



entrepreneur

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Swiss Entrepreneurship**

Loudspeakers from Lake Zurich

Off-kilter in the challenging business environment?
Not at Piega — **page 9**

Immediate Payoff

Factoring: the key to high liquidity and rapid
growth — **page 14**

Now More than Ever

Swissness is a competitive advantage especially
in times of crisis — **page 15**



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Editorial



Although the situation appeared tumultuous when the euro exchange rate floor was lifted in January of this year, the initial doubts and fears rapidly dissolved when it became clear that Swiss entrepreneurship would remain steady in spite of any headwinds. Our discussions with the entrepreneurs featured here and our research for this magazine fully confirm this. First of all, Swiss values such as precision, innovation, and quality are more than just a value proposition. They are put into practice and demonstrate their worth particularly in times of uncertainty. Second, it is undisputed that these companies have great adaptability and quick reflexes, which is absolutely critical for the survival of export-dependent companies.

Companies cannot respond with such flexibility to challenging situations without an equal partner. This is why, as the bank for entrepreneurs, we have taken an even more proactive role in recent months, speaking with companies and working with them to find solutions. We are dedicated to our role as a strategic financial partner that embodies an entrepreneurial mindset. This is what enables us to contribute the necessary business knowledge and present new options when the situation so requires. We also rely on a comprehensive range of products and services, along with a broad-based network. Sometimes the result is a very surprising and new journey. As I follow in Urs P. Gauch's footsteps as Head of SME Business Switzerland, I am delighted to personally embark on such a journey – with just as much Swiss spirit as my predecessor.

Andreas Gerber, Head of SME Business Switzerland

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Pragmatic Innovation

What qualities and actions help a company master a crisis, and how can banks support their clients in the process? Daniel Bangerter, CEO of Bangerter Microtechnik AG, and Andreas Gerber, Head of SME Business Switzerland at Credit Suisse, discussed formulas for success and lessons learned from the ups and downs in the first half of 2015. — Regula Brechbühl

UPDATE Before this publication went to press, Daniel Bangerter died of heart failure. We are publishing the interview in honor of his visionary and dynamic entrepreneurial personality as expressed in his statements, and on the request of his family and Bangerter Microtechnik AG. We extend our deepest sympathies to his friends and family.

Regula Brechbühl (RB): The date January 15, 2015, is sure to make its mark in Swiss history. What was your first response when the euro exchange rate floor was lifted?

Daniel Bangerter (DB): The SNB hadn't indicated anything of the sort until then, but that's understandable. That's why the change was a shock at first, but then it became clear that it was only a matter of time. We're a liberal market, and it's not the SNB's job to cover entrepreneurial risks.

RB: So what did you say to the 130 employees of your company?

DB: Nothing in particular at first. After everyone had calmed down a bit, at the next meeting we announced that we would have to develop new concepts and take action on the customer side. We never planned to change anything in terms of headcount.

RB: Mr. Gerber, what kind of feedback did you get from clients about the SNB's decision?

Andreas Gerber (AG): Admittedly, we were surprised by the SNB's decision even at the bank. Naturally our customers were nervous about the change, so we had a lot of contact with them for the first few days. However, after just one week the companies got back to business as usual.

RB: So where do the clients stand now?

AG: It's too early to make predictions at this point. However, we've noticed that firstly, those companies who were struggling before January are having even more problems now. Secondly, we're seeing a lot of companies that have analyzed the current situation very well. They learned their lessons from the financial crisis and were able to launch their plan of ac-



"In the early days, Marc and I would spend many late nights tinkering with a product. Today we have specialists for that, but we still always aim to be better than the rest." Daniel Bangerter (left) speaking with Andreas Gerber.

tion. Most companies immediately negotiated over prices with suppliers and customers. Unfortunately, what we're seeing over time is that jobs and value creation are being outsourced to foreign countries, by certain segments of industry for example. Some sectors, such as the supplier industry, feel they have to relocate some jobs to the euro zone or Asia. However, Swiss industry is strong and has very robust liquidity. So the situation is under control, considering that 20 percent of the margin simply disappeared within the space of an hour.

DB: Our company is also heavily involved in indirect exports, and Swiss customers definitely wanted us to take action. For instance, we deliver

two components worldwide to Bosch for its production. We are conducting tough negotiations in this regard, and having a lot of discussions with our partners elsewhere.

RB: How did the bank assist you in this situation?

DB: We are not heavily dependent on the banks, nor do we want to be. We are looking to internal measures for a solution, but one of five points did relate to finances and questions such as: Where do we have a currency surplus? How many euros and dollars do we need? Should we wait to exchange currency? We had already obtained a current account with the bank for exactly this scenario, so we always have enough liquidity in Swiss

francs and don't compromise our position in situations like these.

RB: And what were the other four points?

DB: Increasing our efficiency, looking into price increases for customers, asking for purchase discounts with suppliers, reviewing our headcount. We immediately dismissed the last point, however, because we need our skilled professionals and we couldn't afford any snap decisions.

