

Martin Krauss

The TGW World and its Foundation philosophy of  
“Focusing on people – learning and growing”

A holistic entrepreneurial approach

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*Due to the Foundation's mission,  
TGW Group is not merely a convenient economic community  
but a purpose-oriented community of values,  
that facilitates human and professional growth  
and entrepreneurial success*

Ludwig Szinicz



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## Abbreviations

AHS	general high school (German: Allgemeine Höhere Schule)
AI	artificial intelligence
A project	project of great importance and urgency that is particularly complex and requires a high level of expertise on the part of project management
AQAL	all quadrants, all levels: an integral four-quadrant frame of reference – inside / outside and individually / collectively – for conscious development
B.E.L.	Bildung & Entfaltung Linz (Education & Evolution, a private school)
BEST	Baueisen- und Stahlbearbeitungsgesellschaft
BFI	Vocational Training Institute (German: Berufsförderungsinstitut)
CAP.	Capabilities; name of one of the 10 projects of social entrepreneurship
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSO	Chief Sales Officer
CSR	corporate social responsibility
DNK	German Sustainability Code (German: Deutscher Nachhaltigkeitskodex)
EBIT	earnings before interest and taxes (financial indicator for earnings)
FW	Future Wings
GMC	Group Management Conference
GRI	Global Reporting Initiative
HR	Human Resources
HTL	Higher Technical College (German: Höhere Technische Lehranstalt)
L&G	learning & growing
LU	Ludwig (Szinicz)
MVP	minimum viable product
PDI	personal development interview

R&D	research and development
SRS	Social Reporting Standard
TGW	Transportation equipment Wels (German: Transport Geräte Wels)
TIZ	Technology Information Centre (German: Technik-Informations-Zentrum)
UN	United Nations
VUCA	volatility, uncertainty, complexity, ambiguity
WU	University of Economics (German: Wirtschaftsuniversität; here: the one in Vienna, where Ludwig Szinicz studied)



## Foreword by the editor

Make the world a little bit better with “Focusing on people – learning and growing”. Start with the things you can control. And start thinking in new dimensions: Would Ludwig Szinicz give us an approving nod for this brief summary... with his radiant eyes, his mischievous smile he loved to display whenever he got enthusiastic about something?

No longer will the Foundation Board get an answer from Ludwig Szinicz. The co-founder of TGW Logistics, founder of TGW Future Private Foundation and initiator of Future Wings, passed away in 2017. After all, at the age of 78, he was *“something of an elderly gentleman”*, as he liked to quip in the last years of his life. Still, his death caught all of us by surprise, for it came so suddenly. Ludwig Szinicz was “a great human being who still possessed enormous amounts of creative energy and vision”, as Josef Eibel, one of his companions, put it.

The TGW Idea was Ludwig Szinicz’s passion until his death. “Idea TGW” – this is what he liked to call his human-centred future foundation model designed to ensure the company’s stability. Today, it is the epitome of a holistic view of industrial and social entrepreneurship. In other words: “Focusing on people – learning and growing” became the Foundation philosophy. It will always be with us in the TGW World.

This book is intended to help make Ludwig Szinicz’s dream and thus his Foundation philosophy become reality. We are grateful that Martin Krauss, Chairman of the Foundation Board and close confidant of the founder, initiated this book and made it come to life. It seeks to provide answers to the why and what of the Foundation philosophy, in particular for the employees of our TGW World, as well as shed more light on the how. We seek to heighten awareness of where we come from, where we stand right now – and where we are going. The book provides guidance and limns out a framework that leaves plenty of leeway for your own actions. By no means should the ideas for the future as they are outlined here be seen as prescriptive: They are mere suggestions for a deeper examination of the topics.

If we succeed in kindling some enthusiasm for the Foundation philosophy in you, dear reader, we will be delighted.

No one should expect light fare, though. It begins with the rather complex structure of the Foundation and terminology that must first be assimilated to comprehend the broad framework. Important developments, milestones and key documents relating to the Foundation philosophy are presented, put into context and elucidated. The fact that they cannot be shown in strictly chronological order doesn't aid comprehension and requires some concentration. Although the Foundation philosophy has advanced step by step since 2004, progress wasn't always in lockstep and certainly not always linear: Tiny steps alternated with huge strides, and there were steps sideways and backwards as well!

It's all for the good that this book doesn't try to smooth out every wrinkle. The founder's personality was not infallible, and the "Idea TGW" shouldn't be over-hyped, as much as it captivates us all. Readers can sense Martin Krauss' enthusiasm for the subject matter and his respect for the founder's vision – but they will also recognise the author's desire to assume a wide range of perspectives and critically challenge seemingly obvious things. At this point, we want to express our gratitude to Reglindis Pfeiffer, who supported Mr. Krauss in the conception and development of this book.

No question: Martin Krauss requires unconditional attention on the part of his readers. The complexity of the Foundation philosophy will probably only become clear if you study the entire work and pay heed to the details. Stamina, tenacity and an open mind are essential for proper understanding of the complex subject matter. The book doesn't merely scratch the surface of these subjects – they are deeply explored without any claim to completeness or absolute truth. Instead of presenting diffuse partial messages, Martin Krauss puts the really important topics in the spotlight, as a call and a spur to further reflection.

The editor welcomes this approach, especially since the mixture of formats makes for varied reading. In addition to interviews with players from the TGW World, e.g. Heinz König, co-founder of the company, there are infographics on the hexa-

gon of the Foundation philosophy and stories from the TGW World that help the reader understand the personality of the founder a little better. The book contains specific perspectives and ideas of the Chairman of the Foundation Board, Martin Krauss – but always in the spirit of Ludwig Szinicz himself. In 2016 the founder assigned a special role to Martin Krauss in the development of the Foundation philosophy – and this expedition was to be undertaken under his aegis.

We, the TGW Future Private Foundation, would like to take you along on this journey: around the TGW World and the Foundation philosophy of “Focusing on people – learning and growing” – a holistic approach to entrepreneurial action.

The editor

TGW Future Private Foundation / Foundation Board

# GUIDE FOR SUCCESSFUL NAVIGATION THROUGH THE TGW WORLD

## TGW Logistics

Industrial entrepreneurship and one of the two divisions of TGW Future Private Foundation; the company, established on 11 December 1969 as Transportgeräte GmbH & Co. KG Wels and operating under the name of TGW Logistics Group GmbH since 2007 (in short: TGW Logistics) is the nucleus of the TGW World with today around 20 subsidiaries worldwide.

## Ludwig Szinicz and Heinz König

Founders of Transportgeräte GmbH & Co. KG Wels (TGW).

## TGW Future Wings

Social entrepreneurship and one of the two divisions of TGW Future Private Foundation; one of three parts of TGW World.

## TGW Future Private Foundation

100 % owner of TGW; founder of Future Wings Private Foundation and "Schule Morgen" Private Foundation; 49 % shareholder of CAP.future GmbH; one of three parts of the TGW World.

## TGW World

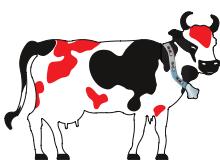
The unity of the three parts → TGW Future Private Foundation → TGW Logistics → TGW Future Wings

## Idea TGW

Ludwig Szinicz' term for his human-centred and stability-ensuring future foundation model for TGW Logistics; today, in the TGW World, also the epitome of the integrated view of two types of entrepreneurship that are of equal value (industrial and social).

## Founder

Ludwig Szinicz, founder of the TGW Future Private Foundation established by him in 2004.



## TGW cow

Metaphor for the advantages of the owner TGW Future Private Foundation integrated into the official description of the Foundation philosophy stated in the Foundation Declaration. Stability in the question of ownership, autonomy and the desired and encouraged participation of employees in the events of the company.

## Foundation Declaration

The "constitution" of every foundation, consisting of the publicly available Foundation Deed and the non-public Supplementary Foundation Deed; at TGW Future Private Foundation, the Declaration is a special key document, also with respect to the detailed description of the Foundation philosophy contained in it.

## Hexagon of the Foundation philosophy

The heart of the Foundation philosophy in six dimensions: purpose orientation, conception of human beings, value system, sustainability, holistic education, exemplary entrepreneurship.

## Introduction

*“I am incredibly happy I can be here today. I would like to tell you about my legacy.”*

With these words, Ludwig Szinicz began his Christmas speech in December 2016. Everybody in the festively decorated exhibition hall in Wels sensed how important the speech was to him. The founder of the TGW Future Private Foundation usually didn't push himself to the fore. No, the legacy was supposed to be the star of the evening. Ludwig Szinicz wanted to showcase it to the employees in person. He had meticulously prepared himself for this presentation, with the dedicated help of TGW Future Private Foundation Board member Clemens Steiner. Because he'd pledged himself to the idea of learning and growing his entire life, even at the age of 78.

For the founder of a company to concern himself about its future is nothing new, really. But *how* Ludwig Szinicz answered the question at the beginning of the millennium can certainly be described as special and quite visionary. He designed a very specific foundation model for that purpose. Put simply, it was to have a dual function: to ensure the continuation of the company as well as do something substantial towards serving people and society as a whole.

When and how did it all start with Ludwig Szinicz' special “Idea TGW”? Formally, it began in 2004. Four years earlier, he and his partner, Heinz König, had transferred the leadership of TGW to three young, “homegrown” managers. Subsequently, Ludwig Szinicz acquired 50% of the shares in the company from his partner. In 2004, he donated 100% of his shares to the TGW Future Private Foundation. Thus, he assigned future responsibility to external, non-family Foundation Board members, looking for a constellation on the owner side separate from the family in the long term. It was to outlast the coming generation and apply in perpetuity. He wanted to ensure its sustainable continuation over many generations through the self-renewal principle of the Foundation Board (cf. illustration on p. 93). So, Ludwig Szinicz dared to put in motion an experiment in 2000 whose practicability and success would only become apparent in the future.

The foundation model has a deeper meaning. The mission of the Foundation prescribes that TGW be not merely “a convenient economic community” but a “purpose-oriented community of values, that facilitates human and professional growth and entrepreneurial success”. “Focusing on people – learning and growing” was the guiding principle under which Ludwig Szinicz summarised the details of his foundation model. His ideal was: At TGW, the focus would be put on human beings, unlike in any other company. The founder wanted to provide the right framework for this with his TGW World: a company that manages to be economically successful and *at the same time* respects and advances humaneness in the company. Every employee is given the opportunity of working with real purpose in an appreciative environment.

At this point, shouldn't we sit up and ask what makes Ludwig Szinicz' approach so special? Don't many other companies also claim to put human beings before all else? So, what's so special about his foundation model? Answer: the framework conditions, which have even been stipulated in writing. Ludwig Szinicz defined the basic principles of the Foundation philosophy in 10 guidelines in the Foundation Declaration, a constitution, so to speak, for the Foundation. Even the metaphor of the TGW cow, whose milk is to be distributed “fairly and wisely”, was included in it (cf. p. 81) These guidelines, plus the six dimensions of the “hexagon of the Foundation philosophy” – purpose orientation, conception of human beings, value system, sustainability, holistic education, exemplary entrepreneurship – are described in detail in this book. All this applies not only to TGW Logistics but to the non-profit activities as well. These activities were established together with external legal entities in 2007. For the founder, they were no less a matter of the heart than the company was. Today, this social entrepreneurship operates under the name of TGW Future Wings with the focus on “education & innovation” on an equal footing – but not of equal ranking – with the industrial entrepreneurship, i.e. TGW Logistics. In case of doubt, the TGW cow is always given priority because her health is the greatest good for the entire TGW World.

If you look at his foundation model and the Foundation philosophy from today's perspective, it's clear that Ludwig Szinicz had quite a definite idea about a

“purpose-driven economy” – highly touted nowadays – at the beginning of the millennium. He was enormously intrigued by the new way of thinking about how we do business. And the holistic entrepreneurial approach, implemented through the Foundation philosophy of “Focusing on people – learning and growing”, is just such an attempt to do business in a different and novel manner: more human-centred and more sustainable!

You’ll understand Ludwig Szinicz’ intentions even better if you look at current economic theories that address the shortcomings of 100% capitalist or 100% socialist models. There’s no doubt that a healthy society needs an economic order that optimally supports human development. This means that much, much more is involved than just material aspects. Simply put: Social concerns, values of care, the environment and human development must be given greater priority, be ascertained by appropriate indicators and lead to changes in the way we act.

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So, if you take a closer look at Ludwig Szinicz’ interpretation of entrepreneurship, you need to pay attention not only to the sober facts of his Foundation philosophy; his considerations regarding a new way of doing business are quite fundamental. “Nothing is more practical than a good theory”: These wise words from well-known social psychologist Kurt Lewin encourage the concrete application of theoretical building blocks familiar from academic and professional discourse to the TGW World. This is why we deal in one of the final chapters with the holistic view of its impact on society.

This book presents the TGW World in all its various features. Rough edges are not left out, and neither are statements that might irritate or lead to arguments – or, as Ludwig Szinicz preferred to say, “encourage debate”. Because what could be more valuable and provide more crucial stimuli for a constructive and productive dialogue than the critical examination of the Foundation philosophy?

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This book that is addressed to the TGW World in particular is also a reference system, so to speak. It can counteract uncertainty about what the Foundation philosophy means today and provide clarity.

Anecdotes, stories, theoretical models, history, the present day and future, things that are immutable and things that are transient, facts, classifications and interpretations, documentation and reference work, getting closer to the founder, understanding the foundation model: All this awaits the reader on this journey through the past, present and future of the TGW World. Some readers might stumble over or be irritated by the three digressions into practice-oriented scholarly theories, but this opportunity to immerse yourself in these topics was provided on purpose; besides, the graphic underscoring allows you to simply skip over them.

All the different building blocks in the book are related to the subject of the Foundation philosophy. But don't worry: You can also pick and choose only the individual aspects that are of special interest to you. There are key documents and speeches by Ludwig Szinicz that speak for themselves. But here, too, it is helpful to put them in a more comprehensive context by means of classification, explanation or even elaboration.

Everything is in flux when it comes to the implementation of the Foundation philosophy – “learning and growing”, that's for sure. This is why this book can only provide a snapshot. The subjects outlined go beyond the here and now and peer into the future. The texts seek to invite the reader to think about how the guidelines or the six dimensions of the hexagon can be implemented, for instance. Giving orientation and inspiration while providing multiple perspectives and possibilities. All the things that *can* be subsumed are shown under “Focusing on people – learning and growing” – without excluding new ideas.

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Keep the founder's great dream in mind while reading; it will help. Before we begin with Chapter 1, which is dedicated to the showcasing of the TGW World and provides insights aplenty into its roots, we want to quote Ludwig Szinicz'

Christmas speech on 16 December 2016 (see the full text of the speech in APPENDIX p. 267 et seq.).

An audience of over 1,500 experienced his very personal summary of what's at stake. So much wit and positive energy filled the hall! Nobody imagined it would be his last big speech. What we especially remember today is the emotional conclusion:



*I told you that I set down my legacy in 2004 and that there will be no changes to it.*

*I would like to make one small but – for me – important additional request: When I am peering down on TGW in 10 or 20 years' time, I would like to see that my idea for the future of TGW has been implemented. That would make me incredibly happy.*

Christmas speech / Video  
Ludwig Szinicz (2016)



# **CHAPTER I**

Presentation of the TGW World,  
insights into its origins and the dream  
of its founder, Ludwig Szinicz

# 1. The basis: presentation of the foundation model and its protagonists

## 1.1 Overview of the TGW World

What does “TGW World” mean? Who belongs to that world? How is everything linked together? The structure is complex. If you want to understand the following chapters and contextualise the contents, you ought to address in greater depth the foundation model, the role of the various organisational units and the most significant historical milestones.



**Ludwig Szinicz (1939–2017)**  
Founder of TGW



**Heinz König\* (born 1939)**  
Founder of TGW

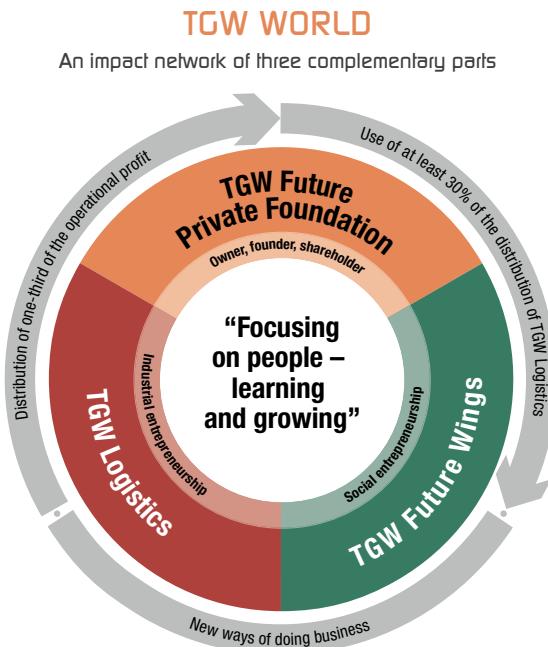
\*on the right in photo

Although the basic features of the TGW World emerged and took shape only in 2004 and 2007 – i.e. with the establishment of the TGW Future Private Foundation and the start of non-profit activities – it needs to be said: Without Ludwig Szinicz and Heinz König, the two founders of TGW, there would be no TGW World. The two dyed-in-the-wool entrepreneurs and close friends founded

Transportgeräte & Co KG GmbH Wels and developed the company from a metal-working shop into an intralogistics company over the first 30 years. If you speak with friends and companions of both, the two seem to have been a congenial team: You have the calm, brilliant tech enthusiast and strategist Ludwig Szinicz. Then you have the exuberant, ingenious Gyro Gearloose, namely Heinz König.

We will later elaborate on how fundamentally vital trust is for the conception of human beings within the foundation model and the essential roles played by diversity and the holistic principle in our exemplary entrepreneurship. We will certainly think of the two founders in this context. Ludwig Szinicz and Heinz König are the best examples of how very different personalities perfectly augment each other. They demonstrated to us all how to collaborate and jointly create something that one person alone could never do.

The TGW World has three parts: industrial entrepreneurship (TGW Logistics), social entrepreneurship (TGW Future Wings) and the TGW Future Private Foundation.



It was Ludwig Szinicz' goal to ensure that the interdependencies between the two Foundation divisions and their targeted interaction with the TGW Future Private Foundation help to unlock the potential of the entire organisation. Not only the diversity *within* the Foundation divisions should be beneficial – the interaction *between* them should also strengthen collaboration.

His approach to holistic entrepreneurial activities in the TGW World was to be much more than the sum of its subdivisions – 1 + 1 + 1 are more than 3.

## THE TWO DIVISIONS OF THE FOUNDATION AT A GLANCE

### Foundation company TGW Logistics › industrial entrepreneurship

**Portfolio:** Intralogistics solutions, Next-Generation Fulfillment Center

**Sectors:** Fashion & Apparel (e. g. Urban Outfitters, Puma, Zalando), Grocery (e. g. Picnic, Ocado, Coop Group), Industrial & Consumer goods (e. g. Amazon, Conrad, Hoffmann Group)

**Foundation:** 1969 by Ludwig Szinicz and Heinz König

**Owner (since 2004):**

TGW Future Private Foundation (100 %)

**Employees:** 4,000 (as at 31 March 2022)

**Revenue:** > EUR 800 million (2021 fiscal year, 1 July 2020–30 June 2021)

### Non-profit projects of TGW Future Wings › social entrepreneurship

**Thematic focus:** Education & innovation with respect to the holistic and technology-based evolution of young people

**Projects:** (status: March 2022): Sueniños, CAP, B.E.L., Monkey Motion, GRAND GARAGE, CODERS.BAY, Learning Circle, SOS-Herzkiste, Future Wings Challenge, NOVA ZONE

**Promoters:** Future Wings Private Foundation, "Schule Morgen" Private Foundation, CAP/future GmbH (also cooperation partners)

**Employees:** 120 (as at 31 March 2022)

**Allocations:** EUR 24 million (since the launch in 2007)

Where do we stand today? We're still at the beginning, although many wonderful things have been implemented to realise the idea over the last few years. The potential is enormous, though. The conditions for tapping it more and more are perfect.

The hexagon of the Foundation philosophy (cf. p. 99 et seq.) helps to better understand the legacy of Ludwig Szinicz and to cluster it in six dimensions: purpose orientation, conception of human beings, value system, sustainability, holistic education, exemplary entrepreneurship. These concepts accompany the entire TGW world continuously, virtually daily, and become more and more its very heart.

## LEADERS IN THE TGW WORLD

### Foundation Board of the TGW Future Private Foundation



**Martin Krauss**  
Chairman

**Dr. Ernst Chalupsky**  
Deputy Chairman

**Johannes Feldmayer**  
Member

**Christian Lutz**  
Member

**Dr. Clemens Steiner**  
Member

### Supervisory Board of TGW Logistics

Foundation Board



**Martin Krauss**  
Chairman

**Dr. Ernst Chalupsky**  
Deputy Chairman

**Johannes Feldmayer**  
Member

**Christian Lutz**  
Member

**Dr. Clemens Steiner**  
Member

Employee representatives at TGW Logistics

+



**Klaus Bachmair**

**Saša Gortva**

**Wilhelm Kloiber**

### Management teams of the Foundation divisions

TGW Logistics



**Dr. Harald Schröpf**  
CEO

**Jörg Scheithauer**  
CFO

**Christoph Wolkerstorfer**  
CSO

TGW Future Wings\*



**Christian Szinicz**  
Chairman of the Board  
of Future Wings  
Private Foundation /  
"Schule Morgen"  
Private Foundation



**Dr. Maximilian  
Gumpoldsberger**  
Deputy Chairman of the  
Board of Future Wings  
Private Foundation /  
"Schule Morgen"  
Private Foundation



**Dr. Harald Schröpf**  
Member of the Board  
of Future Wings  
Private Foundation /  
"Schule Morgen"  
Private Foundation



**Ruth Arrich**  
Chairman Managing  
Director / shareholder  
of CAP:future GmbH  
(25.5 %)



**Werner Arrich**  
Managing Director /  
shareholder of  
CAP:future GmbH  
(25.5 %)



**represented by:**  
**Martin Krauss**  
Shareholder of  
CAP:future GmbH  
(49 %)

\*for the evolution of the term of social entrepreneurship, see page 42 et seq.

## 1.2 The roles of TGW Logistics, TGW Future Wings, TGW Future Private Foundation

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To understand the complex foundation model more accurately, the roles of the three parts of the TGW World are described in greater detail below. The chapter after that lists important milestones in chronological order.

### **TGW Logistics: industrial entrepreneurship / intralogistics**

The TGW company constitutes the nucleus of the TGW World. From its origins as a metalworking shop – the **Transportgeräte GmbH & Co. KG Wels** (TGW) founded by Heinz König and Ludwig Szinicz in 1969 – it evolved into a renowned and highly esteemed provider and supplier of warehouse logistics. An innovative spirit was back then and still is the driving force behind the company. Today, TGW Logistics – with roughly 4,000 employees (as at: 31 March 2022) and a sales volume of more than EUR 800 million (as at the 2020–2021 fiscal year, annual financial statements from 30 June 2021) – is a leading global supplier of intralogistics solutions from one single source as well as for custom-tailored complete solutions for an efficient and rapid flow of goods in distribution centres.

TGW Logistics designs and builds intralogistics centres for globally operating companies in the sectors of Fashion & Apparel (e.g. Urban Outfitters, Puma, Mango), Grocery (e.g. Picnic, Ocado, Coop) and Industrial & Consumer goods (e.g. Amazon, Conrad, Hoffmann Group). With highly automated solutions, the company is at the leading edge, particularly when it comes to Fashion & Apparel in Europe and more and more in North America as well.

TGW Logistics has three Managing Directors. The eight-member Supervisory Board includes three employee representatives.



Booklet 50th Anniversary  
of TGW Logistics



50th Anniversary  
of TGW Logistics (2019)



Customer reference  
Engelbert Strauss



Website  
TGW Logistics

## TGW Future Wings: social entrepreneurship / education & innovation

According to the legally binding Foundation Declaration, at least one-third of the operational profit of the TGW Logistics foundation company transfers to the proprietor TGW Future Private Foundation every year. At least 30% of this amount must be earmarked for non-profit projects that foster learning and growth and are pledged to the topic of education & innovation. The qualifier “at least” indicates there is enormous potential to expand activities in social entrepreneurship. By no means is it limited to growth by systematic fundraising and partnerships with existing institutions.

Social entrepreneurship is not a means to an end for burnishing the employer image of TGW Logistics, for instance; it's an end in itself. We practise what we preach for its own sake; and in the overall structure of the TGW World, it is on equal footing to TGW Logistics. Currently, there are 10 projects managed by TGW Future Wings (cf. Milestones, p. 44 et seq.), which are funded through various legal entities and partly supported by external partners.

In 2020, the strategy was adapted to accommodate new projects. Previously, activities were nearly exclusively initiated on our own. Today, partnerships are being sought more and more with organisations that pursue goals similar to those of the TGW World regarding holistic education. Such cooperative projects allow for a more widespread impact. This corresponds to the aspiration laid down in the Future Wings manifesto in 2008 (cf. APPENDIX p. 281): “... to use existing financial resources to create the basis for self-sustaining systems that can operate over

generations and independently of individuals.” Winning over more partners for social entrepreneurship, which today features many individual brands and brand names, is a great opportunity. But it also entails a challenge because the goal is a consistent brand architecture. This architecture must allow the 10 individual projects a great amount of leeway while at the same time ensuring that they fit under the umbrella brand of TGW Future Wings.



Social entrepreneurship  
Annual Report 2020-21



Sueniños



CAP.-Training



GRAND GARAGE

### **TGW Future Private Foundation: owner, founder, shareholder**

TGW Future Private Foundation has three different roles in relation to the two Foundation divisions: owner of TGW Logistics, founder of the Future Wings and the Schule Morgen (School of Tomorrow) Private Foundations, shareholder of CAP.future GmbH. The Foundation was established by Ludwig Szinicz in 2004. Four years earlier, he had acquired Heinz König's 50% share in TGW, so he was the controlling shareholder from 2000 to 2004. With the establishment of the Foundation in 2004, TGW Future Private Foundation became the owner of TGW.

The leadership of TGW Future Private Foundation is the responsibility of the Foundation Board. The five members of the Board were all appointed by the founder. They are also on the Supervisory Board of TGW Logistics.

Ludwig Szinicz' donation to TGW Future Private Foundation had the aim of ensuring that TGW would be continued in his spirit and its independence protected. Alongside the foundation model, one crucial requirement for independence is that two-thirds of the annual profit is retained by and remains with TGW Logis-

tics. The Foundation Declaration stipulates, among other things, that exercising the ownership rights of TGW Future Private Foundation in the company should not be limited to merely managing the shares. Instead, the Foundation ought to play a role as an active and responsible owner.

Thus, it is also obligated to ensure the implementation of the Foundation philosophy of “Focusing on people – learning and growing”. The TGW Future Private Foundation has the task of supporting people outside TGW Logistics with learning and growing as well. This is done through TGW Future Wings social entrepreneurship.

When it comes to the foundation model and the Foundation philosophy, TGW Future Private Foundation with the Foundation Board at its helm plays the role of a “guardian” of the legacy (cf. p. 228 et seq.).

The **branding process** has to be understood in this context. A brief outline of the basic idea shall be given below. For one, the project aims at bringing more consistency to the many diverse brands of TGW World; secondly, it wants to build up a dynamic brand architecture. By focusing on TGW as the reference brand of both industrial and social entrepreneurship, the centrifugal forces that are currently noticeable in the TGW World owing to the great variety of spirited brands can be exploited effectively for the good of the entire enterprise. This is ensured by a consistent and forward-looking modular system integrating all the brands. While the system is transparent to all, including external cooperation partners, it also offers sufficient flexibility to all of the brands.

Metaphorically speaking, the brand architecture is a planetary system with three orbits. Let's take social entrepreneurship: TGW Future Wings stands for social entrepreneurship. The innermost orbit shows the connection directly: both the reference brand “TGW” and the so-called descriptor “Future Wings” are in the brand name. In “Future Wings”, the middle orbit, it's presented more subtly. For the projects of the outermost orbit, brand affiliation is expressed stylistically through colour, form and symbols.

### 1.3 Significant historical milestones

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Up till now, we have presented the foundation model, the three parts of the TGW World and their roles. Let's now take a look at the historical milestones to round out the picture of the TGW World. And in the chapter after this, TGW co-founder Heinz König will take the readers on a journey back in time to the beginnings of TGW Logistics, providing some personal insights into his close friendship with Ludwig Szinicz, which lasted many decades.

Before we list the milestones in the history of the two Foundation divisions, the following will give a brief overview of some important aspects relating to the emergence of TGW Future Private Foundation and the TGW World:

- The two TGW founders retire from the operational business – and their deliberations on the future positioning of the company
- The TGW Future Private Foundation is established in 2004 – TGW Logistics becomes a foundation company, and Ludwig Szinicz lays down his legacy
- The Girasol Private Foundation is established for a financial support of the family
- The era of Georg Kirchmayr
- The beginning of non-profit activities
- Restructuring of the TGW Future Private Foundation

#### **The TGW founders retire from the operational business — and their deliberations on the future positioning of the company**

In the late 1990s, Ludwig Szinicz and Heinz König opted to pull back from the operational business to facilitate an orderly transition for TGW and its employees in 2000. “There had been a number of cases in the region in which partners or family members quarreled and virtually destroyed their companies. This was a warning to them. Ludwig Szinicz and Heinz König wanted to ensure that something like

this did not occur with TGW”, said Erika Doppelbauer, Ludwig Szinicz’ companion, who passed on in 2021. Heinz König also remembers that the two of them agreed on the goal to be achieved: “We had no financial worries whatsoever. So the most important decision for us was to give the company a real chance to survive and operate successfully in the future. The families were to be provided for, for as long as possible. But it just didn’t make sense in our eyes that family members should have the majority and control the company from the outside, so to speak.”

The founders were therefore keen on finding a model for the continuation of the company that would enable it to have a prosperous future. The decades-old friendship of the two men was not to suffer, even if they had different ideas concerning the future organisation of the firm. It was thus clear from the outset: They would agree on a solution based on respect for the other man, united in their recognition of the huge responsibility for the company and its people.

Soon it became clear that both had the same goal in mind: A management team was to be installed at the company. Their notions differed with respect to the how, though. In the model Heinz König had in mind, three executives already working at the company would be appointed Managing Directors. They together were to have a 10% joint stake in the company; the two families would hold 45% each. Ludwig Szinicz, however, wanted to assign leadership responsibility to three young, highly motivated employees in their thirties. The two friends and successful founders were not able to agree on a solution. In the end, Heinz König suggested that “either Ludwig sells his shares in the company to me, or I sell mine to him”. He ceded the first option to his friend and partner and sold his 50% stake to Ludwig Szinicz at a “very fair price”, as he repeatedly pointed out.

### **The TGW Future Private Foundation is established in 2004 – TGW Logistics becomes a foundation company, and Ludwig Szinicz lays down his legacy**

In 2000, Ludwig Szinicz thus owned 100% of TGW’s shares. He pondered extensively the question of how the company should go forward in terms of ownership. He was particularly happy to brood over it “on the mountain”, i.e. a little hill near

his house in Schleißheim, high above the Traun river, about five kilometers from Wels. Despite – or was it because of? – the lucidity of his thinking, which distinguished him throughout his life, and his razor-sharp intellect, which challenged everyone, it was not a hasty process ending with a spontaneous decision. On the contrary: It was a long journey of keen reflection, involving many discussions and a great deal of jotting down notes.

In the end, Ludwig Szinicz opted for a foundation model: From being owned privately, i.e. by himself, the company was to be transferred into the ownership of the Foundation and – the most important aspect – become completely independent and autonomous. Thus, Ludwig Szinicz early on had in mind what executives of companies today consider to be the main advantage of the foundation model: to maintain the independence of the company, secure the concentration of company shares and prevent the distribution of the shares to multiple heirs.

In 2004, the legal and operational preparations were completed: Ludwig Szinicz established the TGW Future Private Foundation in Wels; only once headquarters were relocated in 2018 was the Foundation domiciled in Marchtrenk. In a 2004 issue of *TGW\_World*, the staff magazine of TGW Logistics, he presented his thoughts to the workforce (cf. APPENDIX p. 262).

#### **Interview: Dr. Ernst Chalupsky on strategic aspects of the establishment of the Foundation**

##### **What is the real purpose and mission of a foundation, Mr. Chalupsky?**

Foundations are generally based on the idea of realising a specific mission better, more purposefully and more permanently with ownerless assets than if the assets had remained linked to the fate of the founder and that of his legal successors, for instance his heirs. The founder realised this core idea in setting up the TGW Future Private Foundation. Its goal was to preserve the company and the assets of the TGW Group in the long term, create better workplaces and promote the employees of TGW.

##### **What are the dangers that were to be avoided by opting for the foundation form?**

The Private Foundation functions as an "intermediary" to prevent TGW from being sold or broken up in the future due to possible differences of interest – for instance, in the event of family disputes among the

members of subsequent generations. The founding of the Private Foundation created a stable, long-term core shareholder of TGW: namely the Foundation itself and its Board as the executive body.

**What role did the expectation that the Group would grow massively play here?**

When establishing the Foundation, the founder wanted in particular to protect its original interests from the momentum of major companies that is inevitable when they grow. All too often the larger and more important a company becomes, the more the interests of the original founder fade into the background. Owing to the fact that the Foundation must be managed not in any old way but only in compliance with the founder's decisions made upon its establishment, a particular management style can be ensured in this way even after the founder is deceased. Through the contribution of TGW Group to the Foundation, the future preservation of the company was ensured through its corresponding mission statement. The commitment to the spirit of the founder reinforces the fact that the management of the company has irrevocably been defined in terms of its type and principles.

**Wouldn't that work with other legal entities as well, a limited company or a stock corporation, for example, which doesn't need to be listed per se?**

The perpetuation of the founder's will, this means the continuation of the founder's will in the future and beyond his death, would not be guaranteed by a different legal entity as intermediary instead of the Foundation – by a limited liability company or a stock corporation, for instance – because the shares in partnerships and corporations would then be hereditary, and the legal successors might pursue completely different interests. It was therefore quite a consequential step for Ludwig Szinicz to opt for the foundation model, turning TGW Group into a foundation company in 2004.

**Until just a few years prior to Ludwig Szinicz' demise, the Foundation Declaration contained only a few key terms, such as "learning and growing". Why did Ludwig Szinicz flesh out the Foundation's philosophy only in 2016?**

He was a strategist, continually imagining the future beyond the present. Of course, that was also the case when he tackled his "Idea TGW", namely the establishment of the TGW Future Private Foundation and the conversion of TGW into a foundation company. However, it wasn't easy for him to communicate what was in his heart in a transparent and comprehensible way. I heard that from many quarters. Maybe he just thought that people should know why he donated his shares to TGW Future Private Foundation. What key role the employees played. What he understood in terms of exemplary entrepreneurship. How he wanted to ensure stability for TGW. His belief was certainly closely connected to the fact that he as an entrepreneur and manager – together with his partner Heinz König – sought all his life a corporate culture that was very much based on trust.

Only in 2015 did he become aware that he had to do more to empower the employees at TGW World as well as coming generations, who were so dear to his heart; the aim was for them to be able to claim their right to "Focusing on people – learning and growing" without any ifs, ands or buts. Thus, his ideas were fleshed

out in 2016 in close collaboration with Martin Krauss. As the Foundation philosophy, they are integral parts today of the legally binding Foundation Declaration. During that time, he also became aware that the foundation organisation had to be professionalised to meet today's requirements for good corporate governance and provide both divisions of the Foundation with the best possible framework for implementing the Foundation philosophy of "Focusing on people – learning and growing."

Why an independent foundation instead of private ownership? Why let go of ownership of the company? Wasn't that immensely difficult for the company's founder? Not at all, said Erika Doppelbauer: "Ludwig didn't care a whit about owning just to own something or to show off. It was far more important to him to create something truly sustainable. It was no problem at all for him to donate his shares and break fresh ground for TGW with the foundation model." He was convinced: What must be avoided was for the company to be subject to family quarrels in later generations. Family-independent ownership would ensure a secure and long-term perspective for TGW.

As a result of his considerations, he gave away 100% of his shares to the TGW Future Private Foundation, which was established for this purpose. When we talk about TGW's origins, one name must not be left out: Ernst Haidenthaler. Until his death in 2014, he advised Ludwig Szinicz in all fundamental aspects that had to be taken into consideration when defining the Foundation's structure. Both Ernst Haidenthaler and Ernst Chalupsky were enormously important players in the conception and legal restructuring of TGW.

The above interview with Ernst Chalupsky, who has been a member of the Foundation Board since the beginning and is today Vice Chairman of the Foundation Board, tells you a great deal about all the motives and legal aspects of the establishment of the Foundation.

## **The Girasol Private Foundation is established for a financial support of the family**

Starting in 2004, Ludwig Szinicz has given financial support to family members through the Girasol Private Foundation, a separate foundation outside the TGW World. The support was intended as a supplement of the family members' own private income. Since 2019, financial support comes directly from TGW Future Private Foundation; the Girasol Foundation was dissolved in 2020. Ludwig Szinicz' decision in favour of a foundation model also had something to do with the professional careers of his three children by his first wife, Nora Szinicz. Each was very talented, but their inclinations lay less in the technical area or towards business: Although Christian Szinicz had majored in mechanical engineering and set up a successful technical animation company in Vienna after he graduated (as his father often proudly recalled), his heart lay more in social issues; it was he who built up the Sueniños children's relief project in Mexico together with his wife, Alma. Christian's sisters, Sabine and Eva, work successfully as educators. Eva, for instance, initiated and heads the B.E.L. Manager in an intralogistics company? That was not for Ludwig Szinicz' children. They saw their vocation in the social sphere.

## **The era of Georg Kirchmayr**

As already mentioned, Ludwig Szinicz transferred responsibility for managing the company to three young employees in 2000: Rudolf Hansl, Georg Kirchmayr and Manfred Webersdorfer. From 2002 onwards, Georg Kirchmayr took over as CEO. Until 2017 – initially with the two colleagues mentioned above, later with Harald Schröpf, Jörg Scheithauer and Christoph Wolkerstorfer – he was responsible for the fast-paced and explosive growth of TGW Logistics. Under Georg Kirchmayr, the revenue of TGW rose more than sevenfold, and the number of employees grew from around 500 to around 2,800. "Georg Kirchmayr worked at an incredibly fast pace and was very successful. Starting in 2007, he implemented the strategy change opted for by the founder and the Foundation Board fantastically. To move from the supplier corner to a leading position, to become a system integra-

tor, supply complete intralogistics centres – that was the goal”, says Rudolf Knünz, who holds a doctorate in business administration and was the first Chairman of the Board of the TGW Future Private Foundation in 2004.

In 2017, TGW Logistics and Georg Kirchmayr parted ways. Kirchmayr’s economic record was enormously impressive. Ludwig Szinicz was always thinking about the future of TGW. The next phase of the company must not only prove to be successful in economic terms: the advancement of the corporate culture was to be given a significantly higher priority, in conformity with the sense and spirit of his legacy. The founder and the Foundation Board on one side and the former CEO Georg Kirchmayr on the other had different views about how the philosophy of “Focusing on people – learning and growing” should be implemented at TGW. This had become more and more apparent since 2015. The mutual separation was difficult for the Foundation Board. After all, everybody knew that Georg Kirchmayr had done extraordinary work for TGW Logistics. To top it off, Ludwig Szinicz was Kirchmayr’s father-in-law. The close family connection didn’t make things any easier emotionally.

### **The beginning of non-profit activities**

Since 2007, the TGW Future Private Foundation has been initiating and funding innovative educational projects through various legal entities. The projects are all implemented under the banner of “Focusing on people – learning and growing” (regarding changing project names, cf. overview, p. 42 et seq.). All the projects create space for technical and social learning. Particularly young people are to be supported in their holistic development – for an independent, self-determined and responsible life.

To understand what the TGW Future Private Foundation and Founder Ludwig Szinicz aimed to achieve at the start of these non-profit activities, subsumed today under the name of TGW Future Wings as social entrepreneurship, take a look

at Item 2 of the Future Wings manifesto from 2008 (cf. APPENDIX, p. 281). The Foundation's mission is described vividly there:

*The Future Wings Private Foundation was created with the aim of encouraging the growth and learning of young people and fostering the different talents of each individual regardless of background, social class and financial possibilities.*

*Fostering and promoting especially young people is the concern that should be the first priority in all enterprises supported by the Foundation. They should be able, in the long term, to contribute a new awareness of education, personality development and personal maturation processes across all existing structural and social boundaries.*

*Thus, the Future Wings Private Foundation primarily wants to support those projects that are dedicated to the holistic and sustainable development of people and go beyond traditional educational (and training) options and performance demands shaped primarily by our Western culture.*

What is to be realised throughout the entire TGW World under the banner of "learning and growing" was also the topic of the Future Wings Private Foundation kickoff workshop in Nußdorf/Attersee (Austria) in December 2007. At that time, this foundation subsidiary of the TGW Future Private Foundation was responsible for non-profit projects.

