

PACO WORLD

Our International
Wire&Mesh Magazine
for Existing and
Prospective Customers

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All Will Be Fine? But Only If We Deal Honestly With Each Other.

Dear Reader!

Nobody wants to hear or read about it any more: the global economic crisis has had all of us in its grip, the banks ran out of steam, companies suffered through a downturn in orders, but even more so under the psychological effects of the general climate of mistrust. And if a bank no longer has sufficient trust in another bank to provide it with the money that it needs to make loans to its customers, where is this going to end? You are blessed if you are in good financial straights and not dependent on credit.

At PACO we are also sensing the recovery to an extent that we were definitely not expecting. We are obviously extremely pleased about this and would like to thank our customers for their trust. Nevertheless things are far from being completely back to normal. The economic situation in the USA continues to cause a lot of concern. China, Russia, Southeast Asia – there are still plenty of questions marks all around. And the German word “Kurzarbeit” has just been introduced into the English language to describe short working weeks – in just the same way as Kindergarten and Waldsterben took their place in the past.

And we as a company are also getting things going again. It is satisfying and reassuring to know that the quality of a family-owned medium sized enterprise can assert itself – on a worldwide scale.

But after the global economic crisis, I still get the impression that things are far from being well. As a metal processing company we are used to heating up materials. But it was others that were responsible for heating up the economy to the point of causing real estate bubbles, new economy bubbles and speculation bubbles. Although we still suffer from the consequences. It is difficult to imagine where the world's small and medium-sized enterprises would be now if they had not suffered at the hands of those that were not honest with their customers. Honesty is a quality that always has been and always will be included in our services and prices. Without charge.

Best Regards


Peter Ruppel
Managing Director



PACO in the USA: An Early Success Story

PACO was founded in 1953 and as early as 1956 had started to forge business relations in the USA. Back then, a step that was in no way to be taken for granted. Throughout the years since then, this courageous decision has proved to be the basis for a success story that is exemplary for a trustworthy working relationship on an international scale. This has got nothing to do with size, it is all about mutual trust.

Gerard Daniel Worldwide

As the name of the company indicates: Gerard Daniel was the founder of the company and also the person that Wilhelm Ruppel contacted in 1956 as PACO was looking for a business partner to help them enter the US market. Daniel was a Jew that had emigrated from Germany and Wilhelm Ruppel was obviously a German. Back then, this move showed considerable courage on the part of both parties! In the course of time, a close personal relationship and mutual trust have proved to be far stronger than any politics, prejudice and, above all, all of the injustice in this world. This is an example that many can look to today. It goes without saying that Gerard Daniel Worldwide is a business partner that we at PACO are very proud of. The company is the larg-

est supplier of steel wire cloths for filtration, aerospace, the motor industry and electronics in the USA. GDW claims to have the world's biggest inventory of metal wire cloths with over 5000 types of mesh from stock. A concept that optimally serves the just-in-time requirements of their customers. This market leading position is nonetheless also based on corporate principles such as quality, competitive pricing and, in particular, an emphasis on service. And all of this fits in well with the way we do things at PACO.

Well positioned – corporately and geographically

From the outset, Gerard Daniel Worldwide has been based on two strategic pillars: on the one hand, international cooperations with wire manufactur-

ers in the low price segment and on the other hand, close working relationships with manufacturers of some of the world's highest quality wire products. This is complemented with a strategy of offering customers products and services that cannot be obtained from any other sources. As a result, GDW has become a metal wire weaver themselves and today is the largest fully integrated domestic weaver of industrial wire cloth in America. Geographically, GDW is well covered with facilities throughout North America: East Coast, West Coast, South West and Canada. The headquarters with administration, storage and manufactur-

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The headquarters of Gerard Daniel Worldwide is located in Hanover, Pennsylvania, USA, where the company was founded in the 1950s.

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PACO in the USA

ing is located in Hanover, Pennsylvania. Other production sites are in Fontana, California, Tulsa, Oklahoma as well as Toronto, Canada. The European market is served through a subsidiary and production site in Ireland. In this respect, GDW could be viewed as a PACO com-

petitor. But our close links that go back more than half a century have proved that, in most cases, we can reach more when we work together with each other rather than against each other. We are looking forward to continuing with this tradition long into the future.

Interview with Gary Shultis, GDW

“We have learned from PACO how a good supplier should treat its customers.”

PACO World: Mr Shultis ...

Gary Shultis: Sorry, but please call me Gary.

PACO World: Gary, the cooperation of your company with PACO (Paul & Co.) goes back to 1956. What do tradition and long term connections mean to you – professionally and personally?

