Putzmeister - World Book

PWB

Enjoy...
...to serve to improve and to create values

In Memory of Freek Nijdam+, who gave me impulse and goodwill for this PWB

Index:

1 - title
2 – INT Notes from editor
3 - INT 2 Comments for readers
4 – OPW Our PM way
5 – PWM PM words and meanings
6 – MVS Mission>vision>strategy
7 – TMC Vision – top in mind top in choice
8 – LMS Leading in the share
9 – FGR Financial growth and return
10 – SPG Stability –profitability – growth
11 – OAG Strategy: organic and acquired value based growth
12 – UPS Use of products strategy
13 – IAS Innovative in all is our strategy
14 – CIE Continuous improvement of effectivity
15 – SOO Structure for operational organization
16 – PFO PM functional organization
17 – CDF Customer focused division flow
18 – SDP Segmentation, differentiation and positioning
19 – PMQ Qualification and care for lifelong product
20 – HRM People - Human Resources Maximization
21 – PCV PM Core value
22 – Cophy PM company philosophy
23 – CEP Culture evolution process
24 – BPP Behavior with people + partners
25 – BRT Behavior outside with responsibility + truthfulness
26 – TTT Transparency, truth, trust
27 – BIR Business integrity
28 – GHR Global human responsibility
29 – CVR Convert values into results
30 – END Please remember
31 – Alphabetical list of hyperlinks

N.B.:
Slide 6: Mission
Slide 7 - 10: Vision
Slide 11 - 14: Strategy
Slide 15 – 19: Structure
Prefix and Guideline for contributors and USERS of PWB

Why we need this “Strategy Book” for our Putzmeister family of companies and why we call it...

Putzmeister-World Book PWB

This PWB builds on the traditional PM - value catalog, vision and mission (CoPhy) and our so called Leitblatt. Their spirit was a main element of Putzmeister’s ongoing success since I built 1959 our first mortar pump and plastering machine as a student of mech. engineering in the garage of my father for his business. This still evolving PWB outlines and sets our basics, gives directions and guides thinking for our company members on strategy, structure, meanings for our activities, their being and behavior. All this shall characterize our globally active Putzmeister teams and strengthen their members following the objective to be best for our internal and external customers, clients and partners - always looking from their eyes. So this PWB shall help to align and unite the people in our global organization with the aim to build trust and better achieve our vision, to become and remain for our customers top in mind — top in choice.

This issue shall help to optimize and understand the Putzmeister world in a joint effort by all concerned; further it is used for preliminary internal presentations to discuss, qualify and exercise its practicability and contents further. (see page 3)

This English standard PWB version uses pictures and graphics - no more only words - to explain as simple as possible what Putzmeister means - including its main strategies. People normally do not memorize words but think in forming their individual pictures corresponding to their very different perception. Therefore such visualization shall help to improve, streamline, better understand and form our family identity, also realize long-term key concerns into more uniform personal motivation impressions. Some sheets may overlap in their contents as they are used on separate occasions. However, they all are a dialectical unit and therefore must be looked at and evaluated as interactive - not individual.

The president of KSF issues this PWB. PMH has to examine, evaluate and realize it as the executive business platform for the KS foundations, our sole shareholders. PWB also will be in future our global family of PM – firms the integrative and guiding mother company, caring for good leadership, synergies and company culture following this PWB.

Dipl. Ing. Karl Schlecht, President of KS Foundations, Chairman of the Supervisory Board PMH GmbH

INT: Organizational Notes of the Editor KS:

Each note sheet shows a “three letter” individual identification on top left because the page number may vary during the continuous evolution of PWB over the years. To search please press keys ctrl+F and enter the three letters.

Please note that the contents of some sheets may overlap with others or duplicate certain issues. This is intended as they are individually - separately - used on specific or various occasions.

Each year PWB will be checked and updated. Suggestions are welcome to the editor (KS). He carries a current file on P/alle/transfer/KS/PWB where additions are entered shortly. Contributing and cultivating this PWB - same as to company basics, standards and knowledge management - belongs to the core obligations of each board member and personell, as well as the active and effort to transfer their contents to hold and improve good company culture. Not our buildings are the HOME of our people but what is given in this PWB and its specific derivates for divisions with our core PM values.

The latest valid publication update is documented with the date at the top.

Hyperlinks / Crosslinks: See last page.... (Abbreviations see Appendix)

Basic rules to cultivate this PWB can be found in Leitblatt SP 9528* and Porga 040110*. The colored PWB graphics show a small “hidden” number which is their ID number given in our graphic dpt. to which readers may refer. Further we intend to issue for each sheet of the PWB a wider presentation or a speech about it to be found in the slide show view with click on the PM number in the left lower corner of the PPT top sheet, written below “confidential - internal”. This should be composed by the CEO or CHO or division managers to explain in further details to their company members who are new in this subject for better understanding certain PWB sheets and follow up.

Not all pages of the website and hyperlinked issues are already translated in English language, so kindly take the German version - and assist to translate it in your native language. All such translations and related PWB issues must be given and stored in KS office as part of this project SP 9528- and promptly mailed there.

Regular cultivation and care for the form of this PWB issue is in the responsibility of KS assistant cim@pmw.de . Comments are cordially welcome Tel +49-7127-599-310 or tape recorder +49-7127-599-666 - or alternative formulations and improvements based on practice via e-mail.
PWB
The Putzmeister World Book
This PWB shall give a true understanding for the fascinating world of Putzmeister and set out its mission and uniting vision for our world-wide family of companies. It must guide all of them to find their own complying strategy, structure, and behavior. PWB’s task is to make Putzmeister their land and feel at home as members of a globally active family united in what the German word “Putzmeister” means...

to qualify things by making them better and more beautiful in a masterly way.
PWB’s intention is to align and unite our organization into a true “firm” by what we believe in and what is described here. It shall strengthen us in fighting for being the most competitive enterprise and reach the vision to be for our customers top in mind — top in choice and hereby enjoy
to serve, to improve and to create values as our sense of life in Putzmeister
Karl Schlecht
Founder, President of KS Foundation and chairman of the Supervisory Board PM Holding
“The ideal case is never a reality – but a continuous obligation”

INT 1: PWB - Prefix - Comments for Readers:

What means “World”? It is the envelope of all material, psychical, social living - real and thinkable matters in the Putzmeister entity. The horizon in which our people find their understanding and trust forming identity. They live in this world but also in their own. This value based PM world should unite them as their home and form a trust based team* (one for all - all for one) in following joint missions, chances and visions in the same uniting spirit and culture, continuously formed and emerging from it. Focusing on process and performance orientated optimal problem solving and open minded learning culture will further our open minded learning culture and develop natural personal competence and authority, respecting each other. Nobody should give up when some do not yet comply. Everyone needs time to learn the exercise. Life may be too short!