Back then, the three members of the Board of the Future Wings Private Foundation – Ludwig Szinicz, Josef Fritz and Maximilian Gumpoldsberger – as well as Ludwig Szinicz' assistant Monika Netzthaler and his close Future Wings consultant Johannes Zeitlberger put the vision into words and described as its goal: "... to create a permanent structure that – based on respectful interpersonal encounters, unlocking existing potentials and deploying all available means and resources – can offer as many people as possible the opportunity for personal evolution and further development. The focus is on the learning and continuously developing individual."

Ludwig Szinicz had this goal in mind even before the foundation subsidiary was established. At the time, he wanted to make a contribution to a holistic school education. He himself had experienced two different worlds in terms of school and studies: as a technician, he graduated from HTL (Austrian Higher Technical Education Institute) and as a merchant from the WU (Vienna University of Economics and Business). But Ludwig Szinicz was always interested in a variety of things – he was musical; he liked to sing and loved the opera. He found two things lacking in the academic education of young people: firstly, general knowledge; secondly, a holistic education that also fosters the development of social skills. “He wanted pupils and students to become not just professional experts but generally educated people. In his eyes, schools put too much emphasis on subject matter. They lacked something fundamental, something necessary for social warmth and understanding the world as such”, says Maximilian Gumpoldsberger, who was on board from the very start of the non-profit commitment and recalled from personal discussions what Ludwig Szinicz was especially concerned with on the topic of learning and growth.

### The name of social entrepreneurship in the TGW World – development since 2007

The evolution of the name was not linear; its course did not run straight, so to speak. This is a good example of the TGW World being able to learn and advance as an organisation:

- In **2007**, Ludwig Szinicz established the **non-profit Future Wings Private Foundation**, which included the Sueniños, CAP. and Monkey Motion projects, as a foundation subsidiary of TGW Future Private Foundation. Then, in 2014, in the context of the launch of the private elementary school B.E.L, the Schule Morgen Private Foundation was established, likewise a foundation subsidiary of TGW Future Private Foundation.
- From **2017** onward, all non-profit projects were run under the **umbrella brand of Future Wings**.
- In **2020**, the non-profit division was redesigned because numerous new projects, such as GRAND GARAGE, had been added. The result: a sort of cell division took place, resulting in **two separate non-profit subdivisions that worked together and were both committed** to education & innovation.
  - Future Wings aims at the holistic development especially of children and teenagers.
  - CAP.future focuses on the technology-based evolution of young people.

- In 2022, “**TGW**” was defined as the reference brand for the entire **TGW World**; in addition, one **descriptor** each was established for industrial entrepreneurship (“Logistics”) and social entrepreneurship (“Future Wings”). **TGW Future Wings** hence stands for **social entrepreneurship**. The **dynamic brand architecture** is now achieved by means of a modular, consistent, flexible and future-oriented brand-building kit that is deployed in all projects. Metaphorically speaking, there is now a **planetary system** with three orbits:
  1. **TGW Future Wings** as the innermost orbit
  2. **Future Wings** as the middle orbit
  3. Stylistic elements express brand affiliation in projects of the outermost orbit

## Restructuring of the **TGW Future Private Foundation**

From 2016, Ludwig Szinicz pushed ahead with the reorganisation of the **TGW Future Private Foundation**: He assigned responsibility for the implementation of his legacy to the Chairman of the Foundation Board, Martin Krauss; he fleshed out his legacy in the Foundation philosophy and its guiding principle of “Focusing on people – learning and growing”; and for the first time he personally communicated the philosophy to executives and the teams in the two divisions of the Foundation. Many people still remember his salient speeches, especially the one held at the **TGW** Christmas party in Wels in 2016 or the address given at the Global Management Conference of **TGW Logistics** in Linz in the summer of 2017.

In 2016, the course was set for the establishment of a Supervisory Board as well. In contrast to the Management Advisory Board, which was discontinued, the Supervisory Board includes employee representatives. The constituent meeting of the Supervisory Board on 10 October 2016 remains an unforgettable event for its members – it was at this meeting that Founder Ludwig Szinicz, honorary member of the Supervisory Board, presented his legacy (cf. p. 89 et seq.), and everybody got a good idea of how essential the further development of the corporate culture was to him.

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In the following significant milestones in both of the Foundation’s divisions are presented in tabular form.

## Important milestones in the history of the Foundation's two divisions

Year	TGW Logistics	TGW Future Wings
1969	Ludwig Szinicz and Heinz König found Transportgeräte GmbH & Co. KG Wels ( <b>TGW</b> ) on December 11. With an initial staff of 10, they manufacture picking carts and transport equipment.	
1970	TGW produces its <b>first conveyor belts</b> for an Austrian mail order company.	
1976	TGW expands, and Production moves to <b>Collmannstraße in Wels</b> , Austria.	
1985	TGW designs the <b>Alupfeil</b> [aluminium arrow] – the first storage and retrieval machine of aluminium, ensuring lightness and extreme stability.	
1989	A stationary controller and drive are installed in the <b>Mustang</b> storage and retrieval machines for the first time.	
1995	Production expands, and a <b>new office building</b> is opened on <b>Collmannstraße</b> – it will remain TGW headquarters for two decades.	
2000	Ludwig Szinicz and Heinz König withdraw from operations; <b>Heinz König sells his 50% share to Ludwig Szinicz</b> ; Ludwig Szinicz transfers the management of the company to Rudolf Hansl, Georg Kirchmayer and Manfred Webersdorfer, three young associates; starting in 2002, Georg Kirchmayer assumes the chairmanship.	
2001	TGW opens a subsidiary in the <b>United States</b> .	
2003	TGW opens a subsidiary in <b>Spain</b> .	
2004	<b>Ludwig Szinicz gives 100% of his shares in TGW to the TGW Future Private Foundation, which was established for this purpose and thus becomes owner of TGW Logistics.</b> TGW Logistics becomes a foundation-owned company.	
2005		<b>Sueniños</b> , a holistic educational program for schoolchildren and teenagers, is launched in Chiapas, Mexico.

Year	TGW Logistics	TGW Future Wings
2006	TGW Logistics opens a subsidiary in <b>Italy</b> .	
2007	TGW Logistics opens a subsidiary in the <b>UK</b> . TGW Logistics takes over ECOLOG Logistiksysteme, a control and software specialist, and integrates it into the company as <b>TGW Systems Integration</b> . TGW Logistics Group GmbH (Holding) is founded.	Ludwig Szinicz accelerates non-profit activities and establishes the <b>Future Wings Private Foundation</b> .
2008	Realignment of the company: From a supplier of intralogistics solutions, it turns into a <b>systems provider of complete logistics centers</b> .	
2010	TGW Logistics opens a subsidiary in <b>France</b> and <b>Sweden</b> (TGW Scandinavia).	Launch of the <b>CAP</b> -Programme, which offers upper-level AHS students a four-year apprenticeship in mechatronics as well as project management and social skills training.
2011	With the <b>Stingray Shuttle</b> , a compact warehouse vehicle, TGW Logistics showcases yet another product innovation.	
2012	TGW Logistics opens subsidiaries in <b>Switzerland</b> and <b>China</b> ; three years later, a production unit starts up in China.	
2013	The <b>KingDrive</b> ® conveyor technology, designed by Heinz König and named after him, is based on gearless and individually driven rollers.	
2014	TGW Logistics acquires Klug GmbH in Germany, strategically building out its portfolio of software solutions. Today, the subsidiary operates under the name of <b>TGW Software Services</b> (TSS).	The <b>Schule Morgen Private Foundation</b> is established in cooperation with the <b>B.E.L.</b> private elementary school in Linz – the school relies on a pedagogical concept that facilitates holistic fulfillment and supports the individual student's personal evolution. Launch of the <b>Monkey Motion</b> project. With exercises that are appropriate for children and the monkey as a synonym for movement, Upper Austrian schoolchildren learn to enjoy exercise that fosters their motor development.
2016	TGW Logistics acquires the German company CHM Automatisierungstechnik GmbH, strategically building out its robotics portfolio. Today, the subsidiary operates under the name of <b>TGW Robotics</b> (TRX).	

Year	TGW Logistics	TGW Future Wings
2016	<p>TGW Logistics presents <b>FlashPick®</b>, a modular system for automated piece picking.</p> <p>A <b>Supervisory Board</b> is set up that, unlike the previous advisory board, includes employee representatives. At the constitutive meeting of the Supervisory Board on 10 October, Founder Ludwig Szinicz, honorary member of the Supervisory Board, presents his legacy.</p> <p>At the TGW Logistics <b>Christmas party</b>, <b>Ludwig Szinicz</b> gives an impressive speech about his legacy.</p>	
2017	<p>After 15 years as CEO with an outstanding economic record, <b>Georg Kirchmayr</b> leaves the company due to conflict with the Foundation Board over the implementation of the Foundation philosophy.</p> <p>On November 4, with the founder's consent, <b>Dr. Harald Schröpf</b> is appointed as the new CEO of TGW Logistics.</p> <p>The aim is to give an even higher priority to the advancement of the corporate culture in the founder's sense and spirit; the Foundation philosophy of "<b>Focusing on people – learning and growing</b>" provides the framework for this.</p>	
2018	<p><b>TGW Evolution Park</b>, the new headquarters of TGW Logistics, opens in Marchtrenk. This will also be the registered office of TGW Future Private Foundation; the Wels location remains the TGW Logistics site in Upper Austria.</p> <p>TGW develops <b>Rovolution</b>, a self-learning, smart robotic solution; the company will receive the 2019 Austrian Robotics Award and the 2019 German Innovation Award for its achievement.</p>	<p><b>Christian Szinicz</b> becomes the new Chairman of the Future Wings Private Foundation and the Schule Morgen Private Foundation. He replaces Martin Krauss, who had taken on this job temporarily after the death of Ludwig Szinicz.</p>
2019	<p><b>50 years of TGW Logistics</b> – co-founder Heinz König as well as former Chairman of the Foundation Board Alfred Hörtenthaler and former Managing Directors Rudolf Hansl, Georg Kirchmayr, Manfred Webersdorfer and Werner Topfl honour TGW Logistics with their attendance at the anniversary Christmas party.</p> <p>Another innovative step in automation is achieved with the <b>OmniPick®</b> bag sorter.</p>	<p>In the Tabakfabrik (Tobacco Factory) in Linz, <b>GRAND GARAGE</b> – an innovation workshop for people, knowledge and technology – is opened, in a makerspace of around 4,000 m<sup>2</sup>.</p> <p>The <b>CODERS.BAY</b> project is launched in cooperation with the BFI (Vocational Training Institute); it teaches skills in coding, software and network engineering.</p>

Year	TGW Logistics	TGW Future Wings
2020		<p>The <b>Learning Circle</b> project starts; lower secondary pupils in Austria are each supported digitally by their own learning coach.</p> <p>The <b>SOS-Herzkiste</b> project is launched in collaboration with the SOS Children's Villages. It seeks to promote the social skills of schoolchildren using low-key and lovingly designed materials.</p> <p>The non-profit division defines its <b>two key topics in the field of “education &amp; innovation”</b>: the holistic development of young people (Future Wings Private Foundation / Schule Morgen Private Foundation, headed by Christian Szinicz) as well as educational projects concerned with “technology and innovation” (CAP.future GmbH, headed by Ruth and Werner Arrich).</p>
2021-2022	<p>TGW Logistics continues to grow and is planning investments of around EUR 200 million in the <b>expansion of its sites</b>. New production halls, larger office spaces and a generously designed building for the implementation of the holistic educational concept of MINDtastic® are planned.</p> <p>To expedite professionalism, the company management of TGW Logistics is comprehensively adapted to meet the requirements of <b>good corporate governance</b>. This is to ensure a clear-cut corporate structure and division of departments as well as facilitate an even more efficient and effective collaboration between management bodies. In addition, the Foundation philosophy will be enshrined in more key documents to underscore the importance of its implementation.</p>	<p>Further development of the <b>CAP</b>-Programme; students can now complete an apprenticeship in <b>Cyber-Security</b> while attending upper secondary levels at AHS.</p> <p>The <b>Future Wings Challenge</b>, an incubator for social enterprises with a focus on innovative educational projects, is launched; cooperation partner is Teach For Austria.</p> <p><b>NOVA ZONE</b>, an experimental laboratory for the systematic support of innovation processes, is started at the GRAND GARAGE in partnership with Pro Active.</p>
<p>TGW Future Private Foundation, TGW Logistics and TGW Future Wings work closely together to develop major components for the implementation of the Foundation philosophy: <b>the conception of human beings, pictures of the future, impact logic</b> and the <b>brand architecture</b>. With the first integrated annual report, TGW Future Private Foundation provides a holistic view of the TGW World for the first time.</p>		

ALFRED HÖRTENHUBER

*Former Chairman of the Board of the TGW Future Private Foundation*

### THE DYED-IN-THE-WOOL OPTIMIST

Valuing employees is vital to many companies. But there is of course a difference whether I dutifully make a note of it like in school or actually translate the idea into my day-to-day work. And for me, Ludwig was one of the few men who not only talked the talk but walked the walk.

This could be seen, for example, by the way he interacted with others, especially when we had to discuss difficult topics with the Foundation Board. He always spoke appreciatively and properly with people. In meetings, he usually sat on the management side of the table because he felt quite close to the company and its leadership.

He always took a constructive approach and offered help. That's what I liked so much about him. I've been on other supervisory bodies where things were quite different. Often, Managing Directors are put under enormous pressure from the owners, and then you are looking not only at the problem as such, but also at the problem with the owner!

But Ludwig always had a very entrepreneurial and very pragmatic attitude. The very real urge to expand that had seized us in the 2000s didn't mean that everything went smoothly and without a few financial disasters. Ludwig didn't flip his lid in such cases. He didn't rail against people or accuse them or even interrogate them.

He used to say, *"I have trust in you, and we need to get out of this. If you need help, say so, and you'll be given support."*

That really set him apart from others. I never saw him panic, even when there was really bad news. Somehow, he was always a dyed-in-the-wool optimist.

MAXIMILIAN GUMPOЛЬDSBERGER

*Member of the Foundation Board of the Future Wings Private Foundation*

## CALLIGRAPHIC RITUAL AS A SYMBOL OF SERIOUSNESS

I was always excited to make a contribution as a Board member of Future Wings. Because Ludwig Szinicz always was so very, very enthusiastic over these topics. Individual remarks people made during the discussion, including critical ones, never fazed him one bit in his enthusiasm! Nonetheless, he always listened carefully and accepted criticism.

His euphoria was all-encompassing! With Future Wings, he wanted to use new ideas to shape the education and development of young people on a long-term basis.

Ludwig Szinicz was always very well prepared for our workshops and Board meetings. Some years after the Foundation was established, he introduced a ritual prior to the start of each meeting: He wanted each of us to draw calligraphically the saying "A child – so high – you are". The aim was to strengthen people's mindfulness and get closer to the mission of the Foundation.

The ritual then dragged on for some time. Personally, I didn't find it all that necessary. Because we were 100% mentally present once we had arrived physically. Later, Ludwig Szinicz came to the same conclusion, and the ritual was stopped.

Yet this story is quite telling for him. It shows the seriousness with which the founder entered these meetings.

For me, Ludwig Szinicz was a fascinating personality: because he was successful in business, because he had a wonderful and varied social side and because he actually lived out what he demanded of others. And his general knowledge was phenomenal. The stuff he came up with was simply mind-boggling.

CHRISTA BERNDORFER

*Assistant to the TGW Logistics Management Board for many years*

## TIME TO GET TO KNOW THE NEW EMPLOYEES

I've been with TGW since 4 October 1999. It was also the day I met Mr. Szinicz!

In that particular meeting, he personally welcomed all and sundry who had just started their jobs with the company.

At that time, we were still pretty small, only about 360 employees. I thought it was awfully nice of him to take the time to address us.

One after the other, we introduced ourselves so he would get some notion of the people who started that day. It was vital to him to know at least the name and history of everyone. I was pretty impressed by him.

Back then and up till the end, he was a very open, friendly and polite gentleman. And in no way was he arrogant with us newcomers.

It was a great event, which I fondly recall.

And it was a great start for me at TGW.

## The roots: TGW co-founder Heinz König on the initial phase of TGW, his friendship with Ludwig Szinicz and his view of the TGW World today

For three decades, co-founders Ludwig Szinicz and Heinz König managed TGW together. Of course, an interview with Ludwig Szinicz should have been obligatory for a book showcasing his legacy, which he defined as early as in 2004, and the Foundation philosophy, which was fleshed out in 2016. However, Ludwig Szinicz died unexpectedly in November 2017.

We are therefore particularly pleased that Heinz König has agreed to several personal interviews. The meetings with him were enjoyable, exciting and inspiring – to this very day, Heinz König is an unpretentious and congenial entrepreneurial personality. His insights are invaluable for the book because who could be better qualified to share their knowledge of the beginning phase of TGW?

Heinz König is still living in Upper Austria today – unless he is visiting his children and grandchildren in Vienna, Switzerland or the United States, spending a week or so on the Greek Ionian Island of Ithaca or chugging along the Danube with friends on his boat, the *Albatros*. Like Ludwig Szinicz, he withdrew from the operational business in 2000 at the age of 60.

Without a successful TGW Logistics and the great work of all its employees – a handful at the beginning, then hundreds, today thousands – the TGW World would not exist. Nor would it exist without Heinz König. What would be more natural than sharing what the co-founder recounts? How Heinz König and Ludwig Szinicz became friends, how they complemented each other perfectly on their daring trip around the Mediterranean after graduating from high school and how this led to a division of labour that stood the test of time over decades; all the exciting things that happened in the starting phase; and how he sees the current development of the Foundation divisions. Personal aspects were not left out, so readers will have an opportunity to get even closer to the two entrepreneurial personalities Heinz König and Ludwig Szinicz.

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## INTERVIEW WITH HEINZ KÖNIG

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**Mr. König, what do a cycling tour and a decrepit old Opel P4 have to do with the beginning of your friendship with Ludwig Szinicz?**

We'd been good friends since 1953, when we both took part in a bicycle tour in the Salzkammergut. After graduation, we wanted to go on a major tour all around the Mediterranean, namely with Pumpfi – a convertible we had painstakingly made from an old, decrepit Opel P4 in the previous years (cf. "Pumpfi" story p. 62 and photo p. 53). Our parents advised us against driving around the Mediterranean in this convertible. Then we had the idea of turning our getaway at graduation into a market research tour. We wrote to companies asking them to fund our trip, which was a lot less common back then.

And it was a huge success! We collected so much money that we rented a VW van, which we set up for sleeping in, and then embarked on our trip. We started in the former Yugoslavia in 1958 on a true adventure. There were no highways yet, and times were pretty turbulent. Lebanon was occupied by the Americans, Turkey was unstable, and the Algerian War was in full swing. You couldn't enter Israel if you had visited any Arab country – everything was far more difficult than it is today.

**What companies supported you and Ludwig Szinicz with your scheduled tour around the Mediterranean?**

We got fuel from Shell, the VW van from Volkswagen, and there were other companies we wrote to. One of them was Gebrüder Grundmann, a producer of valves. They wanted to know why their valves weren't competitive in Greece. We asked around in Greece and found that the test pressures for water valves are far lower in Greece than in Austria. This means that the wall thicknesses of the cast parts can be thinner, which in turn makes the valves cheaper. Today I think that the companies just liked that we wanted to go on this tour and more or less decided to give us something to do. "We've got to support the kids ...." (Heinz König laughs.)

But we took it pretty seriously! I was the clerk. I knew how to type, and I actually typed up hundreds of pages on our trip that we sent to the companies. We'd collected so much money that each of us could even buy a nice suit, with an Austrian coat of arms on the breast pocket. Even the local newspaper reported on our planned trip. (cf. excerpts from a photo documentation in the APPENDIX p. 284 et seq.)

## Is it safe to say that the entrepreneurial spirit of Ludwig Szinicz and Heinz König was enkindled during this trip?

Yes, indeed. On the road I took on the role of a technician, and Ludwig took care of the money. Actually, it had been that way since we were fourteen. And I did the cooking.

Later on, at TGW, we simply complemented each other perfectly. I enjoyed technology and sales and distribution the most – frankly, I wasn't much interested in anything else – but companies hardly ever work with technicians alone, you need business experts as well. So it came in handy that Ludwig had a good nose for financial and business issues. He always made sure I could focus on my work as a design engineer. Nonetheless, he had ample technical understanding and interest and anyway, he was my best friend. We were the perfect duo.



*The two technology nerds Ludwig Szinicz (left) and Heinz König (right) with a cousin of Ludwig Szinicz – and the convertible "Pumpfi", the proud result.*

## How did the founding of Transportgeräte GmbH & Co. KG Wels, today's TGW Logistics, come about?

Ludwig founded a company right after the university, the BEST Baueisen und Stahlbearbeitungsgesellschaft in Traun. That was our first commercial collaboration, because I had already designed some machines for BEST. The founding of TGW, however, resulted, via some detours, from the insolvency of a local locksmith shop. At the time, I was living in Vienna and had invented a knitting machine for gold threads – after all, my wife was a goldsmith. Although I was able to apply for a patent for it, the whole thing didn't work out very well, and it was quite tedious – I felt more like a goldsmith, and that's really what I wasn't. In the end, I sold the patent to a company in Düsseldorf, but my wife didn't want to go there.

Then Ludwig said, "That's great – a supplier of BEST has just gone bankrupt. Take a look at the place." I went to Wels and visited the company, called Sendlhofer. I wasn't exactly overjoyed. They built wheelbarrows and warehouse trolleys, and I saw myself as a mechanical engineer, not

a wheelbarrow designer! But it might do as an interim solution, and I said to Ludwig: "I'll phase out the joint and keep looking for something else.

Ultimately, Ludwig bought the bankrupt Sendlhofer locksmith shop, and on 11 December 1969, we founded Transportgeräte GmbH & Co. KG Wels and agreed together we'd carry things forward from there since we had always wanted to run a joint operation. I became the first Managing Director. You have to seize a lucky moment and not let go – everyone gets lucky sometimes, you have to do something with your luck! Ludwig managed BEST, a TGW supplier, for many years. By the way, my machines are still in use there today. Naturally, the two of us were in constant dialogue. Still, it was quite important for Ludwig to be able to focus fully on our TGW from 1983 onwards. At that time, we already had 150 employees, and it became apparent we needed more financial and organisational talent. As I said, only technology and sales and distribution were capable of invoking enthusiasm in me, while Ludwig excelled in figures, organisation and strategy. So it was a perfect match.

### **Do you remember the very first order for your joint enterprise TGW (Transportgeräte GmbH & Co. KG Wels)?**

As a founder, you never forget something like that. Quelle in Linz had placed an order for warehouse trolleys with Sendlhofer. The mail-order company Quelle asked me to come by, and they told me they would like to cancel the order and order conveyor belts instead. I said, "Okay, then you'll get conveyor belts instead of warehouse trolleys!" A drum at the front, a drum at the back, and a bit of a steel structure in between. That was our first conveyor belt; that's how it all began.

And then we were lucky again in 1981, when Mannesmann Demag, then the largest company in our industry, moved from Vienna to Salzburg and a market vacuum opened up in Vienna. This was a real opportunity for us. Again we seized the wheel of fortune and skedaddled in that direction at full speed. And then business really took off!

### **Why of all things do you remember the fitness roller you as a technology company sold with such pleasure?**

The thing is, we hardly earned any money with the conveyors at the beginning. The fitness roller brought us our first real profit; with the money we made, we bought our first lathe. This stomach roller was a plastic wheel with an axle and two handles. You did push-ups with it. At the locksmith shop, we had the injection moulds for the wheels. And then I told the company who manufactured these moped handles, "We want you to deliver the handles exclusively to us for the next six months" – and we produced a total of 500,000 of these fitness rollers. We sold them for around 150 Schillings at first. They kept getting cheaper and cheaper until we were selling them for 10 Schillings – and still earning money. We sold the products to the works

council at VOEST, to Intersport and many others. It was sports equipment. But the little wheel was actually taken from the warehouse trolley!

**We have heard many times from third parties how the two founders were such a good match. How should we picture your way of working together?**

Ludwig was incredibly orderly and conscientious. As for me, I would put things on the market under duress, even if they weren't quite ready. Ludwig never really liked that. But sometimes you had to do something because of time constraints. Ludwig always made sure of proper financing, and removed every financial obstacle that cropped up. He really made sure I had the leeway to focus completely on my brain work! That's incredibly important: to be able to design and tinker with things without financial pressure.

And we trusted each other to such a degree that I would say, "Will that work out or not?" and Ludwig would say, "It'll work", and then we'd do it. I didn't need to think too much about it. Our division of labour was, I believe, the key to our great success. I was always good at communicating with friends but not so well with people I didn't know. Communication was vital to business, though. Ludwig was a master at it. He spoke extremely well, had charisma, was friendly and polite – never vulgar or coarse! Never. With Ludwig, there were no nasty surprises.

**The two of you were quite different – how did you manage to make collaboration work so well?**

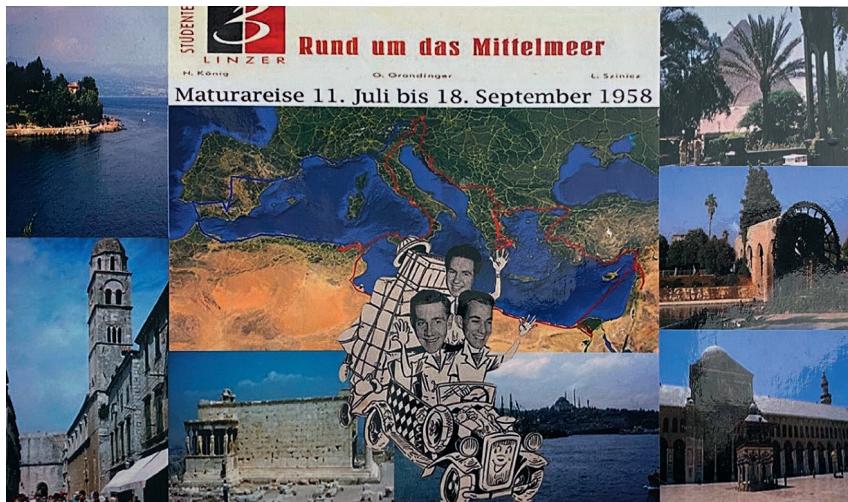
That's right, we're really very different characters. We complemented each other marvelously in terms of our fields of expertise; that's a positive aspect, such different skills: Look, the other guy is good at what I'm not so good at, and together we're just perfect. Of course, sometimes there was a risk that we could lock horns. But in our partnership, our friendship was always more important than any dispute over money or influence, for instance. Our friendship was sacred to us; that was Ludwig's philosophy as well. Our friendship stood above everything!

We did so many things together – of course, we often didn't agree, but then we simply took care of the problem professionally. We didn't agree on the question of what would become of TGW when we both left the operational business, but it did not affect our friendship.

**How was the handover organised after you both decided to quit active operations at the age of 60?**

I'll let you know one thing: We had several cases in Wels where partners or family members were quarreling and the companies suffered or are still suffering horribly because of it. We wanted to ensure that something like that wouldn't take place at TGW, that there would be no friction – and that's how it happened. A family should never be able to decide all by itself. We wanted to ensure a bright future for the company and its employees.

The graduation trip of Ludwig Szinicz and Heinz König  
with their friend Georg Grondinger (see APPENDIX p. 284 et seq.)



For three years, the idea of travelling around the Mediterranean in our car had a great appeal to us. Restoring an old Opel P4, which we called "Pumpfi" was our first priority if wanted to embark on this adventure. We invested a lot of enthusiasm and a lot of hard work in this car project, and our convertible was ready to go. Our "advisors" had doubts whether our vehicle could master such an expedition, and so we reseized our project into something bigger. We wanted to fund the trip by doing market research abroad and had the support of our parents and friends as well as sponsors who were willing to help us.

So how did we arrange for the transition? Here's the short version: In 2000, the year we two founders wanted out, Ludwig intended to transfer responsibility to three 30-year-old employees. By contrast, I imagined a model in which talented executives were given a 10% joint stake as Managing Directors and the families remained on board with 45% each. This would have broken any stalemate between the families.

We could not agree on a solution when it came to a succession model. I then suggested that either he or I ought to sell his shares in the company to the other. I let Ludwig have first option, and he bought my 50% stake in the company. Then he transferred the responsibility to his three chosen employees, Rudolf Hansl, Georg Kirchmayer and Manfred Webersdorfer.

**In 2004, Ludwig Szinicz founded the TGW Future Private Foundation and donated 100% of his shares to this foundation. Where do you think the company is today?**

Today, I have to say that Ludwig's decisions were the correct ones. The company is doing great, and the Foundation gives it stability. Georg Kirchmayer internationalised the company during his 15 years as CEO; he implemented the step towards becoming a general contractor and increased sales revenue and grew the number of employees enormously. And today's leaders – Harald Schröpf, Jörg Scheithauer, Christoph Wolkerstorfer and Martin Krauss, and his colleagues on the Foundation Board – all of them are such great people. I'm overjoyed they are such fantastic people. That they want to carry the topic of learning forward; that's so important!

**"Learning and growing" is indeed one of the integral parts of the Foundation philosophy. What do you associate with it when you think back to your active working time at TGW?**

Learning was something close to Ludwig's heart – mine, too. There's this curious story about the TIZ. Our ambition was to set up a technology and information centre, TIZ for short, for our employees. To this end, we built a shelf operating device in "the tube" at the head office in Collmannstraße in Wels.

In it we stored information on the competition, all of our patents, technical articles from all over the world. We had a learning and reading room at the library, and the calculation was simple: An average project takes 400 to 500 hours. Sitting in the TIZ for a day to study the competition, do research on patents and so on paid off twentyfold.

We told people, "You can drop everything. You don't have to be accessible by phone. You can withdraw to the TIZ for eight hours and study and learn". It made sense. But Ludwig and I were the only ones who ever sat up there in the TIZ. Somehow it hadn't come across the way we hoped it would. The TIZ was finally dissolved. But it shows how important learning was to us. And I'm still convinced that learning and innovation have become more important, thank God. We got along well enough with the young people, but – probably because they already saw us

as old geezers – it didn't quite hit home that we really meant it when we said lifelong learning. Both of us were absolute champions at lifelong learning and the transfer of knowledge.

I hope that the TGW World is more successful than we were at the time. I heard about MINDtastic, the holistic learning concept – that's an exciting approach, it seems. Today, learning is essential for companies to survive, and it's a fantastic opportunity for every employee, especially when the aim is not just professional development but personal development as well. MINDtastic is said to cover both aspects.

**Trust is a key value in the TGW World, if you look at it closely. How did things go for you two at that time?**

It was incredibly important that people trusted us. For Ludwig, it was enormously significant. We tried to create a basis of trust with our people. Treating people well was important. We had some cases of employees who were seriously ill and whom we kept on – in this respect, Ludwig and I have always been absolutely in agreement. Respect and appreciation constituted the foundation of everything. It was a matter of course for Ludwig and me to go through the workshop and talk to people and show "I'm here". Indeed, I was hammering nails at the beginning, when we were a four-man operation. Ludwig used to bend a few iron bars back then.

We always had an open and tight relationship with our employees. As long as I was in the company, we didn't even have a works council (although we already employed 450 people). "If you don't like something, speak to me". It's fine that there's a works council now. You have to be realistic: With so many people, you need an elected works council; you can't know everybody personally and have direct contact with them.

**Social entrepreneurship projects such as CAP. or GRAND GARAGE must fill your heart with joy?**

Really great projects, every one of them. Ludwig and I discussed CAP. a lot. We always believed in the notion "Working with your hands is good for your brain!" and that you can do a lot in this area. My sister, who founded a high school where classes are taught in English, often talked to Ludwig about school issues. I'm still 100% convinced that our country is doing far too little when it comes to training and education. It's worrying how much is simply not done. CAP. enables gifted high school students to complete a full-bore apprenticeship as a mechatronics engineer – that's great, isn't it?

I'm also delighted with GRAND GARAGE, which only opened shortly after Ludwig's death. We're glad he lived to see the development phase. If we as founders had had something like that as a start-up help, we would've been delighted. I've visited the GRAND GARAGE several times and every time I did, I was thrilled.

The extent of information available, everything that you can do there, talking shop with plastic technicians, mechanical engineers, electronics technicians, that such a wonderful thing exists – that really would've been a dream come true for me. The interprofessional dialogue, the exchange of experience and ideas are what makes the place great. What's important here is to win over real go-getters for the project.

**When you think of Ludwig Szinicz today, what is your most vivid memory?**

That he was my best friend, his reliability, that he always kept his word, his diligence, his work concentration – and that we enjoyed so many things together. Sailing, for instance. I'll always remember all this when I think of him!

LUTZ DUDE

*Long-term sales representative at TGW*

## FAST CONTRACTS – WITH AND WITHOUT A HAPPY ENDING

After all these years, there are still so many projects you vividly recall. Two quickly closed contracts particularly stick out.

I think back with horror on the system we built for our showroom in the 1970s. It was proudly presented and showcased to potential customers.

Then one day an entrepreneur from the region came in. In his enthusiasm, he convinced us that it was exactly the right system for him and he absolutely needed it! We "sold" it to him. It was immediately dismantled and delivered.

Two weeks later, the sobering moment arrived: The "customer" had gone bankrupt and our system became part of the bankruptcy estate. We never got a single shilling from it. We certainly paid dearly there!

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Just as odd, but with a happy ending, was a spontaneous order we got. In this incident, it paid off that Ludwig Szinicz and Heinz König gave their employees a lot of leeway to act.

I'd been with a customer in Graz and was able to return a lot earlier than planned. Around noon I was driving back and passed by Mayr-Melnhof AG. Surely this company could do with some conveyor technology, I mused.

My visit was spontaneous and unannounced. Luck had it that the man in charge of conveyors was on the premises. He explained to me that they had received a large order from China that required the production line be rebuilt so it could handle the far greater output. The orders for the line were to be sent out in the next few days.

I was able to suggest a different solution than the one he had in front of him could offer; he gave me the chance to make an impromptu proposal.

While still in his office, I made a quick calculation and then sent a binding offer the next day. Mr. König and I were promptly invited back and awarded the order.

Thanks to our better solution with the steel plate belt, we were able to fulfill the order for millions of dollars to the satisfaction of all involved.

MARTIN KIRCHMAYR

*Director of Marketing and Communications at TGW Logistics*

## THE MOBILE MOUNTAIN BIKE CLEANING DEVICE

In 1995, I wrote my thesis on a private project of Ludwig's. Ludwig used to love to go mountain biking. You go by car to the destination, and after the tour, the mountain bike needs to go on top of the car or into it. The problem: Usually, the bike is pretty dirty after a tour.

Ludwig always had an affinity for good solutions: *Here I am, somewhere high up on the mountain or in the middle of the forest, and I have to put the dirty mountain bike in the car. Why is there no solution so that I can clean it beforehand?* He tinkered around a bit together with his contacts.

The working title of my thesis was "Ways to Sell a Mobile Mountain Bike Cleaning Device".

The problem was to find the right pump, the right nozzle and the right water tank and create a device you could charge via the car's cigarette lighter. The whole thing was meant to work like a small high-pressure cleaner, just with less pressure. Ultimately, Ludwig had three working prototypes developed.

I wrote my thesis on how to sell this product in retail stores.

It was an exciting project, but then TGW had other priorities than a mountain bike cleaning device, so it ended with the three prototypes.

That's how Ludwig was: *I see a problem. How can I solve it? It just can't be true that I dirty up my car with the bike. We'll do something about it!*

If Ludwig had had more time, he certainly would have carried on with the project!

HEINZ KÖNIG

*Founder of TGW (together with Ludwig Szinicz)*

## **PUMPFI – OR TWO TEENAGERS DREAM OF OWNING THEIR OWN CONVERTIBLE**

Ludwig and I had known each other ever since our first class together at the HTL when we were 14 years old. We got to know each other a lot better during a bike tour, and we had wild fantasies about owning our own automobile. Of course, that was a goal beyond our capacities, and so we bought an old Opel P4, or we might even have gotten it as a present.

It was a sedan, but we wanted a convertible! We dismantled the car, cut away the roof – and in one and a half years, we had our own convertible. We were completely inexperienced as car mechanics and invested many hours in tinkering about, working like mad and making mistakes, and were hit with a few setbacks. The fact that Ludwig never gave up was due to the support of his father, who had confidence in us.

We called the convertible Pumpfi. I think it was Ludwig's sister who came up with the name – and it stuck!

Originally, we wanted to go on our grand tour around the Mediterranean in Pumpfi. But our parents advised us against it. We put into practice the idea of combining our graduation trip with a market research trip. We were on the road for three months, from July to September 1958.

For practical reasons, we travelled in a VW van – Pumpfi stayed at home. Later, Ludwig and I gave Pumpfi to a TGW employee who liked vintage cars.

Note:

\* In the APPENDIX, p. 284 et seq., you'll find excerpts from a photo book that Heinz König compiled for a milestone birthday of his friend, Ludwig Szinicz.

### The dream: Ludwig Szinicz wanted to make the world a little bit better – Interview with the Chairman of the Board of TGW Future Private Foundation

In 2016, addressing his employees, Ludwig Szinicz talked about the goal of his donation for the first time since 2004. He wrote:

*The aim of my donation to the Foundation was to ensure that TGW, with the Foundation as owner, will be maintained and be able to guard its independence while following the philosophy of "Focusing on people – learning and growing". The model of a foundation company is the best condition for this.*

Before all aspects of the Foundation philosophy are examined in greater detail over more than 160 pages in Chapter II, the author will share with the readers some of his personal insights into Ludwig Szinicz' dream. Readers will have the opportunity to approach Ludwig Szinicz' "Idea TGW" from a higher-level perspective prior to deepening their knowledge by reading on, armed with the topics touched upon in the interview.

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#### INTERVIEW WITH MARTIN KRAUSS

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##### **To start off, Mr. Krauss, what can you say to readers about your role in the TGW Future Private Foundation and your relationship with Ludwig Szinicz?**

I've been a member of the Board of TGW Future Private Foundation since 2013 and its Chairman since 2014. In early 2016, Ludwig Szinicz tasked me with ensuring that the Foundation Board focuses on compliance with the Foundation philosophy and does not lose sight of the idea of exemplary entrepreneurship. His commission was an honor, not least since I identified 100% with his "Idea TGW".

At that time, during which Ludwig was working on the realignment of the company, this was much more attractive to me than any number of offers from industry. I deeply regret that Ludwig and I, instead of many years of close friendship and dialogue, had only the pretty brief

span from 2013 to 2017. Even shortly before he died, Ludwig was as full of life as ever; he was as "fit as a fiddle and could have reached 100", as former TGW Logistics Managing Director Manfred Webersdorfer so wonderfully put it. Nobody expected him to die in November 2017.

**Indeed, Ludwig Szinicz died quite suddenly in 2017. How did you deal with it? How did it change your role?**

First and foremost, I lost a true friend who was like a father to me. Ludwig's sudden departure overwhelmed me. Visiting him at his hospital bed gave me strength because I felt his trust. But to say farewell, knowing we wouldn't meet again? It was infinitely difficult. Especially as during the weeks prior, working with Ludwig had become increasingly focused, in terms of time and our personal bond.



*Martin Krauss and Ludwig Szinicz*

Regarding my role after Ludwig's death, I would say: I was already Chairman of the Foundation Board and of the Supervisory Board – I had already taken on both these roles. At the same time, this sudden upheaval made me even more aware of my enormous responsibility to the TGW World.

We – I mean the teams of TGW Logistics, TGW Future Wings and TGW Future Private Foundation – have been working passionately ever since to become even more professional, to get gradually closer to Ludwig's dream and to earn the trust of everyone involved in the TGW World to an ever greater extent. Ludwig's death was really a watershed in my work, given how much I'd been looking forward to many more years of dialogue with him. Every conversation with him was enriching, professionally and on a personal level.

**Mr. Krauss: “Focusing on people – learning and growing” – how does this fly with a company like TGW that can only survive by making a profit?**

It goes quite well, really, if you bear in mind what it's all about: a holistic entrepreneurial approach and, in a way, quite a special way of successfully doing business. When all is said and done, companies must make a profit and not falter in a competitive environment. The question is, **how** is it done? And that's exactly the point the founder's dream answered! In the TGW World, we try to follow this special path in Ludwig Szinicz' spirit.

In a sense, it's an experiment. The founder was driven by his idea. He was absolutely passionate about it: He wanted to do something to make the world a bit better. I see it as a long journey on which we've embarked. But it's a worthwhile goal for all of us. It is a courageous undertaking indeed, and we can't predict whether it will be crowned with success. It has something to do with innovation; our innovations have long been the lifeblood of our company and they are now for the entire TGW World.

