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GUIDING ST

With its “Vision 2010” Schott has updated its view to the future. Chairman of the Board of Management Dr. Leopold von Heimendahl discusses the motives and goals of this realignment.

Was the year 2000 chosen deliberately as the starting date for the implementation of the new corporate vision?

Dr. von Heimendahl:

There is no direct connection between our “Vision 2010” and the new millennium. We did, however, want to make it clear that the company is committed to tackling the challenges of the 21st century with visionary ideas from which we derive strategic objectives.

Did Schott need a new vision then?

Dr. von Heimendahl:

The basic economic and political conditions are changing all the time and at an ever faster rate. To remain successful – and not just to survive – Schott also has to change and adapt to the new circumstances. With our products, our capacities and our abilities, we have the opportunity to use change to our advantage. To do this, however, we need a clear understanding of who we are and a clear idea of where we want to go.

Did the unsatisfactory outcome of the 1999 fiscal year give further impetus to this view?

Dr. von Heimendahl: With static sales in the last fiscal year we had to accept a marked decline in profits. A number of one-time factors also

worsened the situation. The poor results did, however, highlight weaknesses in our corporate structure which had been less visible in previous successful years.

What weaknesses are those?

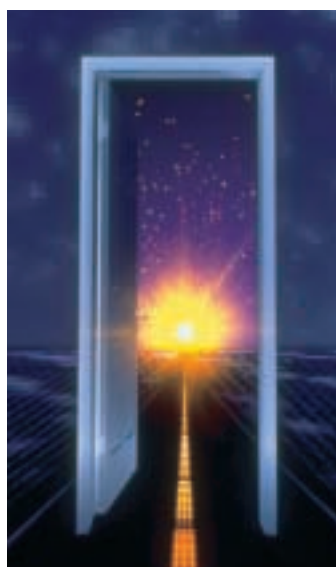
Dr. von Heimendahl: The most serious is probably the realization that with several of our important businesses we are operating in mature markets which, consequently, offer poor prospects for growth. Our portfolio, therefore, must be more balanced in the future than it has been up to now. That means that we have to achieve leading positions in expanding markets with other businesses which have promising prospects for the future. In addition, it is essential that we press on with internationalization. As well as our presence in North America we have to further expand our base in Asia in particular. “Vision 2010” is intended to serve as a guiding star to enable us to achieve the eight goals we have defined regarding markets, profit, innovations, employees, structure and above all our customers.

How have Schott’s activities been redefined?

Dr. von Heimendahl: We have formulated our core purpose in the following terms: to im-

prove how people live and work through expert solutions in specialty materials, components and systems.

There’s no mention of glass in this definition. Is Schott cutting itself off from its historic roots?



VISION 2010
Schott’s core values

- ◆ Accountability
- ◆ Market driven innovations
- ◆ Technological expertise
- ◆ Integrity and reliability
- ◆ Entrepreneurship

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Dr. von Heimendahl: The vision doesn't mean a break with the past. Special glass will remain our basis certainly up to the end of this decade. But we want to send out a signal that products made from other materials, for example high-tech plastics or calcium fluoride crystals, are being added to the portfolio. And this process will continue.

Can you name concrete goals contained in the vision?

Dr. von Heimendahl: Here are some examples: It is Schott's aim to be the No. 1 or No. 2 in all its markets. That also applies to newly established businesses. Another goal is to significantly increase the share of sales that we achieve with products that are less than five years old. For another thing we are going to give every employee the opportunity to share in our business success and performance-related pay components will increase in importance.

What benefits can customers expect from the implementation of the new vision?

Dr. von Heimendahl: As part of Vision 2010 we have stated that our mission is to profitably enable our customers'

success by constantly challenging limits through innovations and entrepreneurship. Performance which leads to customer success is therefore one of our direct goals. Consequentially, our 'Total Customer Care' process (TCC) will be put on an even broader footing.

Providing employees with comprehensive information and their identifying themselves with the realignment will be significant to the success of Vision 2010.

Is there an introductory program?

Dr. von Heimendahl: Visions provide a framework for action, such as the drawing up of necessary strategies. That is how they differ from utopias. To ensure their implementation, we started by setting up an international team of employees from different areas and functional levels to draw up the vision. We are now in the process of communi-

Carl-Zeiss-Stiftung

Reflections on holding structure

The sole owner of Schott Glas and Carl Zeiss is a foundation, the Carl-Zeiss-Stiftung. Discussions have been taking place within both companies and their supervisory bodies for some time about how their corporate structure can be developed to safeguard and build up the position of the two companies under the changed conditions of global competition. One of the models discussed would involve changing the foundation into a holding, providing an umbrella

under which Schott and Carl Zeiss can operate as independent corporations. "A stock market flotation is, however, not on Schott's agenda", emphasizes Chairman of the Board of Management Dr. Leopold von Heimendahl, "though changing further subsidiaries into 'Aktien-gesellschaften' or AG's (stock corporations) is feasible in principle." Schott Zwiesel AG and the quoted company Schott Desag AG have been members of the Schott Group for many years now.

cating the "Vision 2010" across the board according to a predetermined concept ■

Dr. von Heimendahl was interviewed by Jürgen Breier.



Dr. Leopold von Heimendahl, Chairman of the Board of Management of Schott Glass: High sights for the next decade.