Meaning of “Values*” in general proven in behaviors see i.e. PM website and sub - pages of the personal website of Karl Schlecht www.karl-schlecht.de in German and English (see also Kofi Annan - global values -1). There you find also the Human rights* - human responsibilities* the Golden Rule* and 10 Commandments* and further trust building issues like 4-questions-probe (see Page 23) to form good behavior as core PM character. Abbreviations* survey and explanations see hyperlink index (appendix). See Hyperlinks / Crosslinks for more details.

We further qualify this PWB with hyperlinks on certain subjects to go deeper for hopefully those many, who want to learn. These hyperlinks in the slides of this file can be clicked in the presentation status directly. Please note that hyperlinks are not feasible in the lower note sheets. However you may find certain words in blue and with a star * in the final sheet of this file. It indicates where you find a corresponding hyperlink in the hyperlink index given there (click on blue button of the corresponding slide above). This hyperlink index is a full page at the end of this presentation.

More details: Please click on PM number on top sheet below “confidential internal”.

Literature:
“The Essential Drucker” .by Peter F. Drucker; “The Art of Loving” Erich Fromm and “PM management literature*”.

This and some literature has been scanned and stored in LAN to be only used personal and internally !

**OPW Our Putzmeister Way: ...Always better...**

PM was started 1958 by the student Karl Schlecht in the garage of his father, when he realized for him 1957 a mortar plastering pump, which became his masters degree in mechanical engineering at the University of Stuttgart.

**Mission Statement for the global Putzmeister Family of Companies**

Putzmeister is today a group of companies and business units with the mission being the most competitive enterprise to develop, manufacture and market based on MECHYDRONIC technologies high tech products and services in our niche markets world-wide for increasing the productivity of our wide ranged customer activities and continually strengthen the value of our firms and their people.

**Core business areas:**

Main business concern is pipe conveying of difficult stiff and abrasive materials with “PM-Mechydronic” Technologies. Today, our globally active companies mainly serve these Market- Tech Fields (MTF) based on derived missions and strategies:

- **Concrete conveying and placing** - (PCT = PM Concrete Tech with PCP-GmbH as main global legal unit)
- **Underground concreting** and mortar application (PUC as part of PCT at home in PMIB)
- **Truck mounted Belt conveyor** - distributors (PBT = PM Belting Tech; part of PCT homed in PM America)
- **Plastering machines**- for mixing, pumping and spraying mortar (PMT = PM Mortar Technique with PMM- GmbH)
- **Floorscreed equipment** (part of PMT in PMM GmbH)
- **PM Solids Pumps** – part of PM- Industrial Tech (PIT) for pipe conveying of extreme difficult materials.
- **PST**: PM Steel Tech - for supplying PM Assembly Plants (MAP) and PCC with components and modules
- Consulting, Service and parts supply in most MTF-related fields realized through PM Customer Centers PCC

**Our objectives**

Ultimate aim is in following our mission globally to be for our customers their preferred choice to improve their effectivity, efficiency, quality and competitiveness. Thereby create values for them, for our company, its members and for the KS foundations as our exclusive shareholders.

Being in full ownership of these non-profit foundations KSG* and KSF* (like i.e. BOSCH) characterizes us as longterm orientated people and companies. In our final task we serve the society in all countries where we enjoy fulfilling our mission. This highly guarantees our corporate continuity beyond the generation of the founder Karl Schlecht. Following his intentions, the main future task of the family foundation KSF - which holds 90 % voting rights - is to further and ensure value based company culture* and optimize guidance as outlined in this PWB. This means to find and help develop the best leadership personalities for ensuring a good and successful future following our mission of life with...

enjoying to serve, to improve and to create values.
**PWM**

**Putzmeister Words and Meanings**

In our Putzmeister Group, the concepts of mission, vision, strategy, structure, and people based on our core values (see page PCV) constitute the foundation of our leadership model.

**Mission statement** means the role and task (note: this is not the vision!) as shareholders top strategic view to PMH as the heading company for its affiliates. They reissue and adapt it as mission to their adjoining units. Market field - and subsequent Division - Management (see PFO) derive from their given mission statements of their own division its specific vision, strategy, structure and consequently agree on assignments and objectives with their people. Same is due for PM Customer centers and companies where PM holds important shares. (a sample is given in PM 04105*

As a group wide PM characterizing element the so-called Putzmeister business principles (PBP - see RIPAF 0.0.1) are part of the PMH - mission as law for all company members. They are valid action standards for the company culture of our whole company family - same as the core values (= how to be..) outlined in this PWB. They base on our traditional PM- CoPhy (see sheet PCV);

As outlined in RIPAF and “PM Führungsgrundlagen PFG 9403” - each division creates their Strategies Summary based on its given and agreed Mission statement in a process of 3 steps.

**First** is its longer term strategy with 10 years perspective as its “Strategy scope ("Leitbild"), consisting of our traditional TRIADE as vision, philosophy, and action plan. (traditionally available for the PCT field and its GP division PMW-Aichtal see PFG 9403 or PM - Websites and i.e. Leitbild - sheets KS 69804-05-06 in PM 04022 )

**Second step:** division management creates with 3 years perspective the Putzmeister Business Strategy (PGS / PBS - see Porga 969616) documenting company objectives and actions. This PBS is updated to every years end along with annual business planning (ABP) and consequent creating personal objectives related to individual job descriptions – altogether presented as Business manual.