**Could you flesh that out a little? For example, how does the abolition of the bonus system, implemented in 2018 after extensive deliberations, mirror the conception of human beings prevailing in the TGW World?**

A great deal, if you know what we did and understand why we did it. About the what: In 2018, we abolished bonuses – the variable share of the salary given to about 20% of TGW Logistics employees, depending on target achievement. Since then, 100% of the bonus, the variable portion, has been added to the fixed salary. Why did the Management Board of TGW Logistics do it – with our full support, I might add? Because trust in employees is the end-all and be-all for us and constitutes the basis of our conception of human beings. We're convinced that our employees are driven intrinsically, i.e. from their innermost self, to give their very best – if the conditions are right.

How would the doubts inherent in this carrot-and-stick policy match such a conception of human beings? Such a system assumes that a hare runs best and fastest when a carrot is there for it at the end. This is why bonuses don't match our conception of human beings!

And the abolition of bonuses has other benefits. Bonuses don't foster long-term thought and action, for instance. But if an employee knows "I get xxx euros as my salary, regardless of whether I generate any benefits for the company in the short term", he will still be incentivised to make those decisions and do that bit extra, right? Decisions like this will benefit everybody in the long term.

### **Did the idea of relying on trust actually pay off?**

Definitely. Today, in the fourth annual cycle after the abolition of bonuses, we can say it was also an important contribution to overcoming siloed thinking and promoting company-wide collaboration. Because now people concentrate less on their own or their department's success – they see more of the bigger picture. And the step we took fits our value system. And don't forget all that red tape we've finally done away with!

Leading a team has become more demanding, though, since the bonus targets that offered a formal framework for leadership no longer exist. Criticism was expressed in the run-up to the switch, and we took those voices seriously: What about those who exploit the system, those who'll pocket the higher fixed salary without showing the same commitment as before? Would that not be a new injustice?

I think that the abolition of bonuses is a fine example of how Ludwig Szinicz didn't want to put the spotlight on a minority, that is to say on a few individuals who might be abusing an arrangement. No, he always wanted to see the bigger picture and the positive side of people and trust them.

### **Why did Ludwig choose this model, according to which TGW was turned into a foundation company in 2004 so as to carry forward his “Idea TGW”?**

Let me back up a little: After all, there is not only one true and right way of managing a company successfully. There are many possibilities! A family business can be as successful as a listed corporation. Ludwig Szinicz took an unusual path, namely the foundation model, and also a holistic approach in the TGW World.

If you look into the issue, you find that entrepreneurs often want to cede their property – the keyword here is steward-ownership. Today, a legislative initiative makes possible a new legal form that facilitates the so-called fiduciary ownership, or steward-ownership. Put simply, shareholders have control over the company but are not entitled to dividends, so as to protect the company's substance. Ludwig was way ahead of his time.

### **But how does the foundation model give stability to employees, and what does the TGW cow have to do with it?**

One-half to two-thirds of the annual profits of TGW Logistics are retained by the company. In the last few years, only a minimum distribution amounting to one-third was paid to the TGW Future Private Foundation as owner; it's planned to keep to this minimum payout. This ensures stability and is as such something special for the employees. It indicates how much the focus is on the future of the company and on the people who work there! It aims to help provide employees with jobs that are as secure as possible. During the COVID-19 pandemic, this stability

bore fruit – TGW Logistics provided additional financial support to employees in countries without government-sponsored reduced hours model in place to support the workforce.

In addition, the foundation model lends long-term stability in another form to employees. Selling the company as a whole is forbidden. To illustrate the idea, the founder chose the metaphor of the TGW cow. It is not permitted to slice a cutlet out of the cow or to sell her. And people outside the company will get some of the milk the cow provides as well.

I'd like to stress at this point that it is permissible to sell parts of the company that are not or are no longer part of the core business. In this case, it is vital that the proceeds of the sale benefit the "cow" and are reinvested in TGW Logistics.

**We have talked a lot about industrial entrepreneurship, hence TGW Logistics. What about social entrepreneurship – that is, TGW Future Wings? Many companies demonstrate a non-profit commitment. What is different in the TGW World?**

We appreciate every single company that is actively committed to social matters. Our type of commitment is certainly special, if you consider it in all aspects. First of all, there is its structure: TGW Future Wings is neither a fifth wheel nor a corporate social responsibility department nor a PR scheme for recruiting new employees. Our social entrepreneurship is on an equal footing with TGW Logistics; it is a division of the Foundation as well.

It's laid down in the statutes of TGW Future Private Foundation that people outside TGW will also be supported with learning and growing. It's stipulated that at least 30% of profits paid to the TGW Future Private Foundation must be allocated to education & innovation in social entrepreneurship every year. Furthermore, we have already positioned ourselves such that about one-third of our funds are so-called external funds. These funds include financial contributions from partner companies, sponsors and donors, or government funding and membership fees or school fees.

**Social entrepreneurship and industrial entrepreneurship – aren't they two different worlds? How does the interdependency of the Foundation's two divisions work?**

Meaningful interdependency and the creation of synergies pose a challenge. To begin with, there are some differences between the two organisations if you look at the activities and the number of employees. Secondly, TGW Logistics, like any other company, needs to generate profits to continue. TGW Future Wings, by contrast, implements non-profit projects that are basically innovations in education. The goal here is not revenue or return on sales, it's having an impact on society. Both divisions of the Foundation move within the TGW World, so they must be aligned to the principle of "Focusing on people – learning and growing" and they share the

same value system. This is why the closer interdependency began with the development of a shared value system.

### **Why do you say “value system” and not just “the values” of TGW World?**

The term value **system** is really quite important to us. There are 12 individual values, true, but they all have their place in a structured system. They are preceded by a preamble, and the values can be divided into three clusters: “How we treat each other”, “The way we work”, “How we lead”. This value system provides the entire TGW World with a framework for how to act, knowing that it will likely never be possible to comply 100% with all 12 values all the time. But the key point here is attitude and the desire to implement the values in the best possible way.

By the way, the 5 values defined by the founder were assigned to the “How we treat each other” cluster, i.e. respect and appreciation, trust, freedom from fear, friendliness. Every one of the 12 values has been fleshed out with a brief description so that it is clear what we mean by it. The value system provides not just a framework for our own actions and how we deal with one another internally and with third parties, it is also a productivity lever – no, it is *the* productivity lever par excellence!

### **Other companies and institutions speak of trust, passion, teamwork and so on, too. Isn’t it the same thing?**

I am convinced: No! Because I don’t believe everybody understands these terms the same way we do. This is why our value team sought to make the concepts more concrete. This was done with the 50 explanatory statements that now define the 12 values of the TGW World very neatly!

We must bear in mind, however, that we can always go into greater depth. For instance, everybody uses the term “trust” but what does it mean, exactly? You can go into the topic at great depth. Take Niklas Luhmann, for instance: *Vertrauen [Trust]* is a very demanding, very theoretical read. Or Reinhard K. Sprenger’s book *Vertrauen führt [Trust Leads]* that contains accurate analyses and clear-cut examples from the actual daily operations of a company. Our value system is not a quick, one-time determination – it means continuous work, further development and depth.

### **You have now given us some insights into the two divisions of the Foundation, namely TGW Logistics and TGW Future Wings, in connection with the Foundation philosophy. What role does the TGW Future Private Foundation play?**

Put simply, the main task of TGW Future Private Foundation is to ensure – as the owner, founder or shareholder – that the Foundation philosophy is implemented throughout the TGW World.

The members of the Foundation's Board are therefore the owner's representatives on the Supervisory Board of TGW Logistics as well.

By the way, "Focusing on people – learning and growing" is a separate item on the agenda of Supervisory Board meetings. Of course, it's also reflected in other agenda items like strategy, organisational development and competitiveness. Let's take this example for illustration: Topics ranged from A to Z: A like apprenticeship programmes, C like corporate governance, F like flexible working hours, M like MINDtastic, V like value system and Z like Zwergennest, the company kindergarten at the headquaters location in Marchtrenk. The Foundation Board sees itself as a sparring partner and source of inspiration for the company's Management Board. Dual Employee Participation, for instance, was initiated in a closed meeting of the Foundation's Board before it was discussed critically and implemented within the company in a really excellent process. With respect to TGW Future Wings, the TGW Future Private Foundation encounters many challenges, particularly now that we are growing quite a bit in the area of social entrepreneurship. After all, we made the decision to carry out projects in cooperation with partners.

Several new projects have been added in recent years. Like with other growth processes, the professional advancement of corporate governance in social entrepreneurship is a must. Because growth always needs corresponding organisational development. The readjustment of rules and roles is vital in this context. We use and exploit synergies in the transfer of know-how from the experience we gained when we revised corporate governance at TGW Logistics. You don't always have to reinvent the wheel. Sometimes it's enough to adapt existing things to the new surroundings.

### **How did the further development of the “organisation” TGW Future Private Foundation come about?**

When Ludwig Szinicz commissioned me with the task at TGW Future Private Foundation, there wasn't a single employee there yet. How to make this dream come true? We opted to professionalise the organisation in 2016 – at that time, the founder was still present. The goal was to place the focus of activity not on the professional administration of the Foundation – which is of course also important – but on the creation of a framework for the implementation of the Foundation philosophy. For this, we needed a small professional team. Today, four colleagues work for TGW Future Private Foundation: my assistant and three experienced experts in the areas of communication, finance and personnel.

The positions I just mentioned have not made the corresponding positions in the Foundation's two divisions redundant. The idea is that they will form a mutually inspiring network that carries forward the implementation of the Foundation philosophy – each of them in his or her role. Incidentally, this development path has not been along a straight line, either. At the beginning,

I wanted junior colleagues on my team for financial reasons. As it turned out, a team with a great deal of experience and strong personalities was what was needed.

### **How significant is the aspect of “learning” for networking within the TGW World?**

It's absolutely vital! Ultimately, it's a matter of “learning and growing” together within the TGW World as well. At this point, I ought to talk about our MINDtastic. It's not only the brick-and-mortar construction of an education centre designed according to cutting-edge criteria. No – the key point is making an investment in people, in the true sense of the word: People in the TGW World can learn autonomously; individual development plans support learning on the job; and not only external experts can be teachers but employees can as well. Two aspects are relevant. One, learning across all boundaries: Older people can learn from younger and vice versa; employees of TGW Logistics can take things from dialogue with employees of social entrepreneurship. The essential thing is that everybody stays curious and is eager to learn.

TGW co-founder Heinz König, so to speak the elder of the TGW World tribe, is a great example of the fact that learning knows no age boundaries: You can learn something from every single conversation you have with him. As a vigorous senior, he gave major stimuli to the KingDrive innovation, which facilitates separate control of every roller in a roller conveyor. I hope that I'll have his curiosity and openness when I'm over the age of 80!

### **Holistic education was enormously important to Ludwig Sznicz. Today, it constitutes a single dimension of the hexagon representing the Foundation philosophy. What about it? How should we interpret “holistic” here?**

In addition to learning that crosses all boundaries, holistic education is hugely relevant to us. The basic concept is for students to not only absorb school subjects but also for them to grow as individuals so that their social skills are strengthened and they ultimately have more freedom to shape their own lives. An innate inner capacity is broadened, and freedom increases.

Quite an exciting topic, not only for the executive suites! Each employee can benefit from it. To sum up: Holistic learning and growth help us in the TGW World to stay innovative, competitive and effective. We want to develop holistically as human beings; everybody should be able to make the most of their various potentials. I'd love for our successors on the Foundation Board to celebrate the 100th anniversary of TGW Logistics in 2069 – joyously, with the company still doing as well as it is now and was in the era of Ludwig Sznicz and Heinz König – or doing even better! And that many employees and their families have enormously benefited from the concept of learning and growing!

## **Speaking of Heinz König, what role does the co-founder of TGW play in the TGW World?**

An absolutely crucial one! Because even if "Idea TGW" came from Ludwig Szinicz, the nucleus of it all was TGW. Which is to say that it's the common baby of Heinz König and Ludwig Szinicz. Every one of us should take a deep bow in honor of these two entrepreneurs, who complemented each other so wonderfully. Without the technical wizardry and sales genius of Heinz König, there would be no TGW World.

## **Ludwig Szinicz wanted to make the world a bit better with his model of the TGW World and the Foundation philosophy of "Focusing on people – learning and growing." So, we have one question in conclusion: Has he succeeded?**

What we mustn't do is live under the illusion we can achieve 100% success in everything. But we're still ambitious and trying to get close to making Ludwig's dream come true. Initial, strategically important steps have been realised. The conditions for a holistic entrepreneurial approach are all in place. Ludwig Szinicz created great framework conditions with his foundation model. And who knows? Maybe it will inspire other entrepreneurs when they see how well this model works. But we in the TGW World are still at the beginning of a long road and a development process when it comes to implementing the Foundation philosophy.

However, I and my colleagues on the Foundation Board are hugely impressed by all that has been done over the last few years, the enormous commitment shown by teams throughout the TGW World and how much valuable work has already been completed for organisational and cultural development. An excellent foundation to build upon!

As the Foundation's Board, we always keep two things in mind: Ludwig Szinicz' words in the 10 guidelines from the Supplementary Foundation Deed as well as the six dimensions of the hexagon. All this amounts to more than enough for us to approximate – and be guided by – the holistic entrepreneurial approach of Ludwig Szinicz and the Foundation philosophy.

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WALTER LOISTL

*Managing Director at TGW alongside Ludwig Szinicz and Heinz König*

## PROVIDING SUPPORT FOR THE DEMANDING TASKS

We chose our installers well: Some had an HTL education in engineering, others had completed their apprenticeship as mechanics and were used to working independently. Along with technical knowledge, the drive to achieve was quite important: not only that they can do it, but that they want to do it. Because the installation or preassembly of warehouses is a responsible and demanding task. Managers were also at the construction sites but not at all of them at all times.

I'm thinking of a project in Finland we finished in the mid-1990s. The contract covered a pallet conveyor system worth 15 million Schillings – quite a large order at that time.

Our installer had to go to Finland, and together with labourers from Estonia, he set up the conveyor system. That was challenging because even though everyone spoke English, language barriers were still a problem.

Peak organisational talent and of course technical skills were 100% required. He had to arrange for a crane from England, for instance, that arrived by ship. And he had to find a house to rent, because the installation would take six months and he needed a place to retreat to – you don't get that in a hotel.

To select and train those employees who were highly qualified in every respect, to trust them and show them that you trust them and support them – all that you can and must do from headquarters.

CLEMENS STEINER

*Member of the Board of the TGW Future Private Foundation*

## THE PRANKSTER SAILOR

In the summer of 2017, Ludwig Szinicz, his partner Erika Doppelbauer, my wife Manuela and I went on a sailing trip. Croatia, great sailing weather, and we were sailing towards the old fisherman's port of Zadar. It is as tiny as a stamp and as shallow as a kiddie pool. Manuela was at the helm; Ludwig and I stood side by side behind her. Manuela enjoyed the feeling of having a good grip of the boat, but we were going rather fast, and the coast was approaching rapidly. Manuela got more and more worried. She looked at Ludwig as the skipper, hoping he would give the command "All clear for tacking". Ludwig's inner prankster perked up. We looked at each other, and unanimity was established.

With fatherly calm, Ludwig remained standing behind Manuela and said, "*We'll stay on course, you're doing fine...*"

I asked Ludwig nonchalantly, "Do you want to high-five the quay wall or jibe into the harbour basin?"

Ludwig answered, "*We'll jibe into the harbour basin.*"

Aghast, Manuela looked at Ludwig and said, "I don't want to do that. You do it!"

The coast is looming up closer and closer. So, we headed for the old fisherman's marina.

The marina was getting ever closer.

Ludwig had her steer the course until we were very close to the quay wall and then gave the command "*All clear for tacking*".

Manuela did the turn perfectly, and a giant sigh of relief was heard in the Adriatic.

Afterwards we laughed and celebrated with a bottle of delicious wine.

It really was a great moment. Ludwig's mischievous spirit said: *Trust me, we can do it!*

That's how he was. That's how I'll remember him.

KLAUS BACHMAIR

*Employee representative on the Supervisory Board of TGW Logistics*

## **EDUCATION AS AN AFFAIR OF THE HEART**

When I think of Ludwig Szinicz, I remember one thing especially: that children and young people are so important to a man his age is not something to be taken for granted. And I haven't seen anybody in our society or in the political landscape who appreciates the topic of education to the extent he did.

It's the responsibility of all of us to make the most of his Foundation philosophy. He used to say, "*Education is the key to social peace and prosperity*". Whether it was the children's aid project in Mexico, CAP., GRAND GARAGE, MoMo, B.E.L. in Linz or the Zwergennest here at TGW, that's how it ought to be. In all these projects, young people can develop and advance.

For him, the topic of youth and education truly had no limits.

This is probably why he was so excited about the idea of the works council setting up a center of excellence for apprentices. It was the first topic the employee representatives brought before the newly established Supervisory Board!

I felt that the subject of education was his end-all and be-all.

Nobody was to interfere with his ideas. Had anybody actually meddled, he would have done it anyway: "*I don't care. I'll do it anyway.*"

That's how focused he was.

## **CHAPTER II**

The Foundation philosophy of  
“Focusing on people – learning and growing”  
A holistic entrepreneurial approach

## 1. The backbone: The Foundation Declaration as the legal framework for the legacy and the Foundation philosophy of “Focusing on people – learning and growing”

The Foundation Declaration of TGW Future Private Foundation constitutes the backbone in the TGW World for the implementation of “Focusing on people – learning and growing”. In a foundation declaration, a founder declares his will to make private assets legally independent and earmark them for a specific purpose. Every foundation declaration must be certified by a notary public and presented to the commercial registry court. It contains, for instance, the name and domicile of the foundation, the dedication of its assets, the mission of the foundation and the duration of its existence, which in our case was defined as “perpetual” by Ludwig Szinicz, i.e. for an indefinite period of time.

The fact that the founder began to flesh out his legacy extensively in such an important legal document shows that although he was in good health, he was nonetheless in his late seventies and wanted to ensure one thing with regard to the aforementioned requirement of perpetuity: Even after his death, there should be no ambiguity concerning his legacy. The Board of TGW Future Private Foundation as the supreme authority in the TGW World should have the prerogative of interpretation. It was important to him that there should be clarity on the framework within which the two Foundation divisions were allowed to operate in conformity with the Foundation philosophy. The emphasis is on the word framework. A dyed-in-the-wool entrepreneur like Ludwig Szinicz certainly knew that both are essential: First, to give people orientation; then to give them freedom to move within this framework and exploit their full potential.

The mission of the Foundation is presented in the following pages; then the Foundation philosophy of “Focusing on people – learning and growing“ is discussed in detail before the formalities that went into effect after the founder’s death are briefly addressed.

## 1.1 The Foundation's mission

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In the 2004 Foundation Deed, Ludwig Szinicz defined the mission of the Foundation as follows:

- management of the company shares in the founder's spirit
- promotion of learning and personal growth
- payment of allowances to beneficiaries
- management of the Foundation's other assets

The main task of the TGW Future Private Foundation is the management of its stake in the company “in the spirit of the founder with the aim of sustainable continuation of the company”. This first part of the mission of the Foundation includes the management of the current shares in the TGW Group as well as any future stakes in other companies. Management in the founder's spirit does not mean bureaucratic organisation and supervision. Instead, Ludwig Szinicz always intended that the exercise of participation rights not be merely a matter of managing shares, but that the members of the Foundation Board assume the role of an active and responsible owner. The founder had in mind a very special kind of exemplary entrepreneurship.

With regard to the second part of the mission of the Foundation, “promoting learning and personal growth”, it is important to elucidate two aspects in order to classify Ludwig Szinicz' intentions at this point. For one, as someone who has upheld the idea of achievement throughout his life – whether professionally at TGW or privately, for example, when sailing – he was specifically interested in promoting people “who are willing and able to continuously develop their personalities through learning”. Secondly, the aspect of “promoting learning and personal growth” – contrary to popular opinion – was by no means limited to social entrepreneurship. Such an interpretation is demonstrably wrong. After all, the wording was already definite when the Foundation was set up in 2004; at that time, social engagement already existed but only in a very focused way and on a small scale.

“Promoting learning and personal growth” has always been a major concern of the founder with regard to TGW Logistics *as well* – it is not for nothing that “learning and growing” are formative for the Foundation philosophy. After Ludwig Szinicz’ death, the TGW Future Private Foundation started to press ahead with exactly this topic of holistic education with great energy. In a world characterised by volatility, uncertainty, complexity and ambiguity (VUCA world, cf. p. 139), this approach has two strategic advantages: for the individual, who has more options for action for his or her personal future; and for the TGW World as an organisation – it will be able to master challenges much better, especially in a dynamic environment, thanks to the holistic education of its employees.

The third part of the mission of the Foundation is to pay allowances to beneficiaries. Details of this are set out in the confidential Supplementary Foundation Deed. Put simply, the beneficiaries currently include – in addition to Ludwig Szinicz’ family – the three Managing Directors of TGW Logistics as well as foundation subsidiaries and legal entities identified by the Foundation Board, whose main purpose is to support people who are willing to learn. It is intended that future Managing Directors of TGW Logistics will no longer receive any allowances. The background of this change is that at TGW Logistics, bonus payments were abolished in 2018 and instead higher basic salaries were defined – since any type of carrot system (“If you do this, you get that,” i.e. a reward system) is difficult to reconcile with the trust-based conception of human beings of the TGW World (for details on the conception of human beings and the abolition of bonuses at TGW: cf. p. 115 et seq.). At this point, an important additional piece of information ought not to be missing: In the Foundation Declaration, it was legally stipulated in the context of the payments to beneficiaries that “in case of doubt, (...) the sustainable continuation of TGW Group is to be given priority over the provision of the beneficiaries”.

The fourth part of the mission of the Foundation comprises the management of the other assets with the aim of maintaining and securing them in real terms in the long term. The “other” Foundation assets refer to assets going beyond the

company investments. One question that could rightly be asked here is: What is the Foundation doing with all the money it has accumulated over the years, an amount in the tens of millions of euros? What are these funds intended for?

Part of the money is fixed reserves for the beneficiaries. In addition, there is a strategic reserve so that the TGW Future Private Foundation, in its three roles as owner, founder and shareholder, has sufficient leeway to maneuver in critical situations such as poor business figures resulting in a failure to pay dividends. For one, this is to ensure ongoing funding of social entrepreneurship; the Foundation assets thus take on a kind of buffer function in any critical situations and ensure its independence from third parties. Finally, it enables a shareholder contribution to be made to TGW Logistics if necessary, thus avoiding dependence on lenders and banks.

## 1.2 Guidelines of the Foundation philosophy

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As a founder, it was important to Ludwig Szinicz that the Foundation's mission should not only be theoretically defined and legally irrevocable; above all, it should be brought to life in actual practice.

Particularly from 2015 on, this topic occupied him more and more. He asked himself how he could create more clarity and thereby contribute to making his dream of a purpose-oriented community of values a reality. Three aspects had provided the impetus for this: He became aware that the mission of the Foundation described briefly in legal and sober words formally sums up his legacy well but, because of its brevity, is simultaneously open to many interpretations. In addition, he knew that new generations of TGW people could neither get to know him personally nor his way of managing the company and dealing with people. But how could future top managers of TGW Logistics, who, after all, are role models for its employees, understand what mattered most to him without such a personal relationship? Finally, and this was the third point, he understood that to be able to implement the legacy in a worthy manner, TGW Logistics had to set itself up

organisationally to be even more fully in conformity with professional corporate governance. Good corporate governance and its huge relevance to the success of the two Foundation divisions today and in the future will be showcased in more detail in Chapter II.5.

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But how did Ludwig Szinicz flesh out the contents of his legacy in the Foundation philosophy? This will now be discussed in greater detail. His goal was clear: He wanted to offer current and future generations of the TGW World more clarity regarding the implementation of his legacy.

For the sake of good form, here is a short insertion on the term “TGW World”. The term was introduced only *after* Ludwig Szinicz’ death. The question as to how the term “TGW” mentioned in the 2016 Foundation Declaration should be interpreted is therefore justified. Didn’t Ludwig Szinicz’ dream always revolve around his “Idea TGW”, which definitely had all three organisational units in mind? This question must be answered with a clear “yes”. Therefore, the entire Foundation Board is convinced that the founder would have more than agreed with the term “TGW World” and that when formulating the Foundation philosophy, he was not only thinking about industrial entrepreneurship but had all three parts of the TGW World in mind: TGW Logistics, TGW Future Wings and the TGW Future Private Foundation.

# FOUNDATION PHILOSOPHY

## EXTRACT FROM THE SUPPLEMENTARY FOUNDATION DEED OF THE TGW FUTURE PRIVATE FOUNDATION

**As co-founder of TGW Group, the founder wants the group of companies to be continued in his sense and spirit and according to his wishes – especially regarding the relationship between the companies and the people employed there.**

**To flesh out and give life to his wish, the founder provided the Foundation Board with the following general guidelines for the exercise of stakeholder rights in the TGW Group:**

- (i) In case of doubt, the sustainable continuation of the TGW group of companies shall be given preference over the provision and support of the beneficiaries.
- (ii) In 2004, the co-founder and then owner of TGW Ludwig Szinicz bequeathed 100 % of the shares to TGW Future Private Foundation. The donation was made to ensure that the TGW Group will be sustained and carried forward in the spirit of its founder and able to keep its independence.
- (iii) In this foundation model, ownership in the company is not placed in the forefront. Because the TGW Group does not belong to individuals or to a company but to the Foundation, and the Foundation does not have owners. The substance of the company is inviolable. TGW is a “loan” to the people who work there. It is there for the people who work there. The income generated by TGW Group is to be primarily aimed at safeguarding the future of the company.
- (iv) The main tasks of the Foundation include: promotion of learning and personal growth and exemplary entrepreneurship. These tasks can only be satisfied based upon the company's lasting and sustainable economic success.
- (v) Picture TGW Group as a cow. Nobody is allowed to slice a cutlet from this cow. She must be looked after lovingly and with great care so that she can produce lots of good milk and rear healthy calves. Her milk must be shared fairly and wisely, according to the contributions made to her care and growth. She must be left plenty of milk for rearing her calves.

- (vi) We as human beings have the capacity to choose from the opportunities life offers; to make decisions and help shape our personal development. We endeavour to make meaningful decisions that make our lives happier. This is why we're always looking for purpose in life. A meaningful life includes meaningful work. Only then can we work successfully.
- (vii) At TGW Group, we must ensure that every employee understands the purpose of the company and how their work contributes towards the achievement of the whole. TGW Group must also create framework conditions in the companies that allow individuals to lead meaningful lives both at home and at work.
- (viii) Due to the Foundation's mission, TGW Group is not merely a convenient economic community but a purpose-oriented community of values that facilitates human and professional growth and entrepreneurial success. Shared values constitute the basis of how the people within TGW Group interact with one another as well as with people outside the company. A culture of freedom from fear predominates within the TGW group of companies. This culture is embodied by respect and trust. People can place trust in the good will of others.
- (ix) TGW Group is not only there for the people who work at the company. The Foundation's mission "to promote learning and growing" includes young people outside the company as well. Currently, projects run by the non-profit Future Wings Private Foundation are pursuing this goal; in the future, other suitable legal entities might be involved. Future Wings is a foundation subsidiary of the TGW Future Private Foundation. 10% of the commercial profit of TGW Group is earmarked for fulfillment of this task.

**When exercising stakeholder rights in TGW Group, the Foundation Board ensures that these guidelines are implemented and complied with throughout the Group. When filling key management positions as well as according to the self-renewal principal of the Foundation Board pursuant to 7.4 of the Foundation Deed, the people to be selected must be carefully chosen from among those who are willing to identify with these general guidelines.**

The document “The Foundation Philosophy” is taken word for word from the Supplementary Foundation Deed formulated in German by Ludwig Szinicz and translated here. This is **the most important document in this book**. This is because a detailed look at Ludwig Szinicz’ original wording helps to get to know key concepts of the Foundation philosophy. The “Classification and explanation” table should help the reader to see the co-founder’s concise words in their overall context and thus to understand them even better.

### ORIGINAL TEXT OF THE FOUNDATION PHILOSOPHY AND ITS CLASSIFICATION & EXPLANATION

*As co-founder of TGW Group, the founder wants the group of companies to be continued in his sense and spirit and according to his wishes – especially regarding the relationship between the companies and the people employed there. To flesh out and give life to his wish, the founder provided the Board of the Foundation with the following general guidelines for the exercise of stakeholder rights in the TGW Group:*

ORIGINAL	CLASSIFICATION & EXPLANATION
<p>(i)</p> <p><i>In case of doubt, the sustainable continuation of the TGW group of companies shall be given preference over the provision and support of the beneficiaries.</i></p> <p><b>Precedence of TGW Logistics over the beneficiaries</b></p>	<p>At least 50% of the annual profits of TGW Logistics must be retained in the company to protect its long-term continuation. This requirement is also laid down in guideline (iii) (“The income generated by TGW Group is to be primarily aimed at safeguarding the future of the company”).</p> <p>Conversely, this means that no more than 50% of the annual profits is to be transferred to the owner TGW Future Private Foundation.</p> <p>Since the Foundation was set up, this requirement has been overfulfilled: usually only one-third of the annual profits is distributed, and two-thirds are retained in the company.</p> <p>This higher amount retained owing to the lower distribution also means increased opportunities for investing in innovations and employees, protecting jobs in the best possible way while creating new ones.</p> <p>The fact that the sustainable continuation of the company takes precedence over the support of the beneficiaries means that the aforementioned minimum of 50% to be retained in the company cannot be touched.</p>

<p>(ii)</p> <p><i>In 2004, the co-founder and then owner of TGW, Ludwig Szinicz, bequeathed 100% of the shares to TGW Future Private Foundation. The donation was made to ensure that the TGW Group will be sustained and carried forward in the spirit of its founder and able to keep its independence.</i></p> <p><b>TGW Logistics is a foundation company</b></p>	<p>TGW Logistics is to remain independent. Sustainable continuation and independence must be ensured. This is to prevent the company from being sold.</p> <p>There are no further equity providers in addition to the TGW Future Private Foundation. Dependence on and the influence of external investors are to be kept at a minimum.</p> <p>The key to the independence of TGW Logistics is its competitiveness as a company, which is to be ensured by realising exemplary entrepreneurship.</p>
<p>(iii)</p> <p><i>In this foundation model, ownership in the company is not placed in the forefront. Because the TGW Group does not belong to individuals or to a company but to the Foundation, and the Foundation does not have owners. The substance of the company is inviolable. TGW is a “loan” to the people who work there. It is there for the people who work there. The income generated by TGW Group is to be primarily aimed at safeguarding the future of the company.</i></p> <p><b>TGW Logistics as a “loan” to the employees</b></p>	<p>TGW Logistics is owned by the TGW Future Private Foundation. The Board of the Foundation has a de facto fiduciary function and is obligated to act in conformity with these guidelines for the benefit and well-being of its employees and the entire company. But TGW Logistics is not only a loan to the people working at the company. The company is also meant to be there for them because people take centre stage. Requiring that at least 50% of the annual profits remains in the company (currently it's two-thirds) ensures that the income be used primarily to protect the future of the company.</p>
<p>(iv)</p> <p><i>The main tasks of the Foundation include: promotion of learning and personal growth and exemplary entrepreneurship. These tasks can only be satisfied based upon the company's lasting and sustainable economic success.</i></p> <p><b>Learning and personal growth. Exemplary entrepreneurship.</b></p>	<p>“Promoting learning and personal growth as well as attention to exemplary entrepreneurship” are essential tasks of the TGW Future Private Foundation and apply to both divisions, i.e. TGW Logistics and TGW Future Wings. This is one of the reasons that the conceptual design and the establishment of MINDtastic® as well as the initiation and carrying forward of educational innovations by social entrepreneurship have top priority here. Learning isn't merely a means to an end but is an end in itself as well. The holistic development of the individual is the primary goal – this is to be understood by no means as only the professional advancement of an employee of TGW World, but also their personal growth as a human being.</p>

<p>(v)</p> <p><i>Picture TGW Group as a cow. Nobody is allowed to slice a cutlet from this cow. She must be looked after lovingly and with great care so that she can produce lots of good milk and rear healthy calves. Her milk must be shared fairly and wisely, according to the contributions made to her care and growth. She must be left plenty of milk for rearing her calves.</i></p> <p><b>TGW Logistics as a cow</b></p>	<p>The metaphor of the cow, her milk and her calves is central to Ludwig Szinicz' way of thinking; he was already using it at the time the Foundation was established in an interview in the staff magazine <i>TGW_World</i> (2004 issue).</p> <p>His concern is the sustainable development of the company in conjunction with exemplary entrepreneurship. That nobody is allowed to slice a cutlet from this cow means: Firstly, a loss in substance of TGW Logistics – the weakening of the cow – is prevented. Second, there is definitely leeway for strategic adaptation to changed framework conditions – especially in VUCA times, a key task to keeping the cow healthy.</p> <p>The regulation means: Disposing of individual parts of TGW Logistics is permissible in some cases in order to keep the cow healthy as part of a sustainable strategy and to build out our competitiveness. The proceeds from the disposal must never be distributed and must be reinvested “in the cow” to strengthen the economic soundness of TGW Logistics.</p> <p>After 2016, a lot of work was put into the “fair and wise distribution of the milk”. The “Dual Employee Participation” scheme, which our employees worldwide benefit from, was introduced; at the same time, the bonus system in contradiction with our conception of human beings was abolished.</p>
<p>(vi)</p> <p><i>We as human beings have the capacity to choose from the opportunities life offers; to make decisions and help shape our personal development. We endeavour to make meaningful decisions that make our lives happier. This is why we're always looking for a purpose in life. A meaningful life includes meaningful work. Only then can we work successfully.</i></p> <p><b>Fulfillment of purpose – general</b></p>	<p>For Ludwig Szinicz, a meaningful life included fulfillment in work. He rejected the pair of terms “work–life balance” since it suggests that work is not a part of life. He preferred the paired terms “work life – private life”.</p>

<p>(vii)</p> <p><i>At TGW Group, we must ensure that every employee understands the purpose of the company and how their work contributes towards the achievement of the whole. TGW Group must also create framework conditions in the companies that allow individuals to lead meaningful lives, both at home and at work.</i></p> <p><b>Fulfillment – concretely in the TGW World</b></p>	<p>For Ludwig Szinicz, work was part of a meaningful life and should be organised such that it makes sense to the individual as well. Work should be designed in a meaningful way. The values contribute a great deal to this, especially the aspect of “how we treat each other” and of course also translating the idea of exemplary entrepreneurship in terms of new forms of work organisation.</p>
<p>(viii)</p> <p><i>Due to the Foundation's mission TGW Group is not merely a convenient economic community but a purpose-oriented community of values that facilitates human and professional growth and entrepreneurial success. Shared values constitute the basis of how the people within TGW Group interact with one another as well as with people outside the company. A culture of freedom from fear predominates within the TGW group of companies. This culture is embodied by respect and trust. People can place trust in the good will of others.</i></p> <p><b>Value system</b></p>	<p>The key concept of this guideline is a “purpose-oriented community of values”. In the Foundation philosophy written in 2016, the founder explicitly mentioned three overarching values: freedom from fear, respect and trust. In July 2017, he augmented these three with appreciation and friendliness. In addition to the values laid down by the founder, the company values and leadership principles of TGW Logistics and overarching values in the sense of social entrepreneurship as well as specific project values were integrated into the TGW World.</p> <p>From these independently developed and coexisting values, an integrated value system gradually evolved since 2018 which governs the TGW World and has 3 times 4 values (how we treat each other / the way we work / how we lead), and 50 explanatory statements help to understand the why and how behind each value. This is very important since only an accurate interpretation of the values makes it possible to comprehend them in actual practice.</p>
<p>(ix)</p> <p><i>TGW Group is not only there for the people who work at the company. The Foundation's mission, “to promote learning and growing”, includes young people outside the company as well. Currently, projects run by the non-profit Future Wings Private Foundation are pursuing this goal; in the future, other suitable legal entities might be involved. Future Wings is a foundation subsidiary of the TGW Future Private Foundation. 10% of the commercial profit of TGW Group is earmarked for fulfillment of this task.</i></p> <p><b>Social entrepreneurship</b></p>	<p>The founder wanted to support “learning and growing” outside TGW Logistics as well. This entailed being open to the idea of social entrepreneurship with its own focus on “learning and growing”. It all began with the Future Wings Private Foundation. But Ludwig Szinicz left room for a broad range of different organisational forms and legal entities in the mid- to long term.</p> <p>This idea was and is being carried forward. Entering into cooperative projects, for instance, broadens the range of options for achieving our future social entrepreneurship goals.</p>

<p><i>(ix) continued</i></p>	<p>The figures reflect that TGW Logistics is also there for people outside the company and hence that a more holistic approach is being taken: At least 30% of the distribution to the owner TGW Future Private Foundation is earmarked for use in social entrepreneurship with its focus on “education &amp; innovation”.</p> <p>The 10% of the company’s commercial profits mentioned in the text requires an explanation; this number is rather misleading and is therefore no longer used. Why? The original figure of 10% was calculated as follows: The founder had imagined the 1/3 dividend payout as follows: 30% for social entrepreneurship, 30% for the beneficiaries’ management (four Managing Directors at the time), 30% for himself, and 10% as costs for administering the TGW Future Private Foundation.</p> <p>The hypothetical question one should pose to Ludwig Szinicz is: What would you prefer, Ludwig? More money invested in the other foundation assets, e.g. stocks and bonds, or more money in social entrepreneurship and thus on societal impact? With this in mind, today more than 50% of the distribution to the owner TGW Future Private Foundation may be earmarked for social entrepreneurship.</p>
<p><i>When exercising stakeholder rights in TGW Group, the Foundation Board ensures that these guidelines are implemented and complied with throughout the Group. When filling key management positions as well as according to the self-renewal principle of the Foundation Board pursuant to 7.4 of the Foundation Deed, the people to be selected must be carefully chosen from among those who are willing to identify with these general guidelines.</i></p>	
<p><b>Personnel selection</b></p> <p>This guideline underscores one vital function of the Foundation Board: ensuring “that these guidelines are implemented sustainably and complied with throughout the TGW World”. Moreover, it addresses the question of selecting personnel: Only those who identify with the aforementioned general guidelines of the Foundation philosophy are allowed to assume tasks in managing bodies of the TGW World.</p> <p>Ultimately, Ludwig Szinicz only wanted to achieve one thing with his donation: that the TGW World should be managed on the basis of his conception of human beings and on the principle of “Focusing on people – learning and growing”.</p> <p>The Board of the Foundation is well aware that there is more than one way of achieving a successful entrepreneurship. The members of the Foundation Board have internalised the way chosen by Ludwig Szinicz. The Foundation Board is committed to this way and to Ludwig Szinicz’ legacy in every instance. When recruiting personnel for the TGW World, this legacy constitutes a primary benchmark.</p>	

At this point, reference should be made to the following pages, which present a document that is extremely important in the TGW World: the Founder's speech at the constituent meeting of the Supervisory Board of TGW Logistics.

It is a crucial historical testimony for the TGW World, as it shows the seriousness with which Ludwig Szinicz presented his legacy to the TGW Supervisory Board and makes clear the obligation to implement it.

## **Information for the Supervisory Board about Ludwig Szinicz' legacy on 10 October 2016**

9 October 2016

### Introduction

My role on this body is that of an honorary member.

I sought this role so that I will always be informed of the decisions that have a significant impact on the future of TGW.

I don't have a right to vote on the Supervisory Board. Hence I believe it's important to elucidate once again the guidelines that constitute the basis and provide orientation for the work and ultimately the decisions of the Supervisory Board.

### Guidelines

As at 1 July 2000, I stepped down from the operational business of TGW and assigned the management of the company to three young employees who were relatively inexperienced in leadership roles; however, I was convinced of the great potential, the sense of responsibility and the commitment of these three men.

My assessment turned out to be correct. The delightful result of this first stage now allows me to take the second step toward my dream of a company coming true. My dream was and still is that my TGW will develop into a company that is there for the people: for the employees and for the customers, not for the shareholders. If I ask an employee in the TGW „What are you doing?“ and he replies, „I'm a recognised expert in my profession and here I have the opportunity of contributing to the vision of TGW coming true, and this goal inspires me.“, when I get this answer, I know my dream has become a reality with this employee.

### Legacy / “Idea TGW”

But then I think this metaphor is insufficient for understanding my legacy of the “Idea TGW” in greater depth. This is why I'd like to be more specific.

I laid down my legacy in 2004. In TGW\_World 1 / 2004, the idea is presented in the form of an interview. The principles have not changed since then. At the request of the Foundation Board, I fleshed out the legacy in early 2016 and presented it in the “TGW Future Private Foundation” mission statement.

You've been handed both documents, the interview in TGW\_World and the mission statement. So I don't want to read them aloud right now. I'm just going to address the main points.

But I think you should study this mission statement quite carefully.

- As the sole owner, I gave my shares in the company TGW to TGW Future Private Foundation in 2004. With this, there is no longer any personal ownership of this company on my part.

The donation was made to ensure that the TGW will be sustained and carried forward in my spirit and be able to keep its independence.

- The company's earnings must therefore primarily be used to secure the future of TGW.