Gary Shultis: You are correct, GDW's and PACO's relationship pre-date both Peter Ruppel's and my management involvement with our respective companies. As a result, managers from both of our companies are very aware and

support our airbag business, Mr. Ruppel kindly volunteered to come to America to inspect the plant we were looking at, to give me his professional opinion of their weaving capabilities. In order to enable us to communicate I hired a professional translator to accompany us on our inspection tour.

One evening, after a long day of going through this company's operations, Mr. Ruppel, our translator and I found ourselves in a small back-woods restaurant on a bayou in Mississippi, near the plant we were visiting. Over a platter of fried alligator and a couple of

Gary Shultis is the CEO of Gerard Daniel Worldwide. PACO World asked him a few questions about how he has experienced the working relationship with Paul & Co. and the Ruppel family.



“I have tried to remember and duplicate PACO's customer relationship model in establishing the way Gerard Daniel Worldwide treats and works with its customers.”

appreciative of our long and close organizational relationship. From a personal standpoint, I have absolute trust in and admiration for the honesty and integrity of all at PACO that make the company the success it is.

PACO World: In 2003 I had the opportunity to talk to the late founder of PACO, Wilhelm Ruppel, and he was very fond of having established the cooperation with Gerard Daniel as an importer to the USA. Did you ever meet Wilhelm Ruppel and if yes, what are your recollections?

Gary Shultis: I first met Wilhelm Ruppel in 1987, when I became CEO of Gerard Daniel Worldwide. Since I speak almost no German and Mr. Ruppel spoke almost no English, on most occasions our ability to communicate with each other was limited. But when you met him he was always uniformly warm and friendly. In 1992, when GDW was considering acquiring a US wire weaver to

glasses of Kentucky bourbon whiskey, and with the help of our translator, Mr. Ruppel and I really got to know each other. I came away from that dinner appreciating what a truly remarkable man he was. I treasured the friendship that blossomed that night for the rest of his life. His passing was a terrible loss for his family and all his friends, including me.

PACO World: How would you describe the cooperation with PACO, and what

are your likes, maybe dislikes?

Gary Shultis: Our cooperation with PACO is much closer than the relationship most divisions within a corporation have with their sister companies. Our relationship with PACO is built on trust. We know we can trust everyone at PACO to always be fair and helpful. They always “go the extra mile” as we say in America. For decades, PACO has also been consistently good about delivering a good product at a fair price when they said they would.

PACO World: Cooperating for so many decades, do you think there are any influences of your German partner, which have shaped the corporate personality of Gerard Daniels Worldwide? If yes, which ones?

Gary Shultis: Our relationship with PACO and with the Ruppel family has shown us how a good supplier should treat its customers. On many occasions they have gone far beyond what could be reasonably expected of them.

In some cases they have done things for us that worked against their own short term economic interests. But they understood that we were both in this relationship for the long term. I have tried to remember and duplicate PACO's customer relationship model in establishing the way Gerard Daniel Worldwide treats and works with its customers.

PACO World: Which advantages derive from the cooperation with PACO for you as a leading player in your markets?

Gary Shultis: First, of course, PACO supplies a good product, on-time, at a competitive price. But beyond that, since we know we can count on PACO to put our interests first, we can share information and work with them to solve our customers' problems in ways we would never be comfortable in working with our other suppliers.

PACO World: Finally: what are your wishes, maybe demands and expectations for the future cooperation with PACO?

Gary Shultis: When I think of PACO, and the people who make PACO what it is, the words that come to my mind are: honesty, integrity, service and competence. What else could one wish for from a supply partner?

PACO World: Thank you very much Gary for talking to us.

Wilhelm Ruppel (1927 – 2008) was co-founder and Managing Director of Paul & Co. GmbH for a number of years. He was not only an entrepreneurial pioneer but also the founder of the PACO Group's dynamically growing export business.



Interview with Peter Ruppel, Managing Director of the PACO Group

PACO World: Mr Ruppel, first of all there was global crash and then a new German economic miracle. What is your assessment?

Peter Ruppel: It definitely was a crash. And it's annoying that all of the respectable and hard-working people, like us, have been forced into the part of the victims. Who can we get to compensate us for the fact that the burst speculation bubble torpedoed the business of our customers with a knock-on effect for us? And who can an employee who has lost his job and seen his existence placed on the line call to account? The official monetary policy and bonus-driven speculation that caused all of this is purely and simply irresponsible. And those involved are all as bad as each other.

PACO World: And how do you view the upturn that the German economy is currently experiencing?