...results count - not efforts - move the stone! (as documented on slide 29-CVR)

For details please follow PM 04105, the most recent version of RIPAF, PM Führungsgrundlagen PFG 9403 (to be updated soon), PM 04058 (PFO) and PORGA 980110 “PM - Corporate Governance”
In the Family of Putzmeister Companies, the consequent concepts of mission, vision, strategy, structure, and people constitute the foundation of our leadership model for becoming and remaining the most competitive enterprise in our market-Tech-fields (MTF). According documents are listed in PM 06048 LOM.

Our mission includes to form an effective and clearly strategy-based functional and legal organizational company structure following our vision “being best” in developing and supplying our customers with high value products and related efficient services as the basis for repeated orders and mutual economic business success.

Putzmeister firms - united by the same values and spirits - must select best people, offer them a solid home for their professional life and continuously strive to help forming competent, qualitative and value-conscious company and performance orientated members with high level of individual entrepreneurship.

Combined with trust building behavior we must fight hard for continuous learning to achieve highest possible level of competence based effectivity and efficiency for getting a good profit combined with fair pricing.

Dedication to these successful and long-term orientated proven PM traditions our company managers must continue to cultivate a sound fundament for continued self financed growth. Fulfilling their mission with good leadership results in a good financial performance and value related individual bonus for our people as well as guaranteeing a good dividend to our shareholders.
Our external or internal customer must feel from us the “PM-Top-Triad”:

- dedication to my success
- innovation that matters for me
- trust, respect and personal responsibility in our relationships based on PM values

PM has as a vision to become and remain *top in mind — top in choice* of our customers and of other key stakeholders. For this we want to struggle hard every day anew. To become top means to be a leader in continuous learning and *loving* what we do, devoted to truly search and realize what our *customers really need* and like. The way is *yearning-learning – earning* with disciplined respecting traditional virtues and human values.

The Customer – external and internal – should give his “active full reference” (see PM 94066) or comment for each of us –internal and external - as follows the PM-Top-Triad:

- dedication to my success
- innovation that matters for my company
- trust and personal responsibility in our relationship based on PM values

So consequently for our common success this means,

- exceed high own and customers expectations
- that we must have the better people* and help theirs to get better,
- we should lead in the *share of mind and* in the share of business,
- we should be seen as an innovator who sets the standards
- and our partners *must feel* that we *enjoy*

  to serve, to improve and to create values
LMS

Leading in the share of many minds

We strive hard to be the leading partner for suppliers, customers and end-users in our fields. Our aim is to consequently be top in all minds related to us, in market share for every product market/application and geographic segment where we compete. If not - then we must learn.

We strive to be regarded as the open-minded, honest, truth-minded and trustworthy company by business partners, and further stakeholders, continually strive to foster and increase this, investing all our energy to honestly see mistakes first - also in ourselves - and truly evaluate problems, prove to learn from them and so build lasting trust on integrity to our values by all company members, also help and train each other in continuous leaning for it.

We want to be the preferred employer in the mind of our company members, neighborhood and potential employees. They should want to work for, stay with, and win personally lifelong within their responsibilities, contributing to create values in our always growing group.

Who works for PM wants to be good. We all want to be the preferred customer of our suppliers who they prioritize and so gain their best cooperation and the “active full reference”.

We strive to be a friendly and reliable corporate citizen - also support sustainable development in the environment and in every society where we conduct business.

We will measure our achievements to regularly prove all this, learn, take consequences and enjoy to win personally for us.

Corresponding to this our company members must commit to the trust building “4-question-probe” in all what we think and do:

Is it true - am I honest? Is it fair? Will it serve friendship? Will it serve well-being of all?
FGR
Financial Growth and Return
The overall objective for Putzmeister in following PM Business principles (PBP) is healthy growth and to achieve a return on capital employed (ROCE) that will always exceed the group’s average cost of capital, cover positive capitalization for growth out of own resources and foster equity. Putzmeister’s regular targets are:

1. to have a long-term average annual revenue growth of min. 5%.
2. to reach a Return Of Capital Employed (ROCE*) 15%, however more to match actual growth.
3. Cultivate true costing and profit-oriented fair price- calculation in the HUB for the machine business of each product line – besides consolidated view in the MTF.
4. Equity in the group normal 50%, min 40% – even with high growth and after acquisitions.
5. to challenge and continuously improve organizational effectiveness and efficiency of our operating capital in terms of fixed assets, stocks, receivables, mobile assets utilization,
6. to set, regularly update and control corresponding standards, policies
7. adapt strategies early to fundamental external changes.
8. Keep bank liabilities below 10 % of consolidated turnover

This will have the result that equity and shareholder value is qualified and continuously increased with better - specific values related - profit sharing for our company members.

Better does not mean bigger!

Foster image and trust based on integrity to our PBP with prompt fulfilling of all financial, fiscal and legal obligations, combined with fighting to get most favorable conditions from all who serve us and our stakeholders.

Profitability before growth or turnover !

(*) Further information on i.e. ROCE see Putzmeister Business Principles in RIPAF 0.0.1 - F.11.

See PM 00050 - Contr. Terms
SPG
Stability-Profitability and Growth are our foundation

The proven long-term oriented development process, applicable to all operational units in the Group looks for

- Stability and predictability in operational performance first,
- then satisfactory profitability, leading to a return on capital higher than the Group’s WACC of 13% (weighed average capital cost)
- and finally growth out of own strengths in selected market fields is fundamental in reaching our objectives and find new challenges.