- To be clear, what was particularly important to me in the design of the TGW Future Private Foundation was that it has not been established to benefit my relatives. For the care of my family, I have found a different solution, namely the GIRASOL Private Foundation.

I have thus separated my private obligations from my entrepreneurial responsibility.

- TGW is a "loan" to the people who work there. Employees of this company have the opportunity to earn their living and develop personally better than with any other company.

- The „loan“ described as a cow:

TGW is a cow. Nobody may slice out a cutlet from this cow. She must be looked after lovingly and with great care and nurtured so that she can produce lots of good milk and rear many calves. Her milk must be shared fairly and wisely, according to the contributions made to her care and growth, and special care must be taken to ensure that she is left plenty of milk for rearing her calves.

- Expressed in a slightly more prosaic way in the Foundation Deeds, the purpose of TGW Future Private Foundation is the sustainable continuation and further development of the company, with an emphasis on exemplary entrepreneurship; **and** secondly, promoting the learning and personal growth of the people at TGW and the people we support in non-profit projects.

- This means: People take centre stage at TGW; TGW is there for the people!

Of course, this can only work if the company is commercially a success.

But commercial success – and this is my concern – can be and must be linked to the endeavour of always focusing on people.

I'm also convinced that this approach of putting people at centre stage is a formula for the future success of TGW in an increasingly fast-changing and complex world.

- To implement this idea, it must be possible that employees find meaning in their work. Meaningful work is successful work.  
At TGW, we must do everything to ensure that every employee really understands their company's purpose and how their work contributes toward the achievement of the whole.  
And we must create framework conditions that allow individuals to lead a meaningful life both at home and at work.
- One of the basic framework conditions is that TGW is not merely a convenient economic community but a community of values striving for meaning **and** facilitating personal and professional growth and entrepreneurial success.
- Shared values constitute the basis of how the people within TGW interact with one another as well as with people outside the group.
- A culture of freedom from fear must prevail at TGW. This culture is embodied by respect and trust.

#### Future Wings Private Foundation

TGW is not only there for the people who work at the company. The Foundation's mission "to promote learning and growing" includes young people outside the company as well. This is done through projects of the non-profit Future Wings Private Foundation.

Future Wings is a foundation subsidiary of TGW Future Private Foundation.  
10% of the profit of TGW Logistics Group is provided for the fulfillment of this task.

#### The role of the Foundation Board

In a workshop on 5 February, I discussed my legacy as it is presented in the mission statement in detail with the Foundation Board and asked the members to take responsibility for the implementation of the "Idea TGW", i.e. my legacy, and to ensure that TGW and the Future Wings Private Foundation develop further as I intended.

A special focus must be put on the main part of the Foundation's mission of "Focusing on people – learning & growing" at TGW and in the Future Wings Private Foundation.

Hence the Foundation Board will assume much more responsibility in the future.

My commission in specific terms:

The reorganisation of the TGW Future Private Foundation aims at creating conditions that ensure that my original legacy, or the “Idea TGW”, will be implemented even without Ludwig Szinicz.

The solution must not be dependant upon one person but should be a sustainable, an “eternal solution”.

The future structure and organisation should follow the concept of corporate governance by Malik.

A professional Supervisory Board is to be set up.

The functions of the Foundation Board and the Supervisory Board must be clearly defined and separated.

It must be ensured that the Foundation Board and the Supervisory Board have a solid understanding of TGW’s business; gaps in knowledge must be avoided through comprehensive and direct information.

The Foundation Board and in particular its Chairman Martin Krauss have understood my legacy and said “Yes!” when I asked them to assume responsibility for its implementation.

This means, however, that the members of the Board will have a lot more to do than before, the Chairman in particular.

To ensure that this work will be done, I stipulated with Martin Krauss that he will dedicate 50% of his working hours to this function. He is to take the helm for the development and setup of this system. His task is to determine the rules.

#### Conclusion

Since 2004, TGW has commercially been a huge success.  
This laid the foundation for the next development phase.

The next phase will be about economic development **and** the advancement of the corporate culture. A very demanding task.

I hope the works council will make a notable contribution to the advancement of the corporate culture. A Supervisory Board will be better in this context than the previous structure.

I hope this new type of collaboration will work well and that the Supervisory Board will successfully help with the design of TGW’s future.

I wish you all the best!

### 1.3 Provision in case of death

Although Ludwig Szinicz was in good health in 2016, it was a matter of concern to him to legally stipulate specific instructions for action and thus ensure clarity in the event of his death. After all, the question was a legitimate one: What would happen when he died or was no longer fully capable of acting?

Ludwig Szinicz also presented his arrangement at a meeting with the Management Board of TGW Logistics. All relevant details can be found in the original presentation slide from July 2016.

#### **Self-renewal principle: Ludwig Szinicz on the course of action after the founder's death**

##### **How will TGW move forward when I, Ludwig Szinicz, am no longer around?**

**"no longer around" = death or limited capacity for action, the consequences  
are governed by the Foundation Deed (for all details, see III, 7.4.);**

**The Foundation Board acts according to the self-renewal principle:**

- If there are only two Foundation Board members, they must unanimously appoint a new Board member.
- If there are three or four Foundation Board members, one or two new Board members can be appointed by a majority of 75 percent (the maximum number of Board members is five).
- If there are not at least two Board members, the court must appoint the required number of Board members for attaining two Board members (remaining Board members are entitled to express their opinion on new people and make non-binding proposals regarding new members).



**My legacy shall be implemented even without me; it is an "eternal solution",  
which will work after I'm gone and for many generations thereafter.**

In case of the founder's death, the Board of the TGW Future Private Foundation has a de facto fiduciary function and is obligated to act in accordance with the guidelines of the Foundation philosophy for the benefit of the employees and the company as a whole.

At the latest with this fleshing out of the Foundation philosophy, it became clear that the TGW Future Private Foundation would be the "guardian" (cf. p. 228 et seq.).

MANFRED SIMONITSCH  
Project Manager *MonkeyMotion* (MoMo)

## BE YOURSELF, THAT'S WHAT MAKES THE PROJECT PERFECT!

My 50th birthday was in 2017. That's when I met up with Ludwig – this was during the summer, months before his death. Something weighed heavily on my mind.

I told him I just plain felt too old, I couldn't leap around on the tables like a monkey at 50, so I'd organise the MoMo project differently.

Ludwig looked at me, quite irritated, and said, "*I think that's really a shame; it's not good!*"

I replied, "I feel pretty stupid now, playing a monkey at my age ...."

He saw it differently and said, "*Well, I don't see it that way at all. The core of MoMo is that YOU do it and how YOU do it.*"

And then I thought to myself: Yes, that's actually true. I can't stop doing that, I have to take care of it myself and just make sure I always stay in shape so that I can keep doing it.

Ludwig had practically conjured away a basic problem of mine. Am I allowed to do this or not? Am I really allowed to be the way I am? Does it still fit with the role of a father, the role of a serious husband, etc.?

Ludwig opened my eyes:

BE BRAVE, BE YOURSELF!

It's your only chance to live YOUR life ...

HARALD SCHRÖPF

*Chairman of the Executive Board (CEO) of TGW Logistics*

## **A 'SIR' IN THE MOST POSITIVE SENSE, A DYED-IN-THE-WOOL ENTREPRENEUR – AND ALWAYS A KIND HUMAN BEING**

I was standing in the garden, on the phone with Ludwig Szinicz.

"Mr. Szinicz, I think your Foundation philosophy is wonderful. But we really need to watch out that we don't lose our connection to the market. This duality, i.e. a powerful corporate culture as the basis and at the same time being there for our customers, this is my vision of the future."

My impression was: He listened. He was open to such topics, even if you were asking critical questions.

I joined TGW only in 2008, so I didn't often meet him personally. But I remember being invited for dinner at his house with my wife. It was very agreeable, quite a pleasant evening.

For weeks after that, I was a bit worried, uncertain whether I should now invite him to my house as well. Then I just asked him: "We actually wanted to invite you to our home but weren't sure it was the right thing."

He replied in words to this effect: *Mr. Schröpf, honestly, I was just waiting for you to ask. I actually expected it.*

But **how** he said it: It wasn't unpleasant at all. He said it in a very cordial, very normal way. And when we got together at our house, we had a wonderful evening.

He was the type of person whom – I believe – he also wants to see in his managers.

I never experienced him as a founder, not even in the Supervisory Board meetings, as being overbearing.

However, I think you do him a disservice if you just say of him that he was such a nice guy, he was such a "sir", such a gentleman. Yes, he was quite a good thinker and was convinced that some things had to be a certain way. But he could also be really tough when it was important for the company.

But even then, he didn't behave any differently: Although he drove a hard bargain as a businessman, he was always cordial and respectful in manner.

ALMA SILVA GUTIÉRREZ

*Initiator and manager of the Sueniños project*

## THE CAPTAIN

We were sailing in Croatia, out at sea, with Ludwig Szinicz, who is also my father-in-law. We were talking and got on the subject of "Vision of Sueniños". Ludwig said, "A vision is like a lighthouse and a sailboat. You need a good captain and a good crew who know where you are sailing to." At Sueniños, we always have to look at what the conditions are: We have to keep an eye on the weather, maybe change course sometimes. But sometimes the weather conditions are particularly good, and then you have to take advantage of that.

Ludwig liked to take responsibility; indeed, he was quite a real fan of responsibility! On the boat, as the captain, he was responsible for the lives of all of us. When there were dangerous moments on our sailing voyage, it was anything but a game. In such serious situations we had to act consistently and quickly. In doing so, we could always rely on him. He also prepared the crew for potential risks and discussed what the rules were in such cases. Everyone had to take responsibility in their own area.

Even when we talked about issues of Sueniños, he was a masterful leader: very human, very clear in his communication, too, very implementation-oriented. I could well understand why he had such great success as an entrepreneur! It was also relevant here that he was simply a good person and tried to support everyone in their work. That earned him the respect of many people.

## 2. The heart: the six dimensions of the hexagon of the Foundation philosophy

With the Foundation philosophy, Ludwig Szinicz developed a framework in 2016 and 2017 that more specifically defined the cornerstones of the Supplementary Foundation Deed. Now it was time to operationalise this framework, i.e. to implement his legacy step by step and consistently in the divisions of the Foundation.

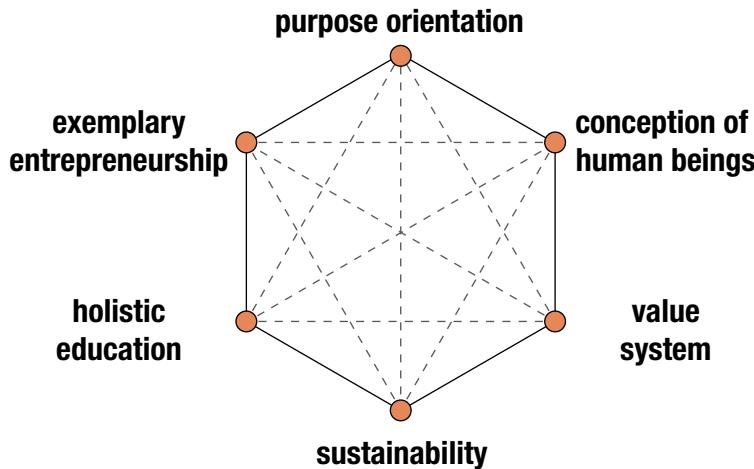
In this context, I would like to summarise once again the most important official documents concerning Ludwig Szinicz' communication on his legacy:

- staff magazine *TGW\_World*, issue 01/2004 (cf. APPENDIX, p. 262 et seq.)
- Christmas speech 12/2016 (cf. APPENDIX, p. 267 et seq.)
- speech to the Supervisory Board at the constituent meeting of the body 10/2016 (cf p. 89 et seq.)
- speech to the management group (approx. 90 executives at the Group Management Conference) of TGW Logistics 07/2017 – the last official appearance of the founder in a larger group a few months before his sudden death (cf. APPENDIX p. 274 et seq.)

A first approach to the operationalisation of the Foundation philosophy was the concept of the “learning cycle” adopted by the Foundation Board at its very first closed meeting in 2016 – the only one in which the founder was able to participate (cf. APPENDIX p. 283).

It provided an initial orientation for what “Focusing on people – learning and growing” means in the everyday work of the TGW World. The first step towards operationalising the Foundation philosophy had thus been taken.

## HEXAGON OF THE FOUNDATION PHILOSOPHY



Focused reflection on how to subsume the contents of the Foundation Declaration's 10 guidelines and the messages of the "learning cycle" resulted in the hexagon of the Foundation philosophy with its six dimensions in 2020:

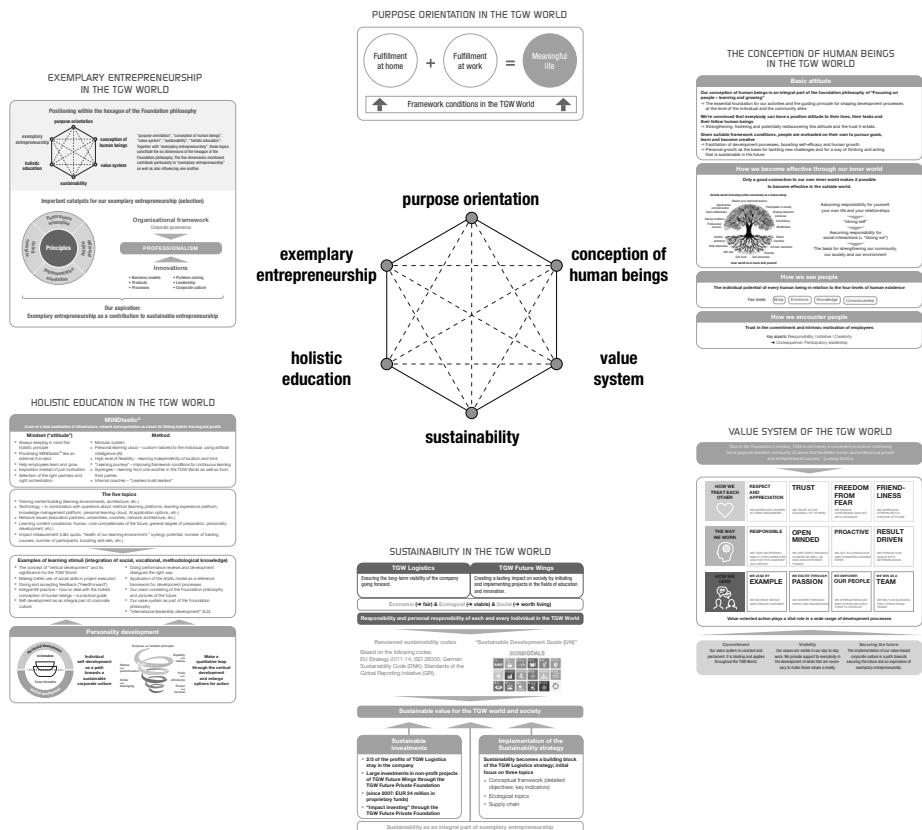
- purpose orientation
- conception of human beings
- value system
- sustainability
- holistic education
- exemplary entrepreneurship

These six dimensions of the TGW World hexagon constitute the heart of the Foundation philosophy.

Each dimension has a high relevance; none works in isolation, only on its own. Instead, the “holistic entrepreneurial approach” that was Ludwig Szinicz’ dream clearly comes to the fore here. For it is only in the interaction of all six dimensions that the Foundation philosophy can fully unfold and achieve a positive impact.

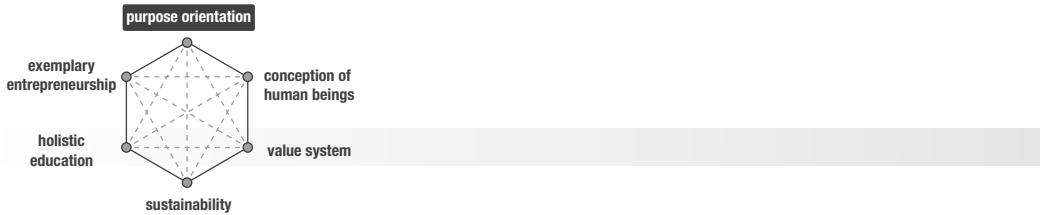
## HEXAGON OF THE FOUNDATION PHILOSOPHY

(These six dimensions are presented in the text below, with the illustrations enlarged)



The hexagon is thus an apt metaphor for the Foundation philosophy. Everything is connected to everything else, and the dimensions can never be taken in isolation. For example, the value of “trust” can only be implemented credibly if this trust is also supported organisationally by the appropriate measures; or let’s take the value “conception of human beings”: It is only credible if employees are already valued in accordance with the conception of human beings even during the recruitment process; conversely, they must also identify with the conception of human beings themselves.

For each of the hexagon’s six dimensions, presented below, an information graphic has been created that summarises its respective key aspects (see overview on the previous page).



## 2.1 The lighthouse: purpose orientation

“Purpose” or “meaning” is the most prominent word used when you take a look at the Supplementary Foundation Deed, the part of the Foundation Declaration that addresses, among other things, the Foundation philosophy:

*We as human beings have the capacity to choose from the opportunities life offers; to make decisions and help shape our personal development. We endeavour to make **meaningful** decisions that make our lives happier. This is why we're always looking for **purpose** in life. A **meaningful** life includes **meaningful** work. Only then can we work successfully. (Guideline VI)*

*At TGW Group, we must ensure that every employee understands the **purpose** of the company and how their work contributes towards the achievement of the whole. TGW Group must also create framework conditions in the companies that allow individuals to lead a **meaningful** life both at home and at work. (Guideline VII)*

The above words suggest that the term “purpose orientation” was not only part of Ludwig Szinicz’ vocabulary but that it can even be classified as a lighthouse for the implementation of the Foundation philosophy. At the beginning of the 2000s, this huge relevance the founder accorded to purpose orientation may certainly be described as visionary. After all, the founder formulated his thoughts as early as 2004, i.e. at a time when a preoccupation with meaning or the pursuit of purpose was only very rarely part of the general business vocabulary.

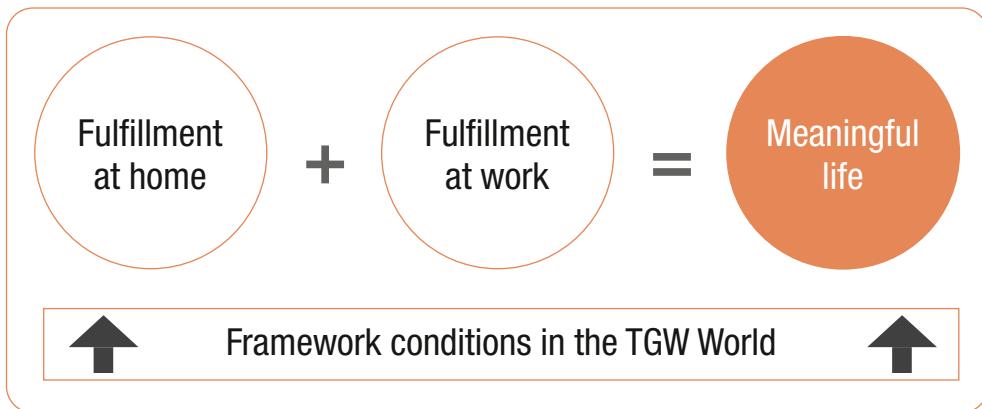
It becomes clear from the above quotations that Ludwig Szinicz by no means related the topic of fulfillment only to private life but saw it as relevant to professional life as well. He did not see private life and professional life as two isolated poles. For him, they belonged together.

This is another reason why he had very little use for the term “work-life balance”, preferring the conceptual pair “work life – private life”. Here the work, there the life? This would have implied that work was something that did not belong to life or at least something negative that always stands in the way of a meaningful life. No, that was not his view of things. Ludwig Szinicz had a positive attitude towards the topic of work and was convinced it, too, could make an important contribution to a meaningful life. It was a matter of great import to him that TGW should offer its employees optimal framework conditions to achieve this goal. An environment should be created that enables individuals to shape their lives in a meaningful way, *both at home and at work*.

In this context, it should be emphasised that even in a TGW World with the Foundation philosophy of “Focusing on people – learning and growing”, one thing must not be forgotten: The TGW World is not an end in itself. Industrial entrepreneurship is directed towards the customers, social entrepreneurship towards society. The customer should be satisfied with the services provided. Society should benefit from the projects that are implemented. Last but not least, and this should always be respected, each individual understands something different by purpose and sets different priorities for themselves – and sometimes even for different phases in their lives.

In social entrepreneurship, the meaning of work as such is linked to a positive effect – extending far beyond the TGW World and radiating out into society. After all, it is about non-profit projects in the field of education & innovation with reference to the technological training of young people and their holistic evolution.

## PURPOSE ORIENTATION IN THE TGW WORLD



The question of what purpose employees pursue in industrial entrepreneurship cannot be answered with a blanket statement, either: One person sees the purpose of their work at TGW Logistics in making a technically major contribution to the development of revolutionary software solutions; another draws a great deal of strength from being able to advance other employees and contribute to the further development of their personality; a third feels real pleasure in their work when working on an international team; and certainly some see the purpose of their work in the company exclusively as a means to the end of earning money. For most people in the TGW World – we dare to make that claim here – a combination of means to an end and end in itself is most likely to limn out roughly their individual purpose orientation.

Even if personal fulfillment in the two Foundation divisions – i.e. the striving for personal development and concurrently advancing the Foundation division with one's work – is lived in a highly individual manner, one can nevertheless conclude: Looking at the TGW World as a whole from a bird's-eye perspective, the TGW World vision might at least form the basis for purpose orientation. It includes the implementation of the Foundation philosophy of "Focusing on people – learning and growing" as well as the work of two Foundations' divisions towards their pictures of the future.

If one looks at the topic of fulfillment holistically, one aspect must not be omitted: Any fulfillment is also a source of inspiration and can act like a turbo for intrinsic motivation. Those who associate their work with a purpose usually find it easier to do the work; they enjoy it more than those who “have to” do something and cannot answer the question of why. Even beyond one’s own idea of purpose, it helps to keep the purpose and the why in mind in daily work with other people. Harald Schröpf, CEO of TGW Logistics since fall 2017, strongly shapes this purpose orientation with a kind of ritual: Inspired by Simon Simek’s bestseller *Start with Why*, he likes to have his project teams initially answer the question of why before subprojects are started. In this way, the question of purpose also helps employees to experience that their self-drive and their own joy in driving topics forward are strengthened by their environment.

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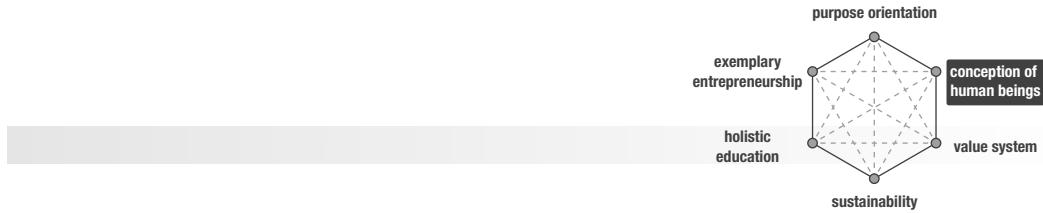
When talking about Ludwig Szinicz and the high priority he gave to purpose orientation, one remark should not be forgotten: that in retrospect it pained him greatly how, due to the rather one-sided focus on his activities as an entrepreneur, he didn’t take sufficient care of his own family for decades. This led to his divorce from his wife, Nora. He only succeeded late in life to satisfactorily fill the role of father to the three children they had had together.

Influenced by these personal experiences, it was enormously important to him to encourage employees always to maintain a healthy mixture of private and professional life, despite all their great commitment to the company. He even referred to this in his speech at the TGW Logistics Christmas party in 2016:

*I know that people who are prepared to take on responsibility often see no way to avoid this excessive burden. But I also know from my own experience how bad it can get if this situation continues unchanged for many years. The other areas in your life suffer. You often do serious damage to your health. Life becomes one-sided and less attractive. Enjoyment of life dwindles; we become unhappy. We need to learn from these experiences and make changes.*

Even at that memorable meeting with the works council members, to whom he presented his legacy in a small group, he addressed the topic of balancing one's private and work life.

Klaus Bachmair remembers this meeting well. Ludwig Szinicz' openness made a strong impression on him: "He more or less told us at that time: For him, TGW is one of his children. He had already been through so much in his life. He worked a lot, lived only for the company and saw how his real family fell apart due to it. And TGW grew and grew. He wanted, he said, employees to say it's the coolest company of all and that everyone would like to work here. And secondly, he just didn't want the employees to have to go through the misery that he'd been through: separation, divorce. If everything is all right with the family at home, then you can put lots of energy into the company!"



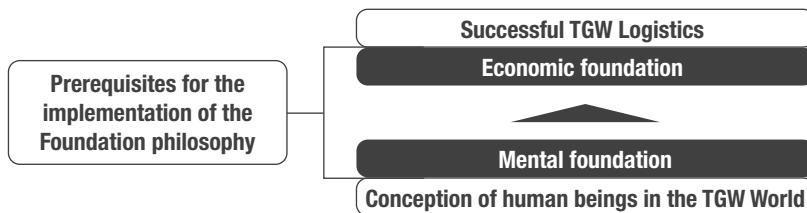
## 2.2 The fertile ground: conception of human beings

In Chapter I, we presented the two Foundation divisions. Successful industrial entrepreneurship, i.e. the success of TGW Logistics, forms the *economic* basis for the implementation of the Foundation philosophy as well as a healthy TGW World – and thus the basis for TGW Future Wings.

But what about the *mental* foundation upon which Ludwig Szinicz' legacy is built? What is inseparable from it? Ludwig Szinicz' conception of human beings. This conception of human beings is essential for how we act and provides orientation for the design of effective development processes on the individual and community level.

But what if employees don't want to share this conception of human beings and thus the mental foundation of the legacy? It can be assumed they won't feel comfortable for long in this type of corporate culture and would likely be better off with another employer. A glance at nature illustrates this point: There are southern saltwater fish and northern saltwater fish; not every fish fits in every body of water, each kind needs its proper environment.

The TGW World, to return to ourselves, provides people the opportunity to choose a corporate culture based on Ludwig Szinicz' conception of human beings.



How can this conception of human beings be described? How did the founder describe it himself? If you, dear reader, were confronted with the question what your very own personal conception of human beings is, you, too, would have a hard time conjuring a specific description beyond a few buzzwords – although you live out your conception of human beings on a daily basis. Ludwig Szinicz faced a similar challenge.

As a private person, Ludwig Szinicz was a sensitive, well read and thoughtful man. As an entrepreneur who felt a lot more at home in familiar surroundings than in the limelight, he was quite reserved emotionally, preferring to deal with sober and factual strategic and financial issues. And now he was supposed to describe his own conception of human beings to other people? It certainly didn't come easy to him despite keeping up on scientific research, e.g. by Douglas McGregor and Daniel Pink, especially in connection with the Sueniños project.

So the Foundation Board of the TGW Future Private Foundation discussed the subject quite fervently, initially together with the founder, after his death with the teams of the Foundation divisions; and it has been of great relevance to the TGW World to this very day. If you look back on the development of the conception of human beings from 2016 onward, you can roughly define two phases:

# THE CONCEPTION OF HUMAN BEINGS IN THE TOW WORLD

## Basic attitude

Our conception of human beings is an integral part of the foundation philosophy of "Focusing on people – learning and growing"

- The essential foundation for our activities and the guiding principle for shaping development processes at the level of the individual and the community alike.

We're convinced that everybody can have a positive attitude to their lives, their tasks and their fellow human beings

- Strengthening, fostering and potentially rediscovering this attitude and the trust it entails.

Given suitable framework conditions, people are motivated on their own to pursue goals, learn and become creative

- Facilitation of development processes, boosting self-efficacy and human growth.
- Personal growth as the basis for tackling new challenges and for a way of thinking and acting that is sustainable in the future.

## How we become effective through our inner world

Only a good connection to our own inner world makes it possible  
to become effective in the outside world.

Outside world: becoming active consciously as a human being



Assuming responsibility for yourself, your own life and your relationships

"strong self"

Assuming responsibility for social interactions (= "strong we")

The basis for strengthening our community, our society and our environment

## How we see people

The individual potential of every human being in relation to the four levels of human existence

Four levels: Body Emotions Knowledge Consciousness

## How we encounter people

Trust in the commitment and intrinsic motivation of employees

Key aspects: Responsibility | Initiative | Creativity

→ Consequence: Participatory leadership

2016–2018: The fundamental meaning of trust was a vital kernel for the formulation of the conception of human beings. In its first closed meeting in December 2016, the Foundation Board discussed the concept with the founder in great depth; Douglas McGregor's Theory Y constituted the basis for further considerations. In 2018 during the third closed meeting, the “conception of human beings” wall (APPENDIX p. 282) helped to amplify the founder's conception of human beings.

As of 2019, Christian Szinicz, the son of the founder and member of the TGW Future Wings Management Team, enhanced the conception of human beings by further facets, e.g. the tree image (= how we become effective as a human being) and the integral conception of human beings (= four levels: body, emotions, knowledge, consciousness and their individual potential). Especially in the context of his first project, Sueniños, Christian Szinicz, like his father, took an ongoing interest in developing the conception of human beings and contributed well-founded and valuable mosaic stones to the conception of human beings prevailing in the TGW World. He put particular emphasis on strengthening the inner world as a requirement for being able to become effective in the outside world.

Before we address the three topics (“How to become effective via the inner world”, “Four levels of being human”, “McGregor's Theory Y”) separately, allow me to briefly explain the basic attitude in the TGW World. Its conception of human beings is an integral part of the Foundation philosophy of “Focusing on people – learning and growing”. It is an essential basis for our actions and the guiding principle for shaping development processes on the levels of the individual and the community.

In the TGW World, the conviction predominates that every human is capable of taking a positive attitude towards their life, their tasks and their fellow human beings (see the explanations of Douglas McGregor's Theory Y on the following pages). “This attitude and the trust that goes with it must be strengthened, fostered and potentially rediscovered”, says Christian Szinicz. Given suitable framework conditions, people are motivated on their own to pursue goals, learn and become creative. Positive experiences enable development, boost self-efficacy and lead to human growth. Personal growth is the basis for tackling new challenges and for thinking and acting in a way that's viable going forward.

**Christian Szinicz provides background information on the role of Sueniños in the development of the conception of human beings in the TGW World**

**What role did the Sueniños project play in the development of the conception of human beings in the TGW World?**

Sueniños had a huge impact because we could make use of the positive experience we had with the holistic educational approach while working with children. In the fourth year, we began with *educación integral*, meaning the holistic care of the children, which went far beyond reading, writing and arithmetic. We consciously supported these young people on the four levels of being human. Our goal was to support these children, who were living in slums under the hardest conditions, so that they would have a healthy development and ultimately be able to take control of their lives. To endow them with resilience and self-efficacy to become people with sturdy relationships – above all with themselves – able to make their own decisions and deal with challenges. We wanted them to be able to go their own way despite the difficult family environment.

**How exactly did you implement the TGW's conception of human beings in the Sueniños project?**

First, we offered the children themed spaces that mirrored the four levels described in the conception of human beings governing the TGW World. Imagine these spaces as actual rooms, and every child could select a space and decide each day what they wanted to learn. Some spaces were dedicated to academic learning, others to art and creativity or physical and mental hygiene. There were rooms offering meditation and listening or exercise and sports.

We developed this model further so that participants were always sponsored in all activities according to the holistic principle. To achieve this, it's important that those supporting the children and young people at Sueniños understand the holistic approach and adopt the right attitude of placing each individual child in the centre and creating space for personal growth on all four levels. To that end, we conduct training courses as well as specific exercises and provide support for the work with the young people.

And what's best: Sueniños provides the best evidence that it works for people whose first years in life might not have been easy, who grew up in a difficult environment! By the way, my father was always quite moved when we told him about the project during visits to Austria or when he could see for himself in Mexico how the children's attitudes towards learning and towards their own lives was altered.

**With Sueniños, you demonstrate how the conception of human beings can be successfully translated into reality. How did you get involved with the idea's implementation in the entire TGW World?**

Our holistic conception of human beings is universal. It applies to the young people we educate in Mexico as well as to children in Austrian projects and the employees working in the TGW World. With Future Wings we support the projects in terms of content development with specific offers and develop training units for MINDtastic, integrating the contents of the conception of human beings into our daily work, e.g. in meetings, development dialogues, etc.

### 2.2.1 How to become effective via the inner world

Assuming responsibility for yourself, for your own life and your relationships leads to a “strong self”. This enables us to take responsibility for social interactions (= “strong we”) and therefore forms the basis for strengthening our community, our society and our environment.

We act on the assumption that people have to have a good connection to their own inner world (see tree image in the figure on p. 109) to be able to become effective in the outer world. A strong inner world is the prerequisite for the assumption of responsibility, for stable relationships with other people and for the design of a sustainable environment. A good life for all becomes possible when we begin within ourselves.

### 2.2.2 Four levels of being human according to Ken Wilber

One dimension of the conception of human beings on which the TGW World is built are the four levels of being human according to Ken Wilber.

4 levels of being human			
Compilation by Christian Szinicz based on the works of Ken Wilber			
Body	Emotions	Knowledge	Consciousness
A physically healthy lifestyle (diet, exercise, etc.) is the foundation for personal growth. A benevolent use of one's own resources and a gradual expansion of body awareness are essential building blocks on this path.	The development of emotional intelligence on a personal as well as the collective level are pillars for human growth and effective cooperation. The constructive and conscious handling of one's own emotions and feelings needs mindfulness and practice.	Responsibility for one's own thinking and the acquisition of knowledge and skills are a prerequisite for lifelong learning. A positive attitude to life and the cultivation of constructive thoughts foster responsible actions.	Finding meaning in one's own existence and realising it constitutes a key drive in the growth process of people. The integration of awareness development and vertical growth in one's own life helps to find meaning.

Holistic human growth occurs through individual processes that cannot be determined or predicted. Every human being must be perceived in their uniqueness and holistically. The integral conception of human beings comprises four levels – upon which individual potential is developed.

### 2.2.3 Trust and Douglas McGregor's Theory Y

One of the agenda items upon which the first closed meeting of the Foundation Board in 2016 focused was a special aspect of the conception of human beings. The question was how human beings, their conduct and their relationship with others are seen in the TGW World with its two divisions of industrial and social entrepreneurship. During discussions, it became more and more evident that Ludwig Szinicz' conception of human beings is very much in line with Douglas McGregor's so-called Theory Y. Douglas McGregor (1906–1964) was a professor of Management at the Massachusetts Institute of Technology (MIT) and is seen as one of the founding fathers of the contemporary management theory. His thinking is elaborated in his book *The Human Side of Enterprise*, published in 1960. With his Theories X and Y, Douglas McGregor vividly described and demarcated two completely different ideas of man.

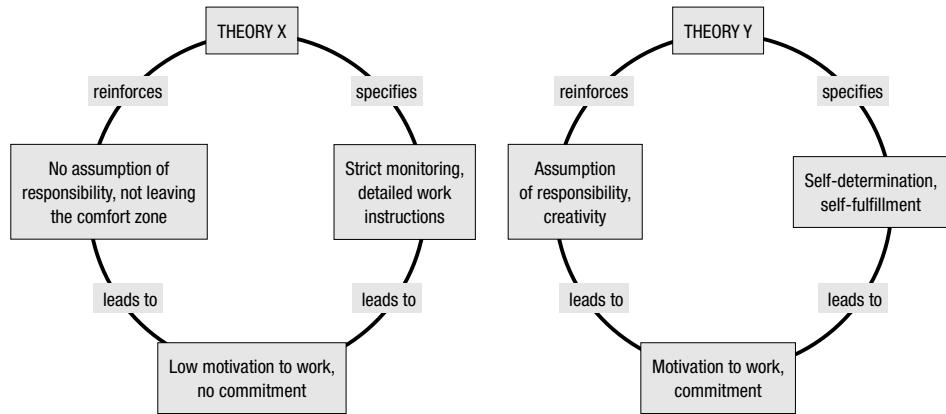
Summarised roughly, Theory X's conception of human beings assumes that human beings are naturally lazy, avoid work and are primarily rewarded or sanctioned by external actions.

By contrast, Theory Y's conception of human beings, which shapes the TGW World, declares that humans are naturally committed and ambitious and willingly impose self-discipline and self-restraint to achieve their goals. This means work is a source of satisfaction in their lives. They motivate themselves and are dedicated to achievement. In addition to the intrinsic aspect, this conception of human beings is characterised by a sense of responsibility and creativity.

## The leadership philosophies of Douglas McGregor's Theory X and Theory Y

### “Self-fulfilling prophecies”

– The reinforcing effect when applying these theories –



Source: The two graphs were taken from the Wikipedia entry about X/Y Theory, translated and reproduced graphically;  
<https://de.wikipedia.org/wiki/XYTheorie>

Theory Y, which assumes intrinsically motivated employees, has powerful practical consequences on the classification of other aspects that are highly relevant to companies, e.g. management style or incentive schemes. It is only logical that Theory Y will lead to a cooperative and participatory management style. Since sound leadership is the key to good corporate culture, it makes all the difference. Three aspects of management are particularly relevant in this context: What example is being set? What behaviour can be seen? Is this behaviour credible?

These are the criteria and the value system, including the aspect of “How we lead”, that the management team of the TGW World must follow while acting credibly even in difficult situations.

In Wikipedia, you'll find an accurate summary of the theories: “The application of Theories X and Y can very well be seen as self-fulfilling prophecies. When you ap-

ply Theory X, it is necessary to set up strict instructions for employees and supervise them. This usually leads to passive work conduct. Responsibility is reluctantly assumed, and commitment is low – a vicious circle evolves that defines the relationship between management and employees since the assumptions of Theory X are confirmed, making it necessary to continue to follow them. Conversely, the same applies to Theory Y. These correlations are shown in the diagrams.”

### **Theory Y in practice: Abolition of the bonus system at TGW Logistics**

In the very first closed meeting of the TGW Future Private Foundation, not only was Theory Y defined as seminal for the TGW World, how best to put this mindset into practice for industrial entrepreneurship was also considered. Specifically, the TGW Logistics bonus system affecting around 20% of employees, in particular managers, was called into question. What is the thinking behind bonus payments? Are they really only a sort of reward for good performance? Or is the underlying idea not rather that employees work better with a “carrot” in front of their noses – along the lines of “money beckons, employees work more”? How can this be squared with employees who only get fixed salaries but also deliver excellent performances? And so on.

It quickly became apparent that there is a fundamental contradiction between a mindset built on trust and an intrinsic drive in accordance with McGregor’s Theory Y, and a bonus system that relies on extrinsic incentives.

But should the bonuses, held dear by many, really be abolished overnight? This question was hotly disputed not just by the Foundation Board members; the Managing Directors of TGW Logistics also did not warm to such a radical cut immediately. Their hesitancy was comprehensible in light of the worried reactions of those affected. What happens when people exploit the system and harm it – can such conduct really be ruled out? The answer was a unanimous “No!”; but at the same time, everyone was aware that the pros and cons must be carefully weighed. Ultimately, there was agreement: The potential misuse by a small minority or only a few individuals should not fuel a system that is de facto based on distrust and supervision. The

Foundation Board members went one step further: They were not only convinced that there would be few, if any, employees who would work less when the bonus scheme was abolished. They were pretty certain that robust trust in the employees would have an additional positive impact on the nature and results of the work.

Bruno Frey, one of the icons of behavioural economics teaching in Basel, has been questioning for a while now whether such incentive systems as performance-based remuneration make any sense at all. He rejected the idea as early as 20 or more years ago, in 2000. The greater the extrinsic incentive, he argued, the more the intrinsic drive will diminish. In other words: The more remuneration depends on achieving specific targets, i.e. on extrinsic incentives, the more doggedly managers will align their behaviour towards them. At the same time, the importance of intrinsic factors such as their sense of personal responsibility will decline. The most astonishing thing about Frey's findings is that they seemed to be quite noncontroversial, at least among economists. In the public debate, in legislative practice and in the actual working practice of companies, by contrast, they are still more or less ignored. Could this be due to the fact that hordes of remuneration advisors and management coaches would rather not bite the hand that feeds them?

The Foundation Board was certain that giving employees an advance in trust was a true win-win situation for employees and the company. Ultimately, the TGW Logistics Management Board was courageous enough and took the big step in close cooperation with the Foundation Board: Bonuses were abolished. The base salary of all employees who up till then had received a bonus every year was increased by the bonus amount for 100% goal achievement, and this sum was recorded as the new fixed salary in the employment contract.

It was clearly communicated that the abolition of bonuses at TGW was by no means a genuine or disguised reduction in salaries; the aim was simply to live out Ludwig Szinicz' conception of human beings every day and to trust in employees and their intrinsic motivation. In general, though, the possibility still exists at TGW Logistics to honour particularly outstanding services by special payments, e.g. an additional month's salary, a travel voucher or additional vacation days. But

it is not subject to the “if → then” principle – and that is the crucial difference. There were individual employees who regularly achieved a bonus of over 100% (maximum was 150%); for these employees, the switch was naturally more difficult. Of course, it is a very personal view whether you prefer a high fixed salary without risk or a lower fixed salary that has a lot of potential to go up but that entails the risk of earning less than average some years, since the targets agreed for the bonus have not been achieved.