AG: Swiss companies have often shown that they are able to get things done. This is what sets them apart from the international competition. They don't just talk about taking action, they very systematically follow up on it. It's no different for the



The company was pushed and driven to innovation by the watch industry, says Daniel Bangerter.

Bangerter: They get things done no matter how tough it is. I'm sure the conversations you had weren't easy, but you managed it.

DB: Precisely. The tasks aren't pleasant but you have to face them and work through them. It's inherent in our culture: We work with precision, so the details have to be correct – and that includes price.

RB: What measures did the bank take in response to the difficult situation?

AG: We saw the situation as an opportunity to support our clients and

enhance our business relationship with them. Together with the trading unit, the relationship managers called all of their Swiss clients to determine their needs. We focused in particular on those clients who are heavily dependent on the euro. We spoke with them to determine whether they needed us to give advice or take action. At the same time, we launched a road show with our foreign exchange trading segment and analysts. We were able to invite clients at short notice to share our forecasts and opinions of the market, and to speak with the business owners.

RB: How does your company ensure it can respond quickly in situations like these?

DB: By thinking ahead. We establish relationships with our partners, maintain them, stay the course, share our concerns. If we want to remain a leader, then our partners from various segments such as equipment, raw materials, infrastructure, and even pension funds and banks, must be top-notch.

AG: This foresight is an important point, and a key one for our bank. This is why we have set a clear goal of thinking more in terms of options, and simulating even more situations in advance so that we can respond immediately when there is an urgent need.

DB: We too somewhat took our eyes off the minimum euro exchange rate earlier this year. However, after 2009 we were aware that crises occur time and time again, and that we needed a plan to deal with the unexpected. I think this foresight includes permanent risk analysis. It is important to have a one-pager that defines emergency measures – luckily, we had one.

RB: What do you expect from your bank?

DB: I am very cautious with expectations. However, we needed leasing for high growth, for instance. We were able to use Credit Suisse contracts to negotiate under very good terms and we received a great deal of support. The relationship manager is very important to us, and we currently have an excellent relationship with Credit Suisse in Biel. Nevertheless, we do remain critical of the banks.

AG: I understand. Independence is a valuable asset for all companies. As you say, people matter. You want to work with someone that you like personally. However, relationship man-

agers also have to understand the business well enough that they can act as a sparring partner to entrepreneurs, because they know the value chain and where any opportunities or risks lie.

DB: From the bank's standpoint, of course it's hard to really understand what goes on in a company...

AG: Exactly. That's why I aim for strategic dialogue. This means a regular conversation between the client side, meaning the shareholder, Board of Directors, and management, and the relationship manager. Of course the "value for money" factor must be there for both sides too.

DB: It's no different for us: We work on an order-by-order basis and don't have a product we can test. We have to convince the customer to order from us right at the start. You can never stop working on an important point like this.

RB: So how does Bangerter win over its customers?

DB: By focusing on the processing of superhard materials and skills in our area of business. This includes

reliability, top technology, and quality. It also means creating products that other companies can't.

RB: Are these qualities typical for many Swiss companies?

AG: I think Swiss industry would be finished without them. A company that wants to manufacture in Switzerland today must guarantee top quality, while being innovative and solutions-driven. A lot of companies fit the bill, because the culture and workforce are there to back them up. Innovative thinking, the ability to get things done, and the patience to work on a product to perfection, as Bangerter does on watch casing – it has to be in your genes, otherwise it's no use.

RB: Your brother, Marc Bangerter, took part in the entrepreneur's trip to China with Credit Suisse. What did he learn from this networking event that you use in your business?

DB: We use trips like that to gather ideas and create opportunities for which we want to be ready. For

instance, after the trip Marc and I had the idea for a production facility outside Switzerland to extend the life cycle of a product. We haven't implemented this yet, but we can launch projects like this more quickly if the opportunity arises, because we've already had the necessary background discussions. That's what I call pragmatic innovation.

Bangerter Microtechnik AG

Bangerter Microtechnik AG is a leading manufacturer of precision components made from hard metal, ceramic, and other superhard materials. Founded in 1969, the family company is headquartered in Aarberg and employs 130 people. Although the company got its start in the watch industry, since its founding it has continually diversified into new areas of application. The private company is managed by the second generation of the family.

bangerter.com

An Initiative Grows into an Association



When youth unemployment in Switzerland reached a record level of 5.4% in 2009, Credit Suisse launched an initiative to combat the situation. It supported projects of six partner organizations with up to 30 million francs. After a five-year development phase, the programs are now working effectively to help young people get started in a career, while also reducing the deficit of skilled professionals in Switzerland. In

the wake of this success, Credit Suisse, the SVC Foundation for Entrepreneurship, and the six partner organizations created the Check Your Chance umbrella association, turning the initiative into an independent national platform. By creating this umbrella association, the stage has been set for the partner programs to continue independently. Check Your Chance is now seeking financial assistance from companies, foundations, and private individuals to secure the association's future.



