Geneva for customers

“We are really proud of our employees. We see incidents like that one with the tomatoes all the time,” says Reto Schwab. His brother chimes in: “For example, on one occasion an airplane carrying products landed in Geneva instead of in Zurich. We urgently needed the goods for our customers, but the people in Geneva told us that nobody was available at the airport to palletize them. Within minutes, we had a crew of eight people ready, and they headed off to Geneva with trucks and a forklift.” Michael Walther nods in agreement, and adds: “If you can pull off something like that on short notice, unplanned, you know you have a strong crew.”



Schwab-Guillod AG doesn't employ cross-border commuters. All of its approximately 620 employees live locally.

Despite unpredictability, precise planning

The Schwab-Guillod operation is active 364 days a year, pausing for only seven hours each week, during the overnight hours from Saturday to Sunday. They work at full capacity leading up to holidays. "On those peak days, we need everyone on board to ensure that the goods reach our clients by 5:00 a.m. so customers will find fresh produce on the shelf. This demands the utmost in flexibility and commitment. Our goal is to turn the product around in 24 hours or less," says Reto Schwab. Dominik Schwab adds: "Decisions often have to be made very quickly. This requires flat hierarchies." However, the entrepreneurial brothers always have to allow for a margin of uncertainty. For example, the weather makes a difference, and doubly so: "Extreme dryness or longer periods of rain influence both the quantity and the quality of growth. Furthermore, the buying behavior of consumers also depends on the weather. When it's rainy, for example, the demand for watermelons immediately plummets," says Dominik Schwab.

Objectives: Even less food waste, even more sustainability

"Looking ahead, we have a long wish list. We're always working to optimize our processes. We'd like to do even more to minimize food waste, and we'd also

like to invest even more in the areas of sustainability, fair trade, and ecology," Reto Schwab says. His brother elaborates: "We already attach great importance to sustainable and socially responsible production. We also insist that our distribution vehicles are eco-friendly and quiet. But there is still a great deal of room for improvement."

But one thing is certain: This will not make the processes that take place at Schwab-Guillod AG any less complicated.

Schwab-Guillod AG

Founded in 1937, Schwab-Guillod AG in Müntschemier in the Bernese Seeland is now in the hands of the third generation, brothers Reto and Dominik Schwab. The company markets a full range of fruit and vegetables from Switzerland and abroad. Schwab-Guillod AG currently has approximately 620 permanent employees who are Swiss residents. Convenience food and organic food are increasingly important.
frugem.ch

Key information at a glance

Credit Suisse: Number 1 in digitalization

In a study by the University of Lucerne, Credit Suisse was ranked as the Swiss bank with the highest level of digitalization in corporate banking. Credit Suisse has made up significant ground from its fifth place ranking three years ago and now occupies the top position:

1. **Credit Suisse (35 points)**
2. **UBS (31 points)**
3. **Zürcher Kantonalbank (28 points)**

The study conducted by the Institute of Financial Services Zug in collaboration with the Swisscom think tank e-foresight surveyed 508 corporate clients to determine which offerings they find most useful and where they see potential for improvement. Result: Credit Suisse already provides many of the points on the clients' wish lists, such as a multi-banking solution and online financing.

This Swiss start-up saves lives

In a fire, every second counts. The most urgent task the fire department faces is locating survivors as quickly as possible. Swiss start-up Fotokite, which belongs to Perspective Robotics AG, has developed a drone-like flying camera to assist emergency teams. The kite is tethered to the fire truck, transmitting aerial videos and thermal images to the rescue workers below. These videos and images help locate hot spots and survivors more quickly than with conventional means.

This ETH spin-off, headquartered in Zurich and New York, now employs a staff of 45. Funding comes from Swiss National Science Fund grants, sponsors, and venture capitalists, including Credit Suisse Entrepreneur Capital Ltd. managed by Helvetica Capital AG.



Find out more!

Read the full article about Fotokite here:
credit-suisse.com/opportunities

Productive Central Switzerland

Many regions in Switzerland are still reeling from the euro crisis and the Swiss franc shock. Yet, the economy of Central Switzerland has proven resilient. The region saw employment growth of over 7 % from 2012 to 2017.

Rich diversity in the heart of Switzerland

Low taxes, many skilled workers, and good accessibility make Central Switzerland ideal for company head offices. However, the economic structures in the five cantons vary: Agriculture, hospitality, and manufacturing define cantons Uri, Obwalden, Nidwalden, while the tertiary sector dominates Lucerne and Zug. Tourist hotspot Lucerne posted 18.9 % growth in overnight stays between 2013 and 2018. In percentage terms, however, tiny Nidwalden with the opening of the Bürgenstock Resort outperformed Canton Lucerne with a growth rate of 61.8 %.

Zug boasts the most start-ups

From 2012 to 2017, 11,500 new jobs were created in Canton Lucerne – a growth rate of 6.5 %. Though at 10 %, Canton Zug had an even higher growth rate. Zug also has the most start-ups per capita. Of the 10,700 newly entered companies in the Commercial Register in 2018–2019 in Central Switzerland, 40% are headquartered in Zug.



Find out more!

The detailed report on Central Switzerland can be found here:
credit-suisse.com/studycentralswitzerland



Noted

Andreas Gerber, Head of SME Business Switzerland, regularly takes note of exceptional companies in his contact with clients. Here he tells us about who has particularly impressed him recently.

KLARA: Administration without an office

"KLARA advertises with the slogan 'Simplifies your business,' which is actually an understatement. In fact, for companies and private individuals KLARA takes on precisely those activities that distract from day-to-day business: financial accounting, customer management, and payrolls. The highlight: These services don't cost customers anything.

This raises the question of how the company earns its money. Launched in 2017 by the company Axon Ivy, the start-up now has 110 employees. In order to provide its services cost-effectively, KLARA has automated many processes with the aid of artificial intelligence. In bookkeeping, for example, payrolls or accounts receivable are automatically created and entered. The customer scans accounts payable documents using an app. The supplier is automatically recorded, the payment initiated and entered. In addition, KLARA works with companies such as Credit Suisse and receives a small commission from them. But the KLARA customer doesn't pay anything. Quite the opposite, in fact: Customers can sometimes benefit from services that are normally not available to small SMEs. Certain modules, such as online marketing, that go beyond the basic package are fee-based. However, many people don't need more than the basic offer, which still includes all of the bookkeeping features."



 **Need more information?**
Learn more about KLARA here:
klara.ch/en

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Are you thinking about lunch? Why not.

Entrepreneurs think ahead. For example, about how they could produce food from insects. And we're the bank that supports them.

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