...and this paradigm characterized by the Elephant Character and Spirit, meaning

- Strength and reliability
- Longlife
- be sensitive and intelligent
- tough and robust
- likeable and respected

...each of us disciplining himself to act with integrity to this

See also PM 94066 The SEXY SIX
OAG

Organic and Acquired value based growth is our Strategy

We will strive for and develop a global presence whenever possible utilizing our established sales and distribution network. The internal and external growth will primarily be organic, qualitative but in future also supported by selective acquisitions – including joint ventures - incorporating a multibrand strategy which is cultivated in selected market fields. (details in SDP, slide no. 18)

Organic growth means:

1. Geographic expansion and specific increased presence in selected regions
2. Product innovation
3. Increased scope of supply
4. New applications for existing products
5. New products for existing applications
6. Marketfield, Channel and brand development
7. Use-of-products to develop high market share, aftermarket

Further details see RIPAF 0.0.1 Putzmeister Business Principles (PBP) item D Diversification

P:\ALLE\PM_CORP\PID\RIPAF\APPROVD-Actual\0-0-1_PBP
Ups Use of Products Strategy

The PM - Use-of-Products Marketing strategy (PUM) as part of UPS and PSM (P- Service Marketing) helps cultivate selected markets – emerging markets and particular in weak economies - and improve the aftermarket revenues whilst the long living product is in use. Use-of-products offers the Group (= elements of PUM - mission and objectives)

- develop suitable emerging markets and optimize application for higher market share
- Only rental instead of selling for selected products or applications
- additional specific growth potential for sales and revenues
- higher or new profit potentials with UPS – esp. when new Machines business is low
- stable revenue stream - specially in recession periods
- optimize business and application processes through faster learning
- enhanced product development due to application proximity (then mistakes cost our money and cause pain...chances seen earlier)
- closer relations with service end-users - reducing their capital investment, helping them to focus on their core business (concrete supply, construction etc.)
- Keep part pirates out
- Helping to form PUSCO - pump service communities in developed markets as consultant (PCC) to increase service-customer revenues with coordinated and constructive competition.

UPS must be given a clear and distinct individual organizational focus and measurable targets where applicable. It targets specific rental, primarily in emerging markets with PUSCO = pump service companies - not competing with customers but making the whole performance chain more efficient. PUSCO is more effective by using DAISY* and PM Synergies with better service, training and maintenance etc., also gaining better sales for accessories, consumables and spare parts. Here we must periodically search chances globally, measure our performance in each market field, optimize and adapt our strategy evaluating local PUM mission and MTF targets so that all can win.
Innovative in All is our Strategy ( = always better)

The innovative spirit of the Group should be reflected in everything we do. We believe that there are always better ways and chances even in “small” things. Good people sensor, discover and see those chances and prove persistence until things changed. Such value mindedness helps select good, intelligent and entrepreneurial people. They must strive for excellence* to fulfil our mission and vision.

So caring for TQM we cultivate continuous improvement in all. Beyond this, substantial innovative “jumps” lead to new paradigms – like i.e. our MECHYDRONIC’s. They open new dimensions and so give most of our products an outstanding and ennobling competitive difference.

As development of new products and services is crucial, we shall continuously make substantial investment in research and development with ca. 5% from turnover.

1. Improve existing products
2. Substitute an existing product
3. New business

Our objective is to fight hard for providing obvious innovative and high-quality products at a price level, which reflects a premium offer from a market leader.

A new product should provide extra longterm benefits at same price for the customer compared to its predecessor or to the competition.

Regarding each work as a learning chance or lecture cultivates entrepreneurship*. It helps growing the innovative spirit with general trying hard in learning to love* what we do and finally enjoy this process in life like top sportsmen prove.

Qualitative project organization with effective knowledge management and training programs as basic HRM strategy will safeguard and cultivate our ability to innovate and achieve outstanding profitability.

Our customers must feel our higher innovative spirit. Only then will they reward us with their repeated orders.
**CIE**  
**Continuous Improvement of Effectivity – everywhere!**

We strive for **continuous improvement in process** and in the effective use of capital, thereby safeguarding increased productivity.

Functional organizations, or process (flow) teams*, aim at continuous improving **effectivity**.

Continuous disciplined efforts in this **learning process** help to lower costs and risks in improving and give way for a regular and continuous change process. Learn to learn from **reality**.

Forming market-focused **smaller group** companies or divisions is furthered for such better corporate effectivity. Here we apply adequate organizational structures and cultivate instruments for effective knowledge management, so creating ways and values for growth.

This should be accompanied with continuous documenting, enriching and synergetic utilization of proven central company standards like RI.PAF, Porga’s, rules and processes, which we learned and paid for in earlier growth phases. Each work or problem should be a learning experience and lessons from repeated ones transferred into improved rules for better **effectivity**. This is one of the scales to prove and realize value consciousness and discipline of managers to gain leadership responsibility. Respecting, following and evaluating this group wide proves serving attitude and integrity to our **CoPhy**.

This leads to personal growth and so is the personal enjoyable **part** what means…

**Enjoying to serve, to improve and to create values**

*In short: “Always better” (not always bigger)!*
SOO

Structure for Operational Organization

Following our missions and strategies the Group will be organized in various separate, focused – but still integral - Market-Technology-Fields (MTF) (earlier named Business Areas or sectors, see VM 040058). They operate through one or more Putzmeister Business Divisions (PDV) - in short “Divisions” - always determining Adequate Organization (DAO) in depth with specific rules/standards for best group effectivity (s. page PFO).

The Group is unified and strengthened through cultivating synergetic effects and tools

- A shared group Mission and Vision as issued in this PWB.
- The corporate culture based on core values in PM-Philosophy CoPhy* and Principles.
- The sharing of brand names and trademarks
- The sharing of resources and infrastructure support
- Operational Synergies with group interest!

- Regular executives meetings in person or multimedia telecommunication with professional long-term scheduling and agenda planning
- Common processes, rules and shared best practices as in our OHA, RIPAF*, ... PORGA’s* and in “Together at PM”* (see PFO – 16)
- The use of common service providers - internal and external
- Financial and human resources with PM- specific cultivation, creating flexibility, commitment, interaction and innovation.

In all this we strive for efficient communication, cultivating high self- responsibility in effective small business units and follow the subsidiary principle (avoid all activities in top companies, which better can be realized in affiliates) - or delegate to more efficient partners or vendors. All this must be focused on increasing the value of the own company first with a group interest in mind, financing themselves and growing with self earned resources of each business unit.