The flyer "Together We Can Tackle Youth Unemployment" and detailed background information on this topic can be found here:

.....
credit-suisse.com/jugendarbeitslosigkeit and
check-your-chance.ch

Switzerland and Credit Suisse

Now a global bank, Credit Suisse has never forgotten its roots. Switzerland and Credit Suisse benefit from each other in many ways: The company plays a key role as the house bank of many Swiss people, and as an employer with more than 17,000 jobs and training places. The bank issues loans in the amount of CHF 156 billion in Switzerland, two-thirds of which are for mortgages. Just as importantly, every third Swiss company, most of which are SMEs, is a Credit Suisse client. These companies play an important role in Switzerland as employers and guarantors of growth and prospects in the Swiss economy.



For more facts on the significance of the Swiss economy and the role of the financial sector in Switzerland, see the "Financial Center" app:

credit-suisse.com/financialcenter

Or the folder:

credit-suisse.com/ata glance

Looking Forward: Swiss Real Estate Market

The latest study by Credit Suisse Economic Research on future trends in the Swiss real estate market indicates that the classic real estate cycle will return. A reduction in demand for space is likely to accelerate in the months ahead, because the domestic economy will start to feel the fall-out from the revaluation of the Swiss franc. At the same time, the negative interest introduced by the SNB is driving investors to the real es-

tate market, because there are few investment alternatives with similarly advantageous risk/return profiles. This trend is already illustrated in the commercial real estate market by rising vacancies, and all indications are that the rental apartment market will eventually have a similar surplus of available space. A lower impact is expected only in the homeowners market.



To download the complete study on the Swiss real estate market, please go to:

.....
credit-suisse.com/research



Handling components such as this ultra-thin aluminum foil while stretching it at the same time requires a special touch and utmost sensitivity to the material.

Hitting the High Notes

For nearly three decades, Piega has been manufacturing loudspeakers on Lake Zurich that are nearly unmatched around the globe. How a passion for good music built a company with Swiss precision that stands up to the strong franc

— Mariska Beirne

Tiny waves lap against the walls of the factory building on Lake Zurich in Horgen. As he often does in the early mornings, Kurt Scheuch sits on the dock looking at the lake and the Glarus Alps while he has his first cup of coffee. It's relaxing to sit here, as long as there are no trains passing directly behind the building to disturb the peace and quiet. Quiet tones are Kurt Scheuch's passion; so are the loud ones as long as they are crystal clear. His business partner, Leo Greiner, feels the same way. It was the love of good music that brought them together 28 years ago to start producing Piega speakers. Both men had built speakers on their own prior to this and sold them to friends and acquaintances. Leo Greiner says: "We knew

each other casually. Kurt Scheuch was known for his good speakers and I was known for my stylish speakers." "Why don't you go professional with it?" asked their friend Christian Schmid, who was to become the third founding partner and co-owner of Piega. Greiner loved the idea, but they had no money. That was no problem, Schmid answered, surprising even himself. His father worked for the Swiss Volksbank with startups, and on May 1, 1987, the two men set up shop in Greiner's basement. Three years later, they moved into their current headquarters by the lake and soon they were independent from the bank with no need for any more loans. Greiner explains further: "Today we have a warehouse with 300 pallets,

stacked 20 meters high. We own every screw outright. Financial specialists advised us against this, but we think it's perfect for us. We feel comfortable." Scheuch adds: "We always had reserves, never bought a helicopter, and never lived beyond our means; that's why we're doing so well now." When asked about the euro crisis, Piega's founders answer in unison that while it's an important topic for them, because forty percent of their products are exported (primarily to Germany), it's never been a matter of life or death. The primary concern about the euro was not so much a drop in sales – there wasn't one – but about Swiss customers, who felt insulted by having to pay more than German customers. For this reason, the Swiss prices were lowered by 15 percent.

Tweeter Ribbons – the Heart of the Company

There's a simple reason that Piega remains unscathed by the economic ups and downs: Its speakers are sim-

ply among the best in the world. So what makes Piega speakers different from the competitors? "Primarily it's the tweeter ribbons, which are the heart of Piega speakers," explains Scheuch. Conventional speakers have a membrane in the cone that produces noise from vibrations. Piega's ribbon system produces sound with an ultra-thin aluminum foil that is about 50 times lighter than conventional tweeter membranes, so it starts to vibrate much more quickly. Greiner offers a comparison: "Imagine a 40-ton tractor-trailer with 100 horsepower. It would take forever to get to 100 kilometers an hour, but a small car with 100 horsepower would reach 100 kilometers an hour in just a few seconds." Only two of the 20 employees have the right touch for handling the ultra-thin aluminum foil, which is first etched with a flat coil in the Netherlands using a spraying process. "When I had this idea 20 years ago, Leo and I traveled to Holland to meet with Philips and were shocked at the reception we got.

