CEO Interview



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thyssenkrupp Elevator focuses on the long run, not short sprints

ESSEN/ROTTWEIL, GERMANY. On September 16, Andreas Schierenbeck will stand on the starting line at Germany's highest tower run at the thyssenkrupp Test Tower in Rottweil with some 600 runners. Like many successful CEOs, the Chairman of the Executive Board of thyssenkrupp Elevator AG is a passionate long-distance runner. In an interview, he explains why transforming an industry is not a short-distance run – and why the endurance to go the distance pays off whether it's on the job or in sports.

When did you start running marathons, and why?

Andreas Schierenbeck: I was signed up for my first marathon as a present for my 40th birthday. Many people consider their fortieth birthday to be an important milestone, so my wife and friends thought it was a good time for me to get in shape. They registered me for a marathon in Zurich, Switzerland, and they were right: I was out of shape and out of breath. I started training and after one year, I passed some mountain bikers for the first time. At the marathon in Zurich, my finishing time was 3 hours, 47 minutes. I was actually done before my wife left to pick me up.

What time of day do you prefer to run? Do you have any tips on how to fit training into a full day's schedule?

Schierenbeck: I find it easiest to make time in the morning. I run three times a week for an hour. If necessary, I'll sometimes start at four in the morning. Afterwards, I go to the office as usual. On the weekends, I can make time for 30-kilometer runs. This works even during very hectic periods.

If someone is on a business trip with you, can they join you for a morning run and, if so, would you talk business or save your breath?

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Schierenbeck: Sure, if someone really wants to, they can join me for a run. No problem! Sometimes my colleagues will take me up on the offer and we can easily cover everything on the agenda during a ten-kilometer run, which lasts just over fifty minutes. 14.09.2018 Seite 2 / 4

How much does marathon running depend on the right attitude?

Schierenbeck: The most important thing – reaching the finish line – is an act of the mind. It depends less on having a well-trained body. At some point, probably no later than the kilometer 30 mark, you will hit the wall. There are hardly any cheering people on the sidelines; the field of runners has cleared; and it's just you on your own. Your knees ache, your head is empty – and you ask yourself: "What am I doing here? Why did I sign up for this marathon?" At this point comes a very personal decision that no one else can make for you: Do you keep running despite the pain – or give up?

Running back is not an option, because the starting line is farther away than the finish line...

Schierenbeck: That's a pragmatic point of view! You could also say to yourself, "Maybe I'll never run a marathon again, but I'll finish this one. I've come this far, so I am going to cross the finish line."

Is running a marathon like running a large company – but with different means?

Schierenbeck: You have two sources of energy when running a marathon – carbs and burning fat. You need to combine both intelligently in order to reach your goal. First, it's a classic engineering problem, the kind we are happy to solve in our company. And it's the same for managers and marathon runners: It's easy to sign up and get started, and it's easy to set up a training or business plan. But sticking to it, even in bad weather, when you're tired, when you have setbacks. This is the kind discipline that is exciting, and that applies to everyone, not just a CEO.

Perseverance, hard work, a goal, plan, determination. Can transforming an industry like the elevator industry be compared to running a marathon?

Schierenbeck: The parallels are indeed strong. thyssenkrupp Elevator really goes the distance. We started decades after other elevator companies had already established themselves, so we had to play catch-up. However, we wanted to do more than run side-by-side. We wanted to open up completely new race tracks and define the course with innovations like the world's first ropeless elevator, MULTI, and a predictive maintenance solution, MAX, which detects elevator defects before the occur. thyssenkrupp Elevator achieved record growth for nineteen consecutive quarters. Since 2012, we have increased sales by 30 percent, the operative profit by 80 percent, and cash flow by 155 percent. But even things in common have differences: a plan and decisiveness alone are not enough when a company sets itself a marathon task.

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What kind of qualities does an organization need, if it wants to go farther than a short sprint?

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Schierenbeck: For me, it comes down to four things. I appreciate people who take on the unresolved issues of their company instead of ignoring them. I place a lot of value on keeping promises and agreements, whether someone is watching or not. There is not much you can achieve on your own, so you need open-minded people who don't see their helpfulness as dependent on bonuses or promotions. And last but not least, courage and guts are required to bring out the innovations that will turn the industry upside down, as well as for large projects and everyday life, in which every contract is fought for. You can't be afraid of new territory or a calculated risk. Even when training for a marathon, you never actually complete a test run of 42-kilometers beforehand. The actual day of competition will throw unexpected things your way and you just have to deal with them.

How do you overcome that inner voice that sometimes says: 'I don't feel like it'?

Schierenbeck: I basically like to run. It's fun and not torture. If you have to argue against that negative voice often, remember it's easier to stay in shape with regular training than if you do nothing for a long time and then start over again.

Do you train here in Rottweil when you have work to attend to in the thyssenkrupp Test Tower?

Schierenbeck: Yes, there is a beautiful path starting at the historic center over the bridge, past the city moat and then up the surrounding hills, along the Tafelgasse, with beautiful views over the old town and the test tower and then through the natural reserve. For the tower run, I have trained in the Rottweil Test Tower.

What is the time to beat?

Schierenbeck: 13 minutes and 14 seconds – to a height of 250 meters. But as with every strenuous run, the overall experience counts. No city marathon in the world can compete with the experience of a finish line at a height of 243 meters with a magnificent view of the Black Forest.

Press photos are available <u>for download here</u>.

Insight: Marathon runners make better managers

Sporting events such as marathons not only promote general health and fitness, but research proves they also bring out the best in managers. According to a study¹ by the Social Science Research Network, the fitness of managers, demonstrated by the fact that they completed a marathon, has a positive influence on company value. Companies whose CEOs have completed a marathon during the study period are on average worth five percent more than companies with "unfit" CEOs at the top. The researchers assume that

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¹ https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2489967

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regular training for a marathon promotes stress reduction and sharpens cognitive abilities – and that people who are exposed to particularly high stress at work can improve and regenerate their professional performance through endurance sports.

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About Andreas Schierenbeck:

Andreas Schierenbeck, 52, ran his first marathon in 2006 and has gone from an occasional runner to a real fan of long-distance running. He has stood at the starting lines in New York, Berlin, Zurich, Chicago, California, Tokyo, Marrakech, Sidney, Rio de Janeiro, and Boston. He recently completed his thirteenth marathon in Antarctica. In 2019, he will hit the pavement in London. Before he heads to London, he looks forward to – and with great respect – completing the highest staircase run in Western Europe at the thyssenkrupp Test Tower in Rottweil on September 16. "Effort and technique when running stairs are quite different to on the ground," says Andreas Schierenbeck, "this is an extremely exciting new challenge." Around 50 other thyssenkrupp employees will also take to the stairs in Rottweil. Andreas Schierenbeck has been Chairman of the Executive Board of thyssenkrupp Elevator AG since 2013.

About us:

thyssenkrupp Elevator brings together the Group's global activities in passenger transportation systems. With sales of \notin 7.7 billion in fiscal 2016/2017 and customers in 150 countries, thyssenkrupp Elevator built its position as one of the world's leading elevator companies from scratch in a mere 40 years' time applying thyssenkrupp unique engineering capabilities. With more than 50,000 highly skilled employees, the company offers smart and innovative products and services designed to meet customers' individual requirements. The portfolio includes passenger and freight elevators, escalators and moving walks, passenger boarding bridges, stair and platform lifts as well as tailored service solutions for all products. Over 1,000 locations around the world provide an extensive sales and service network to guarantee closeness to customers.

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