In tandem with the abolition of the bonuses, an employee participation scheme was introduced for all employees, the so-called Dual Employee Participation (for details, cf. p. 190 et seq.) – it was announced in late 2018 and implemented for the first time, namely retroactively, for the 2017–2018 fiscal year.

And what was the result of the abolition of bonuses? After four years you can see: The business development of TGW Logistics continued to be quite gratifying. Despite the COVID-19 crisis, the figures were not only really positive – they outperformed expectations. And TGW continues to attract excellent new employees.

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If you keep in mind the conception of human beings and the relevance of the concepts of trust and responsibility, one may well ask the question: Is it necessary that there be rules for every tiny thing? Certainly not. Trust is more important than supervision or the desperate attempt to ensure that misuse of policies be avoided at all costs. When an example is set in terms of values and exemplary entrepreneurship, when there is a vision towards which we work together successfully, far fewer rules and process descriptions are needed.

This means that the admittedly idealistic, consistently positive conception of human beings predominant in the TGW World, which relies so much on trust, has an impact on the organisational development – on the design of the rules of procedure, process descriptions, approval procedures and collaboration in general. This aspect was also taken into consideration when corporate governance was redesigned, in both Foundation divisions, TGW Logistics and TGW Future Wings.

*Instead of arming oneself against the unpredictability of the other person in the full complexity of all possibilities, one can seek to reduce complexity by concentrating on the creation and maintenance of mutual trust, and engage in more meaningful action in respect to a problem now more narrowly defined.*

Niklas Luhmann, *Vertrauen (Trust)*, p. 85

The goal of the TGW World is to work together based upon trust. When I trust someone, that person will trust me. If I rely on most people to deal with issues in a trustworthy manner, at the end of the day, this is more motivating and constructive than enshrining rigid, detailed rules in my system of management. Thus,

a conception of human beings based on trust can even be a “mechanism for reducing social complexity and fostering the speed of implementation”, as Luhmann put it.

In this context, the question crops up: Which process regulations are really needed? Don't we have a value system with the 12 values such as responsibility, trust, etc. – including illustrative details in the value cards – that provide ample guidance for how to act? Thoughts on the topic of travel would be intriguing: How much freedom does the traveler have? What needs to be regulated in detail? Suppose there were no regulations on traveling, we had only the key elements shown in the hexagon of the Foundation philosophy for guidance. Would things function just as well ... or worse ... or better? When questioning existing things courageously, you should never turn a blind eye to one fact: A company or organisation is never an isolated island state with its own rules; it must comply with the law. The issue of mobile work that plagues so many companies right now is an example demonstrating one thing: By no means is it always the companies that reject courageous solutions; in many cases, legislature snuffs out the life of innovative approaches because a legal framework is missing.

MONIKA NETZTHALER

*Personal assistant of Ludwig Szinicz*

*– in his duties as entrepreneur and later as founder*

### **MOMENTS WHEN I KNEW: YES, I'M TRULY IN GOOD HANDS**

To me, personal and sometimes private situations in our day-to-day working life stand out.

When my boyfriend and I separated, I was really quite sad.

Without speaking much about it, Ludwig noticed I wasn't as cheerful and focused as usual. He asked me: "*What's the matter?*"

And I poured out my heart to him.

A short while later, he gave me Hermann Hesse's "There is a miracle in every new beginning" with a brief but personal and beautiful dedication.

Those were moments when I knew: Yes, I'm truly in good hands.

The work environment was totally great. Work wasn't always fun – financial and accounting matters were not really my thing. Yet I always felt he appreciated and respected me, and I admired him hugely.

This personal component is quite important to me. His response and the book he gave me and other, similar situations: These special moments have stayed with me. The handwritten dedication is even more dear to me now that Ludwig is no longer with us. I'm really glad to have it.

To sum things up, you might say he was always concerned about my well-being. And I learned so much from him.

RUDOLF HANSL

*Former Managing Director of TGW*

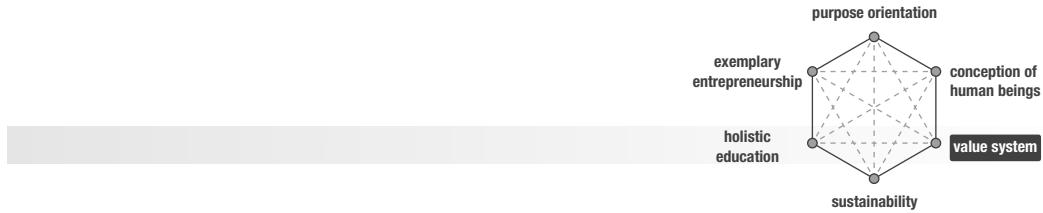
## **THINKING ABOUT THINGS IN A RADICALLY NEW WAY: HEINZ KÖNIG'S DRIVE FOR INNOVATION**

"Rudi, once you've graduated, get in touch. I'm sure we'll find something exciting and challenging for you!" I worked during school holidays at TGW several times and was in contact with the company when I did an internship with the Austrian Chamber of Commerce in Tokyo in the early 1990s and TGW asked me to do some competitor analysis over there.

I was glad to follow Heinz König's advice and joined the company in the mid-1990s. In 1995, there was a project initiated in the newly established team for food distribution. It was a difficult project on site at a client's premises in Upper Austria. We tried to install a new system together with Siemens.

But it didn't work out. Why? We were just too far ahead, the idea was too innovative. That was somewhat typical for Heinz, this enormous drive for innovation. He always thought about things from a radically new and different perspective. And that's how the concept looked. It was built around a fabulous idea: Under the name "Pick to Box", we wanted to create an automated system that would separate pallets and place them on shelves in mobile racks for temporary storage. From these shelves, the system would then pull customer orders to assemble on mobile racks and then stack them onto shipping pallets. But we were still quite inexperienced at TGW when it came to the processes and the requisite software packages.

By the way, in 1996–1997, we got the order again, via Witron whom we worked with a lot at the time – but in a more conventional version. We then jointly implemented the first highly automated storage system. But not fully automated, as Heinz König had envisioned. TGW finally implemented the fully automated solution together with Witron in 2002.



## 2.3 The rules: value system

In Guideline (viii) of the Foundation philosophy, the founder talks about the “purpose-oriented community of values” and refers to a few particular values. But has the value system that today forms the basis for how we treat each other in the TGW World, the way we work and how we lead always existed?

No, it hasn't. Along with the Dual Employee Participation and MINDtastic (formerly Learning Centre), the value process became one of three key subjects keenly discussed in the TGW World in mid-2018. A project team in coordination with Christoph Wolkerstorfer as the responsible member of the Management Board worked unceasingly on the value process. Christian Szinicz contributed greatly in the area of social entrepreneurship. A consistent holistic programme was developed for the TGW World that covered the WHY, WHAT and HOW.

### Starting point: the parallel existence of different values

A quick glance back helps us to understand how comprehensive and holistic the topic of values is today. As recently as 2016, there was no shared understanding of values in the TGW World, not even in the respective Foundation divisions. There was a definite and keen interest in the topic of values, but this ultimately only resulted in an unsystematic number of individual value propositions existing in parallel:

- Founder
  - Foundation values
- Industrial entrepreneurship
  - TGW values and special additions to the TGW values in some regions
  - TGW leadership principles (= values for leading and leaders)
  - TGW customer promise (= values in relation to customers)
- Social entrepreneurship
  - Values from the start-up phase of the Future Wings Private Foundation
  - Various heterogeneous values in different social entrepreneurship projects

So, an awareness of values and a multiplicity of values actually did exist in earlier years in various (sub-)units of the TGW World. What was missing, though, was a shared understanding and the integration of different value propositions into a system consistent throughout the entire TGW World. Hence the team around Christoph Wolkerstorfer developed a value system that truly deserves the name because it provides answers to the questions: “How do we treat each other?”, “How do we work?”, “How do we lead?” It helps each and every individual in their daily work and in collaboration with others contribute to a purpose-oriented community of values.

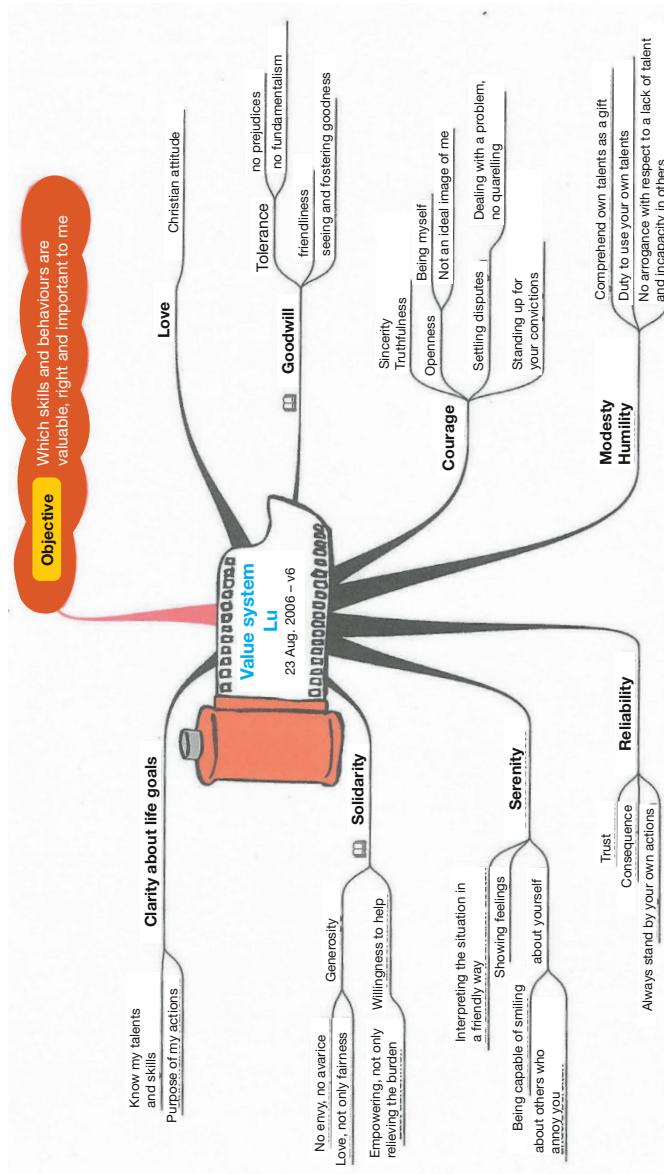
Prior to showcasing this comprehensive value system that applies to the entire TGW World, we would like to point out the following: It is worthwhile to look at Ludwig Szinicz’ 2006 mind map for his understanding of values. But the fact is, Ludwig Szinicz was interested in answering the question “What qualities and behaviours are valuable, right and important to me?” With this, he created the Foundation for the “purpose-oriented community of values”.

### **Relevance – efficacy – activity orientation: important criteria for the development of the new value system**

When fleshing out the value system based on the conception of human beings, three criteria were of particular importance to the TGW Future Private Foundation

# VALUE SYSTEM LUDWIG SZINICZ

(Mindmap of 23 August 2006)



as the owner of the two Foundation divisions: relevance – the system should make meaningful statements, not spout interchangeable empty words; efficacy – the values should have the potential to be effective on a long-term basis in all units and at all locations; action orientation – what has been described should be seen in behaviour. Generalising statements should be avoided to the greatest possible extent and specific behaviours be aimed at as clearly as possible. What is conducive to the cause? What is helpful to evaluate behaviour? What fits and what does not?

In a group-dynamic process when dealing with other people in the TGW World on a day-to-day basis, perfect behaviour of everybody everywhere and at all times will never quite be achievable. But the value system is more and more often applied in actual practice, for instance in recruiting, in employee and manager appraisals, in all types of conflict situations, and it is used as a compass for a value-oriented approach. The TGW World is on the right track yet certainly far from the finish. Strengthening mindfulness and awareness of values and making them an integral part of the day-to-day work is an aspiration that requires everyone's dedication, every day.

“How we treat each other”, “The way we work”, “How we lead” – 12 values in the three-dimensional value system provide a behavioural framework and thus pay into the corporate culture of the TGW World. In the “purpose-oriented community of values” that Ludwig Szinicz envisioned, mindset, attitude and conduct are the key to successful collaboration both inside the TGW World and with people outside of it and to unlocking the synergistic potential (on good collaboration within the “value process” team, cf. p. 195 et seq.)

The process of developing the value system lasted almost two years and was quite challenging for the project team. Great patience and stamina were and still are needed. Marcel Braumann, head of Global Human Resources, supported the process with all he had at his disposal and recounts: “I was there at different phases. One thing was clear from the outset: The journey upon which we've embarked will be a long one. And it would have been wrong to think we could just flick

a switch and everything would be different. Given our high standards, it might even take a decade.” With this, he alluded to Ludwig Szinicz, who had emphasised in his 2016 Christmas speech that the further development of the corporate culture must be accorded even more significance. Making use of existing things and allowing for new things were crucial in the development of the value system.

## VALUE SYSTEM OF THE TGW WORLD

*“Due to the Foundation’s mission, TGW is not merely a convenient economic community but a purpose-oriented community of values that facilitates human and professional growth and entrepreneurial success.” (Ludwig Szinicz)*



### Commitment

Our value system is constant and permanent. It is binding and applies throughout the TGW World.

### Visibility

Our values are visible in our day-to-day work. We provide support to everybody in the development of skills that are necessary to make those values a reality.

### Securing the future

The implementation of our value-based corporate culture is a path towards securing the future and an expression of exemplary entrepreneurship.

Marcel Braumann explains: "We had to make sure that the organisations wouldn't be confused by new ideas that would challenge previously developed and communicated concepts. At the same time, it shouldn't just be a cluster of loosely connected old and new individual values but a comprehensive and consistent scheme. This is how the value system came into being."

### The value system in actual practice – the value cards

The members of the value system team had throughout kept an eye on the practicability of the system. Their concern was not just the 12 values as such but also what they stood for. They took a lot of time to describe them in detail, and over the last two years, the values have increasingly become a part of day-to-day work. The value cards initiated by Christian Szinicz, for instance, were a great as well as pragmatic suggestion.

#### VALUE CARDS

**Successful...**

- Valuable feedback
- Analysis at the level of value sentences
  - Focus on content, not just headlines
  - From each value set, select the card for „Successful“ or „Room for improvement“
- The 6 selected cards are then sent or handed over

**TREAT**

WE VALUE OTHERS IN THEIR UNIQUENESS

We value different opinions, we approach each other at eye level, and we treat each other fairly.

**WORK**

WE TAKE ON RESPONSIBILITY FOR OURSELVES AND FOR THE COMPANY AS A WHOLE.

We consider ourselves joint entrepreneurs and are therefore committed to the success of the TGW World.

**LEAD**

WE RELY ON FRIENDSHIP THAT STEMS FROM TEAMWORK.

We know how to manage conflicts. We communicate openly about disagreements and we resolve them productively. We recognise opportunity in conflicts.

**WORK**

WE APPROACH OTHERS WITH A POSITIVE ATTITUDE

Even in difficult situations – when there is a problem – if a conflict arises – friendliness remains essential to the way we treat others.

**WORK**

WE ARE OPEN TO NEW IDEAS, CHANGE AS WELL AS NEW AND DIFFERENT THINGS.

We balance different points of view. We seek consensus, but we allow different opinions and are willing to discuss them.

**LEAD**

WE STRENGTHEN OUR EMPLOYEES AND HELP THEM TO DEVELOP

In the TGW World, we are aware of the strengths and talents of our employees, and we encourage them to put their talents to the best possible use.

To develop oneself or help along others in their development in accordance with the values makes a lot of sense and has a huge impact on the comprehensive idea of the TGW World. Because the value system wasn't designed for posters but on an activity-oriented basis. However, it would be presumptuous and completely unrealistic to demand that everybody in the TGW World must meet all these values 100% at all times. We certainly don't want to have only "one-size-fits-all" types of people. Or even a value police! Definitely not!

Personal and professional diversity will continue to be highly appreciated in the TGW World; but with a simple "yes", everybody can express that they're committed to a common conception of human beings and a shared value system. It is unlikely that anybody in the TGW World has all 12 values in mind every day, nor is there anybody who could always meet them 100%, but that's not a problem. Because attitude is the key to success for a value-oriented future. What is crucial here is that all employees of the TGW World stand behind the values and do their best to act accordingly — and to learn from their own and others' transgressions against or nonobservance of these values.

### **Executives as important role models for a value system that is lived in practice**

Executives play a special role when it comes to the challenge of representing all the values in the best possible way. Employees watch closely how supervisors act and whether they are good role models. This is why executives must be able to be self-critical. Seeing the values reflected in one's daily activities is especially important to the Management Board of TGW Logistics: "The descriptions of the individual values help us all not to interpret them arbitrarily but to link them always to everyday life. My Management Board colleagues and I try to exemplify this and to make the linking of the value concepts with actual practice visible in tangible terms. Positive examples help. The icing on the cake would be if we succeeded in inspiring others and ensuring that suppliers and customers perceive the focus and clarity of our value system", says Harald Schröpf.

**Value: “responsible” – from the early days up to the present**

*“We as TGW never let anyone down, never leave a customer in the lurch – we work on problems until the customer is satisfied!”*

Walter Loistl and Lutz Dude, TGW pioneers

The CEO has an example at the ready: “In 2019, the way we all responded correctly and proactively in the event of a technical problem – caused by a defective component from a supplier – earned us a great deal of respect from the customers who were affected.”

Harald Schröpf alludes to the fact that both the project management and the Management Board of TGW Logistics decided not only to replace those components for customers who were already encountering problems; the replacement of these modules was also proactively carried out at every other logistics plant before problems could even arise. In other words, without the respective customer having requested it, the new, improved version was then installed immediately. “This was a very big expense for us and required a huge effort on the part of our team. But in the end, this open, proactive action and communication was the best investment in our credibility. Our clear goal is to act responsibly towards our customers and in the interests of TGW Logistics while protecting our outstanding technology and market reputation. The Foundation Board not only supported us a hundred percent in this challenging situation but explicitly welcomed our approach”, Harald Schröpf recounts.

This highly responsible approach would have met with the approval of Walter Loistl and Lutz Dude, the two TGWers from the pioneering days.

Positive feedback on the subject of values also comes from the works council. Saša Gortva was a member of the extended team that supported the development of the values system. He sees a lot of potential and wants to help ensure that the values become more and more firmly anchored in day-to-day activities: “The values are absolutely wonderful. The exciting question is how they can be upheld. Just like with a car: If it has 1,000 hp but poor road grip, then the tires are constantly spinning. The values have an enormous amount of potential. But only when we manage to get people excited about the value system will it gain powerful momentum.”

**Three examples of fleshing out the individual values in the TGW World**  
(all specific examples: see APPENDIX)

**Examples of values from: "How we treat each other"**

## **TRUST**

### **WE TRUST IN THE GOODWILL OF OTHERS.**

- In the TGW World, we treat others with benevolence and without prejudice, and by focusing on the things we have in common and what unites us. The sense of goodwill towards others us open to critical dialogue – thus laying the groundwork for joint learning and our success as a team.
- Our sense of goodwill towards others makes us open to critical dialogue, thus laying the foundation for joint learning and team success.
- We initiate interactions by showing trust, but always proceed with good judgement.

**Examples of values from: "The way we work"**

## **OPEN MINDED**

### **WE ARE OPEN TOWARDS CHANGE AS WELL AS NEW AND DIFFERENT THINGS.**

- In the TGW World, we are interested in alternative ideas and different viewpoints. We are open towards inspiration from the outside.
- We balance different points of view. We seek consensus, but we allow differences of opinion and are willing to discuss them.
- We are willing to examine, challenge, and revise our viewpoints.
- We allow space for creativity, and we are bold and innovative.

**Examples of values from: "How we lead"**

## **WE WIN AS A TEAM**

### **WE RELY ON SUCCESS THAT STEMS FROM TEAMWORK.**

- In the TGW World, we work together. Effective teamwork is one of the essential pillars of our success.
- We build effective teams that work together towards a common goal.
- We believe in diversity, and we harness the individual strengths of our team members.
- We know how to manage conflicts. We communicate openly about disagreements, and we resolve them productively. We recognise opportunity in conflicts.
- We celebrate our success together.

## **Outlook: What's next in store for the value system?**

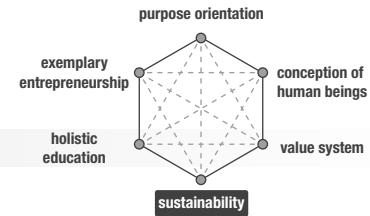
The value system is not static but rather a living organism, so to speak, that can and should adapt to the environment, such as when it comes to leadership. "How we lead" consists of the four values: role model, passion, potential and team. This is clearly related to holistic education and the huge relevance of personality development. Leadership needs mature personalities, i.e. people who have a high level of inner capacity who are thus getting increasingly better at performing their decision-making, processing and development tasks.

The application of the value system at TGW Future Wings is also exciting. How can the 12 values, which were primarily if by no means solely developed from the perspective of TGW Logistics, be meaningfully implemented in the social entrepreneurship projects? What adjustments, if any, are needed to the 50 value cards so that the language fits the target group at, for example, B.E.L. or Sueniños, at GRAND GARAGE or CAP.? To illustrate with an example: "Freedom from fear" has a different or additional dimension in the context of Mexico than at TGW Logistics in Austria or England.

Our 12 values provide a clear framework yet still offer sufficient degrees of freedom in implementation. Therefore, we work very differently with "foreground and background" in our daily work; this means, depending on the organisational unit, the project, the specific situation and the subjective point of view, certain values should be focused on and deepened and thereby brought to the foreground. Not all values can always be in the field of view at the same time.

With the consistent value system developed in recent years, a major step has been taken in the TGW World towards the "purpose-oriented community of values" desired by the founder. The value system thus meets the three criteria of relevance, efficacy and action orientation. "How we treat each other", "The way we work", "How we lead" – with 3 times 4 values as action orientation – this three-dimensional value system strongly pays into the corporate culture of the trust-based conception of human beings in the TGW World.

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## 2.4 The prospect: sustainability

Sustainability is an explicit element of the Foundation philosophy of “Focusing on people – learning and growing” (guidelines (ii) and (iv) of the Foundation philosophy) and it will play an increasingly important role on the stage of the TGW World.

It is certainly accurate to say that globalisation was one, if not *the* megatrend from 1945 until the end of the 20th century. It was replaced by a focus on sustainability. This primarily involves the responsible use of resources in economic life and in society at large over the long term. It also includes the reduction, at best the avoidance, of environmental burdens caused by production and consumption.

In the TGW World, sustainability primarily involves a creative and by no means formal process. With all the tasks revolving around sustainability that need to be implemented together, one thing should not be forgotten: The foundation model as such pursues a sustainable purpose:

- Two-thirds of the profits remain in the company and can be reinvested in the future of TGW Logistics – this ensures good jobs not only in Austria but at a global level as well.
- We have invested heavily in charitable “learning and growing” projects with a focus on “education & innovation”: more than 24 million euros since 2007 – of which a total of 8 million euros was provided by the TGW Future Private Foundation over the last three years alone.

- Since 2020, the TGW Future Private Foundation has also been focusing on “impact investing”.

Sustainability, by the way, is also integrated in the other dimensions of the hexagon and is the common thread of the guidelines in the Foundation philosophy. Here are two examples: investing in people and their development (holistic education); driving innovation to provide customers with solutions that will enable them to achieve sustainable success (exemplary entrepreneurship).

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In the TGW World, the aim is to create sustainable value for both itself and society. The United Nations' three-pillar model helps us to keep an eye on ecological, economic and social sub-aspects in equal measure in our sustainable development and thus to reflect always on the impact of our actions on people and nature, flora and fauna.

When it comes to sustainability, it is also a matter of each individual getting involved and, above all, of having the right attitude. After all, it's not just top management that can and must take responsibility and contribute to sustainable entrepreneurship.

But what is the orientation in the TGW World when it comes to sustainability? It is provided by the Sustainable Development Goals of the United Nations<sup>1</sup>, by recognised international codes and the Global Reporting Initiative (GRI). The GRI is an organisation founded in partnership with the UN Environment Programme. It cooperates with companies as well as human rights, environmental, labour and government organisations. In addition, the German Sustainability Code (DNK for its German acronym) is a very valuable source of stimuli, not only conceptually.

In 2021, the TGW Management Board decided to focus on the topics of ecology and the supply chain within the framework of its sustainability strategy, to make

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1 cf. United Nations Sustainable Development Goals website: <https://www.un.org/sustainabledevelopment> ("the content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States.")

# SUSTAINABILITY IN THE TGW WORLD

## TGW Logistics

Ensuring the long-term viability of the company going forward.

## TGW Future Wings

Creating a lasting impact on society by initiating and implementing projects in the fields of education & innovation.

**Economic (→ fair) & Ecological (→ viable) & Social (→ liveable)**

**Responsibility and personal responsibility of each and every individual in the TGW World**

### Renowned sustainability codes

Based on the following codes:  
EU Strategy 2011-14; ISO 26000; German Sustainability Code (DNK); Standards of the Global Reporting Initiative (GRI).

### “Sustainable Development Goals (UN)”



### Sustainable value for the TGW World and society

#### Sustainable investments

- 2/3 of the profits of TGW Logistics stay in the company
- Large investments in non-profit projects of TGW Future Wings through the **TGW Future Private Foundation** (since 2007: EUR 24 million in proprietary funds)
- “Impact investing” through the **TGW Future Private Foundation**

#### Implementation of the Sustainability strategy

Sustainability becomes a building block of the TGW Logistics strategy; initial focus on three topics

- Conceptual framework (detailed objectives; key indicators)
- Ecological topics
- Supply chain

### Sustainability as an integral part of exemplary entrepreneurship

rapid progress in this area and also to address implementation by means of metrics, i.e. GRI indicators. Reporting based on the aforementioned codes using indicators will certainly be a valuable tool for this. However, it will not be a matter of soberly filling in tables as one would a tax return as part of a compulsory exercise aimed only at satisfying an empty formality. Instead, our motto will be “substance over form”. The fact that the sustainability issue – in terms of both processes and solutions to problems – stimulates innovation in the organisations also speaks in favour of this productive approach. After all, the complexity and interdisciplinarity of the sustainability issue mean that there are countless opportunities to rethink things. For example, NOVA ZONE in conjunction with GRAND GARAGE will integrate the idea of sustainability in innovation processes and analyse how it might even enable competitive advantages.

In addition, TGW Logistics learns from benchmarks and best practices of other companies and institutions. After all, no one should want to reinvent the wheel. Sometimes a conceptual copy is enough, other times the adaptation or further development of what already exists. One challenge is certainly having to decide which fields of action to focus on. For us, strength in implementation does not mean doing a little bit of everything but doing the right thing properly.

TGW Logistics has set its sights high on sustainability in the coming years. We are probably well positioned with regard to both economic and social building blocks. But we also have identified the deficits regarding the all-encompassing consistent implementation of the topic of sustainability. This slight self-criticism should in no way obscure the fact that ecological issues have of course always played a role, for instance in investment decisions – an example of this is the photovoltaic system at our headquarters. But the goal is to meet one's own above-average standards in the long term. This includes not only those measures that originally concern TGW Logistics itself but also those that support customers in their commitment to more sustainability.

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TGW Future Wings also works on the subject of sustainability. Accompanying young people in their personal development in a holistic way is intrinsically the best investment in the future and therefore sustainable. Exemplary results for sustainable impact were achieved by the Sueniños and CAP. projects, which are dedicated to the fight against poverty and for equal opportunity and educational justice as well as for innovative educational opportunities for young people. A sustainable circular economy (“circular design”) is an exciting topic that the GRAND GARAGE team is working on, among other things. Its framework conditions are ideal for realising the idea of sustainability in the product design of prototypes.

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In summary, the following can be said about the topic “TGW World and sustainability”: It is crucial that the sustainability idea in its *holistic* sense be internalised by everybody, and that creative, sensible and fruitful ideas be pursued, goals be defined, measures be developed and consistently implemented – in order to meet our social responsibility even more comprehensively in economic, ecological and social terms.

RUTH ARRICH

*Initiator of CAP, Managing Director at CAP.future GmbH (together with Werner Arrich)*

## PASSION FOR INNOVATION THAT SPANS GENERATIONS

"We would like to have a small garage, with professional machines inside, where we can build our prototypes." Four graduates of the CAP.-Programme approached me with this idea.

They were four lads who were really inspired by Ludwig. They had been able to get to know him more intimately, and he encouraged them to build prototypes and follow their passion. Their hobby was to experiment with technology – they even participated in a solar car challenge, and Ludwig supported them to the best of his ability.

Shortly after meeting the CAP. graduates, I called Ludwig and asked if we could get together to discuss the issue. I then told Ludwig about the idea during a meeting. The lads were there and also my husband Werner, who as a technician was immediately taken with the idea.

I didn't have to go into much detail! It was enough to outline briefly what the youngsters wanted and what a global movement makerspaces are. Ludwig was immediately fired up! He had always wanted something big to come out of the CAP.-Programme. And we quickly got down to the nitty-gritty: We had the Tabakfabrik (former tobacco factory) in Linz in mind as the ideal environment. We went with Ludwig to inspect the site, so to speak.

When we were standing in the tobacco factory, he said, his face radiant: *"No, not one or two floors but more, otherwise it will definitely be too cramped for us."*

It was fun to think about something together with him and get it off the ground. And because we were able to fire each other up so well, it was pure energy. The fact that it ultimately turned out to be something so great, something that also resonated so much with his irrepressible passion for technology and innovation – that was a dream come true for him.

CHRISTOPH WOLKERSTORFER  
CSO of *TGW Logistics*

## UNIQUE FRAMEWORK CONDITIONS

In 2004, I was 26 years old and working in the product development department. At that time, when the establishment of a foundation was announced, I didn't really have an idea of whether anything or even what would change for us employees.

The Foundation felt far removed from my everyday work.

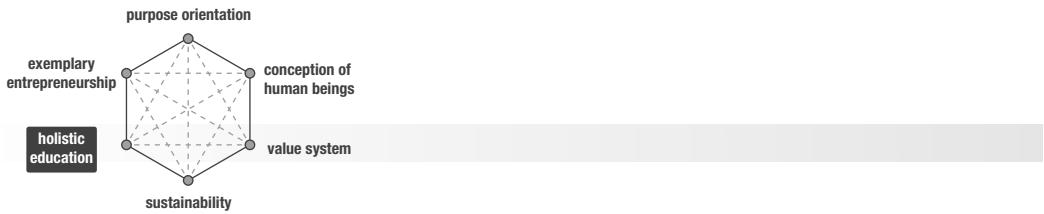
Only over the years did I realise what the idea behind it was. I certainly learned a lot regarding what it was about from the personal conversations I had with Ludwig Szinicz starting in 2016, during which his vision of TGW became clear to me.

Namely, to combine economic success with social responsibility and to enshrine this in a transparent and unique corporate structure.

The core of his idea was that the company should be owned by a foundation. This was certainly also important to him in view of the fact that in the family business structure, there is a risk that different branches of the family won't be able to agree on a strategy or that the company may even suffer from disputes.

In contrast to 2004, today I cannot imagine TGW without its owner, the TGW Future Private Foundation. It is good to know that the more successful we are at TGW, the more money our owner has available for the charitable projects of social entrepreneurship in order to help many people outside the TGW World with learning and growing.

With my knowledge today and my role today, let me say: The framework conditions are very unique, and it's a pleasure to work in such an environment where social responsibility and foresight are emphasised.



## 2.5 The soul: holistic education

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“Learning and growing” is not only prominently represented in the guiding principle of the Foundation philosophy (“Focusing on people – learning and growing”). The topic is also addressed in clear terms several times in the founder’s statements in the Foundation’s Declaration.

*(IV) The main tasks of the Foundation include: promotion of **learning and personal growth** and exemplary entrepreneurship (...).*

*(VIII) Due to the Foundation’s mission TGW Group is not merely a convenient economic community but a purpose-oriented community of values that facilitates **human and professional growth** and entrepreneurial success.*

*(IX) TGW Group is not only there for the people who work at the company. The Foundation’s mission “to **promote learning and growing**”, includes young people **outside** the company as well.*

But first, let’s address the following question: Why is holistic education – even apart from the founder’s intention to promote personal growth – so relevant to each and every one of us? Holistic education for Ludwig Szinicz – this was discussed at the beginning of the book – was always more than education and professional knowledge. It was a very personal concern of the founder that the educational programme in the TGW World would also include personality development and social skills (cf. also interview with Christian Szinicz, page 111).

## Learning and growing in our VUCA world

The core competencies of the future are both professional and personal. “Learning and growing” are not only important in today’s interconnected, highly complex VUCA world, which is characterised by volatility, uncertainty, complexity and ambiguity, they are essential for survival.

### VUCA world: volatility, uncertainty, complexity and ambiguity

- **Volatility:** “The nature and the dynamics of change unleash enormous forces and are catalysts for radical change.”
- **Uncertainty:** “The lack of predictability, the prospects for uncontrollable surprise attacks and the sense that you lack awareness and understanding of issues and events lead to uncertainty.”
- **Complexity:** “The dynamics of our systems are multiplying as networking simultaneously creates chaos and confusion. Societies and companies as well as our individual lives offer multioptions and multicompexity.”
- **Ambiguity:** “Simple cause-and-effect relationships no longer exist. Reality is confusing, often incomprehensible and can no longer be planned. Misinterpretations increase because the connection between action and knowledge is often interrupted.”

(Source translated from <https://www.businesswissen.de/artikel/digitalisierungwasbedeutetvuca>)

The conception of human beings at the TGW World offers the best possible environment for holistic education. It is significant that only a good connection to one’s inner world opens up the possibility of becoming effective externally. Because in addition to the professional expertise acquired through training and the situational acquisition of technical skills in the company and through the company, one’s personality structure plays a decisive role when it comes to our daily activities and our future viability. This is one of the reasons why TGW increasingly pays attention to such aspects as social skills, values and attitude when recruiting new employees.

This certainly includes their attitude towards learning. It makes a difference and shapes a team, indeed an entire organisation, whether people perceive learning as a nuisance and superfluous, as a necessary duty – or whether they actually enjoy

learning, both professionally and personally. This joy after exertion is constantly experienced in private during leisure activities. Many know the happiness of reaching the summit after a mountain tour, but it only comes through to the fullest when they have chosen the stonier way to the top. Some know the adrenaline rush when the approaching finish line beckons at their first half marathon, after it had been plain torture from the tenth kilometre onwards. And others remember children's swimming lessons, with the kids gritting their teeth to make it through their first 25 metres at a stretch, but then a big smile paints a state of pure joy on their child's face.

### About the Zwergennest

The TGW Zwergennest is the childcare facility at our Austrian location in Marchtrenk. The children of employees are looked after starting at the age of one up to the age of school entry in baby groups, kindergarten groups or age-extended groups. The focus is on individual growth and accompanying support – in line with our philosophy of "Focusing on people – learning and growing".

The Zwergennest is characterised by a particular aspect of our holistic philosophy. As early as in the planning phase of the childcare centre, the approach was very innovative and special. Initially, TGW Logistics together with the Pedagogical University of Upper Austria developed a plan based on

current research results that incorporated various approaches to early childhood development. Going from there, TGW Logistics planned and constructed the childcare building.

In each group, the children are looked after by several pedagogically trained staff members. With this ratio, it is possible to attend to the children according to their needs and levels of development – during play as well as while eating and sleeping. The childcare adheres to the concept of relationship-based, free playing and autonomous movement development – corresponding to the three basics of the Zwergennest: Sensitivity, relationship teaching and dialogical attitude.

Technical knowledge alone is a challenge for everyone: Much can be queried and researched around the clock, almost anywhere in the world. Information, even on specialised topics, is available in incredible quantities and can hardly be processed by a single person anymore, especially since speed also counts in knowledge management – after all, information becomes obsolete much faster. In addition, solutions to many of the problems of our time are rarely one-dimensional. A networked, highly dynamic and ambiguous world requires, above all, connective communication and high-quality cooperation processes between people.

The goal of “learning and growing” for every employee in the TGW World is to strengthen self-efficacy. Skills such as lifelong learning, ability to change and openness to new things are becoming increasingly relevant. Equipped with these personal tools, we can focus more and more on innovative and creative activities. This is the key to success. Because purely technical activities that don’t demand empathy – the keywords here are “automating and digitising processes” – are more and more often being taken over by artificial intelligence.

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Part of a welcoming learning environment – especially in the dynamic world in which we live – is a corresponding culture of not being afraid of making mistakes. How the founder saw this issue can be illustrated by a little tale told by Saša Gortva, employee representative on the Supervisory Board of TGW Logistics. He recounts how Ludwig Szinicz introduced him, Klaus Bachmair and his other works council colleagues to the topic of learning and growing at a meeting in the fall of 2016: “Ludwig Szinicz gave us the feeling that you are allowed to learn and are invited to do so; and that you don’t have to be afraid when something goes wrong. Because the worst thing is to be afraid and leave something important undone for fear that you might make a mistake.” He says that through constantly heeding “learning and growing”, he personally sees failures with new eyes now and that they have lost their dramatic aspect. “I say to myself: This time it went wrong; that’s annoying. But I’m learning and I’ll know better next time. And I think I’m not the only one who has caught on.”

### **Holistic education and learning in the spirit of the founder – social entrepreneurship as a source of inspiration in the TGW World**

Personal learning was a matter close to Ludwig Szinicz’ heart. He himself pursued the subject consistently through his charitable commitment that gives young people space for professional and personal learning – in other words, holistic education. What the project leaders had already been able to implement successfully

since the end of the 2000s at Sueniños, B.E.L., CAP. and MoMo – i.e. in the first non-profit projects – was precisely the approach he had in mind for industrial entrepreneurship as well.

Those who were able to attend the CAP. graduation ceremony on 28 June 2017, just over four and a half months before Ludwig Szinicz's death, will surely remember his impressive words about his very personal curriculum:

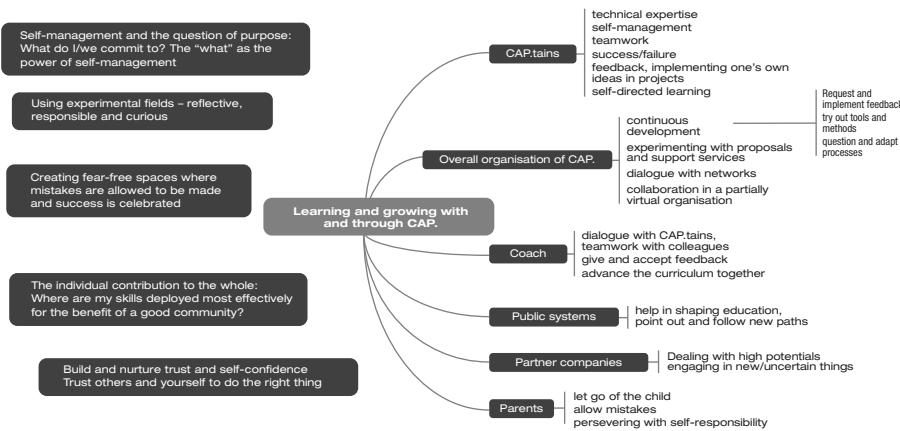
*You CAP.tains, however, will get something more to take with you on your journey through life. Something that is not explicitly part of the curriculum but will be of even greater value to you: I mean social skills, the ability to work together with other people, to master life together; and the ability to face the most important life task of every human being. This life task is: further development towards a better world. Now, this is not esotericism but merely a very sober reference to an essential self-evident fact – but one that often goes unperceived.*

The info box on the next page underscores how, in the CAP.-Programme, young people not only gained technical skills in their training, such as in mechatronics, but also matured enormously as personalities.

The transfer of approaches from the non-profit projects to the TGW Logistics enterprise would have always been possible via “holistic education”. However, in the first decade after the Foundation was established, everyone – the founders as well as the Foundation Board and TGW Management Board at the time – was completely absorbed in focusing on the development of TGW Logistics into a global system integrator. This strategic step, which was to be of decisive importance for the company's competitiveness, indeed the long-term survival of the enterprise, was given everyone's full attention.

However, the extreme focus on purely business management issues meant that interconnectedness between the Foundation divisions in the sense of a fruitful dialogue was lacking.

## CAP-Programme: a gigantic playground for holistic learning



Mindmap from 2016; reflections by Ruth Arrich based on recorded discussions with Ludwig Szinicz, Werner Arrich, Doris Jaksche and CAP. coaches.