One of the basic principles of founders Leo Greiner (left) and Kurt Scheuch is that they only manufacture products they would buy themselves.





Industrial production would not be possible at this stage: First the 3.6 meter-long wire is etched into the ultra-thin aluminum membrane, and then the waffle pattern is embossed.

We were standing there in our sneakers, with eleven men wearing pinstripe suits in the VIP lounge of the company's own football stadium," says Kurt Scheuch. What they wanted didn't exist. However, a few months later Philips made the idea a reality, and Piega's luxury tweeter ribbons were nearly on their way. Another key component of a loudspeaker is the drive, which is made of magnets. Piega uses a neodymium alloy, which is one of the strongest. Greiner says the magnets are so strong that "sometimes people walk by one of our speakers with their keys in their pocket, and whoosh! The keys are stuck to the speaker."

Top Quality for Stability

The employees have grown used to the unusual material and keep their watches, mobile phones, and credit cards at a safe distance. Of course this is to protect their own property, but also because the careful handling of such costly materials has become second nature to them. "Not only does the sound of our speakers need to be perfect, so does the appearance, because we deliver to countries with a keen sense of quality," says Greiner. However, customers around the world are happy to pay a premium for this combination of precise Swiss technology and timeless design. Apart from Switzerland and Germany, Holland, Belgium, Denmark, and Austria are key markets, as are Japan, Russia, and China. Piega is seeing heavy growth overseas at the moment, thanks to Manuel Greiner, Greiner's oldest son. Both of his sons have been working with the company for a number of years so that

they can gradually take over the management. The new generation has the same mission that Leo Greiner and Kurt Scheuch had 30 years ago: to make listening to music better and better for their customers and themselves. "Last year I came through a police checkpoint," says Scheuch. "I rolled down the window, said hello, and the policeman responded, 'You make great loudspeakers, Mr. Scheuch – really excellent – you can keep going.' And that is exactly what we are doing."

Piega SA, Horgen

Piega SA was founded in 1986 by Leo Greiner and Kurt Scheuch. It has locations in Horgen and Wädenswil and a staff of 20. The trademark of Switzerland's only speaker manufacturer are the tweeter ribbons, which are largely made by hand to create the unique sound quality of Piega speakers.

piega.ch

An Interview with Ronald Colliard

Corporate client advisor with Credit Suisse since 2001

The year got off to a bumpy start for many Swiss companies. Client advisor Ronald Colliard explains why he still sees great potential for the Swiss economy and what measures can help to maintain the momentum now. — Mariska Beirne

How were the first few months of the year for you as a client advisor?

It was an unusual time, because all of our clients were affected by the SNB's decision: by the strong franc as well as the negative interest, which is totally new for us, too.

How did your clients react?

The first few days after the SNB's announcement, everyone was very nervous. Then the market practically panicked, so that didn't help matters. When everything started to calm down a couple of days after that, the reactions were more reasonable. However, almost every client discussion turned to the subject of exchange rates for some time. Although you'd think only the export industry is affected by this, that's not true. Many importers had already purchased euros at a higher price and when their prices were recalculated, they often had a very complicated situation on their hands, because the pressure from foreign competition was forcing them to give discounts.

How can bank advisors help in times like this?

We had a lot of conversations in the days that followed the announcements. First we had to analyze each individual situation, and in many cases we got our specialists involved immediately: interest and currency exchange specialists, but particularly experts in foreign currencies and related hedging instruments.

How do these hedging instruments work?

The principle is to hedge part of the currency risk by setting the exchange rate at a particular point or defining a corridor. This helps clients plan better, particularly in terms of price calculation.

Have these products become more popular?

Definitely. Currency hedging is currently THE topic of discussion with the clients. However, I always caution against quick judgments. Let's pretend there's an export company that hasn't hedged its currency risk. After the euro drops, it immediately wants to cover 100% of its risk. However, once the value of the euro rises again, the company is back in a bad place.



This example shows that it's unwise to make these decisions based on emotional impulses and the current market conditions. It is important to me that clients know currency hedging is a strategic decision based on the business model. Our specialists always develop these strategies along with the clients by weighing various factors and scenarios to see what part of the risk should be hedged. You cannot recommend that an entrepreneur hedge the entire currency risk.

However, the opposite – not hedging anything – is often just as bad.

Are there any other products that have become more attractive in the current economic situation?

Factoring and leasing are definitely in this category, because they have a good effect on a company's liquidity. However, leasing has been very important for decades. While it used to be somewhat stigmatized as an emergency solution for companies with insufficient liquidity, leasing is now considered a smart type of financing that makes sense not least of all in tax terms.

What companies are a good fit for factoring?

Factoring is very appealing for companies with high growth, for instance, or a large demand for current assets. Factoring maintains momentum and allows them to avoid payment defaults. The company is more flexible because it is insured against default risk. I think it's a very modern way of managing a business.