(see p. 9 FGR)
KS – Structure of Companies and Foundations 2008

PFO – PM Functional Organization

(orig. graph stored in PF0 has Nr. 040511 - since 0409 effective for PFO 2005 shown in Ci 040901)

PM - Network structured in Marketfields (MTF), Divisions and Customer Centers (PCC) -

Based on its given mission the role of each Market-Tech-Field (MTF) (i.e PCT = PM- Concrete Tech, or PMT of PWT) is to develop, implement, and follow up on the strategy and objectives within the total group business scope, including environmental, Human Resources Management, cultural and social performance as locally appropriate. This is based on the jointly agreed mission for each division - which is their given and accepted task as Member of the group.

Leading officers may exceptionally be additional responsible for a division or business unit of their MTF.

Big operational Divisions generally conduct business as Division - Product- Companies (DPC= design/manufacturing/ assembling/selling also multibrand), smaller ones as business units or sectors, and as PUTZMEISTER-Customer Centers (PCC = local sales & service facilities, serving even various other smaller MTF - sectors) – also as part of a legal business unit (PCP) or a PM- Affiliated Company (PAF)

DPC and PCC are acting on an equal-dignity basis with legal units when conferencing monthly.

Divisions (i.e. PM-AG in PCT or Telebelt-division (sector) in PMA or PUC- div.-sector in PME) of each Market-Tech-Field derive from the specific given mission their own entrepreneurial company/sector vision, strategy and structure (Leitbild etc) with own operational profit responsibility, sufficient for keeping high equity above 40% even in growth phases. This is part of their derived missions and objectives within the global scope of the Marketfields and PM- group.

As survey all such documents are collected in PM 06048 LOM*.

Common service providers—internal or external—are established with the group mission to provide internal services faster, to a higher quality, and at a lower cost, thus allowing the divisions to focus on their core business. This must be defined or confirmed annually in congruence with the group scope. For more Details see CI 040901, PM 04058 and RIPAF 0.1.3, PM 08016 and actual PM-Websites and Extranet

PAF = Putzmeister affiliated firms
PBT = Putzmeister - Belt Technology
PCT = Putzmeister - Concrete Tech
PCC = P - Customer Centers global (also part of PAF)
PCC-G = PCC - Germany Sales and Service Stations
PFO = P - functional organization
PGD = P - global excl. Distributions like Construmac Mex.

PIT = P - Industrial Tech
PMT = P - Mortar Technique
PST = P - Steel technique
PWA = Putzmeisterwerk Aichtal (HUB)
Further detailed in separate sheets - all based on PWB
(*) still legal part or PM AG
CDF

**Customer focused Division Flow**

based on effective written structures

An efficient flow and utilization of assets and professional information based on valuable experiences is a necessity striving to

- satisfy customer expectations and to
- reach our desired financial performance with clear own personal contribution (see 9 FGR).
- Efficient material and information flow to generate cash flow and reduce bank loans.
- Discipline to corresponding written procedures proves good management
- Over- capacities and redundancies must always be challenged
- Consequent synergetic standardization for identical parts and modules.

Everything is structured in each division based on these PWB issues and core-relating strategies, which are then evaluated and documented as procedures with an effective company-organizational structure based on our

**RIPAF** = Responsibilities and Instructions for PM and Affiliated Firms (Aufbau- Organisation)

**PORGAS** = Procedures, Organizational Advice and Specifications (Ablauf- Organisation)

PM-Regular Documents as specified in Porga 901001 and Porga 951213 Doc Org

**PM-Informations**, communicative and instructive documents like VM, PM, AM etc.

**Essential leadership responsibility and obligation means** to create and practically cultivate these basics and knowledge values adequately in writing and organizing them in our LAN and Intranet for efficient knowledge flow and cooperation. Consequent effectivity is proving the serving attitude and value consciousness as claimed in our CoPhy and PWB
SEGMENT THE MARKET
DIFFERENTIATE THE PRODUCT AND SERVICE
POSITION THE PRODUCT AND SERVICE

SDP
Segmentation, differentiation and positioning

For good territory management the market adaptation should be based on good segmentation, differentiation, and positioning of our products and services.

The multi-brand strategy, which we use in some countries and segment business fields (MTF-see PM 04012) for different customer needs and characters - same as normal competitors. It needs competent marketing and must be cultivated to gain the leading overall group market share in each of our niche fields for improving costs and quality of joint components based on higher numbers. (Platform strategy)

Each brand should have a different clear mission, a specific customer focus, and a role with own character, to be cultivated and coordinated in the MTF (Market – Tech – Field = Business area)

Competition between each other on the market must be obvious for customers.

Their individual, visual brand identity and a consistent use of it play a vital role in their market positioning and should be the same all over the world.

While direct interaction with end-users is required to safeguard information about future needs, specific sales channels must be chosen to give each product line its best chance on the market as part of getting the overall best MTF market share for all brands together.

Marketing and Service through the most efficient and cost-effective individual brand distribution channels and dealer networks, furthering qualified and MTF controlled fair competition among eachother.

PM-Internet presence is cultivated to show a positive difference and make our customers feel at home with PM, cultivate trust, broaden and deepen informative marketing and sales reach, save costs with direct mail and Websites promotion, reduce traveling costs. Internet must improve service to customers and generally enhance efficiency in market relations.
PMQ

Qualification and care for lifelong Product Management

The product management process covers the entire long product life cycle from product development to manufacturing, market launch and market penetration, after-sales service, trade-ins, refurbishing, resale and aging out, realizing adequate and fair ROCE along FGR (page 9) guidelines.

Our products and services are aimed to be safe, ergonomic, and functional in design. They are designed and produced to provide highest value for money, with the aim of having a minimal impact on the environment and lowest total costs during their whole life cycle.

We strive to realize standardized products, services, and processes as much as is feasible to improve quality and costs. Thereby we secure a group based synergy to get a high level of quality and low product costs combined with an optimized use of capital employed.