Peter Ruppel: In the words of Franz Beckenbauer: "we'll see". All is far from well. And I know that there is never a time when all is really well. We always have the responsibility of never sitting back and simply saying: all is well. If we do, we know that things will take a turn for the worse. Nothing is well, all the time that we can do something better. And at PACO we can do that. We always want to get better – for the sake of our customers.

PACO World: Why have world famous banks made such serious mistakes and companies such as PACO have not?

Peter Ruppel: We're not without our faults either. But we have a different culture. We are family company. That might sound very nice and comfortable. But in fact we are extremely competitive. And within a global context, competition means a lot – for instance, that you sometimes have to be aggressive. And you can only afford to be aggressive if you have sufficient backing. At PACO, we know that our employees will give us the backing that we need. It is their trust in us as an employer that makes us strong.

PACO World: And what does this mean for the future of PACO?

Peter Ruppel: We are in a good position. We don't play the market, but work hard for our market. And if stormy clouds appear on the horizon, something that can happen to anyone, we are well prepared so that we can manage the risks responsibly. This is something that not everybody appreciates. But together with those sharing the responsibility, I have arranged the company's affairs in the same way that my father would have done – to have foresight, be aware of our responsibilities and be prepared for the future. And this applies to the coming generations too.

PACO World: You mentioned the term "family company". How do you think this type of company will fare in the face of global competition?

SMEs and the Global Financial Crisis: Family Companies Often "Tick" Better.

Peter Ruppel: Being a family company, as far as I see it, is something very special. Just imagine that your father had a business concept that you can continue with. And then pass on to the next generation. That is a privilege. But also a big responsibility. I can't sell off my share and call it a day. I have a family company that needs me. At least I hope so! And I need my company. Not to somehow get rich, but because I was born into it and I have inherited the responsibility for it. And I can really identify myself with this responsibility. The same also holds completely true for my brother Klaus as co-director and – what particularly pleases us – our nephew Gavin who, after earning two degrees, has also joined the management team. In other words: the manager of a large corporation is responsible for his figures. The proprietors of a family company are responsible for what their family has created and wants to create in the future. This means that family companies tick differently, if not to say better. This special responsibility towards your own company and your own people is a clear competitive advantage compared to large corporations.

PACO World: What advantages do family companies have for their customers and for their staff?

Peter Ruppel: First of all I would like to point out that family companies are not all the same. Some are so ingrained in their tradition that they lose touch with developments and can no longer keep up to date with the competition. Others, such as us at PACO, use all the chances that come our way to develop the innovative solutions that our customers demand. This means that we have to be prepared to continually adapt. As a result, our customers not only benefit from our know how as we accompany them on their way, but also from our support. We are not just a supplier, we also want to be a partner. In just the same way as in any good family.

PACO World: And what are the advantages of a family company for the employees?

Peter Ruppel: Firstly that they, so to speak, belong to a family. This doesn't mean that everybody is treated with kid gloves. Everyone has to make their honest contribution so that we can survive as a whole. But the relations with each other are far more personal than with a large company. Which manager knows the names of all the staff working in this department or that? My father knew everyone including their respective family status and we know most of them, we have grown and are a big-

"We all have the responsibility of never sitting back. Nothing is well, all the time that we can do something better."



ger team now as back then. Everybody knows that they can come to us at any time. There are no obstructive hierarchies like you get in big companies. I think that we work on a far more emotional level, but at the same time always professional. And in both ways, this has got advantages for our staff. They will also become more competitive, but in an environment that is favourable to them, just like in a family

PACO World: How do you see the future of the family company?

Peter Ruppel: A family company, that characterizes the broader term "medium-sized enterprise", not only has to be well run, but is also something that requires commitment. If this is the case it will be a successful in the competitive globalised economy of the future.

PACO World: Thank you for talking to us.



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Impressive – the new HETA bending machine. It offers precision, high working speeds and, above all, extremely high bending and rolling performance for thick metal plate.

HETA Invests: Powerhouse Bends Thick Plate

PACO and HETA are growing together. Both have now made a joint investment that will provide HETA with a further productivity boost.

Problem: bending and rolling thick steel plates

In process and plant engineering for filtration or separation solutions, large diameter cylindrical bodies made of thick metal plate are often required. As pressure vessel they are used in fields ranging from polymer filtration through industrial water filtration to the purification of crude oil in pipelines, to mention just a few of their many uses.

The manufacture of steel jackets such as these is an art that only very few can master – particularly, when the metal plate is thick and the body is large. In the past, HETA had to outsource work such as this. Now, however, the consequent approach toward higher levels of parallel integration, just-in-time availability and assured quality from a single source has been continued in this area too.