Apart from hedging, are investments also important? How are clients feeling about it? How are their investment appetites?

One thing that's really changed recently is how companies handle liquidity. It's true that money that no longer generates interest becomes a motivation for investing. By this I mean expansion, growth, company acquisitions – this trend is not likely to decline much in the coming months.

Are clients already familiar with the products you've mentioned, or do you spend a lot of time educating companies on how they can better use their potential?

It's very different from product to product and client to client. More generally speaking, leasing is very well known, whereas factoring and structured currency hedging are less known because they're newer. As the bank for entrepreneurs, we play a key role in introducing the various options that are tailored to clients

and their needs. We must be able to show the advantages along with the disadvantages or related risks, so that clients can get a distinct picture. For this it's important to offer our expertise and to know our clients very well, to see them frequently, listen to them, and find out how they're doing, what they're concerned with.

What do you think clients will have to focus on for the longer term in order to remain competitive in the current situation?

We're living in a very interesting world that moves quickly – whether we're talking about the world of finance or geopolitics. Entrepreneurs need the agility to adapt themselves and their companies to these rapid changes time and again – in technology and distribution, and at all levels. The key word is "flexibility." I feel optimistic when I look at the Swiss economy in recent years. Our entrepreneurs are very hard-working, offer exceptional quality, and know how to respond to changing conditions.



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We have summarized further information for you on every aspect of the topic "Foreign Exchange" on page 20 of this magazine under the heading "Worth Knowing."

Factoring – The Many Benefits of Rapid Liquidity

High liquidity and avoiding payment default are essential for companies such as the Swiss Eyewear Group to grow rapidly. Credit Suisse Factoring meets precisely this need for many SMEs. — Mariska Beirne

Jerry Dreifuss, CEO of the Swiss Eyewear Group, needs a clear view at all times. Not only with the sunglasses the young company makes, but also of the finances. “Our INVU sunglasses brand has been a hit from the start. We’ve already quadrupled our sales from last year, in more than 60 countries. Our problem was that we have to pay our suppliers before we get money from the customers. We had to come to grips with this liquidity bottleneck,” explains Dreifuss. The ambitious eyewear company did just that with factoring from Credit Suisse. This form of financing secures accounts receivable after invoicing using credit insurance, and then provides an advance of up to 90 percent. For the Swiss Eyewear Group this means that the required funds are available once the invoices have been sent. This gives the company the liquidity it needs to grow quickly and protects it from losses caused by payment defaults. Another benefit of liquidity is that the company can get a discount by paying its supplier invoices early.

More Financial Freedom

Thanks to Business Easy Factoring, now smaller companies can benefit from factoring as well. Unlike conventional factoring, the receivables are not sold to the bank, but are assigned – meaning they are merely transferred and receivables management remains with the company in full. Business Easy Factoring is offered as disclosed or undisclosed assignment, so it is an assignment credit under which a company receives funds in the amount of its receivables. Because this is generally higher than classic business lines of credit, it offers financial freedom to SMEs. Jerry Dreifuss agrees: “For us, factoring is the ideal solution, because liquidity is the elixir of life for our company. It’s the only way we can keep growing.”

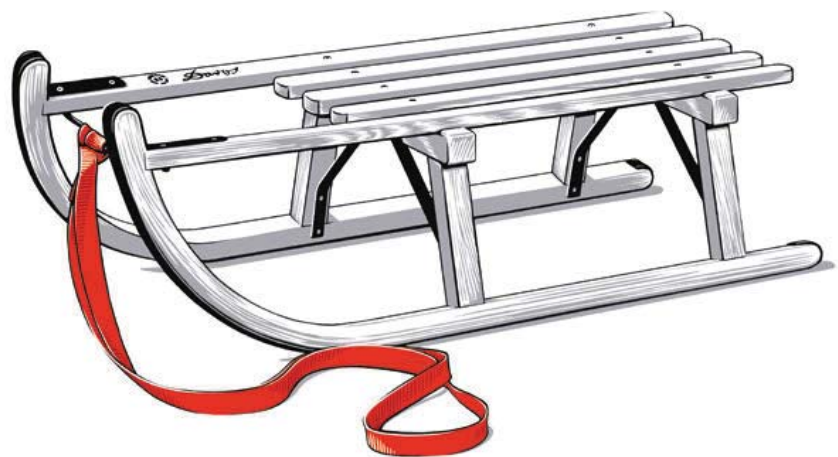


The INVU sunglass brand by Jerry Dreifuss. The brand name can be interpreted as “In View” or “I envy you.”