### Excerpt from an interview with Werner Arrich, one of the co-founders of CAP.:

"CAP is a gigantic playground when it comes to holistic learning, and this is where we could operate extensively, successfully and seriously. Of course, learning and growing is not only about the CAPtains – that's what we call our participants – or the coaches and the organisation. We don't overlook parents, partner companies and public institutions either. Parents, for instance: A great deal is asked of the young people – some of whom are no older than 14 when the programme begins – they have to walk that extra mile, since the training takes place in tandem with school. It's very intensive and only works if parents are able to let go and give their children leeway to manage their time on their own and in a responsible manner. Not every young person has talent for this, but participants certainly have the persistence and will to acquire those skills. This means we don't only offer courses in mechatronics 1+2 but also in self-management. Tools for assistance are in place that help to master the CAP-Programme and concurrently allow the personalities of the youngsters to grow tremendously. Some kids are quite shy at the onset – during the graduation celebration we then see upright young men and women who radiate a great deal of self-confidence and whose personalities have enormously matured. Once upon a time, this brought Ludwig Szinicz to tears...."

Synergies in the sense of learning from each other between the two Foundation divisions were not exploited. TGW Logistics under the aegis of Georg Kirchmayer and the non-profit projects initiated by Ludwig Szinicz instead led a parallel existence. This may have been partly due to the very different personalities, which made it difficult for both – the founder and the Chairman of the Management Board – to work together. Certainly, there was also a lack of crystal-clear and

transparent communication from the TGW Future Private Foundation about what *exactly* the owner expected from the company in terms of “learning and growing” and what the founder understood by holistic education.

It was not until 2016 that the Foundation Board of the TGW Future Private Foundation explicitly requested TGW Logistics fulfil its obligations appropriately with regard to the topic “learning and growing”, i.e. in accordance with the Foundation philosophy. The employee representatives around Klaus Bachmair were keenly involved here. In 2017, for example, they presented to the Supervisory Board a plan for an apprentice excellence centre for the three apprenticeship professions of metal technology, mechatronics and design.

When MINDtastic finally became one of the three key topics in mid-2018, along with Dual Employee Participation and the value process, the topic of holistic education had indeed taken on the relevance that was so important to the founder.

Personality development is a very important sub-aspect of MINDtastic. It was, so to speak, already in the genes of social entrepreneurship and is now being consistently promoted at TGW Logistics as well. This is because the door-opening function for successful organisational development and the change towards a corporate culture in which people are at the centre was finally recognised.

### 2.5.1 MINDtastic® – a concept for holistic education

MINDtastic is a very special programme for holistic education. MINDtastic was initially developed from the perspective of industrial entrepreneurship. However, it is intended to apply to the entire TGW World and to exploit synergies of TGW Logistics and TGW Future Wings. Even though Jörg Scheithauer, a leader of industrial entrepreneurship, is in charge of the topic together with the Foundation Board, it has top priority for all parts of the TGW World. MINDtastic is meant to motivate all employees to develop themselves further. It is about a plan to en-

shrine holistic learning and growing in the TGW World, independent of location and with existing decentralised learning modules as well as purchased tools.

It is important to understand what is behind the idea: Learning in the TGW World is not primarily a means to the end of strengthening competitiveness; in other words, learning options are not on offer out of the sole drive to generate ever more sales through ever smarter employees. The approach is different: the focus is to be on the individual and to support them as they learn and grow. So it's not about a teaching and learning academy reduced to technical knowledge but about building a holistic learning environment in a world where people take centre stage. The interlocking of social, technical and methodological skills and expertise has a high priority. The framework conditions for this type of learning, which are focused on holistic human, personal growth, could hardly be better than in the TGW World.

### **What is MINDtastic®?**

MINDtastic is a holistic concept for professional and personal training and continuing education in the TGW World. It's a one-of-a-kind combination of infrastructure, network and organisation and forms the basis for lifelong learning and growing – professionally and personally.

The name aims to underscore that in the TGW World, something extraordinary and fantastic is to be created when it comes to the theme of "learning and growing". The term "MINDtastic" has "mind" in it: knowledge, reason and the capacity for rational thought. Yet the term also includes emotions, spiritual aspects as well as our perceptions and perspectives. "tastic" is short for "fantastic" and means something is particularly good and exemplary.

When it comes to driving the implementation of the Foundation philosophy in the TGW World in tangible terms, MINDtastic plays an increasingly important role. After all, what can people who want to grow professionally and personally benefit from more than lifelong learning? What other topic is more important to the future viability and thus also sustainability of industrial entrepreneurship and social entrepreneurship? And can't educational innovations at TGW Future Wings be initiated and implemented in a particularly credible way if the TGW World itself becomes an

# HOLISTIC EDUCATION IN THE TGW WORLD

## MINDtastic®

A one-of-a-kind combination of infrastructure, network and organisation as a basis for lifelong holistic learning and growth

### Mindset ("attitude")

- Always keeping in mind the holistic principle
- Prioritising MINDtastic® like an external A project
- Help employees learn and grow
- Inspiration instead of just motivation
- Selection of the right partners and right orchestration

### Method

- Modular system
- Personal learning cloud – custom-tailored to the individual, using artificial intelligence (AI)
- High level of flexibility – learning independently of location and time
- "Learning journeys" – improving framework conditions for continuous learning
- Synergies – learning from one another in the TGW World as well as from third parties
- Internal coaches – "Leaders build leaders"

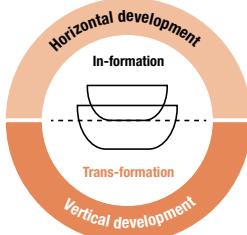
### The five topics

- Training center/building (learning environments, architecture, etc.)
- Technology – in combination with questions about method (learning platforms, learning experience platform, knowledge management platform, personal learning cloud, AI application options, etc.)
- Network issues (education partners, universities, coaches, network architecture, etc.)
- Learning content (vocational, human, core competencies of the future, general degree of preparation, personality development, etc.)
- Impact measurement (L&G quota, "health of our learning environment," synergy potential, number of training courses, number of participants, boosting skill sets, etc.)

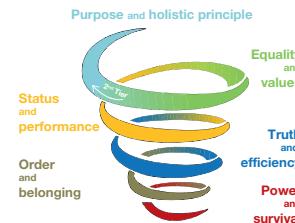
### Examples of learning stimuli (integration of social, vocational, methodological knowledge)

- The concept of "vertical development" and its significance for the TGW World
- Making better use of social skills in project execution
- Giving and accepting feedback ("FeedForward")
- Integral life practice – how to deal with the holistic conception of human beings – a practical guide
- Self-development as an integral part of corporate culture
- Doing performance reviews and development dialogues the right way
- Application of the AQAL model as a reference framework for development processes
- Our vision consisting of the Foundation philosophy and pictures of the future
- Our value system as part of the Foundation philosophy
- "International leadership development" (ILD)

## Personality development



Individual self-development as a path towards a sustainable corporate culture



Make a qualitative leap through the vertical development and enlarge options for action

excellent learning ecosystem that is second to none? Prioritising learning content in a meaningful way, providing the right physical and mental environment and contemporary tools, perhaps even making them available at some point not only to the employees but also to their families and to completely external people – these are definitely topics to keep an eye on in the medium and long term.

The potential in the TGW World is enormous, especially since both Foundation divisions – not only with the strategic and financial backing of the TGW Future Private Foundation but with a clear request from the owner to think big (cf. request from the Foundation Board: “Away with shovels! Now get out the excavator!”) – devote enormous resources to this subject. The fact that continuously learning and developing employees are the very best thing that can “happen” to a company in terms of future viability – we are well aware of this fact as a welcome and positive side effect of our actions. The fact that such a special learning climate is likely to have a positive effect on our positioning as an employer is also a nice collateral benefit. But our real drive lies elsewhere, as we already described above.

Sufficient financial resources are an important basis. But much more decisive for a strong foundation and good prospects, if you look at the “input”, is something quite fundamental: MINDtastic has the very highest priority, equivalent to a major contract awarded to TGW Logistics. This includes extensive staffing and an excellent standard-bearer who is passionate about MINDtastic. With her or him at the helm, the goal is to put “learning power” on the road in excellent quality and at the same time pass the torch of enthusiasm to the team and employees in the TGW World.

The infographic on page 146 provides an overview of which illustrative facets can be connected with MINDtastic, with special emphasis on personality development.

But one non-trivial question must be mentioned in this context: “How do you measure success in the TGW World when it comes to learning and growing?” In a later chapter, the impact logic approach applied here will be described in more detail. But already it can be said that answers to the following questions will play a role in measuring success in “learning and growing”: How much money are we spending on “learning and growing” today? What is the target figure we have in

mind? Couldn't we – in analogy to the reporting of R&D expenditures, which are quantitatively assessed as a share of sales (share of R&D = x% of sales) – create a similar learning and growing target figure to monitor the level of investment in “learning and growing” (share of “learning and growing” = x% of sales) in a year-to-year comparison? How many people participate in our personal development courses, e.g. on FeedForward, the conception of human beings, vertical development?

## 2.5.2 Personality development and the role of vertical development

The topic of personality development has become an integral part of the TGW World. It is a topic of the MINDtastic learning offer, and certain facets can be considered as a further option or expansion stage of Dual Employee Participation. Today, personality development is paid heed to in practically all social entrepreneurship projects.

When looking at developmental psychological approaches, horizontal development and vertical development are key concepts. While *horizontal development* means the acquisition of knowledge, new skills or experience within an existing action logic, *vertical development* involves a differentiated, integrated view of one-self and one's environment – a qualitative leap in the sense of a higher level of differentiation, integration and flexibility. “This model is often described with the metaphor of a vessel being filled”, explains Matthias Uhl, responsible for HR and organisational development at the TGW Future Private Foundation.

Horizontal development means that more and more topics and aspects are “poured” into an existing mould. The shape of the vessel remains unchanged. Robert Kegan calls horizontal development “in-formation” and vertical development “trans-formation”. In a transformation, a qualitative restructuring takes place, which is expressed in a larger vessel (a higher level of development).

## About artificial intelligence

What follows is a personal testimony – based on the insights gained from reading the book *AI Superpowers* by Kai-Fu Lee – on the relevance of human abilities in a highly dynamic VUCA world that is shaped by artificial intelligence (AI). The discussion of a “general degree of preparation” will refer not only to the technical area but to the personal area as well. AI permeates more and more areas of life and will, at one point, replace people with specialist expertise. AI has the potential to contribute to greater prosperity. But AI does not have the capacity to love and be loved. To love and be loved is what makes us human beings and our lives worth living. The goal is to synthesise the cognitive abilities of AI with the human ability to love. This synthesis should be the foundation of our future. This is why humaneness, human, personal growth, empathy, relationship work, care, development aid, educational work and so on will play an ever greater role in the future. The public weal and the public weal economy will likewise take on greater significance with the development of AI. Ultimately, the classic capitalist economy needs to be rethought. The VUCA world calls for the strengthening of skills such as lifelong learning, the ability to change and openness to new things. Those skills open the doors to innovative/creative/constructive activities.

The larger new vessel can integrate the previous smaller vessel. As a result, the inner space a person has becomes larger, and the degrees of freedom and options for action increase.

According to Thomas Binder, all development involves learning, but not all learning involves development. Accordingly, learning and growing cannot be equated with horizontal and vertical development. Nonetheless, to simplify, one can say that learning is mainly horizontal development, i.e. more information, and growing is mainly vertical development, i.e. transformation. Because in vertical development one deals with questions like the following: Which inner action logic do we follow? What significance do we attach to events? How much do unconscious aspects shape our actions? How much freedom and awareness of ourselves have we gained?

Continuous learning and growing and the continuous development of awareness are, in my view, the only way to keep pace with the challenges of the future in the VUCA world. Learning and growing means: widening one's perspective in order to broaden the scope of potential actions and thus strengthen one's self-efficacy. A future worth living – a good life for all – can only be achieved through the individual growth of as many as possible. The TGW World is capable of developing

## Interview: Matthias Uhl on vertical development in actual practice

We are all on a development path, in a maturing process. Individual self-development forms the basis for organisational development and the advancement of the culture in the TGW World. Matthias Uhl, organisation expert, has been working at TGW Future Private Foundation since 2020. In this interview, he discusses what vertical development means and how employees can experience holistic development.

### Mr. Uhl: How is vertical development different from horizontal development?

Simply put: In horizontal development, people expand their knowledge and abilities but remain stuck in their previous basic logic and thought patterns. In vertical development, we transform our view of life and of ourselves. In addition to the contents, our logic of action, essential ways of mental processing and the formation of meaning change.

### Could you describe the question of horizontal versus vertical development using the example of a fictitious IT colleague who has been with the company 15 years and is head of a small team?

The horizontal development of this fictitious IT colleague – let's call him Tom – includes that he continuously expands his basic IT skills: by studying computer science, through learning by doing on the job and through training courses and events, TGW Logistics provides for further technical training. The topic of vertical development came up initially in an employee interview. He complained of invisible obstacles, although he is top-flight professionally and also quite popular. There was no appreciation of his well-founded expertise, he said. When speaking to the supervisor, let's call her Anna, it became clear that the problem was not what but how. Tom realises he is clinging too much to old patterns and wants appreciation of his professional expertise. And he learns that in our highly dynamic times, he needs to win his team over less with his specialist knowledge and more in the role of a moderator who integrates as many perspectives as possible and defines his success as a team leader more and more through successful cooperative processes. His fears of being technically subpar may become visible; they can be examined and transformed. That Anna trusts him to be a moderator motivates him. But since he is a reserved type of person, it also makes him uncertain.

### How easy is it to develop vertically as a person?

It's challenging! The insight Tom gained is enormous! Because deep down, over the years, Tom has borne the conviction that he must always have an edge in knowledge and always have the right solutions ready and waiting. His actions were always geared to getting recognition for his technical knowledge. Only now, after frequently failing with this approach, has Tom realised that he needs to let go of the mental logic he has built up over the last 15 years. With the help of a coach, he learns how to fulfil his role better. Tom sensed that relationships with his colleagues began to change in a very positive way when he listened more, asked more questions, had fewer pat answers. Everything became more diverse and dynamic. Everybody was more satisfied, because it's not answers but questions that are important and right and because the goals of the department overall are attained in a better way and with fewer undesirable side effects.

### **Whom in the TGW World does vertical development affect?**

To shape your own life and fulfil your own role in the best possible way, vertical development is vital to everybody. This means absolutely everybody, from the apprentice to the CEO, works with colleagues every day and must master many things: small things, big things, strategic issues, operational tasks and lots more. Everybody interacts with others! In nearly all contexts, it's an advantage to be able to perceive and be aware of your own share in functioning and dysfunctional processes, so they can be addressed.

Of course, executives are particularly important, because they mainly moderate and develop colleagues so as to find adequate answers to complex questions. This is why I believe that organisational development based on vertical development ought to begin with executives. Executives should internalise the topic in an optimal way and experience the power of vertical development. Only then will they be open to channel the forces released in employees through vertical development and bring them to fruition.

**You yourself, Mr. Uhl, have only been at home in the TGW World since 2020, so your impression of the Foundation philosophy is still fresh. How do vertical development and organisational development fit the founder's legacy?**

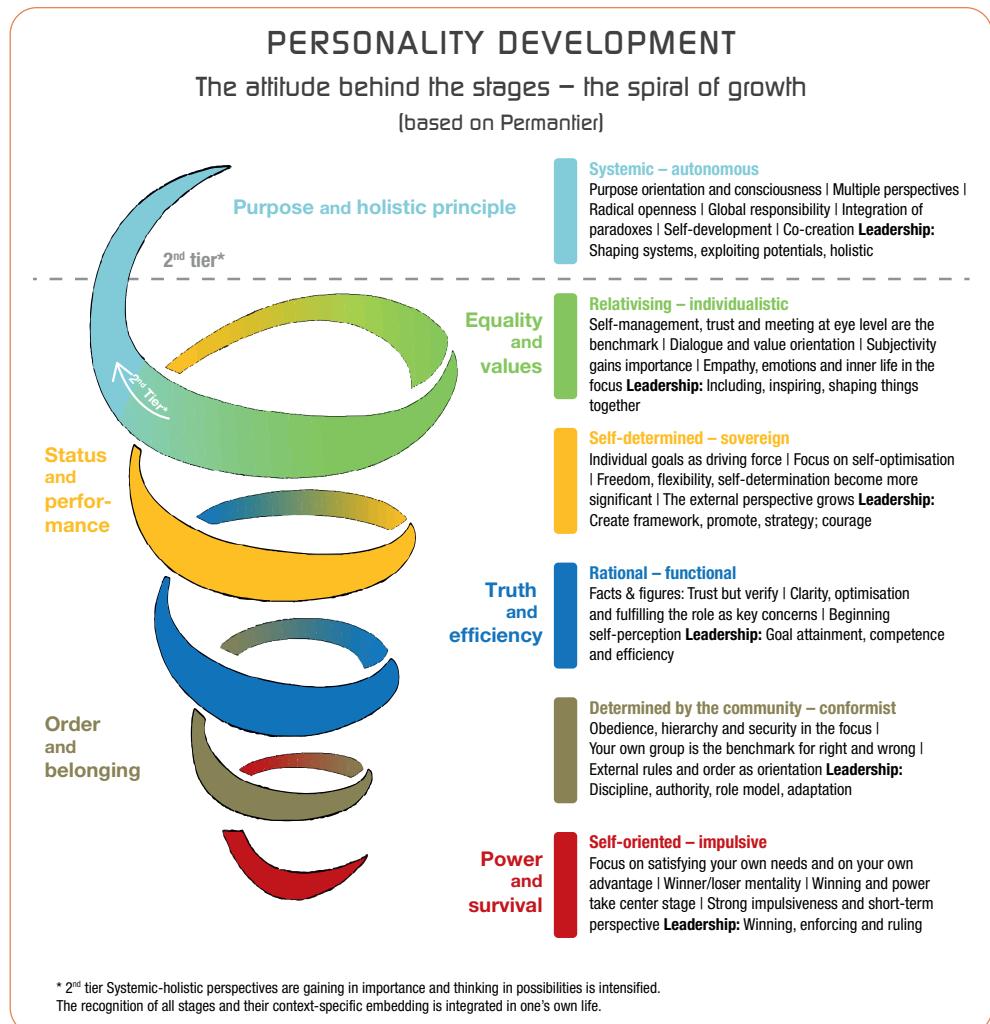
The later development stages in particular perfectly match what Ludwig Szinicz describes in his remarks on "Focusing on people – learning and growing". Always keeping in mind the social implications of our actions, developing compassion for other people, putting oneself in their shoes and having a development-oriented view of oneself and the environment – all this fits perfectly with the stages of development. This has great potential when you're able to connect it all!

something quite special with the Foundation philosophy of "Focusing on people – learning and growing". Human, personal growth takes centre stage in conformity with the holistic principle. The framework conditions – keywords foundation model, MINDtastic – are excellent, the range of possibilities is enormous.

**Individual and collective development for the path towards a corporate culture that is fit for the future**

Individual self-development is a decisive building block for creating a corporate culture in the TGW World that lives up to the standards of Ludwig Szinicz' legacy and is the guiding principle of the Foundation philosophy of "Focusing on people – learning and growing".

We are guided by the findings on self-development by Thomas Binder and the approach of Martin Permantier. In his book *Attitude Decides*, Permantier uses six attitudes to show very clearly how the culture in a company can be made fit for the future by means of individual and collective development processes. Unfolding potential in each individual sets into motion a spiral of growth, change and continuous improvement. New attitudes change the perception of reality. Change is always an inner change.



The six attitudes show each individual, the teams, the three units of the TGW World and the organisation as a whole, where we all are in the development journey and which potentials we are still leaving untapped.

Vertical development expands the potential space, “Focusing on people – learning and growing” is made even more vivid, and Ludwig Szinicz’ dream becomes more and more of a reality. It is a journey inward. Courage to question habits, to perceive and work on equilibriums in our lives that are no longer goal-oriented and to leave one’s own comfort zone purposefully again and again – all this is part of the process. This journey may turn life into a powerful, development-oriented path towards greater ease and effectiveness. According to Binder, there is no shortcut on this developmental path.

The steps must be taken one after the other. The attitudes are learned one after the other. The development of new skills and expertise takes place in successive stages. With each new stage, we gradually expand our abilities. Our attitude determines the scope of action. The different stages serve our own awareness process as well. They are a mirror for ourselves, for the attitude from which we are currently acting. Depending on the situation, we will adopt different attitudes – but our awareness of which one it is at the moment increases. And it also helps to better see which attitude other people are currently assuming. Every person brings his or her level and thus his or her experience or worldview to the table. But only mature leaders can moderate these differences and make them constructively useful. It is precisely this ability that is becoming increasingly important in 21st century entrepreneurship.

## DIGRESSION:

### AQAL MODEL: A FRAME OF REFERENCE FOR DEVELOPMENT PROCESSES

Below follows the first of three digressions in this book, each of which is highlighted graphically. Those who are less interested in these in-depth topics can easily skip these passages. But some readers are probably curious, want to engage with the subject more fundamentally and dive a little deeper into the scientific theories underlying our approach.

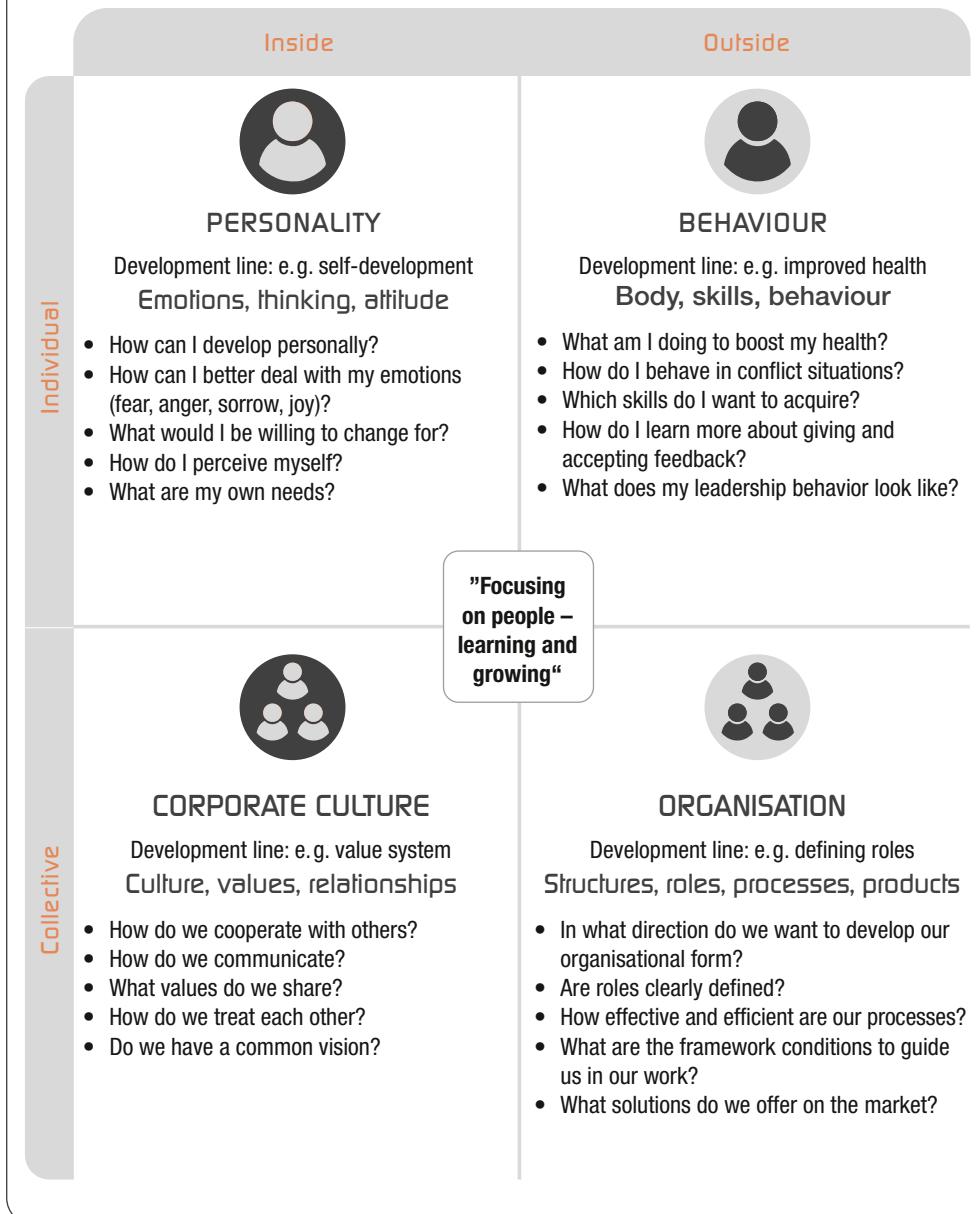
Ken Wilber's AQAL model makes a good connection to the "holistic entrepreneurial approach" in the book's subtitle and places the topic of personality development in a larger framework. The model provides clarity as to which larger dimensions of development exist – in relation to one's own development, i.e. personality development, and in relation to development between individuals.

The consistent implementation of "Focusing on people – learning and growing" in everyday life has an impact on different levels. One key effect is the development of a culture in which permanent change and development processes at the individual and collective level are the desired norm. A frame of reference is needed to be able to accompany these processes in a structured and goal-oriented way. With his AQAL model (abbreviation for "all quadrants, all levels"), Ken Wilber has created a map that is both simple and very helpful, for the four quadrants of the model combine two of the most fundamental differences of our environment: inside/outside and individual/collective.

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Organisational development can be approached from multiple perspectives. Two perspectives will be singled out here: First, it's possible to look at the individual and his or her attitudes, upbringing and personality; in this person-centred approach, elaborated by Sigmund Freud, individual behaviour is an external expression of intrapsychic processes. Systems theory, developed by Niklas Luhmann, among others, is another fairly well-known theory. Luhmann established the sociological system theory. According to this theory, we humans don't only act from within, but we react to each other. Thus, the system theory does not illuminate us humans as isolated individuals but looks at what happens between us. It doesn't speculate about the inner mental state of the individual but looks at externally observable behaviour. And this behaviour depends on the behaviour of others. For example, employees often base their behaviour on how executives act.

Four-quadrant model (AQAL) inspired by Ken Wilber  
 – simplified application to the TGW World –



This simple example shows that human behaviour should be seen not as solely originating within the individual, but also as the result of social processes.

How do people react to the framework conditions and to the values to which they are exposed? Example: A manager demands openness and actively communicates this to the team. But when it comes to a practical test and an employee addresses problems openly and honestly, this is received negatively, perhaps even interpreted as a personal attack, and the manager reacts with indignation or even anger. The logical consequence is that this leadership behaviour resonates negatively. No one dares to make critical remarks anymore. According to Freud, the problem is at the individual level: The individual must be treated in therapy. People contemplate whether the employee perhaps had a difficult childhood, needs leadership training and so on. But doesn't the problem usually have more to do with the organisational framework conditions, the corporate culture and the leadership behaviour than the individual?

The AQAL model opens up a consistent holistic framework and thus facilitates diagnosis and therapy. Wilber indirectly covers both the Luhmann perspective (= relationship and resonance between people) and the Freudian approach (= behaviour determined from within and by the personality structure).

The resulting intersections give us four levels from which we can holistically explore our everyday experience: 1) Individual Inside 2) Individual Outside 3) Collective Inside and 4) Collective Outside (see illustration p. 155).

Accordingly, the holistic principle and multi-perspectivity mean looking at every situation in our work and private lives from all four perspectives and, if necessary, changing the situation. This integral view makes clear how seemingly isolated aspects of our experience interact and thus reduces the complexity of life, without oversimplifying.

If we now think of the context of the TGW World in all its facets of TGW Future Private Foundation, all organisational units of TGW Logistics, the social entrepreneurship projects, of every single employee, every single team, the different personal attitudes, the process diversity, the interfaces of all IT systems, the value system, the continuing education offers, all customer expectations – to name just a few aspects – the complexity of the events taking place concurrently becomes apparent. The quadrants discussed offer a possibility of organising all these data and processes and integrating them into a structure.

In summary, it must be said about Ken Wilber's model and the implementation of the Foundation philosophy: Holistic development in the sense of "Focusing on people – learning and growing" must always have all four quadrants in view. Those who internalise this integral view can consciously perceive the perspectives of others and all the different points of view. Decisions can be made more purposefully and thus more sustainably, and a powerful development process emerges. A basic rule is that the inside always forms the foundation for developments on the outside.

In addition, here is an introduction to the TGW Future Private Foundation's "Guide for development dialogues", printed on the following page. In 2021, this Guide – conceived by and for the TGW Future Private Foundation, and which addresses the frame of reference for AQAL development processes and thus concrete facets of "Focusing on people – learning and growing" – was used in all annual appraisals. From the point of view of those involved, it was a successful experiment, living up to the motto that "Nothing is more practical than a good theory". Could the Guide be used beyond the TGW Future Private Foundation? That is certainly an option. The successful experiment should, however, encourage the transfer of the AQAL model into practice and coming to grips with it.

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To conclude the chapter on holistic education, we should take another a bird's-eye look at the entire TGW World. Currently, MINDtastic is mainly located in industrial entrepreneurship; this start at TGW Logistics was important and right. But now it is time to broaden our view. MINDtastic was conceived as a concept of holistic education for the entire TGW World. It will be exciting to see how everyone benefits from the manifold synergies between MINDtastic, which was shaped by TGW Logistics, and TGW Future Wings, which focuses on education and core competencies of the future.

## ***Development dialogue\****

Learning and growing together

Employee	Executive		
Joined the company on	Role		

### **I) REVIEW**

#### *SUCCESSES, CHALLENGES, COLLABORATION*

- i. What challenges did you face last year?  
What tasks, projects and activities took centre stage during this period?
- ii. What were your results/achievements, and what would you say you can be particularly proud of?
- iii. Were you able to use your strengths to their full extent?  
What activities do you particularly enjoy, and why?
- iv. What goals/results were not achieved, and why?
- v. What worked well in our work together?
- vi. What did you find annoying or stressful when working together?  
What can we do better in the future?
- vii. How do you rate our communication in terms of cycles, formats, form, content, etc.?
- viii. Where should I have provided better support?



### **II) VALUE SYSTEM**

#### *REFLECTION ON THE VALUE SYSTEM OF THE TGW WORLD*



How good are we at integrating our value system in our daily work, thus contributing to make our values a reality? Focus on 3 to 5 values per employee interview.

- i. Feedback from the executive: How did I perceive you in relation to selected values?  
What can you do especially well? Where do you think you can improve?  
(perception of ourselves by others)
- ii. What would you say? Do your perceptions differ here? (self-image)
- iii. Feedback for the executive: How do you perceive me in terms of "lived values"?  
Where do you see my strengths? Where can I improve?

\* This format is intended for use in a face-to-face conversation between executives and employees. It can also be applied to discussions between cooperation partners.

\* The questions in the guide are suggestions. They should be prioritised to fit the context, selected with an aim in mind and, if necessary, adapted.

### III) OUTLOOK

*OBJECTIVES and EXPECTATIONS*



- i. What are your goals and the results you strive for in the coming year?
- ii. What do I expect from you?
- iii. How can we make our work even more effective?  
What are we planning specifically, and what are the objectives that were jointly prioritised?

### IV) THE TGW WORLD

*VISION, COOPERATION, USING SYNERGIES*



- i. How well are we doing in implementing our vision (foundation philosophy + pictures of the future), so it makes an impact?
- ii. How do you rate this cooperation within the TGW World from different perspectives (e.g. among colleagues, inside the teams, in the context of TGW Future Wings, TGW Logistics)?
- iii. How well do we make use of the synergies within the ecosystems and across ecosystems?

### V) LEARNING AND GROWING

*INDIVIDUAL and COLLECTIVE*

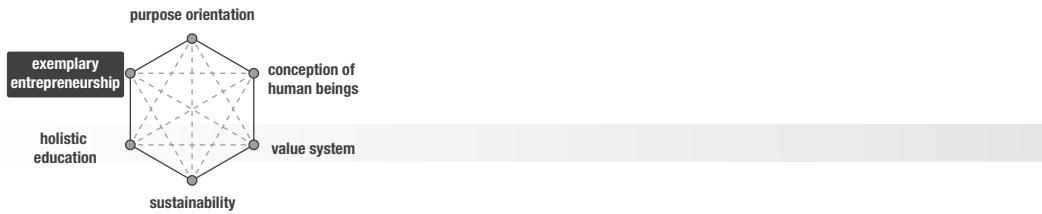


- i. What were the three most important things you learned in the past year?
- ii. Which development measures were planned (e.g. training or further training events, coaching, etc.), and what effects did they generate?
- iii. Based on our conception of human beings: At which of the 4 levels (body, emotions, knowledge, consciousness) do you see any personal development potential?  
What could further development processes and/or their contents look, specifically?
- iv. How good are you at balancing private and professional demands?
- v. Learning & growing: What are you planning for next year?  
What is especially important to me as an executive?
- vi. In which areas does the organisation need to learn & grow?

### VI) CONCLUSION

*SUMMARY and ADD-ON*

- i. Summary of the top 5 items of the dialogue
- ii. Have we forgotten anything?
- iii. How do you feel now after this dialogue?



## 2.6 The aspiration: exemplary entrepreneurship

Exemplary entrepreneurship is a key element of Ludwig Szinicz' legacy and played an important role in the establishment of the Foundation. Guideline (iv) of the Foundation Declaration in the words of the founder:

*The main tasks of the Foundation include:  
promotion of learning and personal growth  
and **exemplary entrepreneurship**.*

What does exemplary entrepreneurship mean in actual practice at the TGW World? The term covers many things. It can be interpreted in various ways. In the end, it is also somewhat a matter of opinion and therefore subjective. After all, the idea of exemplary entrepreneurship can be understood in many ways, and tangible ways of shaping the future are manifold. The explanations given here are intended to stimulate the readers' own thoughts; they are an offering to be critically scrutinised, but hopefully they also contain some exciting and intriguing ideas.

This chapter attempts to take up those aspects that from the author's point of view – seen through Martin Krauss' glasses, so to speak – are especially relevant in terms of the Foundation philosophy and the holistic entrepreneurial approach. Relevant facets of exemplary entrepreneurship are those that contribute to a holistic and sustainable entrepreneurship. At this point, I would like to emphasise once more that the six dimensions of the hexagon of the Foundation philosophy are all closely interlinked. The sixth element, namely exemplary entrepreneurship,

contains to a certain degree the five dimensions already presented as well as other aspects that help expand the perspective on the idea of exemplary entrepreneurship.

All three parts of the TGW World have something to do with exemplary entrepreneurship. The fact that the two Foundation divisions perform quite different tasks and are in very different competitive situations in no way undermines the basic idea of the type of entrepreneurship Ludwig Szinicz had in mind for both Foundation divisions.

On the following pages, individual aspects of exemplary entrepreneurship will be showcased and highlighted.

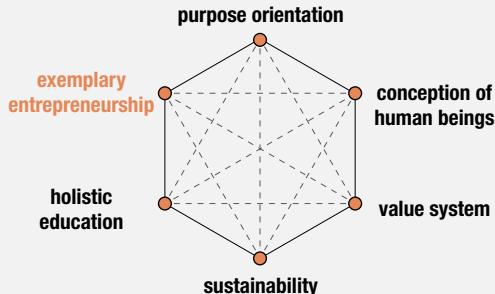
### **Ludwig Szinicz and the great relevance of professionalism**

Professionalism is one of the most important keywords for coming to a clearer understanding of exemplary entrepreneurship as Ludwig Szinicz saw it. What does professionalism mean? Professionalism designates a specific way of doing something. Somebody acting in a professional manner does not only know what is best to do in a given situation. He or she is aware of why it is the best as well. Ideally, this person has sound training, technical skills and experience as well as the ability to apply this knowledge successfully.

The graphic on page 162 shows the enormous importance of professionalism – and sketches out the four principles that act here as catalysts. These principles will be discussed in more detail later. Readers should be aware of the different competitive situations of the two Foundation divisions. Nonetheless, both divisions must try to position themselves such that they always meet the highest standards of professionalism. It is a fact that TGW Logistics can only survive in the long term if competitiveness is ensured on an enduring basis. This requires permanent adaptation to changing market and environmental conditions. In social entrepreneurship, by contrast, there is no market pressure and no hard competition that makes such entrepreneurial professionalism virtually a must.

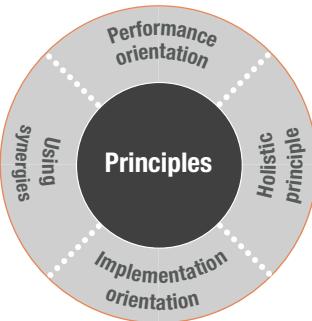
# EXEMPLARY ENTREPRENEURSHIP IN THE TGW WORLD

## Positioning within the hexagon of the Foundation philosophy



"purpose orientation", "conception of human beings", "value system", "sustainability", "holistic education"; Together with "exemplary entrepreneurship", these topics constitute the six dimensions of the hexagon of the Foundation philosophy. The five dimensions mentioned contribute particularly to "exemplary entrepreneurship" as well as also influencing one another.

## Important catalysts for our exemplary entrepreneurship (selection)



### Organisational framework

Corporate governance

### PROFESSIONALISM

### Innovations

- Business models
- Products
- Processes
- Problem solving
- Leadership
- Corporate culture

**Our aspiration:**  
**Exemplary entrepreneurship as a contribution to sustainable entrepreneurship**

Instead, effective control mechanisms are needed here, e.g. through an indicator system (cf. p. 219), so as to guarantee effectiveness and efficiency.

Now to return to Ludwig Szinicz and his approach to professionalism. He wanted everything he tackled and was responsible for to be well founded, well thought

through and ideally have a 360-degree perspective. The founder interpreted professionalism quite comprehensively. He was not only concerned with rational professionalism based on the intellect; for him, emotions also needed to be integrated, e.g. in the context of the holistic principle.

Anyone who knew Ludwig Szinicz remembers how meticulously he worked on concepts and how he always enjoyed thinking things through at least three steps further and right through to the end. And he always found the time to take a break and reflect on previous ideas for future viability. He was always armed with a pencil and notepad and making notes in his tiny handwriting. Nobody could read these except his assistant, Monika Netzthaler, for one, because he recorded his thoughts in shorthand. But when he read them aloud, one thing became clear: These were not spontaneous sentences. He had reflected on his words beforehand, with great accuracy and professionalism. A little side note: This “always wanting to be prepared” could be quite challenging to the people around him and sorely tested their nerves. One thing the founder was not good at was brainstorming – by definition, it means that preparation is not required or desired, so creativity can freely flow and a lively contest of ideas may emerge.

If you look back again to the history of the TGW World, you’ll find two striking examples that illustrate how the founder exemplified professionalism by having the courage to break new ground. He developed Transportgeräte GmbH & Co. KG Wels (today: TGW Logistics) together with his partner Heinz König from a little locksmith’s shop to a major intralogistics supplier with respectable added value. In the 2000s, he was responsible for the strategic step towards a system integrator, a change in strategy that was implemented in an outstanding manner by the former CEO Georg Kirchmayr and his Management Board colleagues. Without this resolute, pretty risky and quite courageous step of practically entering into the business of one’s own customers and competing with them from then on, TGW would not be such an excellently positioned group today but instead most likely a medium-sized subcontractor totally dependent on system suppliers and with a rather uncertain future. To focus on success not only in the coming years but in the

coming decades, to reflect critically on how the company is positioned and then expeditiously draw the correct conclusions: With this strategic vision – in this case, a strategic decision at its best – he laid the foundation for TGW to become a well-respected global leader in its sector and to be economic independent.

Another example of professionalism is the Foundation philosophy itself: Ludwig Szinicz was convinced in the 2010s that his basic idea of a foundation would certainly be crowned with success at a time when learning and growing had become vital to companies and human-centred entrepreneurship had a high level of social acceptance. But he didn't stop at such a great prospect. He constantly reflected on the status of the implementation and provided unsparing analyses. During those years, he sensed more and more clearly that the good figures on the balance sheet could not conceal one thing: The corporate culture wasn't moving in the direction that matched his ideas of exemplary entrepreneurship and the Foundation philosophy; and he realised that this might be related to the fact that clear, written guidelines were lacking. Even at a somewhat advanced age, the founder persisted, had his eyes firmly upon his goals and refused to let go of his dream of a purpose-oriented community of values. And the last thing he wanted was to sacrifice his "Idea TGW" on the altar of more convenient solutions with less potential for conflict. From 2015 onwards, he dedicated his time to the task of fleshing out the Foundation philosophy and writing it down. Everybody who had the privilege to work closely with him at that time got the impression: Although or because he was in very good health, he was convinced that the time had come to clarify things in an unambiguous and conclusive manner.

### 2.6.1 The four principles: performance orientation, holistic principle, implementation orientation, using synergies

Which principles are of particular relevance in the TGW World when it comes to exemplary entrepreneurship? Our way of thinking and acting is also shaped by general principles. They show us how we can look at things, thus providing

orientation and helping generate several alternative courses of action. The four principles underlying the exemplary entrepreneurship of TGW World are, in particular, catalysts for professionalism. Ultimately, they make a significant contribution to acting entrepreneurially and acting sustainably in an exemplary manner – thus, making Ludwig Szinicz' vision of the TGW World gradually come true. By no means are the principles detached from and free-floating in the TGW World – they must be integrated into all our activities in a way that fits Ludwig Szinicz' dream of a TGW World as a purpose-oriented community of values. As with all humanistic organisational approaches, the question of purpose plays a major role here. Purpose is a basic category that controls not only the perception and conduct of individuals but makes an organisation as a whole consistent in its actions. So we shall always keep an eye on the question of purpose when we present the four principles – naturally enough, closely linked to our value system.

