

# Automation and man's role in industry

by

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## Overview

The most advanced company in digitisation and automation is the Schmidt Groupe as demonstrated by the project it launched ten years ago to manufacture a top-quality kitchen in one day and deliver it ten days later. In this project, the seller creates a 'virtual' kitchen with the client; the order is then handled by exchanging computer data; and manufacturing is carried out by robots. Therefore, a standard order can be made without almost any human intervention. Despite the use of robots, the Schmidt Groupe makes sure that its employees are not overlooked: not only have they managed to keep their jobs (about which they could have been concerned), but they have also become operators of complex installations. This project required time and a great deal of training and trust, but it was made easier by the fact that the company is family-owned.

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The company which I manage was founded in Türkismühle (in the Saar, Germany) in 1934. Its core activity was the construction of detached houses. In 1959, it moved to Lièpvre in Alsace, and started making kitchen sideboards. 1976 marked the start of the production of kitchen units as we know them today.

### The company takes off

Originally these products were sold without a landmark in mass retail outlets. Out of a desire to have closer contact with our customers and greater control of our profit margins, we created the Cuisines Schmidt brand in 1989, and a few months later we created a network of two hundred independent distributors. We launched a second brand, Cuisinella, in 1992 which was aimed at a younger clientele with a smaller budget. After 2004, we progressed from remodelling kitchens to remodelling entire living spaces, including bathrooms, cupboards, walk-in wardrobes, bookcases, television units, and so on. We specialise in the production of custom-made furniture for every room. At the present time, digitisation allows us to make considerable progress with this approach.

Between 2008 and 2015, we received various certifications. These include ISO 9001 (for quality); ISO 14001 (for the environment); OHSAS 18001 (for security); Label NF Environnement Ameublement (French environment label for furniture); Certification PEFC (Programme for the endorsement of forest certification schemes); and ISO 50001 (energy-management systems).

The Schmidt Groupe is currently the leading manufacturer of kitchens in France, and number six in Europe. It has a turnover of 470 million Euros. It has five production sites covering a total of 160,000m<sup>2</sup> (including one in Germany and four in Alsace), and employs 1,500 people. Our investment has grown from 20 million Euros in the past few years to 40 million Euros in 2016, and should reach 60 to 80 million Euros in the near future. These sums cover industrial investment and also the development of brands and our digital business, and investments for consumers and industrial sites.

Our sales network includes 700 retail outlets mostly in Europe, and employs 6,000 people half of whom are in sales and the other half in installation. Its turnover is 1.5 billion Euros.

In 2014, we made a joint venture with Suofeiya in China. Our Chinese subsidiary, SSK, now manages an industrial site and 500 shops. We are in the process of constructing a second factory.

### One mission, one philosophy, our values

With the passage of time, our mission has changed. Our profession includes not only the manufacture of furniture, but also a contribution to the sustainable well-being of customers in their homes. This changes the way we interact with the consumer.

In this age of the Internet and social networks, everything is visible, and if a company wants to continue to exist, it has to be recognised as the best in its sector. This is why our aim for 2025 is to become the group with the most preferred European brands in terms of custom-made home planning.

Client satisfaction is not our only concern. In keeping with the British expression 'Good service is marketing', we want our customers to be happy, even enthusiastic to a point that some of them will become ambassadors for our brands in their social networks. What we most want is what one might refer to as the 'wow' effect as in 'Wow! It is even better than I expected. These guys at Schmidt are amazing.'

To try to reach this objective, since 1986 we have adopted the company philosophy 'Being the best, respecting everyone, and being successful together.' In our profession, a very large number of people have to work together

to guarantee customer satisfaction. They include not only the teams in the manufacturing workshops, but also the suppliers, sales staff, logistics co-ordinators, platform operators, delivery people, installers, and so on. The objective can only be reached if people respect each other and if we all share the same values and commitments.

These values are mutual respect and consideration; speaking plainly (both with regard to consumers as well as between colleagues or with suppliers); proximity to our customers; being readily available; accessibility; and simplicity. Simplicity is especially important in the context of digital transformation where complexity is invisible and one can always be tempted to add to it. Another value which we emphasise is rather unexpected in the workplace: pleasure. If we want to achieve our aims, it is crucial that each employee is happy in his job. We are committed to being convincing. We work with a network of independent distributors who are experts in a crucial part of the value chain, namely access to the consumer. If we want to convince our distributors, we have to work with them and convince them rather than try to impose our views on them.

Finally, and this is the most important factor, we should always keep in mind that at the end of the chain is a consumer who relies on us. We make it clear to our customers that they can trust us, and we have to show them that we are able to live up to our promises. Proof that these values are genuine is the fact that for the second year running we have been awarded the prize for providing the best client service in the 'habitat organisation' category.

## Changing the customer experience

We launched a programme a year-and-a-half ago called 'Consumer Connect' which aims to co-ordinate all the digital initiatives aimed at improving the customer experience. Originally this experience began when the consumer walked into one of our shops. Nowadays it begins much earlier, when a person says 'I'd like a new kitchen', and starts looking on the Internet. It is important that we attract this client to our brand and then convince him that if he walks into one of our shops he will have a much more interesting experience with us than with any of our competitors.

### *An 'H to H' experience*

The quality of this experience is based on the quality of the relationship we will have with him. People often make the distinction between 'B to B' (Business to Business) and 'B to C' (Business to Consumer). We prefer talking about 'H to H', Human to Human. When a customer buys a kitchen from us, he is helped by a pleasant and competent salesperson. In order for a salesperson to have these qualities, his boss must also be pleasant and competent. We too have to be pleasant and competent with his boss. Thus, the entire relationship is about quality. This is the most important factor for the relationship to be long-lasting because, having installed his kitchen, our hope is that we could also sell him a walk-in closet or a bookcase in the future.

### *A personalised relationship*

To create a quality relationship, we try to give the customer a very personalised experience both with regard to the products we sell him and the relationship which we establish with him.

In practical terms, when a customer visits our website, he is asked if he would like to create his own account in which he will be able to start putting down his ideas about his dream project. The new version of our website, which will be available at the beginning of 2017, will enable our sales staff to access all the work the customer has done on his online account with his consent. Consequently, the sales staff is immediately able to make suggestions adapted to the customer's budget and taste. For example, if he notices that the customer has been looking mainly at modern white kitchens, he will not suggest considering an old, country-style kitchen.

The customer will also be able to make an appointment online which will help the sales staff to prepare the meeting. He can use various ways of enhancing the customer's project, particularly by presenting him with a 3D version of his future kitchen. Previously we used 3D glasses, but our sales staff explained that paradoxically this did not