The Added Value of Swissness

The Swiss export industry is greatly affected by the potential competitive disadvantage that a stronger franc poses. However, the “Swissness” factor should not be underestimated as a counterweight. An economic expert and two entrepreneurs told us why it is critical to implement this counterweight in times of crisis. — Maria Ryser

“Swiss Made” pays off. At least in the consumer goods segment. Around the world, Swiss products are considered expensive, but customers are more than willing to pay for certain products such as watches or chocolate. “Swiss Made” is synonymous with such values as quality, precision, and innovation. The best example of this is the number one brand ambassador for decades: the Swiss Army Knife by Victorinox. So what about “Swissness” as a general term and success factor in the B2B industry? Can Swissness help the Swiss export industry overcome even a strong franc? One thing is certain: The termination of the euro exchange rate floor and the subsequent appreciation of the franc immediately dampened the outlook for 2015. As the Credit Suisse industry monitor shows, the decision of the SNB on January 15 has been tough on industry, trade, and hospitality, and is affecting the prices, margins, and competitive edge of Swiss companies. The export industry has been particularly hard hit, but growth opportunities can still be found. If we disregard the exchange rate developments for the



time being, the global economy, and with it the potential demand for Swiss exports, were stable in the second quarter. Lukas Gehrig, an economist from Economic Research at Credit Suisse, is optimistic as a result: “The US will remain a key growth market. Moreover, the economic expansion in the euro zone is likely to somewhat soften the negative impact of the strong Swiss franc.”

Swissness Synonymous with Value

Alberto Silini, Head of Consulting for Switzerland Global Enterprise (S-GE), works with Swiss SMEs from various industries as a business advisor every day. While he also initially associates Swissness with such characteristics as quality, precision, and innovation, he thinks the term is much broader, especially in the B2B

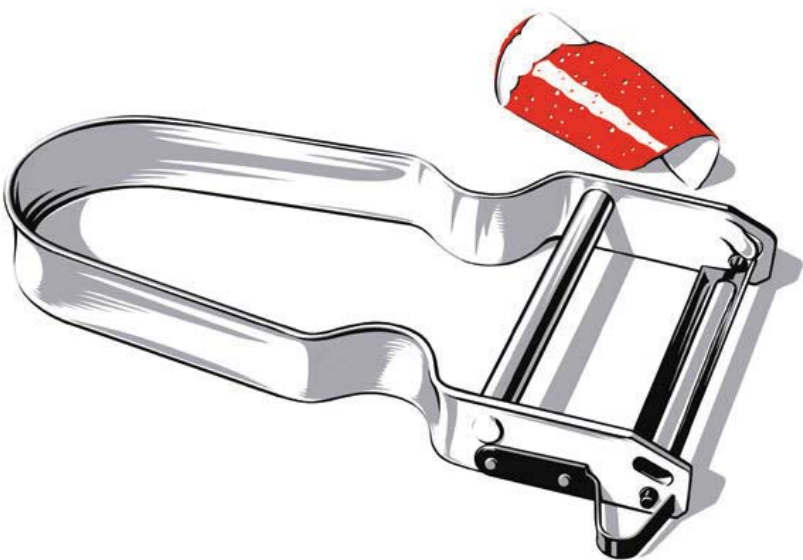
segment. "Swissness is synonymous with value, which is based on a clear mindset with additional values such as reliability, efficiency, punctuality, availability, and order." Silini feels that this mindset also includes agility during times of crisis. Those companies that learned their lessons from the crises in 2009 and 2011 and expanded to remote markets such as North America or Asia Pacific, for instance, are faring better today. "We feel that diversifying the export markets is very advisable, because it spreads risk and increases growth opportunities," says the expert with conviction. Burckhardt Compression AG in Winterthur, a mechanical engineering firm for piston compressors, is a successful example of this. While it posted a loss of CHF 6–8 million to its balance sheet, the company's competitiveness is largely unchanged because it diversified its markets and customer segments. Moreover, the measures taken since the euro crisis of 2011, such as productivity enhancements and increasing the procurement volume in euro and US dollar regions, have proven effective

in the current situation. The assembly plants under construction in South Korea and the US, and the additional expansion to the local service and components business, are making the company less vulnerable to currency fluctuations.

In Line with the Customers' Needs

The mechanical engineering industry offers a particularly good example of Swissness as a symbol of value. Rolf Brändli, CFO of Burckhardt Compression AG, offers a striking real-life example: "Our piston compressors, which are used mainly for gas transport and storage, weigh up to 400

tons. The tolerance for each component is sometimes in the range of hundredths of a millimeter, but the life cycle is 45 to 50 years. So the quality and service must be top-notch. If a machine breaks down, it could quickly mean a loss of a half a million per day for the customer." Swissness as a symbol of value also means a high level of innovation, which clearly pays off in conjunction with quality. Just ask Rychiger AG of Steffisburg, another mechanical engineering firm. The winner of the 2015 Prix SVC Espace Mittelland builds machinery for global companies such as Nestlé and US company Mondelez to pack coffee capsules. For the third generation of the Dolce-Gusto capsule machines, Nestlé capital expenditure has been reduced by 45 percent for each coffee capsule produced. "Our innovative strength lies in continually improving the methods and the details," explains CEO and majority shareholder Axel Förster, adding: "Our customers should have a machine that lets them manufacture their products more cheaply than before, while using less energy." Customer proximity, he says, is a critical factor. Burckhardt Compression agrees. "In our industry, it's worthwhile to have well-structured innovation that meets the customers' needs, rather than just inventing random things," says Rolf Brändli emphatically.