Ultimately, the product is deleted from the market and is replaced by our new product with higher customer benefits - provided we continuously cared well for him and his machine before.

All this needs full compliance with this PWB and procedures like PORGA 920207 Product Management.
HRM

Human Resources Maximization

We strive to be a good employer, to attract, develop, and keep qualified and self-motivated people with strong personal interests and truly performance based income. A good leader primarily cares for the success and well-being of his people entrusted to him. Everybody is expected to contribute by committing themselves to Group and divisional objectives and to their own aligned, individual performance targets and takes personnel responsibility to prove economic results (roh = results on human resources).

We believe that continuous competence development and active knowledge sharing are key elements of personal development as well as the basis to love what we do. (Paracelsus, see page 30). Our customers should feel and confirm this to foster their empathy for Putzmeister and feel they can learn form us as well.

We believe in freedom with accountability. With actively using PM chances everyone has to initiate and take responsibility for their own professional development as well as self collecting and evaluating our many PM informations, resources, rules and standards (like EXTRA- Programm for transfer of company knowledge).

Appraisals and assessments are made on a yearly basis combined with the PM- typical value - contribution based distribution of our 10% profit share to our people (MEB) This is part of the obligatory “Annual Consulting and Leadership talk” (BFG - BUL 11 etc)

We encourage a most direct, fast and effective flow of information with candor across divisional, functional, and geographical borders, actively promoting and using computer based communication, internet, extranet, intranet and all modern digital means.

We believe in mobility of people and encourage them to job rotation, take up new positions in other parts of the Group, evaluate the Internal Job Market PM 05137 all in a joint effort for helping ....

Enjoy to serve, to improve and to create values
PCV

Putzmeister Core Values make the difference

The Putzmeister core values — in short, with Competence and Innovation to Quality and Return - are more specified in the Value Catalog of our Company Philosophy (Cophy*, see next page). They shall guarantee and help our company members to give a positive difference to their counterpart at our competitors. They further our peoples interaction, candor, trust, commitment and innovation. When acting with integrity to our CoPhy we must prove a positive difference to internal and external competition in comparative relationships to personally become top in choice and well respected.

Putzmeister company members act worldwide with a long-term commitment to our customers in each country and in the many differentiated markets we serve. In our value orientation we develop close friendly relationships and partnerships with customers for enabling us to truly understand their interests, emotions and values for right decisions enabling us to meet and exceed their expectations.

Customers expect the best from Putzmeister. So our objective is to prove discipline to deliver consistently high-quality products and services. They altogether contribute to our customers’ productivity, prosperity and mutual benefit when ennobled with our company culture.

Remember: Products can be copied short-term - not so a good company culture of value orientated company members.
A good unique company image remains.
Confidential - internal
More details see PM 04122

hyperlink index:

PM - Company Value Catalog
"To Be As" - The basis for our conduct „CoPhi"

<table>
<thead>
<tr>
<th>Values</th>
<th>Qualitative</th>
<th>Innovative</th>
<th>Prepared</th>
<th>Flexible</th>
<th>Competent</th>
<th>Value Conscious</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition, Essence of the Value</td>
<td>That thinking and acting which leads to benefits and higher values, environmental awareness, yields recognition, creates trust. Loyalty, integrity and respect to local laws, official standards, customs, etiquettes and manners.</td>
<td>The ability, the constant strive and readiness to develop new thoughts and, by personal initiative, create improvement within the framework of the company’s fundamentals and goals</td>
<td>Full engagement of one’s own abilities, to face our goals and new challenges, to address them jointly and without reservations - even beyond one’s own realm of responsibilities</td>
<td>The ability and readiness to react to varying situations and changes in conditions quicker and more convincing than others</td>
<td>Acknowledged competence in leadership and one’s own profession, proven through demonstrated PM know-how, paired with practical intelligence, ensure safe working conditions</td>
<td>Inmost awareness of, and in every respect living in, accordance with the UN-human rights and values of this CoPhy-sheet. Respecting and proliferating the existing material and immaterial values in our company</td>
</tr>
</tbody>
</table>

Aspects, Indications, recognized by
- Conscientious
- Dependable, Reliable
- Disciplined
- Punctual
- Self-critical
- Fair
- Responsible
- Immaculate, human
- Truthful
- Sociable
- Ethical oriented
- Achievement oriented
- Inner beauty
- Profitability aimed entrepreneurial manners
- Consider costs as an investment
- Act with integrity
- Courage to question existing criteria
- Uncover problems and respond to them
- Produce lasting answers
- Learn from others
- Cultivate new ideas and solutions
- Market problem solving ideas and continue refining them
- Eagerly confront challenges
- Willing to be of service
- Willing to perform
- Continuous
- Independent
- Committed
- Thinking
- Making it happen
- Recognizing
- More than expected, unique
- Starting a task determined
- Prepare to take risks
- Help others
- Act quicker than others
- Function as expected
- Willing, adjust to changed conditions
- Be free
- Achieve what can be achieved
- Act and react
- Be versatile
- Rise to the occasion
- Be adaptable
- Be accepted by customers outside and inside the company as an expert
- Professional
- Adopt and proficient
- Equal partner to customers
- Attain trust
- Document experiences
- Ideal solutions
- Better ideas
- Recognized market position
- Value focused leadership
- Respecting objectives and environment
- Ethical,
- Recognizing and evaluating costs and expenditures in view of adequate benefits
- Respect profit as the measuring stick for right decisions as correct and value oriented acting
- Fair pricing

Path to Success
Information, Analysis, Definition, Checking Goals, Solution Potentials, Evaluation, Decision, Implementation, Control

CREDO

SERVE - IMPROVE - Create VALUES
Culture Evolution Process

In all products and services our customer will feel our company culture.
This can only grow with daily practiced behaviour and actions as shown above, beginning with
courtesy and good behaviour as basic expression of respecting each other.
Being good is the ennobling element that can make the difference to equivalent competitive
products, can be decisive for getting the order and create unmatched customer loyalty. As
“behaviour creates behaviour” our customers may win for their own company culture and
image in addition to our good product. This may form his pride and loyalty out of enjoying
friendship and family binding with us as the market leader and using the best esteemed
machines.

