

## „The Altendorf“ – the table saw that conquered the world

Minden family firm is global market leader – Sales-based bonuses for all employees since 1936 – Represented in 120 countries

BY MARTIN BERNHARD.....

**Minden** – The idea was revolutionary. In 1906 Wilhelm Altendorf was the first person in the world to build a table saw on which the workpiece was guided over the saw blade on a sliding carriage. The sliding table saw was born. Today this original „Altendorf“ is a legend, though following its invention for five decades it remained just one of the many products made by the Westphalian engineering firm. It was only when Altendorf's successors took the brave step of specialising in one product in 1956 that the family's name became synonymous with the sliding table saw. Already in the first year of this single-product strategy, the company's sales rose by almost 20 percent. Today Altendorf is the most successful manufacturer of sliding table saws for woodworking, plastics and metal machining in the world.

That the Minden family firm withstood the turmoils of the first half of the 20th century was largely

down to the highly inventive brain of founder Wilhelm Altendorf. Again and again in difficult times such as during the Depression and World War II, Altendorf compensated for falling demand for woodworking machines through the sale of other products.

The carpenter and furniture designer developed band saws, planers, wood turning lathes, milling cutters, grinders and drills – i.e. almost the entire range of tools required in a carpentry workshop. Wilhelm Altendorf also built a car with a wooden chassis and a cigar box manufacturing machine. He developed one of the first types of prefabricated house and in 1939 he launched the first ever children's high chair on the market.

In total Wilhelm Altendorf patented more than 20 inventions in the 1920s and 1930s. In marketing, too, he exhibited his creative flair. When sales of Altendorf machines were slow at the beginning of the thirties, he came up with a new sales channel. A truck was converted into a heavy-goods transporter and loaded with wood-

working machinery. Altendorf then drove around the country with his mobile market stall and allowed prospective customers to try out the machines on site. In this way he regularly succeeded in selling all the machines loaded up for the tour in just a few days.

This gift of making a virtue out of necessity also led Altendorf to introduce an employee bonus scheme which must surely be unique. In 1936 the National So-

cialist government decreed a ban on wage and price increases. Only in the armaments industry was it permitted to pay higher wages. In order therefore not to lose his skilled workers to armaments factories, Altendorf put the proposal to his then workforce of 25 that in future he would only guarantee them a basic wage. In addition to that, he would pay a bonus based on turnover. Already in the first year of the scheme Altendorf em-

ployees' take-home pay was 15 percent higher than the statutory maximum wage.

The bonus scheme is still in operation today in essentially the same form. 13 percent of turnover is paid into a specific bonus fund. How the money is distributed is then decided by a Board of Trustees made up of representatives of management and the workforce. On average, employees receive 160 to 170 percent of their basic pay as a participatory bonus. In months where sales are slower, the lower bonus is usually offset by an advance against more profitable months. The management also attributes the success of the company largely to this effective bonus scheme. After all, everyone then benefits if they volunteer for overtime and Saturday working when the order books are full. Good build quality and a low number of complaints, too, are in everyone's best interests. „We deliberately chose not to adopt any form of profit-sharing“, explains Wilfried Altendorf, „because company profits can be manipula-

ted by creative accounting, whereas sales can't.“

Already back in the 1950s, management grasped how important it is for a single-product company to be successful in as many countries as possible, and consequently set about intensifying its export activities. Beginning with its first foreign subsidiary in the USA, from the mid-1980s Altendorf founded sales agencies under its own name run by local managers in order to establish the Altendorf brand outside Germany. To supply the Chinese market and the Asian part of the Russian Federation with sliding table saws, in 1995 Altendorf set up its sole foreign production facility in China. The plant employs 112 people and turns out 1000 sliding table saws a year.

Today third-generation Managing Director Wilfried Altendorf and his son Tom still adhere to the brand philosophy of founder Wilhelm Altendorf. Building brand awareness is however often a question of detail. For example, since the middle of the 1950s, the firm

has been in the habit of sending a bottle of Westphalian schnapps out with its machines. This has however occasionally led to problems. For instance one French customer thanked the company very much for the excellent cleaning fluid and asked if he could order some more. Exports to Saudi Arabia resulted in an alcohol-smuggling prosecution. And even a German customer once complained because two of his employees had straightaway emptied the bottle on unpacking the saw, and had then been incapable of working for the rest of the day. When Altendorf then decided to stop including this little gift, however, it received a flood of complaints from indignant customers, remembers Marketing Director Andreas Ploeger. „The Westphalian schnapps is part of the tradition of Altendorf that defines our brand.“

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Tom and Wilfried Altendorf are leading the family firm in third and fourth generation.