A Corporate Culture of Swissness

"Ideally, Swissness is not just advertised as added value, but is put into practice within the corporate culture. We expect our employees to be punctual, efficient, and reliable, and we are a model for this," stresses Rolf Brändli while noting: "In terms of customer service, such as how we answer the phone, we Swiss are certainly not in the lead. I imagine the world doesn't perceive us as particularly friendly. We definitely can improve there." The firm has learned its lessons from its own experience

characteristic of Swissness, is our specialized and highly trained professionals. We owe this to our dual education system, which we absolutely must maintain," stresses Alberto Sili- ni from S-GE. He is clear on how to handle the strong Swiss franc: "We recommend that Swiss SMEs bank on Swiss attitudes now more than ever. Swissness as a symbol of value must be advertised not only for the product, but also for related services and for the corporate culture."

Read the article on Swiss-Made at:

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abroad. When servicing non-Burckhardt compressors in other countries, the latest service strategy is to use local staff, who have the necessary service skills and can proactively contact customers. "Knocking on doors and continuing to visit customers without any direct orders – that's tough for the Swiss people," says Brändli. However, when it comes to training quality and professional skills, Switzerland leads the pack. "A key argument in favor of Switzerland as a business location, and another

Credit Suisse Economic Research

Credit Suisse Research is one of the leading providers of economic analysis on Switzerland. Its findings are incorporated into studies on the economy, individual sectors, and regions, as well as the real estate market. Credit Suisse therefore makes an active contribution to the discussion on solutions to economic challenges, and provides its clients with in-depth information.

More on this topic

Study: SME Export Indicator

On behalf of the federal government, **Switzerland Global Enterprise (S-GE)** promotes exports, imports, and investments with a global network of experts in order to strengthen Switzerland as a business location. S-GE supports businesses with advice and contact referrals in order to cultivate new potential for their international business.

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Winning, One Capsule at a Time

Capsule manufacturer Rychiger AG from Steffisburg won over the jury of the Prix SVC Espace Mittelland with fascinating innovations and strong regional roots. — Mariska Beirne

Axel Förster jumped for joy when Rychiger AG was announced as winner of the first prize at the Kursaal in Bern: "This is a great tribute to everything we do," the CEO beamed, thanking his employees. Founded in 1918, the company is among the world's leading providers of customized packing machines, used for instance with coffee capsules and medications. Jury chairman Walter Steinlin noted: "As the original capsule specialist, Rychiger has continually shaped the industry since the 1980s with groundbreaking innovations." He also pointed out the company's regional significance: It not only employs 180 people and provides 14 apprenticeships; it also purchases most of its materials for the products within a 100- to 200-kilometer radius, helping to secure jobs in the region. "Those who do their part are rewarded. That's sustainable entrepreneurship!" said the jury chairman at the end of his congratulatory speech to CEO Axel Förster.



high product quality, continuous innovation, and decades of commitment to the region are what set this company apart," said Walter Steinlin of the jury's decision. Bangerter Microtechnik AG, which won bronze, is the leading manufacturer of superhard precision components. With origins in the watch industry, the family company founded in 1969 has always diversified into new areas of application. Nominees Bigla AG from Biglen, Enotrac AG from Thun, and Extramet AG from Plaffeien also won awards. Some 1,400 guests from politics, business, and culture attended the ceremony at the Kursaal Bern, moderated by SRF political correspondent Urs Wiedmer. Once again, this traditional and exciting event was a "who's who" of the business world in Espace Mittelland.

Happy winner Axel Förster, CEO of Rychiger AG of Steffisburg.

Silver and Bronze for Chocolate and Microtechnology

Had there been an award for congeniality, Daniel Bloch, the third generation manager of silver winner Camille Bloch SA, would have won it for his dry wit that evening. Switzerland's fifth largest chocolate manufacturer has two very strong brands, Ragusa and Torino. "A model corporate culture,

Prix SVC

The Swiss Venture Club awards the Prix SVC to innovative companies that are sustainable contributors to the economy. It is awarded every two years in seven economic and three language regions of Switzerland. Companies cannot apply for the prize; the candidates are selected by way of nomination from a regional and independent jury of experts. The requirements include a proven track record, establishment, and sustainability, but also innovation and regional roots.

