

About the Author

Dubbed the "father of hidden champions", Hermann Simon is long-dedicated to the study of hidden champions and chosen as the most influential father of management in Europe after Peter Ferdinand Drucker. He was a visiting professor to multiple renowned universities, head of an institute of European market science, and member of the board to multiple American and European companies and foundations.

The book has been translated in 25 languages across the world. Bloomberg Businessweek once took the title of "Hidden Champions" for a cover story. The book was also listed as one of the designated teaching materials by EMBA professors at National Cheng Kung University in Taiwan.

Forewords

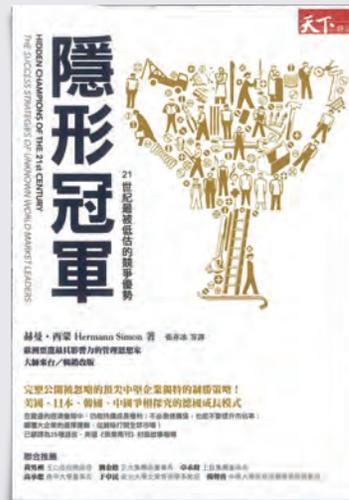
"Hidden Champions" is the result of the author's 30 years of study and consulting experience. The book collects worldwide case studies of 2,700 companies staying low and hidden with a great deal of success. The author hoped to help the readers find the core corporate competitiveness behind the success of hidden champions in the book. Of all the 2,700 hidden champions in the world, 1,307 are from Germany, and 233 from Austria, Switzerland and Luxemburg and other German-speaking countries. The number of hidden champions in this particular region represents 56% of the world's total. The continuation of heightened export performance in German-speaking countries should be attributed to SMEs.

With respect to Taiwan's industry structure, the book is especially valuable to entrepreneurs, managers and companies. In addition to large companies, a country needs to have globally competitive SMEs to retain robust global competitiveness. Taiwan's SMEs have a great potential to grow, but it is worth their attention to think of ways to utilize this potential to top the global market. In response to that, the German hidden champions are a good reference. The book lists a few hidden champions and did an in-depth analysis of those SMEs' corporate structures, competitive strategies, ways of management and the characteristics of their talents.

Taiwan vs. Germany

Studies find that German SMEs are the cornerstone of its economic and social development. These SMEs take up 99% of the total count in Germany. Their production value shares over 50% of the national production value, and they create over 70% of jobs. Of all the exporters, 98% are SMEs. The proportions of Taiwanese SMEs and their job creation are very close to those of German ones. However, Taiwan's sales representing merely 30% of all corporate production values are much lower than German sales, and Taiwanese SMEs only contribute 16% in export.

Germany had been the world's largest export country from 2002 to 2008. The country's average export value per individual in 2010 was USD 15,513, predominantly proceeding other countries. Taiwan also did a great job with its average export value per individual being USD 11,904 which was less than ideal compared to similarly small countries such as the Netherlands and Switzerland. In a global perspective, German-speaking countries have the most hidden champions, and the Würth Group with the biggest contribution to Taiwan fasteners, for instance, is one of them. They are the role models for Taiwanese companies to learn from.



Hidden Champions

A Book for the Fastener Industry to Go from Good to Great

by Michael Wu, *Fastener World*

What Defines a Hidden Champion?

Hidden champions' products are often less than noticeable, and they do their jobs discretely behind the value chain to help construct the machines, components, or the process of production and service. People cannot identify their existence from the final products or the end service. These champions prefer to stay unnoticed from the people, because they don't need to spend too much time and efforts maintaining corporate image, so that they can have more stamina for their true targets. Compared to big companies, hidden champions are more likely to discover long-standing and outstanding leadership and strategies. They are more suitable for being the role models. Despite essentially being the common companies as they are, they precisely grasp some sort of strategies and successfully top their respective markets. Additionally, the median of the hidden champions' corporate history is 61. Around one third of them have over a hundred years of history, which means they have very strong corporate sustainability.

Most hidden champions seem to be able to retain profits even in economic crises. They are more responsive to crises than the whole industry is. Our experiences tell us that a major reshuffle of market share often happens in economic crises instead of economic prosperity. The reason is that weaker competitors in the industry are often the first ones that cannot hold it in bad times, but to robust competitors, bad times provide great opportunities to consolidate market status and increase market shares.

Constituents of Hidden Champions

The author studies the success and constituents of hidden champions through many aspects, and they are as follows:

1. Fast-growing market topper.
2. Marking out target markets and focusing on core specialty.
3. Opening up the world market.
4. Cultivating relationship with clients.
5. Continuous technical innovation and accumulating corporate strength.
6. Unique competitive edge.
7. Structure, finance and business model.
8. Employees and corporate culture.
9. Leader characteristics of a champion team.
10. Success methodology of a hidden champion.

From the above we can conclude the constituents of hidden champions into the following 6 descriptions:

1. Having an important and influential position in the industry and predominant position in the world market.
2. Fast corporate growth.
3. Strong survival.
4. Having less than noticeable products in a unique market segment.
5. Being a globalized company and a world-class competitor.
6. Successful business-running.

Conclusion

The passed Harvard University professor Theodore Levitt said, "Sustained success is largely a matter of focusing regularly on the right things and making a lot of uncelebrated little improvements every day."

As globalization progresses rapidly, massive customization is no doubt the current trend. It does not matter if a company is big or not. What matters are the extent of globalization, efficiency, and profitability. Don't we in the fastener industry match the author's description of "hidden champions"?



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