### **The principle of performance orientation – with the focus on people**

Ludwig Szinicz himself was very performance-oriented – in his professional roles while founding the company or establishing the Foundation as well as in his private life while sailing and ice skating, to mention just two of his hobbies. He was unquestioningly ambitious and wanted to do something, wanted to achieve something, wanted to make a difference. There was never a contradiction for him between performance orientation and an environment that takes people centre stage. Performance orientation was and is one of the principles for professionalism and thus an important building block for our exemplary entrepreneurship.

Nonetheless, you sense reservations when people hear for the first time and only in catchphrases of Ludwig Szinicz' legacy and the Foundation philosophy: Does human-centred entrepreneurship refer to some kind of feel-good oasis? To put it bluntly, can everybody do as they please? Are disputes unknown, and are all the punches pulled so nobody gets hurt? If you asked Ludwig Szinicz these questions, he would answer with an emphatic *“Not at all!”* And smiling, he would add: *“Of course, the Foundation philosophy is perfectly compatible with the principle of*

**Four principles of exemplary entrepreneurship in the TGW World:**

- performance orientation
- holistic principle
- implementation orientation
- using synergies

*performance orientation. In both Foundation divisions!"* (More on the topic of performance measurement in Chapter II.4. The vision, where the model of impact logic is discussed.)

As far as his legacy is concerned, the founder may have been a dreamer in the sense that he envisioned a model for his TGW World that seemed strange, new and unfamiliar and therefore hard to grasp. But Ludwig Szinicz wasn't living in an ivory tower; pipe dreams weren't his thing. He would never have placed at risk the healthy TGW cow and with it all the investments in the company as well as the funds for non-profit projects. The value system actually *helps* to achieve peak performance. Not only is it a compass for the way in which the idea of performance is implemented, it also provides a frame of reference in the event of any breach of individual or even multiple values. To sum it up: Performance is not an end in itself. Performance must be in harmony with the value system.

The founder would never have associated something negative with the concept of performance. On the contrary: He was convinced that performance brings joy – as was definitely the case with him – and is inspiring and makes a vital contribution to a meaningful *life*. *In his 2016 Christmas speech, he said:*

*But don't misunderstand my 'TGW is there for people' statement. It is of course impossible for employees to come and go when they please or to do whatever takes their fancy.*

*Entrepreneurship has a lot to do with taking things seriously. With responsibility, with shared responsibility. It's about 2,500 employees. It's about three or four times as many people, who are dependent on the income of these employees.*

*Realising my claim that 'TGW is there for people' can only work if TGW continues to be economically successful. I believe that will only succeed if*

*you are ready to make a commitment together with the company: 'TGW offers me an attractive job, which enables me to learn and grow both professionally and personally, and to organise my career and my private life in a meaningful way. In return, I make a valuable contribution to the TGW as a whole (...)'.*

.....

Another aspect of the topic of performance orientation are the ideas of benchmarking and best practices. The term's two components, namely "performance" and "orientation", can also be understood to indicate how both employees and the organisation orient themselves towards the performance of others, learning from others and growing thereby. What is important here is not only to move within one's own department or Foundation division but to see beyond one's own nose and answer the question: What can I, what can *we* learn from the other Foundation division? Where are there outstanding examples among our competitors that we should have a closer look at? How can we learn from completely different industries or even from seemingly completely different sectors?

Exploiting all these opportunities to learn from others is also linked to the principle of performance orientation in the TGW World. Many companies particularly show room for growth in the latter aspect of thinking outside the box at one's own company or industry, and this is true even in the TGW World. It's a great pity because here there are opportunities for particularly great gains in knowledge! Benchmarking within one's own industry and the same area – e.g. comparing TGW Logistics to other intralogistics players or comparing our GRAND GARAGE innovation workshop to other makerspaces – should also be done, but there is a risk that one ends up conforming to other organisations and, in the worst case, even adopts sloppy and inefficient ways of working. The reason: Ideas from completely different sectors or areas that seem quite revolutionary at first glance don't get a chance to come to the fore in our own decision-making processes. And when everybody is doing the same thing, there's always a danger of a

so-called “red ocean”, i.e. of “bloody” competition. Of course, it can never be completely avoided. But “blue oceans” must also have their place in the TGW World. Dealing with the question of how completely different industries or other ecosystems go about something is crucial; this is about functional benchmarking and creative ideas. The right problem-solving perspective and a functionally abstract way of thinking (see later explanations on the subject of innovation, cf. p. 178 et seq.) are also needed.

We often spoke of “other areas” above. This refers not only to other companies or social and non-profit activities but also to activities in the arts and sports, for instance. Many people are involved with sports as either active athletes or spectators of sports events. From the losses, victories and the experience of the pros, they can draw lessons for their lives and their work. The fact that Tiger Woods became a megastar in golf was not only the result of his talent; in addition to his gift, he was immensely hard-working and had tremendous motivation. He trained more than his colleagues, allegedly not just four to six hours but eight hours a day, and strove to perfect even the tiniest details of his stroke. Another example, even a role model, is the Austrian skiing legend Marcel Hirscher, whose eight victories in the World Cup – in uninterrupted succession! – and numerous medals in World Championships and the Olympics did not just fall into his lap. They were due to an obsession with perfection in the details – not to be confused with pedantry – that is equally relevant to the success of each employee in the TGW World and the two Foundation divisions.

Performance orientation also includes wanting to become better, of being aware of one’s own deficits and working on them with the help of others. Of reflecting on one’s own actions and seeking support from supervisors, colleagues and partners. But external opinions should also be sought. Just as coaching has become the norm in high-performance sports – there are coaches for tactics, physiotherapy, technique, fitness, mental issues, etc. – the TGW World should likewise rely on coaching as a smart tool to learn and grow faster.

## The holistic principle – a systemic, integrated and interdisciplinary approach

When we apply the holistic principle to the TGW World, we're speaking here of a systemic, integrated and interdisciplinary perspective, known from the lean management philosophy. It is without question a huge challenge to act consistently in a holistic manner. Even the TGW World is still at the beginning in this respect, while the foundation model and the Foundation philosophy offer the very best conditions for gradually living up to this standard. Internalising and implementing the holistic principle remains an important goal.

The holistic idea plays a vital role when decisions and actions were not successful or were only successful to a limited extent. An individual's initiative quickly fizzles out when a problem is resolved but it turns out later that this alleged problem was not the crucial one. Such mistakes in observation and perception occur quite frequently. The Indian parable of the blind men and the elephant helps us to recognise why problems often have deeper causes (cf. p. 170).

It shows how much reality depends on individual perception. Since the economy and our society today are still pretty much characterised by division of labour, only bold communication and dialogue about our respective mindscapes can help us to identify the *right* reality. Because there is not just one reality but a range of quite different truths – depending on the perspective you take based on your position or task.

Just as the reality of the elephant as a whole can only be clearly identified by an observer at a distance, while from a close and/or limited perspective, only parts of this reality are perceived, the same applies to the perception of problems in a company. Who hasn't experienced this, e.g. when change programmes were implemented in a company? Frequently, only symptoms are cured and the causes are left unaddressed. Short-term decisions are often made because “we must finally do something!” and aren't thought through to make them sustainable. The interrelation of prerequisites and consequences are not reflected upon. You might sum it up under the slogan of “Well-intentioned is not well done”.

.....

The elephant parable demonstrates vividly how real events in an organisation are understood quite differently by different observers – depending on the perspective they choose. This observer-dependent definition of problems in decision-making and acting and dealing with them in a structured way – a thematic bridge to the actual topic of the digression – was formulated by Werner Pfeiffer and Enno Weiß in their “Fundamental Principle of effective and efficient design of a value creation network”. It will be presented on the following pages.

### The parable of the blind men and the elephant

#### Varying perspectives and the resultant deeper causes of problems

##### **In the parable of the blind men and the elephant, a group of blind people examine an elephant.**

The first man feels a leg and says: “An elephant is like a tree.”

“Wrong!” shouts the second man, as he feels a tusk. “An elephant is a long and curved object.”

“Fools!” said the third man: “Elephants are broad and flat objects, just like a wall.” And the fourth

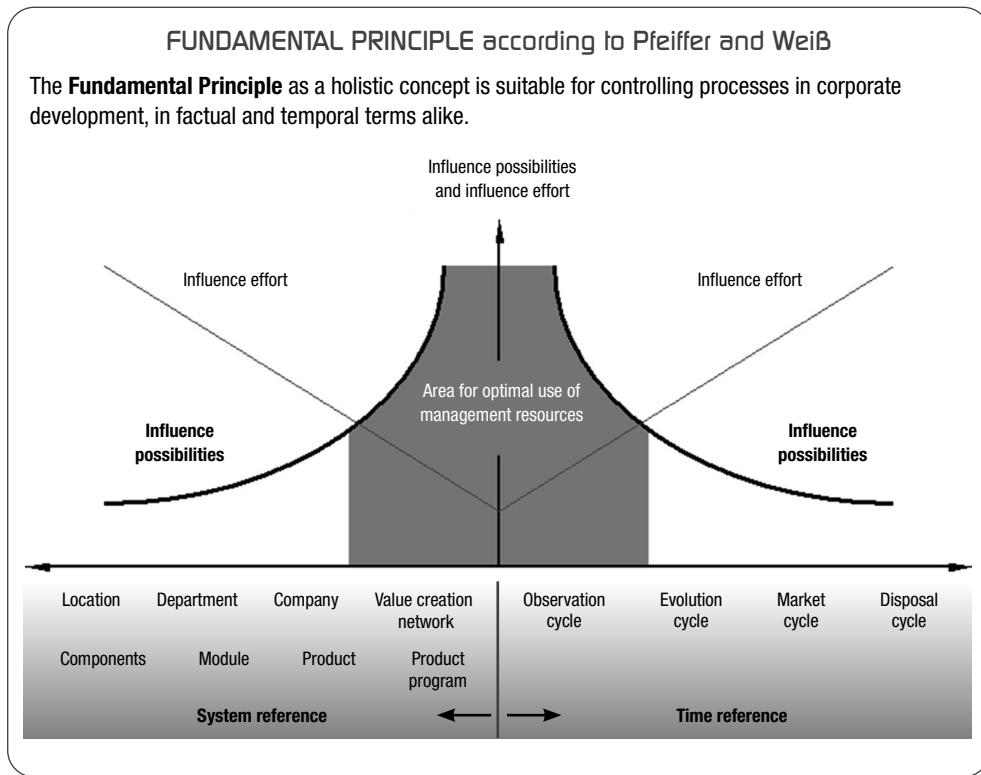
shakes with laughter as he feels the tail: “An elephant is like a rope!” Each blind person perceives a different detail and uses his individual experiences to conclude what an elephant is.

For each one of them, the same elephant is something entirely different. Then they argue about it till kingdom come. What they should do is communicate intensively with one another to begin to approximate the “true” reality.

Source: Indian parable

## DIGRESSION: FUNDAMENTAL PRINCIPLE<sup>2</sup>

Following the introduction of the AQAL model, here comes the second of three digressions in the book: the Fundamental Principle of the design of a value creation network.



What is the Fundamental Principle? It is a basic correlation: Possible ways of influencing and improving value creation according to the key criteria of economic optimisation – namely, costs, time and quality – increase disproportionately with the expansion of one's observation horizon in terms of facts and time; conversely, the effort required to exert an influence decreases at the same time.

<sup>2</sup> Those who want to learn more about the topic should take a look at the bibliography. Pfeiffer's "Allgemeine Theorie der technischen Entwicklung" gives an overview of the research field of system rationalisation and lean management on p. 146.

## Potential to exercise influence on the product side, based on the Fundamental Principle

The close link between the factual and the temporal leverage effects becomes clear here. If the idea is implemented consistently, it is practically impossible to exploit the two forms of leverage separately. Three examples of typical measures that satisfy the factual and temporal leverage effect simultaneously:

- design that satisfies the requirements of production, assembly, variants and the environment. These key aspects are applied early in the life cycle, i.e. during the development and design phase, and optimise the overall product, e.g. by reducing components and by creating many different variants by using a modular system. Thus, costs can be avoided. These cost savings could not be achieved in any way through measures subsequent to production start-up, e.g. storage organisation, rationalisation of tooling processes by using automatic handling devices, statistical process control (SPC) or production-synchronous procurement.
- the integration of suppliers in the development process since with this, the supplier know-how can be exploited early on to keep costs low; then optimisation takes place directly at the company/supplier interface.
- efforts to reduce complexity costs within the framework of an integrated variant management. Many companies try to master this complex problem unilaterally by establishing flexible production technologies and with Industry 4.0 instead of starting with the causal complexity drivers, e.g. an insufficient modular or standardisation system or an inadequate company organisation.

In the Fundamental Principle, the *time-related* lever of influence is measured by the criterion of *earliness*. The lever of influence becomes disproportionately stronger when optimisation measures are taken in early life cycle phases of a product, process or project. Conversely, it becomes weaker the later in the life cycle the optimisation measure is implemented. The "costs" of influencing develop in the opposite way; this refers to both influencing costs and time. The influencing expenditure is very low in early stages but gradually reverses over the course of the project. As the *degree of materialisation* in product development increases, higher investments in prototypes, tools and machines are incurred in later phases. Changes in these phases always entail great costs and time expenditures. In contrast, changes at the early stages are possible with relatively little effort, e.g. on the drawing board or in the CAD system; given today's technical possibilities, even within the shortest time period and nearly without additional costs. The analogous correlation in quality management is well known: There, error costs come under the *rule of ten*, according to which the costs for troubleshooting increase the longer a bug moves around undetected in later

phases of a product or process's development cycle. Recalls from the market are the most expensive measures.

In the *factual* dimension, the *lever effect* of the Fundamental Principle is measured by the *holistic* criterion. The holistic principle can be operationalised by means of *hierarchisation*. Within the meaning of system theory, hierarchisation means the superordination or subordination of different levels of a system, e.g. in (descending) order: *supersystem*, *system*, *subsystem* and *element*. Regarding the sequence, it is generally true that the influencing lever of a measure becomes disproportionately stronger the higher the rank in the system where it is used. The lower the rank in the system, the disproportionately weaker the influence lever becomes.

In actual practice, this correlation can be applied to products and (value-added) processes. With regard to *processes*, the following descending hierarchical levels can be differentiated: value creation network, company, business unit, department and position. With increasing expansion of the perspective towards the value creation network, i.e. when the boundaries of the department, business unit and even the company are transcended, the potential for influence in terms of the optimisation criteria increases.

The same applies to *products*. A possible *hierarchisation* would be: from the product group to the individual product to the product component. Possibilities for exerting influence increase with ascending hierarchical level, with concurrent lower expenditure for exerting influence. A revision of the product program contains even stronger levers of influence; here, the empirically proven learning curve effect speaks against a very wide range of variants as is often demanded by Sales.

In addition to the holistic principle as a hierarchical ranking level, there is the holistic dimension. It deals with how we look at operational activities. Because independently of the respective view level (position, department, plant, company, group) and the functional areas (development, procurement, production, marketing, administration) where it takes place, each activity in the value chain has a functional (input-output), a structural (material resources or technology, personnel, organisational structure) and a process dimension (process organisation). So, each activity can be described using these dimensions and factors.

The idea of the holistic dimension permits thinking in interdependencies of structural and process factors when searching for abnormalities and diagnosing weaknesses as well as in the development and evaluation of potential solutions. What is the goal? The point is not to let oneself be distracted by the obvious aspects but to penetrate to the root causes; not simply to cure symptoms, but to

get to the bottom of problems. The earlier and more radically management reflects and acts, the more effective and efficient the possibilities of influence. This boosts the chance of the doing the right thing correctly instead of merely doing something right. By forcing yourself to ask what really lies behind the observations you made, why something is as it is, you don't just ask about the meaning but about the appropriate observation level from which the problem should be addressed.

The Fundamental Principle thus demands using management and project resources that are always scarce in the most effective way taking holistic principle and earliness into consideration. This will contribute to exemplary entrepreneurship.

#### **Four examples and starting points in the TGW World associated with the Fundamental Principle**

- **Example 1 / Life cycle:** As early as during the development stage of a product, its disposal should be kept in mind (this "circular design" is taken into account at the GRAND GARAGE, for instance).
- **Example 2 / Many different variants:** What does the modular system of solutions at TGW Logistics look like, and what are the possibilities for further development? Thinking and acting in accordance with the Fundamental Principle can be very helpful here.
- **Example 3 / Avoiding siloed thinking – value system:** See value cards (results-driven – thinking outside the box of our own unit, acting with foresight and making decisions that are best for the TGW World as a whole.)
- **Example 4 / Impact logic:** Deploying the right people for the right tasks is crucial. The focus on the input as the foundation of the impact stairway is therefore particularly effective in terms of the time resources available to management, which are usually very tight. For executives, it is generally more effective to spend more time on personnel selection, onboarding and personnel development than to endlessly pursue details about technical questions.

#### **The principle of implementation orientation – avoiding paralysis through analysis**

Today, implementation orientation is often referred to as bias towards action. The idea is, for example, under no circumstances to push topics from discussion round A to discussion round B until analysis becomes paralysis, but instead to tackle them and to act.

It is often downplayed how much greater knowledge is gained during implementation than at the drawing board. In product development, it's worthwhile to begin an innovative project with a so-called MVP (minimal viable product) at an early stage. This allows participants to gather new insights quickly instead of being stuck too long at the starting block of planning. Ideas abound, but many fail in implementation – including in the two Foundation divisions of the TGW World, despite their substantially successful operations. “Let's try a lot of things and keep what works” is a motto that might help here.

Speed is crucial to remain competitive and ensure survival. Every company implements change programmes and works on boosting its innovative power, e.g. with regard to products. A relative competitive edge can therefore only be achieved if you implement faster than others. The application of the Fundamental Principle helps in acting faster. If disposal and sustainability are already taken into account during development, you're ahead of the game in terms of competitors who think one-dimensionally and focus on the application benefits of the product.

For the big picture, including in the TGW World, you must be sober and concede that all actors can only be successful if the topics are consistently followed up on, staying tuned to something – for weeks, months, sometimes years. Why we do something and what we have to do, i.e. the insight and the theoretical path towards it, are both minor challenges in many cases. What's often lacking in exemplary entrepreneurship is consistent implementation. Because the TGW World is also exposed to the potential risk that knowledge and implementation, talking and doing, are two different things. It may sound trivial, but it can be highly effective: taking a look at one's schedule, far from the hectic workplace, and checking how much time is earmarked for priority level I topics! It will quickly become clear whether those topics that head the to-do list in theory are in practice given the time they require.

## Quotes on the topic

### “implementation orientation and speed”

*“Now, here, you see, it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!”*

(from: Alice in Wonderland)

*“I haven't time to sharpen the saw since I'm too busy sawing trees.”*

(This sound bit is attributed to Stephen Covey.)

- To remain one of the market or innovation leaders, TGW Logistics and TGW Future Wings must be very fast; to become the market leader, we have to be much faster.
- Sometimes you must pause and take time so you not only approach things quickly and symptomatically but instead question them over and over and improve them; this is one way of using resources more effectively and efficiently.

## The principle of using synergies – the whole is more than the sum of its parts

Synergy refers to the interaction of living beings, materials or forces in the sense of mutually advancing or creating a shared benefit. Tapping synergies is not easy. But the TGW World is an organisation that is much more than the sum of its parts: TGW Logistics, TGW Future Wings and TGW Future Private Foundation. Expressed in numbers:  $1 + 1 + 1$  is much more than 3. Nonetheless, there is a great deal of room for improvement when it comes to tapping these synergies. The greatest challenge is to ensure that our employees internalise the synergy mindset.

Appreciating and making meaningful use of differences is the long and short of synergy. It can trigger a creative process in organisations and make success possible. The TGW World comprises industrial entrepreneurship (tough competition / more than 4,000 employees / intralogistics of the future) and social entrepreneurship (10 projects with a focus on education & innovation / more than 120 employees), two very different Foundation divisions. The question is therefore justified if and where there is a potential for specific synergies when the two are so different. The answer may surprise some readers. Precisely *because* the two divi-

sions are so different, particularly efficacious synergies can be generated. Because new things rarely come about along the beaten path. They emerge far more often from different opinions and perspectives, completely new ways of thinking and the proverbial third alternative. Still, exploiting synergies in a meaningful way remains a challenge. But the process is worthwhile because a real added value is the result.

To cite a number of examples of synergies within the TGW World:

- The **congenial team consisting of Ludwig Szinicz and Heinz König** was very attuned to **synergies**; they complemented each other ideally in terms of expertise and personality and thus created a great company.
- The **holistic MINDtastic®**, designed and rolled out at TGW Logistics, will provide useful “learning and growing” inspirations to TGW Future Wings. Conversely, the projects of GRAND GARAGE and NOVA ZONE may come up with great ideas for the further development of MINDtastic.
- **Learning and growing is an integral part of everyday life in the TGW World.** Learning and teaching takes place on a continuous basis, and MINDtastic reflects this basic attitude.
- The **value system** is heeded throughout the TGW World; experiences are mutually exchanged in order to advance the respective cultures.
- **GRAND GARAGE** is a place with enormous potential for learning in terms of the idea of “new work”; it also generates synergies for TGW Logistics, for example with the design sprint of a TGW Logistics team in NOVA ZONE.
- **CAP.** is ideal for creating synergies and cross-fertilisation with **TGW Logistics' training of apprentices.**
- The **four levels of the holistic conception of human beings** correspond to the four levels of renewal that have a very **synergetic** impact and can trigger a positive chain reaction.

- Topic **coding: B.E.L.** offers a programming course suitable to third graders; synergies are possible here because young people learn programming in the CODERS.BAY of the GRAND GARAGE.
- **BauBox**, one of three project ideas that were awarded at the Future Wings Challenge 2021 and received a start-up grant of EUR 20,000, is a makerspace for daring girls; the GRAND GARAGE innovation workshop provides opportunities for collaboration and exchange.
- **Impact logic:** It is much more effective to have a modular set of questionnaires for the stages of the impact stairway (cf. illustration, p. 220), with a uniform professional concept than to have every project create its own questionnaire. A certain degree of uniformity makes it easier to compare statements across projects and statements on impact for TGW Future Wings as a whole.

## 2.6.2 Innovation as the lifeblood of exemplary entrepreneurship

Innovation as the lifeblood of exemplary entrepreneurship is discussed below. First, the role of innovation in competition is addressed, then the functional market concept as a method is presented in the third digression of the book before concluding with the framework conditions for innovations.

### The role of innovation in competition

Exemplary entrepreneurship and the shaping of future viability always require the business perspectives of productivity according to the system economy approach as well as customer orientation and market position. But mostly we owe our prosperity to innovations (for the concept of innovation, see the info box on p. 179). Innovations are vital to survival, and in the TGW World, they are the lifeblood of industrial and social entrepreneurship. Innovations have always belonged to the TGW World. They are an integral part of TGW Logistics' DNA and crucial to the

company's sustainable success. Hearing the term innovation, people likely think initially of new technical developments or scientific achievements: new mobile phone, new software, new drive solution, new vaccine, etc. In the TGW World, innovation is a more comprehensive and holistic concept. Every technical innovation needs innovation in the social environment and vice versa.

In the TGW World, innovation is not only about new products, fresh solutions to problems, new business models and changed processes (e.g. development, production, realisation, sales, HR, finance, etc.); the term is also relevant to the social environment of the organisation and to leadership (leading in network structures) – all these are facets that can and must be employed to maintain competitiveness.

TGW Logistics today lives off the fact that innovative products were developed in the past – and will live tomorrow off the innovations of today. Every product, every problem solution, every production method is subject to a life cycle. Time and again, TGW Logistics has been “threatened”, i.e. challenged, by newly developed technologies in its own sector as well as in other ecosystems.

### The concept of innovation

According to Werner Pfeiffer, innovation is something specifically new. Different to invention, which refers only to the emergence of new technical problem-solving potentials, the concept of innovation also includes the application of such problem-solving potentials. Innovation is thus the result of two processes: namely, the technical possibilities or problem-solving potentials (potential innovation on the supply side) and the economic use (application innovation on the demand side). On at least one of the sides, something new must emerge in order to speak of innovation. Usually, it is a combination of the two: technology-driven as well as desired by customers and the market. What is to be regarded as “new” is subjective and depends on the observer's point of view. For people living in Finland, an educational concept may be routine daily practice, while it is something completely new and thus an innovation in other countries. From the perspective of TGW Logistics, a sustainability aspect may be something “new”, while it has become a matter of routine in other companies.

The innovation process is a learning process. And it is not only an information gathering and a transfer process but also a social process. With this, the AQAL model (cf. p. 155) gains great relevance within the scope of innovation management.

What should we do? The business model according to which we operate must be secured by permanent rationalisation as well as through a focus on strategic innovations. Easier said than done. Rationalisation often means that existing business models are more likely to be adapted than revolutionised, and the awareness of new technological possibilities falters. TGW Logistics must take start-ups from the intralogistics sector very seriously – they might turn out to be game changers.

### Examples of innovations from the TGW World

- **FlashPick® (→ TGW Logistics)**

*A highly standardised goods-to-person solution for single piece picking*

This system solution has become increasingly important due to ever-growing online commerce. Based on well-known solutions developed by TGW Logistics such as the Stingray Shuttle or the KingDrive conveyor, a system configuration had to be found that was suitable for a broad range of applications and had a modular design.

- **PickCenter Rovolution (→ TGW Logistics)**

*Automation of previously manual processes in goods picking*

The key characteristic of Rovolution is that it works with AI-based object detection in combination with a flexible gripping technology and smart system design.

- **CAP-Training (→ TGW Future Wings)**

*Reversing the successful Austrian concept of “training with secondary school graduation” to “secondary school graduation with training”*

CAP is a cross-system training course in mechatronics available in Upper Austria. In addition to imparting technical knowledge, it covers general education learning content, addresses current issues of our technological age as well as imparting social and self-management skills. After many successful years, the programme was augmented by another option: “secondary school graduation + cyber security”.

- **GRAND GARAGE (→ TGW Future Wings)**

*A place for experimenting, evolving and learning with joy, where young people interested by technology can spread their wings*

The innovation workshop in Linz has created an open learning and meeting space in which people from a broad range of different disciplines meet to realise their projects. For a small membership fee, young people who want to learn can use more than 90 professional machines as well as digital technology or attend courses – and use the welding workshop, CNC mills, 3-D printers, industrial robots and laser cutters.

## DIGRESSION:

### FUNCTIONAL MARKET CONCEPT<sup>3</sup>

The third and final digression in this book concerns the functional market concept. Early identification of technological trends constitutes the crucial basis for competitive advantages in the technology and know-how markets. This is the only way to act and invest at an early stage. When it comes to the strategic management of fundamental technological innovations, the so-called functional market concept drawn up by Pfeiffer and Weiβ, Volz and Wettengl is of great help.

New markets emerge by means of technology push (potential-oriented view) and by market pull (demand-oriented view).

The big challenge of strategic technology planning consists of the fact that new technologies are identified too late and their potential misjudged – both in terms of their substitution risks and their fields of application on the market. Market participants firmly established in the market – e.g. TGW Logistics – must therefore always pose the question: Where do we need to look for new opportunities and potential technical risks? How can the new possibilities be better assessed, economically and technically? Anyone who wants to understand and correctly assess the application opportunities for technologies that were developed through internal research and development and the threats from new technology alternatives can only achieve this by systematically gathering and processing information. The functional market<sup>3</sup> concept attempts to find appropriate answers to these questions.

At this point, the core ideas of the functional market concept in terms of methodological purpose and the content implementation ought to be showcased.

- The functional market concept is intended to ensure that companies successfully master the opportunity and threat potential of fundamental innovations in a dynamic environment. The *threats* to existing technologies or markets arising from fundamental innovations are to be identified and the *opportunities* exploited with new or already existing technologies in existing or completely new markets.

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<sup>3</sup> Werner Pfeiffer's 1971 postdoctorate treatise constitutes the basis of his functional-abstract perspective. Due to its topicality, it was reprinted in 2018. Those who want to delve deeper into the topic are referred again to the bibliography and the "Allgemeine Theorie der technischen Entwicklung", where an overview of the research field of technology and innovation management can be found on page 140.

## Functional-abstract search for technological alternatives using the example of access monitoring

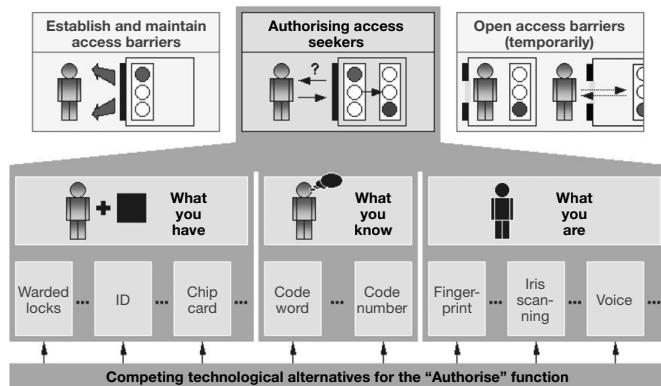
### A key-manufacturer and the functional-abstract definition of his problem solution

As early as in the 1980s, Werner Pfeiffer explained to his students the functional-abstract instead of a phenomenological perspective using the example of a key manufacturer.

What do we see? With the functional-abstract definition of his problem solution, the key manufacturer was able to observe the technological environment and the markets beyond his industry in a targeted way and tap into a number of new technological potentials. It depends on the right definition of the field of activity whether a technological innovation is understood as relevant/irrelevant and is seen subsequently as an opportunity/risk.

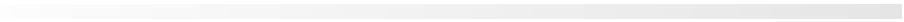
With a phenomenological narrow market definition, the key manufacturer saw himself as a producer of mechanical keys; using a functional-abstract market consideration, as a problem solver for “access monitoring”. Chip cards, code-based systems and biometrical systems (fingerprint, iris scanning, etc.) could only be recognised by the producer and realised in time as a technological alternative to his own current product, the traditional key, with this new perspective.

A functional market analysis geared to potential and demand always consists of the three phases of exploration or identification (creativity techniques of all types can be helpful here); assessment (how attractive is the technology and how robust are the resources); and strategy formulation (action programmes).



If you discard the restrictive notion that access monitoring is carried out by means of a physical object, you reach solution alternatives in which the personal knowledge of the person seeking access (code words, code numbers, etc.) or physical features or characteristic behaviors (biometric information) are used for identification. In other words: a fingerprint, iris or voice scan as well as authentication of specific personal knowledge can functionally be as much a basis for access monitoring systems (or, generally, as information storage) as the good old physical key.

- Functional markets emerge owing to the functional-abstract designation of demands and potentials that are correlated to functional equivalents based on fixed effects or causes.
- The functional market concept identifies (construes), as it were, “internal” correlations of problems (demands) and solutions (technologies) and thus arrives at an assessment independently of historic industry boundaries that have become established in common usage.
- This helps with two core tasks: to identify the potential substitution threat for one’s own problem solutions and thus fully understand the functional market; secondly, starting with a particular (innovative) technical potential, to detect all possible fields of application, which are characterised by a corresponding functional demand, thus arriving at a picture of the potential overall market.



## Framework conditions for innovation

Innovation in the TGW World concerns the entire organisation – regardless of whether it is industrial entrepreneurship dedicated to intralogistics or social entrepreneurship standing for education & innovation in the TGW World. But what about the framework conditions under which innovation can flourish?

Let’s look at some thematic issues, e.g. diversity and how we deal with conflicts, that are especially relevant to actual practice, knowing that it is only a small subjective selection, albeit made in the spirit of Ludwig Szinicz.

The right framework conditions are crucial to the success or failure of innovations. Acting in accordance with the values again plays a major role here. Example: One factor of success in research and development is that employees be trusted during difficult times where they are stuck or even regressing temporarily with a project; because who if not they would know whether it is still worth pursuing or whether it all ought to be aborted? Innovation needs *trust*. Trust gives employees the freedom to be creative and courageous. Innovation also needs not only visionary power (inspiration) but also sober and down-to-earth work (perspiration). It also requires dealing with failure professionally. Interdisciplinary and diverse

teams also encourage the emergence of innovations. Ultimately, to name one of four principles, we are dealing here with a synergetic process.

Because diversity in teams – in terms of personality, gender, education, age, internationalism, cultural background, etc. – means a variety of perspectives and thus fosters a wider range of different solutions. The chances for innovation increase. Especially for teams with a high degree of diversity, the value system promotes a varied, critical but also constructive way of working together: People learn from and cooperate with one another, everyone learns to be open to other opinions. When it comes to diversity, TGW World still has potential to be tapped, there is a lot of room for improvement. But the problem has been identified and solutions are being worked upon.

In the context of diversity of opinions, the professional handling of conflicts – or, as Ludwig Szinicz used to say, of “differences of opinion” – must be put on the agenda and be understood as an opportunity in the TGW World.

Conflicts are negatively experienced differences in expectations per Sprenger’s concise definition. But they can be fruitful if we drain them of the drama of confrontation.

Yet the excessive wish for harmony doesn’t help to bring new things into the world. Navigating differences of opinion and the struggle to arrive at the best solution requires creativity and the proper attitude; orientation towards our value system also helps. According to Sprenger, ongoing dialogue should not be reduced to ritualised feedback; and turning adults into pupils as well as as institutionalising vanity must not result in high transaction costs. Conflicts are important and proper. They’re a part of our daily lives. The point is how we settle conflicts. How should we deal with conflicts? First of all, it’s important to realise that the productivity of conflicts is context-dependent: Not every conflict is necessary; you cannot learn from every conflict, but something positive may be taken from many conflicts. Sprenger emphasises that many people want to avoid conflicts at all costs. But that often creates problems in the first place. A conflict is not a problem but part of the solution. We must take a different perspective on the issue of conflict. Conflicts

conducted as critical discussions based on arguments are vitalising, and they regularly result in better solutions. Especially since it should be essential in the event of a conflict to be allowed to express expectations and not submit to a consensus that is unproductive for the whole organisation. Conflicts are great ways to make collaboration more productive; they help create innovation. Conflicts are ultimately also justification for leadership. Decisions must be made when uncertainty, ambivalence predominate, when consequences cannot yet be assessed.

Even though the term innovation is seen holistically in the TGW World, among the myriad ideas for innovation, technological innovation is of particular significance at TGW, namely in both Foundation divisions. What are the logistic problem solutions we offer in our market of automated material handling? Will it be the market relevant to us in the future? What are the technological potentials we can and want to exploit to meet demands on the market, and what demands are they? Thinking of the core competencies of tomorrow means having an eye towards the further development or replacement of the core competences of today.

And finally: How do we determine how good our *innovative achievement* is? There are indicators to *measure* it. The indicators in Ludwig Szinicz' mind map, where he addressed the measurement of innovative achievements, are an example: time-to-market; R&D share in % of sales; proportion of new products/problem solutions in sales; internal renewal (structures, processes, technologies, methods, systems).

### 2.6.3 New forms of work organisation as a contribution to exemplary entrepreneurship

The concept of “new work” relies on a completely new mindset and contributes to what was important to Ludwig Szinicz in terms of “Focusing on people – learning and growing”. Guideline (vii) of the Foundation philosophy states that the goal

*“Genius is 99 percent perspiration and 1 percent inspiration.”*

Thomas Alva Edison

must be “(...) to create framework conditions in the companies that allow individuals to lead meaningful lives both at home and at work.” Ludwig Szinicz knew that this would require new forms of work organisation.

Thanks to the foundation model and the Foundation philosophy, the TGW World provides outstanding framework conditions to implement such “new work”. It is crucial here that the hands-on framework conditions be optimally used.

To take up the AQAL model again, “new work” today is not only about the quadrant on the bottom right (collective/outside); instead, all four quadrants must be considered. The conception of human beings gives us fertile ground to live out the idea of new work and to foster and advance development processes of the individual and the collective.

New forms of work organisation challenge the system, the organisation as a whole, so that the individual may be offered the best possible framework conditions – regardless whether this concerns employees in the office, in production or on site to commission the customer plant, to name just three deployment examples. Good framework conditions relevant to employees – working environment, workplace and working hours, for instance – should be established in both industrial and social entrepreneurship.

Not least, executives must be aware that on the journey towards such optimal framework conditions, any external changes to structures and processes are possible only with the internal transformation of each and every employee. Changes in the inner world are an indispensable prerequisite for significant changes in the outside world. A change in the outside world is only possible when people discard old patterns of thought and adopt a new attitude.

And what about “new work” and attractiveness as an employer? No company can ignore social trends when it comes to recruiting new employees: Many applicants choose their new job not only for the salary level but are searching for the perfect overall package. An identity-building corporate culture, exemplified values and individual freedoms are crucial in this context. No doubt, it’s an asset when

companies are active in a meaningful way and are devoted to a purpose.

A well-thought-out modular system of variable employment models, i.e. flexibility and individuality in terms of working hours, workplace and type of work, is indispensable to TGW Logistics, regardless of the special ownership model, to maintain and increase attractiveness for existing and new employees. Everybody in the TGW World should be aware, though, that the inner drive for “new work” comes not from any desire to boost employer attractiveness but from something else entirely: the Foundation philosophy with its focus on the individual.

#### **The system theoretician Niklas Luhmann on the role of good leadership**

For Luhmann, there were two absolutely vital qualities that a manager in any workplace must possess:

- first, „the ability to preserve and to balance tensions.“ The resolution of conflicts of interest makes leadership a necessity.
- secondly, „the willingness to conduct an ongoing dialogue“.

#### **GRAND GARAGE as an example of new forms of work promoting the cooperation of actors coming from widely different backgrounds**

(cf. AQAL model; all four quadrants are varied)

GRAND GARAGE is a unique ecosystem that provides a very special framework for innovation. The diversity of people is one of a kind: from young tech freaks to senior university professors, from researchers to creative artists. The environment is unlike any other in Europe; state-of-the-art machinery with industry-quality material is available to all. The functionality and design of the premises provide ideal conditions for collaboration.

Not only can you brood over your ideas here – you can immediately try them out and find the material to build initial prototypes. The GRAND GARAGE membership programme is similar to that of a modern gym (participants are charged monthly and annual fees), only here, it's not the muscles that are exercised but the creative mind and manual skills.

The fact that GRAND GARAGE is a non-profit establishment with no intentions of making a profit is still surprising to many people hearing about it for the first time. TGW Logistics is also experimenting with new forms of collaboration at GRAND GARAGE, for instance with design sprints, in which innovation potentials are tapped.

JOHANNES FELDMAYER

*Member of the Foundation Board of the TGW Future Private Foundation*

### **ENDLESS THOUGHTS ON WHAT WILL RESONATE WITH ANOTHER PERSON, AND HOW IT WILL DO SO**

Ludwig Szinicz was always extremely well prepared at meetings. He really thought carefully about each issue, didn't simply brush feedback off the table. Always took a clear position.

Sometimes he was almost too prepared in all the details.  
He spelled things out!  
In his speeches, nearly every single word mattered.

He wasn't ego-driven, he never thought:  
*How do I look, how can I present myself?*  
No, what he cared about was:  
*How will this resonate with people, and will they understand it as it was meant or is it hurtful?*

He put endless thought into that; he set crazily high standards for himself.  
Everything he had worked out and laid down in the Foundation philosophy,  
everything he wanted to live on – all these things he demanded first of himself.  
That was extremely authentic.

JOSEF FRITZ

*Former Chairman of the Board of the Future Wings Private Foundation*

## THE UNIQUE GIFT

He wanted to tell me one thing: *"Thank you for working 10 years for the Foundation. Perhaps we could meet soon in Vienna for a coffee?"* That last-minute date during the summer of 2017 stretched to almost three hours.

As it came to an end, Ludwig Szinicz handed me a gift: a sculpture. And how this work of art came about was written down on a sheet of paper. I accompanied him to the subway, rode with him to Vienna's main train station, walked him to his train carriage. Then he returned by train from Vienna to Wels. This incredible radiance in his eyes, and also the glow in his heart – I remember it to this very day.

The way Ludwig Szinicz did things is so remarkable to me:

He didn't just send any gift! He had a very personal gift made, a unique piece, and had a very precise description delivered with it.

That is Ludwig Szinicz 100%!

He brought me such an incredible amount of joy with this gift and from our meeting. I'll always remember it. That it was our last meeting makes it all the more memorable.