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The Swiss Venture Club (SVC) is an independent, non-profit association by entrepreneurs for entrepreneurs that aims to support SMEs and create and maintain jobs in Switzerland. The SVC provides a valuable network as well as services and events specially tailored to SMEs. www.swiss-venture-club.ch

< SVC – Ltd. for Risk Capital for SMEs >

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SwissCham is the umbrella organization for international chambers of commerce in Switzerland and makes an important contribution to promoting relationships abroad within the private sector. Through its extensive network of international chambers of commerce, the organization supports Swiss exports and activities abroad. www.swisscham.ch

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COVER

Jerry Dreifuss
CEO of Swiss Eyewear Group

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	The agreed value date no longer meets your needs; you wish to extend a due forward transaction or bring an existing forward transaction forward.	Swap Transaction: Combination of a spot purchase with a forward sale or vice versa. This is used to postpone the value dates of due foreign exchange transactions while hedging; the term is usually extended, but can also be shortened.
	You would like to cover your foreign exchange needs at better terms than the current market price and at the same time hedge against further rate increases.	Currency Option: As the buyer of a call option , you acquire through the payment of a premium the right to purchase a currency at the agreed exercise price on the due date. If the exchange rate drops, you let the option expire and cover your needs in the market for less. If the exchange rate goes up, you are hedged at the strike price.
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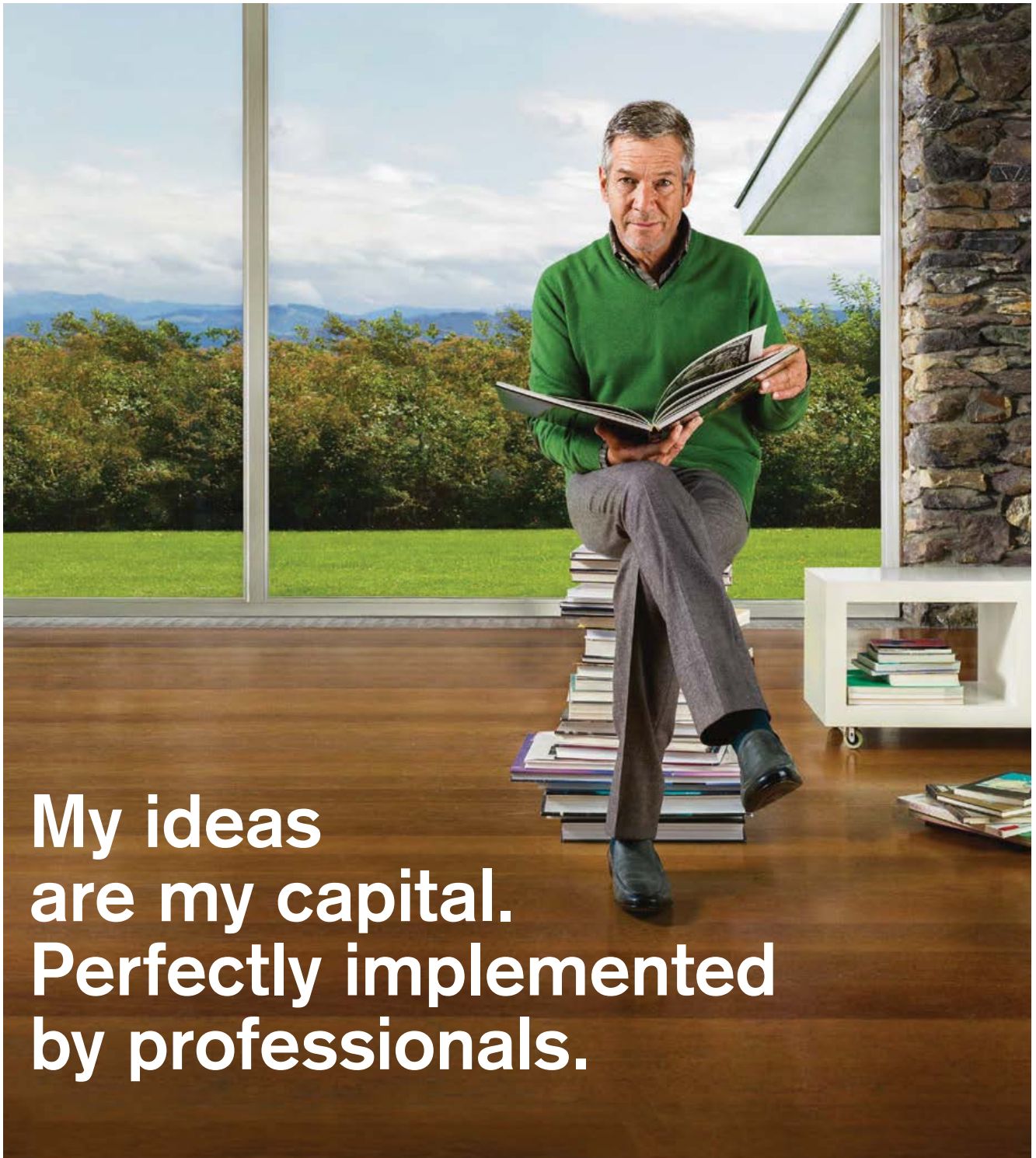
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