As catalyst for this ennobling process all our thinking and doing must always be controlled with
the trust building

4 Question Probe...

Is it true- am I honest? (*) is it fair? will it serve friendship? will it serve
wellbeing for all?

It is part of the prefix in all contracts closed by PM

(*) „honest“ or open-minded means to prove candor in telling your truth – this only when truth is
welcome… candor also means to listen open-mindedly and respect other views!

To be truthful is also proven by persistence in finding the true reasons for a problem – followed by
conscientious and persistent workout. It should culminate in „loving the truth“. 
BPP

Behavior with People and Partners

As basic attitude we give to our next friendliness, respect and trust. We offer a safe and healthy work environment that provides a good framework and opportunities for long-term professional development, where the feelings, rights and diversity of people are respected, where achievement and performance are rewarded in a fair way. This needs discipline, honesty and candor on both sides.

We believe in equal opportunities, fairness, and diversity and want to act with integrity. People are recruited on the basis of their value and qualifications for the work to be performed, regardless of race, religion, nationality, gender, age, and political opinion.

Everyone employed by PM is expected also to be fair towards our company and his superiors. He should honor and evaluate the investments which PM made in training and caring for him. We are strictly against all forms of obvious exploitation and against child labor.

We look for business partners whose values and policies regarding business practices are consistent with our own – and assist them to comply. Partners as well as company members are selected impartially on the basis of objective factors including quality, delivery, price, reliability, environmental and social performance - and integrity, all forming the essential trust basis reducing transition costs and preposition to build business friendships.

We make them seriously aware of our commitments and expectations by entering our values, principles (4-Q-probe) in partnership agreements and refer to those in case of deviations.
BRT

Behavior outside with Responsibility and Truthfulness

Existing or potential stakeholders, communities, analysts, creditors or credit institutes and other parties who are interested in our company should be supplied with a fair and true description of our company and related concerns and learn further details in our Website. Each company member who communicates outside should also make himself known with his “WhoisWho” in Internet and show in our Intranet with his extended WholsWho on which projects he works and specify the field of his competence for knowledge transfer to cultivate our group wide efficient R&D and innovation process. (PEX*)

A Dynamic Website / Extranet also enjoys our customers visiting and studying our websites so that they repeatedly visit us there, it improves PM image as an OPEN company, serves to develop chances for positive alternatives, helps find new general new engagements, informs new employees, promptly shows opportunities we may offer, backs up consulting, facilitate publications etc.

Active utilizing Internet also helps foster these relations and create trust and to form realistic attitudes or positive impressions in striving for mutual benefit and business friendship.

In such efforts as well as our daily business we should contribute to how we characterize ourselves in living our values, by proving...

Dedication to every client’s success.
Innovation that matters - for our company and for the world.
Trust and personal responsibility in all relationships.

(see TMC page 7)
**TTT**

**Transparency, Truth, Trust**

In all communications, both written and spoken, we attempt to be **open-minded, truthful, sincere and accurate** and responding to build and ensure trust, **cultivation Candor as outlined in PM 06054**.

We encourage an **ongoing dialogue** with all of our stakeholders (**all who are actively involved and related to PM**) in striving to act with integrity, aim to be as transparent as possible, but protecting and safeguarding our interests, properties and values.

Putzmeister has established **high standards for the reporting** of financial, social, and environmental information. Our business records are prepared with, continuity and honesty.

**Communication** with customers and end-users should be optimized in many different ways and through many different channels. While digital communication is increasing in importance, we believe that effective direct personal contacts will always remain very important.

We believe in open and responding communication within the Group and encourage **information to flow freely** and as **direct** as possible (see PM 04090 Blitzer). Everyone will always have access to the information needed in order to carry out an efficient job. It is basically his own responsibility **to search for and get it himself**, but also care for confidentiality where appropriate and caring for value consciousness and **inform others as well**.

Everyone must actively and efficiently document his findings and give **information to colleagues by own initiative** as part and proof for good **knowledge management** and communicative serving attitude (see PM 94066 SexySix and 4 Q-probe CEP page 23).
BIR

**Business Integrity is only proven when customers feel we comply with company values and ethics**

Caring for our **reputation** as a most valuable asset for trust is determined by how we act. All company members shall avoid actions which would jeopardize respect for the Group or its company values as outlined in this PWB.

We must comply with high standards of business and **personal ethics** and we follow the laws and regulations in the countries where we operate as given in the **Legality** declaration PM 07019 and **Integrity** declaration PM 04087, which each company member must sign annually.

We **support fair competition** and activities to enhance our ability to compete in the market, being determined to fight for our interests and values.

We refrain from giving or receiving anything of more than token, conscientiously follow fair and responsibly agreed values to or from any stakeholder. Such **unconditional integrity** avoids the risk of creating internal mistrust and an unhealthy loyalty. Otherwise it might result in an act of unfair competition, thus jeopardizing the company’s reputation, integrity to law and good practices, or even hurt financial performance of our company. We cannot afford immorality. Breach of ethics are destructive and proved to be the most expensive faults as we had to learn also from our own company history.

We show respect for and safeguard all tangible and intangible assets of the Group from loss, theft, and misuse, including immaterial values like this PWB.

Putzmeister companies strive to be a good, reliable, and responsible corporate citizen.

PM companies will not take political stands, and will not use Group funds or assets to support political campaigns or candidates, or otherwise provide support to political endeavors - except our efforts to further good social development, good neighborhood and environment.
GHR

Global Human Responsibility

Putzmeister supports the UN Global Compact Principles* with Human Obligations Code and the OECD Guidelines for Multinational Enterprises.

We believe in conducting business in a manner that preserves the environment for future generations. We respect fundamental human and labor rights and obligations.

We recognize that environmental or social considerations at times might override purely commercial aspects.