With the EVOROLL toward a new dimension

After a significant investment, a gigantic metal plate bending and rolling machine has taken its place on the HETA shop floor – the EVOROLL. This machine

has three giant rolls that incorporate a unique variable geometric concept in conjunction with enormous bending forces. This enables the pre-bending of metal plate up to a thickness of 20 mm (with stainless steel) prior to rolling up to a jacket length of 3,000 mm and diameter above 400 mm.

To optimize the cost-effectiveness of the machine, which is the only one of its kind in the area, HETA will also be offering this system on a subcontractor basis.



Steinau an der Straße: Applause, Applause! The 18th Steinau Puppet Theatre Festival.

It's the same every year: Steinau calls and all the good puppeteers are there. Just as in Bayreuth, at the Salzburg Festival or at the MET in New York: only the best are invited. And they all like to come! We are talking about puppet theatre. This is an art form that is often not taken particularly seriously. But just think about it: back before there was any television, there was puppetry. And adults just as much as children loved it. And still love it, even today. Maybe the fascination of puppetry is that of the abstraction. There are no actors on stage, but abstractions or symbols of the real thing. And this includes figures that you will never see on the real big stage. A crocodile, for instance, that annoys Punch. Or a frog that gets kissed and turns into a prince. Above all, however, it is the fairy tales with their imaginary worlds that are brought to life in the world of the puppets. And in this way reach the hearts of the people.

The 18th Steinauer Puppet Theatre Festival featured ensembles of the highest international standard. And each one interpreted puppetry in their very own way. Once again, it was a tremendous experience!

Bits and Pieces: How many things are considered impossible until they are actually done?

Schopenhauer – made more understandable.

The world famous work “The World as Will and Representation” written by the philosopher Arthur Schopenhauer starts with a Preface – penned by himself – in which he almost apologizes for the hundreds of pages that follow, which are needed to make what he really wanted to say understandable. Although his work heavily influenced the world’s intellectuals of his day, he was very well aware of the limits of being able to make himself understood. Nevertheless, he didn’t take away the hope of us reaching a mutual understanding:

“I propose to state here how this book is supposed to be read in order that it may be thoroughly understood. What is to be imparted by it is a single thought. Yet in spite of all my efforts, I have not been able to find a shorter way of imparting that thought than the whole of this book. (Editor’s note: over one thousand pages): I consider this thought to be that which has been sought for a very long time under the name of philosophy, and that whose discovery is for this very reason regarded by those versed in history as just as impossible as the discovery of the philosopher’s stone, although Pliny (Editor’s note: Roman historian and philosopher that lived before the birth of Christ.) had already said:

How many things are considered impossible until they are actually done?”

Any more questions: then as far as our customers are concerned, we also like to be philosophers:

Ask us about what you consider to be impossible. And we will do everything possible to make sure that it gets done. After all, we have done this so often that it has become second nature to us.

Arthur Schopenhauer lived between 1788 and 1860, he was born in Danzig (now Gdansk) and died in Frankfurt am Main. Maybe at some point on his travels he made a stop in Steinau an der Straße. Who knows?



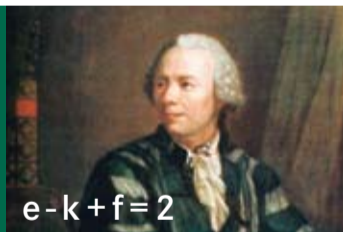
√ Brilliant Minds

Leonhard Euler The Man that Symbolized Mathematics

There are scientists, researchers, mathematicians and other brilliant minds to which PACO is deeply indebted because their contributions positively influence the way that we carry out our day to day business. Theme related, we would like to introduce our readers to them in a series appearing periodically in various issues of PACO WORLD.

Euler – one of the most important mathematicians of all time

He lived from 1707 to 1783. His name may not be that well known to many, but at PACO we keep coming across his work at every twist and turn. For instance, he introduced and popularized a lot of the mathematical symbols that are still in use today: e.g. e, ..., i, Sigma as the summation sign... and F(x) as a function. He was a close companion of Daniel Bernoulli whose principle we introduced in PACO WORLD 18 as the basis for the way that the HETA HSA automatic filter system works. The publication of the complete works of Leonhard Euler is still not complete even 225 years after his death. Until now “only” 70 volumes have appeared.



Imprint

All information in this edition of PACO WORLD has been carefully checked prior to publication. Nevertheless, we can make no guarantee for completeness, accuracy and up-to-dateness.

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