We are never proud of ourselves realizing the endless way ahead to improve - but enjoy what we jointly created - and it is our pleasure and reward when customers take pride on us confirming it with repeated orders.

Our policies related to business ethics and to social and environmental performance are summarized in the Putzmeister Group Guidance PM 1942* or traditional business principles (see PM 1424* and PM websites).

Personal friendliness and courtesy, polite, locally appropriate behavior as basic respect for our next are fundamental and must be cultivated continuously as expression of our CoPhy and this PWB.

Inspite of struggling in hard but fair competition with active ambition to follow our missions and visions, our Putzmeister company members strive to be messengers for good human value based virtues* in our global business community. Seeing that many “young” people do not yet follow good values should not demotivate us, but assist them to realize in being a good example for others to look at and feel personally better. It’s a long way with disciplined activity from hearing, seeing, realizing, learning, knowing… to “can do”.

...and do not forget:

. Early to bed
. Early to rise
. Work like hell
. and advertise!
CVR

Convert Values into Results

Living our common Values and finally loving what we do are the only long-term guarantee for Success. To move the stone only counts - not efforts or shared time. Learn the difference!

Test question: What did I achieve for my customer today?

To support, qualify and unite the geographically widely spread Putzmeister family of companies, our value based policies and further helping guidelines are gathered in “The Way We Do Things,”

This is found in RIPAF (Rules and Instructions for Putzmeister and Affiliated Firms), PM-Business Principles (RI-0.0.1), many PORGAS (PM Organizational Advice) = PM Policies, Geschäftsgrundsätze PM 1200*, Miteinander bei PM/Together at PM*, Führungsgrundlagen PFG 9403, PM 1942*, etc. see CDF p.17

Everyone is responsible to be familiar with their contents. Studying and referring to them at each given occasion or minimum each January by each management person is a must. This has to be documented on the obligatory annual leadership talks (BFG)

To get and use company informations is an essential “call / collect” obligation for all our employees to ensure consistency and give example.

Many confidential details and explanatory internal database are made available on the Group’s Intranet and Extranet besides our many Internet issues. All company members must contribute to explain and help qualify such essential issues, promote their use and train others on each occasion as well as making each own work and problem a learning experience. By principle only better people make better products! So the steady learning result is most important in everyone’s effort to prove better as his direct colleague in competitive firms. Actions and good spirit count, not words and money only. People who are finally not self motivated for this must better leave PM.

Only the fittest will finally survive, as we are part of a merciless and uncertain nature which also often governs our commercial world quite normally!

So lets create friendly markets with better company members who win our customers empathy.....enjoy ... and repeatedly earn “top in customers mind”!
The essence: Need your work because you love it

END: Please remember:
All what is written here basically is 98% earlier own collected knowledge and common old science; we only can add little in our lives and must realize that. How close he comes on his way to the targets of a truly good and value based life gaining those values stated here, is his choice for his success with lifelong learning. (You can – if you think you can!)

Unfortunately most of such wisdom of life is only realized in ones later years. So lets try in PM to shorten this. We want good young people who need their work because they love what they do (not vice versa). Our customers feel it and then also love Putzmeister. The medieval scientist Paracelsus left us the wisdom

He who knows nothing, loves nothing.
He who can do nothing understands nothing.
He who does not learn and understands nothing is worthless.
But he who understands also loves, notices, sees...
The more knowledge is inherent in a thing, the greater the love...

(Preamble in “The art of loving” written by Erich Fromm. see P/alle/Literat/Fremdlit/eingelesen/Fromm)

Our famous German Poet Hermann Hesse (1877-1962) stated in his later years...

“Wer lieben kann ist glücklich” ……… “Happiness is the ability to love”
(Suhrkamp, ISBN 3-518-03586-x)

Please realize: This capability to "love" does not stand for "romance" in an enterprise but for the most essential virtue furthering self-motivation, self responsibility, self recognition, effectivity in what we think, efficiency in what we do - and joy of life. It characterizes real good people. Love actually is the (tax free, even costless !) “fuel” for our “life vehicle”. The art of loving is as well the most effective tool for good management – and even with discipline hard to achieve.

Mostly it takes long to realize this - and many never understand. True ability to love is the most difficult human task and God’s message for a good life. May this PWB contribute to learn and to find this love-blessing for our private and professional life.

For more we refer to the related PM 04101-04130, websites and the many good publications - see our choice in PM management literature in PM-08096-KS Management Literature).
Alphabetical list of all hyperlinks on the slides and their corresponding note sheets:

Abbreviations: VM 05075 and VM 00050 – Controlling terms list (CTL)
Better people: PPP
Blitzer rule – PM 04090
Candor – PM 06054
Company culture
10 commandments – PM 94035
Cophy
Daisy
Diversification
Entrepreneurship
Excellence
Führungsgrundlagen PM 1942
Führungsmittelhandbuch (FMH) – PM 06058
Geschäftsgrundsätze PM 1200
Golden rule
Human rights - Human responsibilities
Integrity – PM 04087
Kofi Annan – global values
Karl Schlecht pers. web site
KS foundations (KSG and KSF)
Leadership model – s. PBP
learning process - PM Academy / PPP
Legality – PM 07019
Leiblatt SP 9528
Leitbild
LOM, PM 06048
Loving - s. Paracelsus
Management glossar – PM 00024
Market tech fields - s. VM 04005
MEB
Mission
Multi brand strategy - s. VM 04012
Personal ethics
PFS – VM 04054
PEX - s. PM 99081
Plastering pump - s. VM 91060
PM 04104-PWB-explan-slide-5
Porga for porgas - porga 901001
Porga PWB 040110
PM management literature
RIPAF – 0.0.1-PM-BusPrinc
Service
Sexy Six – PM 94066
Strategy - s. PBP (= Ripaf 0-0-1)
Structure
Team
Top in mind-top in choice
PM98009
Together at PM 1424
Trust
Value catalogue
virtues - s. values at PM
Vision
4-question-probe

Back to slide no.: 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

Confidential - internal
More details see PM 04131

“The Putzmeister World”

hyperlink index: 31