### 3. The field test: the initial phase of implementing the Foundation philosophy

#### 3.1 The key topics:

Dual Employee Participation, values, MINDtastic®

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The formulation and integration of the Foundation philosophy in the Foundation Declaration in 2016 was only the overture to the next phase in the company's development. The advancement of the corporate culture was to be given more attention, Ludwig Szinicz said in his moving Christmas speech. Furthermore, the employees were informed of the legacy by means of updates from the previously silent TGW Future Private Foundation. But that was only a first small step. It was clear that it would take years rather than months to gain a deeper understanding of the Foundation philosophy. At the Supervisory Board meeting in early 2017, the Managing Directors of TGW Logistics posed the question: "What's next for the Foundation philosophy?" The Foundation Board was keenly interested that – in accordance with the motto "Focusing instead of a scattershot approach" – a manageable number of really relevant, fruitful subjects with a lasting impact in the TGW World be selected. Topics should be agreed upon between the Foundation Board and the Management Board, to be then consistently and professionally implemented over the next few months and years.

Thus the following three key topics came into being in 2018, which accompany the TGW World to this day:

##### – **Dual Employee Participation**

- Managing Director responsible for this topic: Harald Schröpf
  - = a key topic since it was a concern close to the founder's heart; the employees of TGW should benefit from the prosperity of the cow, i.e. the economic profits – he wanted to give something back to the TGW Logistics employees, who had given their all to take care of the TGW cow, so to speak.

- **Value system (original name: value process)**
  - Managing Director responsible for this topic: Christoph Wolkerstorfer
  - = a key topic because the development of the corporate culture needed a value proposition with the basic shape of a corridor along which the 3 organisational units as well as the 10 very different projects of social entrepreneurship can move as well as interpret the 12 values for themselves. For example, personal responsibility or freedom from fear is seen differently at Sueniños in Mexico than at GRAND GARAGE or at the TGW HUB Northern Europe (big differences in background, age and level of personal development).
- **MINDtastic® (original name: Learning Centre)**
  - Managing Director responsible for this topic: Jörg Scheithauer
  - = a key topic because learning and growing needs a home, a mindset that goes beyond the brick-and-mortar (→ training building) and conventional tools (→ normal training programme) and presents a platform that in conformity with the founder's wishes has holistic education as its credo and helps the individual to learn and grow continually.

### **Key topic: Dual Employee Participation**

A key element of the Foundation philosophy, the TGW cow symbolises the advantages of the TGW Future Private Foundation as the owner of TGW Logistics: stability in the question of ownership, independence and the intentional and encouraged participation of employees in the events of the company.



Ludwig Szinicz in December 2016 after his speech at the Christmas party; standing from left: Head of Training Michael Pieringer and the apprentices Daniel Seitz, Manuel Obermayr, Johannes Winter, Lukas Riedl, Jonas Berger; next to them: Ludwig Szinicz; in front of the TGW cow: Fabio Fenzl, Hannah Riegler (photo: TGW Logistics/Carina Eilmannsberger).

To explain the Dual Employee Participation, it's helpful to recall what the founder said in the Foundation philosophy:

#### Dual Employee Participation (cf. TGW cow)

*TGW is a cow. TGW is a beautiful cow! She is a unique cow. She is inviolable. No one has the right to sell this cow. No one should get the crazy idea of slicing a cutlet out of this beautiful cow.*

*She must be looked after lovingly and with great care and must be nurtured so that she can produce lots of good milk and rear healthy calves.*

*The milk from this TGW cow must be shared fairly and wisely, taking into consideration the contributions made to her care and growth, and special care must be taken to ensure that she is left plenty of milk for rearing her calves.\**

} Stable owner + independence

} Assuming responsibility (having the privilege)

} Sharing results fairly (being able to)

Dual Employee Participation

\*Ludwig Szinicz (in his speech at the 2016 Christmas party)

Employees are to participate fairly in the profit of TGW Logistics ('participation in the corporate success') and at the same time assume responsibility for the sustainable economic, social and ecological development of the company ('assumption of responsibility'). "Exemplary entrepreneurship should be lived by all our employ-

ees", is how CEO Harald Schröpf sums up what he calls a "core element of Ludwig Szinicz' expectations" and thus the dualism of the topic. The assumption of responsibility that is also one of the 12 values of the TGW World ("responsible"), Schröpf continues, assumes that employees are *capable of* assuming responsibility, *want to* assume responsibility and are *allowed to* assume responsibility. With this, the assumption of responsibility as a part of the Dual Employee Participation is closely linked to two key topics of TGW: MINDtastic (formerly the Learning Centre) and the value system (formerly value process).

TGW Logistics has set itself the goal of giving employees a share of minimum 10% of the annual profits. The amount of the participation is regardless of position or location; the only thing that counts here is how long someone has been with the company. Within the framework of the Dual Employee Participation, every employee is thanked in equal measure for his or her individual contribution to the success of the company. Based on their current life situation, employees can freely choose what form their participation should take. Participation can be compensation in monetary form, time credits, health benefits and now also education.

At the GMC (Group Management Conference) on 3 July 2017, attended by the founder and the Chairman of the Foundation Board, the Dual Employee Participation was communicated to the executives of TGW Logistics (APPENDIX p. 274). In July 2017, the Dual Employee Participation was introduced to all TGW Logistics personnel in the second foundation update of TGW Future Private Foundation.

The CEO of TGW Logistics took up the subject in his CEO letter of December 2018.

## Employee participation: Time or money: You choose!

(Excerpt from a letter from the CEO / Dr. Harald Schröpf / December 2018)

(...) the assumption of responsibility and the fair participation in economic success were especially important to TGW Founder Ludwig Szinicz – think of the image of the TGW cow, its diligent care and the wise and fair distribution of its milk. As promised in the last CEO letter in February 2018, the model for employee participation has now been completed. From the EBIT of the 2017–2018 fiscal year, we have already put aside 10%, i.e. € 4.1 million. Until now, the question as to which criteria the money was to be distributed to the employees, according to which distribution key, had remained open. It also remained to be settled whether there should be various options for how you can consume your share. Questions we wanted to answer in all earnestness and with great care.

A project group headed by Marcel Braumann and consisting of colleagues from all divisions and departments within TGW has now developed a future-oriented model from a great many ideas and some solid cornerstones. We followed the team's proposal and will not make any differentiation in the distribution key between function or position in the hierarchy.

Everybody gets the same amount, depending only on how long they have been with the company. In a first stage, you can choose between money or time in some form. You'll find all the details about this in the attached folder. Use the upcoming holidays to decide which option is currently best for you and notify us of your decision by the end of January. By

March 2019 at the latest, the choice you made will be available to you. You can make a new decision in the following year.

### Just do it...?! A culture with even more space for personal responsibility

The other side of the Dual Employee Participation is something we keep just as firmly in mind. In addition to the monetary or money-equivalent gesture of appreciation, we as the Management Board want to create the best framework conditions for a corporate culture in which you can assume responsibility with joy and courage. In which we can credibly say: "Just do it ...". Yes, you are all pretty proactive already and are making a great contribution. But I still see many opportunities in TGW to reinforce this trend and improve the framework conditions for it.

What are we doing in tangible terms? Over the next 12 months, the focus will be on the continued build-out of our TGW Academy as a part of "learning and growing", as well as the careful slimming down and streamlining of our internal rules so as to promote personal responsibility. Our commitment to performance and our consistent customer orientation are no contradiction to our culture of "Focusing on people – learning and growing"! They are in line with the wishes of Ludwig Szinicz, for whom human beings were as important as exemplary entrepreneurship. And for him it was clear: Exemplary entrepreneurship is created by focusing on people. If the environment is right, performance is fun! (...)

## Key topic: values

Christoph Wolkerstorfer is responsible for the topic of values on the part of the TGW Management Board. In an “elaborate process” – his words – he and the project team developed the value system with 12 values assigned to 3 pillars, a formidable achievement from the point of view of the Foundation Board: “How we treat each other”, “The way we work”, “How we lead”.

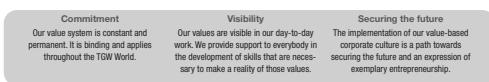
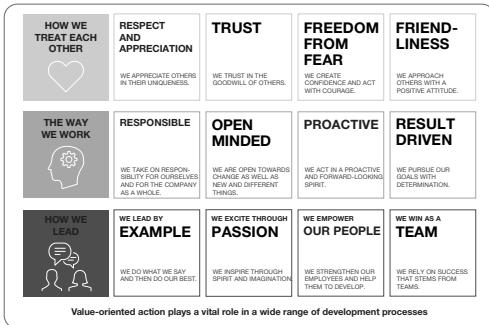
The design of the value system and the exact content of these values was presented in the context of the Foundation philosophy hexagon. At this point, I would like to address the question of how the value process was designed in order to compile a consistent overall system from a range of heterogeneous sources (Foundation values, values at TGW Logistics, leadership guidelines).

The question of why stood at the beginning. Why do we bother at all, and why do we define values as a key topic when there are so many already? Christoph Wolkerstorfer stresses that the driving force behind it was the founder’s wish as well as his personal conviction that the topic of values is of great importance. He writes: “It was Ludwig Szinicz’ concern to unite entrepreneurial success with an appreciative way of dealing with one another – to connect the head and the heart. With this, he defined an ambitious aim – and made us all responsible. The consistent implementation of our value-based corporate culture is a path towards securing the future and an expression of exemplary entrepreneurship. It has the power to lead us into a successful future.”

After drawing up the 12 values, Christoph Wolkerstorfer set himself the task of carrying forward the practical part at TGW Logistics, implementing value-based

### VALUE SYSTEM OF THE TGW WORLD

*“Based on the Foundation’s mission, TGW is not merely a convenient economic community but a purpose-oriented community of values that facilitates human and professional growth and entrepreneurial success.” (Ludwig Szinicz)*



For details on the value system, see page 125.

acting in the company and connecting head and heart. A total of 10 core value teams were formed for the global rollout, involving around 70 employees and the CEOs of their respective hubs or production units. The teams' main task is to actively shape the implementation of a value-based corporate culture in their units. David Hibbett, CEO of the Northern Europe hub, for instance, sought a dialogue with his team shortly after the values were communicated to the management team. In a video meeting, his colleagues shared their personal experience of how the values affect their daily work.

#### **Principles of the value process**

- Experiments are permitted and desired – there are core value teams in charge of implementation in every company division.
- Different speeds in implementation are acceptable.
- To meet such high standards, failure is also an accepted part of the process – so long as it's in the right direction.
- All teams are networked and engaged in active dialogue.
- Every quarter, progress is compared (What was done? / What have we learned from it, and what have we achieved? / Next steps?).

The value process is not seen as a conventional project with an endpoint defined at the outset. Instead, deadlines are set for what is to be achieved; then it can be determined whether the chosen path is the right one. In the short term, it was laid down in 2021 that the 10 value teams should act as multipliers, experiment, try things out and set goals. The perspective of the TGW World was thus better integrated.

- Every employee at TGW Logistics has engaged with our values in various formats.
- Best practice examples support and accompany the values in daily work in a wide range of formats and situations.
- Methods help to bring the individual values (12) and their explanatory statements (50) to the fore and help with extraordinary situations/challenges.

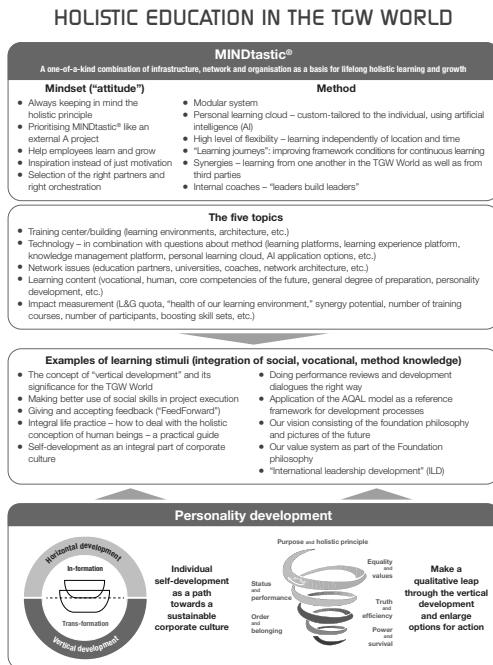
- As of September 2021, an employee who calls in sick need only submit a doctor's certificate from the third day, not the first – an indication that the company trusts people to handle this regulation responsibly.

In addition, there is to be increased focus on executives going forward; they are to be won over as active players; the recruitment and personal development interview (PDI) process will also be areas of focus. Solid understanding was established for what the objective should be in recruiting new employees, known at TGW Logistics as “We hire for an attitude along our values”.

For the PDI process a workable method was found for individual employees in conjunction with their supervisors to explore the topic of values for themselves. The topic of feedback has also been prioritised, which is shown by the fact that special training units are offered for it.

### Key topic: MINDtastic® (original name: Learning Centre)

“Learning and growing takes place naturally, everywhere and constantly. You can see it quite well in nature. If you assign a well-cultivated place to this growth, great conditions and the freedom to evolve, the result will be something very special.” This is how Jörg Scheithauer, responsible for the key topic of MINDtastic, summed up the goals of the project in late 2020. “With MINDtastic, we create the conditions for intrinsic motivation and a new type of culture for learning and life. It offers employees a splendid opportunity to grow personally.”

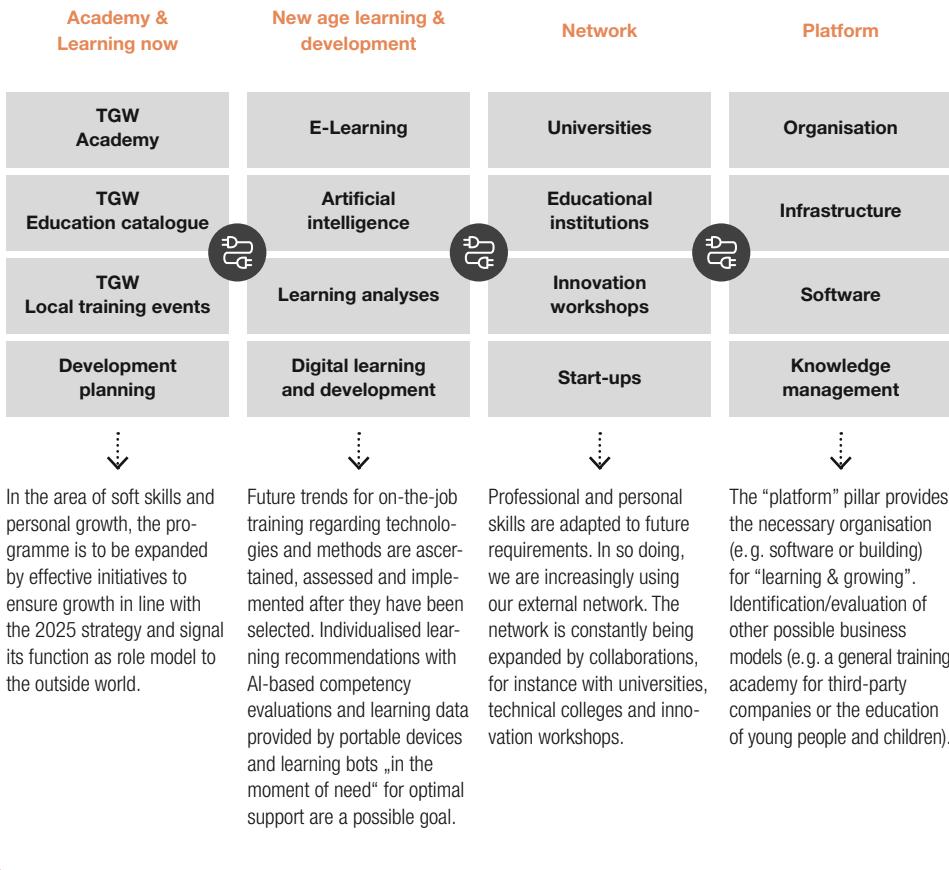


For details on MINDtastic®, cf. p. 146

## MINDtastic®

### HOLISTIC TRAINING AND CONTINUING EDUCATION CONCEPT

**MINDtastic® framework with 4 pillars as basis of the development structure, with temporal and content-based interaction and exchange**



In the area of soft skills and personal growth, the programme is to be expanded by effective initiatives to ensure growth in line with the 2025 strategy and signal its function as role model to the outside world.

Future trends for on-the-job training regarding technologies and methods are ascertained, assessed and implemented after they have been selected. Individualised learning recommendations with AI-based competency evaluations and learning data provided by portable devices and learning bots „in the moment of need“ for optimal support are a possible goal.

Professional and personal skills are adapted to future requirements. In so doing, we are increasingly using our external network. The network is constantly being expanded by collaborations, for instance with universities, technical colleges and innovation workshops.

The “platform” pillar provides the necessary organisation (e.g. software or building) for “learning & growing”. Identification/evaluation of other possible business models (e.g. a general training academy for third-party companies or the education of young people and children).

With the interlocking of personality, healthcare, social, professional and methodological skills, everybody in the TGW World is prepared for the future as part of a permanent process. The basic idea of MINDtastic can be compared to a voyage of discovery. Ongoing dialogue and the mutual exchange of experiences and insights create a sustainable culture of lifelong learning and humaneness. Values are

enormously relevant in this context. The journey has no fixed destinations, and the range of offers changes all the time. New methods, technologies and artificial intelligence will continuously generate new discoveries and new content. Individuals are helped to unfold their personal potential and be free from fear when dealing with new media.

The Foundation philosophy is the intellectual groundwork for MINDtastic, and sufficient funds are made available. The challenge remains for the project teams to select the right ideas, methods and content from the wide range of possibilities to stimulate learning in the long term.

Looking ahead, one objective of MINDtastic is that teaching and learning be interwoven. There are plenty of exciting topics, for instance:

- What is needed to boost innovative power?
- Why is our conception of human beings so important?
- What does vertical development mean?
- What do we mean by strategic selling?

#### **Courses in MINDtastic® (examples)**

- **Course: “FeedForward” – a new feedback-based, future-oriented way of thinking. Talking, acting as an example for the holistic approach of MINDtastic®** (Trainer: Lorenz Kraus; external)

- Shows the way in which contemporary and in-depth learning takes place (“learning journeys”): new course with a mixture of self-study, digital meetings, in-class meetings; many small stages, homework, etc.
- Establishes the relation to the value system; the value cards are used, which in turn refer to feedback
- All three TGW Logistics Managing Directors take part in this training course by joining different groups to experience this new form of learning for themselves.

- **Course: “The mindset matters – how vertical development can change your life”**

(Trainer: Matthias Uhl, TGW Future Private Foundation)

- First-time offering
- Very high demand
- Approx. 50% of participants from the UK and the US

For all these topics, there are experienced managers in the TGW World who are mentors and teachers; at the same time, they themselves gain new perspectives in the dialogue with participants.

To manage MINDtastic successfully as a so-called A project, it needs a compelling standard-bearer. Since 2022, Jürgen Roithmeier, manager at TGW Logistics for many years, has been the head of MINDtastic. He can now dedicate 100% of his time to his new task – so that a virtual multitude of learners and teachers may benefit from the holistic MINDtastic education and continuous learning programme.

### 3.2 The litmus test: the Foundation philosophy in the era of COVID-19

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COVID-19 arrived in Europe in mid-March of 2020. But who would have thought at the time that economic life would be, in some cases, brought completely to a standstill and that we would have to live with considerable restrictions for more than two years?

The Foundation Board quickly realised that dealing with the challenge presented by the pandemic would be a litmus test for the Foundation philosophy. Because one thing was clear: Not in fair weather but in storms and hail does it become apparent how stable an organisation is, how sustainable a strategy is and whether team members are really there for one another. So now it had come, the global megacrisis that most of us had only preemptively envisioned; nobody could have imagined it would be this gigantic.

危 机.

wei = danger   ji = opportunity

*“Crisis is a productive state;  
you just have to take away the aftertaste  
of disaster.”*

Max Frisch

On the organisational side, it was helpful that the subject of crisis prevention was firmly on the minds of the Board of TGW Future Private Foundation. Indeed, it

had been on the agenda of the Supervisory Board in November 2019; likewise, of the Foundation Board's closed meeting that same year. The discussion revolved around how we could increase the level of preparation in advance of any storm that might be looming and foresee measures that might be needed. Admittedly, nobody had any premonition that a pandemic would soon paralyse the entire world.

Looking back on the first period of the crisis in the early 2020s, we can draw a positive conclusion. During the apogee of COVID-19, the Foundation Board was particularly impressed by how well employees and managers worked together, acted in accordance with values and exemplified responsibility and solidarity. At the beginning, Harald Schröpf increased the frequency of his CEO letters to weekly updates to keep employees informed. Collaboration between the HR department and the work councils was also exemplary. Another great thing was the very nuanced and balanced response of the Management Board. "We took a close look and decided to help colleagues financially in countries with minimal public support. The focus here was on employees in the lower income bracket", says Harald Schröpf. This approach was discussed and approved not only by the TGW Management Board but also by the broader Executive Management Team.

Acting in solidarity and mutual support was indispensable in difficult times from the point of view of the owner, TGW Future Private Foundation. After all, the Foundation philosophy of "Focusing on people – learning and growing" was intended to become more and more a tangible reality. And it became clear: It's possible to balance the well-being of employees with the financial stability of the company. This would not have been possible without cautious and solid financial management in the past.

Harald Schröpf is convinced that good interpersonal relations paid off for TGW Logistics in many ways: "I'm pretty sure that the way we handled the crisis and how we worked together – internally as well as with customers and suppliers – left a positive mark", he says. "After all, even in projects where contracts had been awarded a while ago, you can only bill for services that have been delivered. So, the

team's performance cannot be praised highly enough! During the worst phase, one half of the plants built by TGW Logistics were affected by the shutdown, among them projects in Italy, France, Germany and the United States."

During the crisis, the focus in the TGW World was not only on the risk side of the current development but also on the side of opportunity. It was paramount to approach such a tense situation with an attitude that allowed us to seize opportunities wherever they cropped up rather than – paralysed by the difficulties – concentrate only on extinguishing the fire. The topics of risks and opportunities each got their own team.

Apart from the emotional aspects, if you take a sober look at the balance sheet figures for the pandemic years, things don't look bad at all. The TGW Logistics 2019–20 financial year ending 30 June 2020 closed above budget. And we even set new records with respect to order intake, sales, cash flow and EBIT in the 2020–2021 financial year.

JÖRG SCHEITHAUER  
CFO of TGW Logistics

## FRIDAY THE 13TH

I remember my first encounter with Mr. Szinicz very well.

How did this meeting come about? I'd just taken an important step in leaving my employer of many years. I was preparing my successor, didn't have a new job yet and I felt pretty free. Then Martin Krauss from the Foundation Board of TGW Future asked me if I knew of a good CFO. My response: "Well, I do know a CFO, and he's currently free. But whether he's good I leave you to judge!"

He didn't know I'd departed my previous job. This was in early January of 2015.

And a month later, it arrived, this Friday the 13th! I had my interview with Ludwig Szinicz. It took place on the top floor of Collmannstraße in Wels, at that time still the headquarters of TGW Logistics. *"I like being up there,"* he told me, *"because when I look out over the production halls, I dream of the beginnings of the company and how it grew into what we see before us now."* Over the course of our conversation, we returned to Friday the 13th.

He said to me: *"It's often been a lucky day for me."*

I said: "For me, too. I did my last high school exam on Friday the 13th and my last BA exam at Friedrich-Alexander University in Nuremberg on Friday the 13th."

At the end of the conversation, he said he thought it would once again be a lucky day for him and the TGW.

One always remembers such nice words! The conversation was very pleasant, and we had a wonderful relationship from the first moment on. I told him a little about my life, the start-up I founded when I was still at school, my apprenticeship, the pleasure I took in production companies and collecting experiences in various countries. Time flew...

It was a very friendly conversation on the personal level, and I was impressed and thrilled right from the start. Exemplary entrepreneurship was so present to him, there was no need to talk about it in detail. At the same time, I sensed his humaneness and how he reached out to a person, asking questions, showing interest without any judgement, simply appreciating somebody as a human being.

EVA KIRCHMAYR

*Head of B.E.L.*

## **A SCHOOL AS A MIRROR OF THE FOUNDATION PHILOSOPHY**

Focusing on people – learning and growing: What would fit the idea better than a school? It's here where growth takes place, where personality development occurs.

It's like this: Our private elementary school B.E.L. has three basic principles:

I want, I do, I am.

This best reflects the idea of focusing on people.

Most importantly, the children feel comfortable here, enjoy coming here and are appreciated here. They're not just a number. They are part of a group and have a relationship with the teachers. In short, they're happy to go to school!

I think every child has a predetermined path. And it's my job to go along with the children on their journey. With our holistic approach at B.E.L., I can accompany and support them in the best possible way.

Unfortunately, my father\* cannot see the harvest of his hard work... I had my first fourth grade in 2020, an important milestone. Though my father never had much time, we often talked about B.E.L., and he always encouraged me, saying the school was doing quite well. He was proud of me, I felt that.

He trusted me 100%. He also trusted me with the conversion of the old school and the new programme.

He had my back, for sure. He used to say:

*"It's your school. And I know you'll turn it into something great!"*

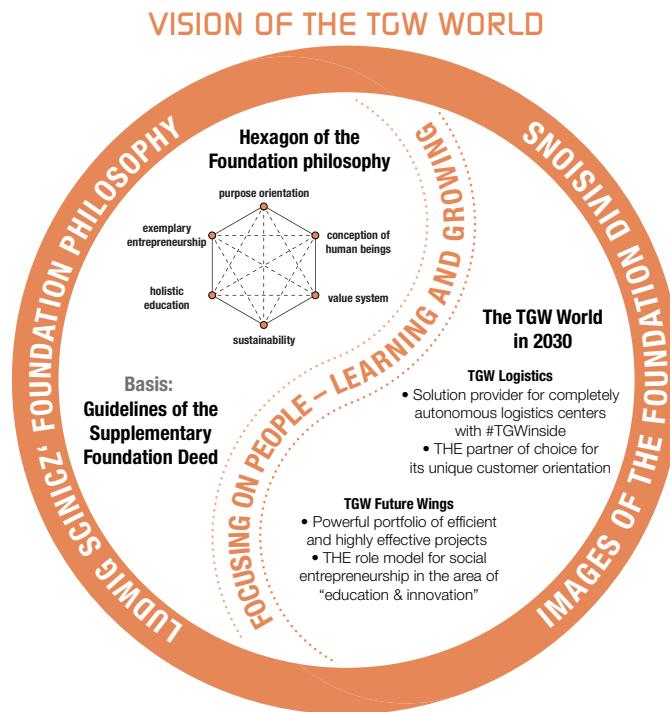
*\*Ludwig Szinicz*

4.

The vision: “The Foundation philosophy and pictures of the future” as tandem implementation for the future of the TGW World

This book aims to present the Foundation philosophy as the driving force in the TGW World. This is why the original document that contains the founder’s words verbatim was precisely analysed and integrated into the overall context in a uniform way, and then the hexagon with its six dimensions was presented in great detail.

It’s important to have a clear view of the Foundation philosophy when it comes to the vision for the TGW World – together with the pictures of the future for both Foundation divisions, they constitute the tandem implementations for the future of the TGW World.



A vision is like  
a lighthouse  
and a sailboat.  
You need  
a good captain  
and a good crew  
who know  
where you are  
sailing to.

Ludwig Szinicz

#### 4.1 Presentation of the background story as well as terminology and overview of the pictures of the future

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The Foundation philosophy is therefore necessary but not sufficient to get an idea of the vision. The vision in turn is essential if you keep in mind that Ludwig Szinicz wanted TGW Future Private Foundation to exist in perpetuity. Although the TGW Future Private Foundation as the supreme guardian of his legacy is committed to this, the Foundation Board would like to underscore the excellent framework conditions that will hopefully allow the TGW World to further develop over many decades.

Achieving the vision of the TGW World means having an eye on two interdependent dimensions at the same time. It's not enough to work on the pictures of the future for both Foundation divisions, nor does it suffice to apply oneself solely and one-sidedly to the Foundation philosophy. The vision of the TGW World will have been achieved, at least for the cycle of one generation, when TGW Logistics and TGW Future Wings have implemented their respective pictures of the future; when implementation has been crowned with success in both industrial and social entrepreneurship – and when persuasive pictures of the future have been worked out for the next stage, for the next generation. Because for a foundation that is in principle designed for perpetuity, it's about the systemic approach that always enables renewal in the best sense; this includes enhancing the vision at regular intervals and being well prepared not only for the near future. For this sharpening of the vision, tangibly fixed pictures of the future are of particular importance. On page 208 et seq., the future visions of the 10 social entrepreneurship projects are therefore presented as illustrative examples.

In addition to these two dimensions, the terminology and corresponding classification scheme are also important for understanding the interrelationships. The journey is the goal. The vision makes clear that it is not only about what we do and that we achieve good results, but also how we succeed in achieving these results.

## TERMINOLOGY

A vision becomes a reality

### Vision (Foundation philosophy + picture of the future):

- Foundation philosophy: "What we stand for"
- Picture of the future: "What we aspire to be"
- Long-term content alignment describes the ideal future state we aspire to as an organisation and what we would like to impact in society

### Strategic initiatives, objectives, measures:

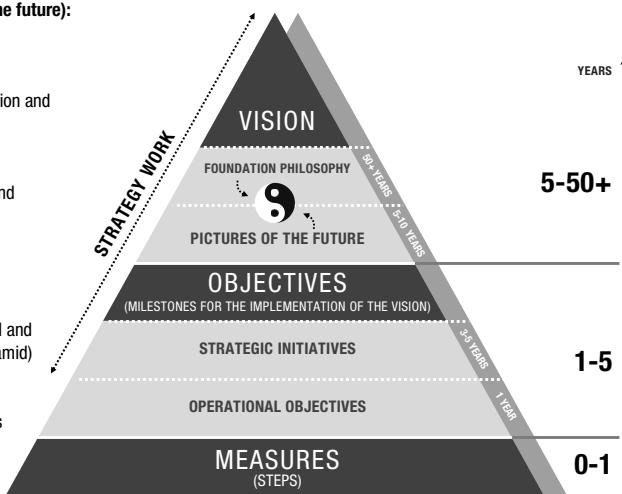
- Strategic derivations, operational objectives and specific measures make our path towards the target state manageable and measurable.
- Impact logic is the main tool here.

### Target systems:

- Totality of goals. The goals are interconnected and are constantly being coordinated (target pyramid)

### Indicators:

- Ascertaining our development steps by means of indicators vouchsafes the required transparency and allows us to proceed in a goal-oriented manner.



Of course, you might ask why such a terminology is needed at all. Common terms and a shared language facilitate communication and reduce misunderstandings. We get to the point more quickly, we know what we are talking about and how and where things are embedded in the big picture. When it comes to individual topics or measures, you always have to dig deeper. First classifying something generally and only then looking at facets in more detail can be of immense help in concentrating on what's essential and prevent you from not seeing the forest for the trees.

In order for the vision to become reality, good framework conditions and prerequisites are needed. Ludwig Szinicz' ambition always to approach things in a highly professional manner will guide the TGW World into the future. There are so many topics – important ones and seemingly small ones – that are currently being implemented with a lot of commitment and creativity on the team. With the pictures of the future in mind, three major topics are given centre stage here. They are of crucial importance to all of us when it comes to implementing the Foundation philosophy.

## PICTURES OF THE FUTURE “SOCIAL ENTREPRENEURSHIP”

What the various projects have planned leading up to 2030

	<p><b>Sueniños</b></p> <p>200 young participants have significantly improved their lives with the help of this holistic educational project – numerous government agencies use our expertise in the field of “social franchising for the integral education of young people”. Furthermore, 50 ambassadors spread the ideas of Sueniños around the world.</p>
<p><b>CAP.-Training</b></p> <p>We are a beacon in the educational landscape after having modernised the mechatronic programme, making cyber security state of the art and offering AI as continuing education. Technical training, social competencies and personality development make possible a stable framework for holistic growth.</p>	
	<p><b>B.E.L.</b></p> <p>We share our experience in providing holistic care and supervision of elementary school children with external teachers and educators – through lectures, publications and opportunities for internships. With the creation of a B.E.L. kindergarten, we aim to deepen and extend our pedagogical sphere of influence. New, future-proof teaching tools are used.</p>
<p><b>Monkey Motion</b></p> <p>Our project will be firmly established at more than 50 elementary schools – over 1,500 children will have experienced how much fun physical exercise can be and will have strengthened their motor skills. With MoMo box, with yoga and mindfulness, we have integrated more content into our exercise programme, winning over more and more monkey-enthused trainers.</p>	
	<p><b>GRAND GARAGE</b></p> <p>“THE place for experimenting, evolving and learning with joy, where young people interested in technology can spread their wings.” As a center for low-threshold technology access in Upper Austria, we are an established partner for educational institutions; we also work with representatives from the arts, academia and commerce. We are the established networking partner for technological humanism at a national and international level.</p>

<b>Learning Circle</b> <p>Every child in Austria will know the Learning Circle. A learning coach will be available to all those who want to join – 30% of attendees come from low-income families. The project will be 100% self-financing and is active in the German-speaking region and other European countries. Integrated personality development is implemented effectively.</p>		
	<b>SOS-Herzkiste</b> <p>The SOS Herzkiste will be used in all secondary level-1 classes to foster holistic development processes, self-efficacy and solidarity of children in Austria. We support hundreds of teachers in supporting holistic development and enrich their teaching with even more creativity and appreciation. From this, schools become places of shared creation and of coming together on an equal footing.</p>	
<b>CODERS.BAY</b> <p>We are an excellence center for low-key teaching of skills in the area of coding, software and network technology. Our young attendees experience a unique combination of specialist training and personality development.</p>		
 <b>FUTURE WINGS CHALLENGE</b>	<b>Future Wings Challenge</b> <p>We are THE incubator for social enterprises with a focus on education and partner of the most effective projects in Austria. We act as a blueprint for educational concepts of other organisations throughout Europe. Especially with the TFALL (=Tech For All) network, we contribute to more educational justice in other countries as well.</p>	
<b>NOVA ZONE</b> <p>The top organisations from industry, culture and entertainment as well as educational institutions in the German-speaking region use our offer of a fascinating experimenting laboratory for methods and processes related to innovation and the future. The aim is to initiate groundbreaking economic, technological and social innovations.</p>		

- **Implementation of a smart personnel policy at TGW Logistics**

People are the key to success (“It’s all about people!”). Accordingly, the personnel strategy is aligned to the Foundation philosophy; TGW Logistics is singled out here by way of example, but a lot of it is also relevant to social entrepreneurship.

- **Utilisation of diverse growth options at TGW Future Wings**

The framework conditions in the Foundation division of social entrepreneurship open up fantastic growth opportunities and thus powerful and credible possibilities for implementing the picture of the future for TGW Future Wings.

- **Measurable evaluation of the performance of the two Foundation divisions**

The impact logic and an indicator system serve as a building kit to make this transparency visible.

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The big challenge when talking about the vision of the TGW World is effective and professional implementation. This may seem trivial. But is it really so easy to implement specific measures that can be derived from the pictures of the future in accordance with the Foundation philosophy?

A uniform understanding of the vision is a prerequisite. The idea is not to make employees of the TGW World feel obligated to draw up checklists around those aspects of the Foundation philosophy that concern their projects, to wriggle through them with the aim of checking off as many items as possible during project implementation. No, the TGW World will never come closer to its vision in this way. Because stressing organisational matters, accounting, bureaucracy never makes people get 100% behind an idea.

The implementation of the vision is primarily about creating pictures in people’s minds. Let’s take the example of the bricklayer who helps to build a cathedral: He could take a prosaic view: “I just put bricks on top of one another on the west side, that’s my job”; or he could have the big picture in mind and proudly say: “I

am the builder of a cathedral.” Pictures before our inner eye and the big picture in the back of our minds – that’s what matters. In the TGW World, primarily those employees are in demand who – to use the same example – can see the cathedral. This is also the case when it comes to implementing the following three strategic topics.

## 4.2 Example: TGW Logistics’ personnel strategy

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The personnel strategy is one of *the* keys to the reliable implementation of the Foundation philosophy. Therefore, it is at the top of TGW Logistics Management Board agenda and is also highly relevant to the Foundation Board of TGW Future Private Foundation – it has been a constant agenda item of every closed meeting since 2020.

Since the new internal rules of procedure for the Management Board were adopted in 2020, both the appointment and dismissal of key personnel require the approval of the Supervisory Board. This applies, for example, to the CEOs of the “hub-leading entities”, i.e. the key units in the company, as well as to first-level departments below the Group Management Board, such as the heads of Human Resources, Corporate Development, Innovation and Technology and Project Realisation. The Management Board of TGW Logistics proactively consults the Chairman of the Foundation Board regarding senior personnel decisions, i.e. recruiting, appointments and dismissals. In this way, the Foundation Board fulfils its role as the owner and acts in accordance with the Fundamental Principle of advance control: Comprehensive engagement with the input is thus given priority over output control that may come too late.

The personnel strategy is a key element for the entire TGW World in order to make “Focusing on people – learning and growing” a credibly tangible experience. Currently, the personnel strategies at TGW Future Wings are also being prepared. Since the projects have different focal points, there are of course specific personnel strategies tailored to the respective requirements.

***“First Who … then What.** We expected that good-to-great leaders would begin by setting a new vision and strategy. We found instead that they first got the right people on the bus, the wrong people off the bus, and the right people in the right seats – and then they figured out where to drive it.”*

Jim Collins, *Good to Great*, 2001, p. 13

In the following we want to address the personnel strategy of TGW Logistics specifically. It was not systematised until 2016. Among other things, a global HR network has been established, which today deals with advanced topics such as workforce analytics, the further expansion of the Dual Employee Participation

as well as the “Hire for attitude along our values” initiative. Finally, there are big tasks in the offing for the Human Resources team. In the next five years, TGW Logistics will recruit about 2,000 employees worldwide. This will increase the number of employees by up to 50%.

The TGW Human Resources Strategy 2025 is based on the vision (= Foundation philosophy + picture of the future) and the five strategy fields of Autonomous Fulfillment Centre, Partner of Choice, Standardised Solutions, Operational Excellence and Big in North America. It takes into account not only the high quantitative requirements, i.e. the expected increase in the number of new employees, but also a wide variety of trends in today’s working world: the flexibilisation of work location and working hours, changing skills requirements; the general level of preparedness, holistic personality development – all these topics are becoming increasingly important. Developments such as the impact and consequences of artificial intelligence or the new shared values of generations Y and Z also play a role.

What is the ultimate goal of the personnel strategy at TGW? Put simply, it’s about deploying the right people in the right way – a highly challenging goal, as everyone knows. In his book *Good to Great*, Jim Collins uses the bus metaphor to describe the high relevance – perhaps surprisingly so for some – of employee selection in the context of management work. Only with the right people on the bus can a good company turn into a great company.

For Collins, selecting the right people for the right jobs takes precedence over other tasks such as working out detailed steps for strategy implementation.

At TGW Logistics, too, the HR strategy has evolved from a very important task backing up the business to one of *the* main tasks. CEO Harald Schröpf emphasises: “The Foundation philosophy has a double meaning for us in the personnel area. It is about winning people for TGW Logistics who not only accept the Foundation philosophy but also enthusiastically help to shape it. We already have the feeling that many are quite taken with our special kind of entrepreneurship. On the other hand, this means for us as an employer that we have to look particularly closely at people’s attitudes and their values during the application process – precisely because of our foundation model – which is quite a challenging task.”

**Fundamental aspects of TGW Logistics’ personnel strategy** were developed by the Management Board in 2020. They are briefly summarised below:

- **Excellent recruiting:** The success of a company is largely determined by the qualifications as well as the attitude of its employees. It is therefore not only a question of excellent technical qualifications but of the right attitude, a congruent set of values and social skills (“the right people on the bus”) as well. This approach is also very compatible with our drive for diversity in the company. This is because the desired attitude is much more about a fundamental agreement with our value system and a willingness to play an active role in the further development of the corporate culture.
- **Excellent onboarding:** Specialised training programmes, mentoring and coaching are vital to give our new employees a good start and integrate them into our organisation. In the future, the framework for these training programmes will be MINDtastic, which takes a holistic approach to learning.
- **Continuous learning:** Holistic education – both as an individual and as an organisation – is one of the hexagon’s sides in the Foundation philosophy “Focusing on people – learning and growing”: Our MINDtastic is designed to provide an optimal framework for this and prepare employees to succeed in a VUCA world that demands modern collaboration and teamwork methods. The learning and growing of each individual employee is decisively shaped by how executives act.

- **Leadership training courses:** Since the role played by executives is crucial for the personal development of employees and the further development of the entire company, the leadership training courses launched a few years ago are a main focus of MINDtastic. In the future, they will continue to help develop a common understanding within the leadership team and will therefore be offered more widely.
- **Development of our employees:** Regular so-called personal development interviews (PDIs), i.e. discussions on personal and professional development, are an essential part of HR work: giving and accepting feedback. The employee's individual performance can be reviewed and a conversation about personal development based on individual interests and potential be initiated. Engagement with the values and the corporate culture play a role here as well. It is very important that the circumstances under which work is done are always taken into account when assessing performance. After all, performance not only has something to do with people's will and abilities but always with their environment as well. In short, it is about willingness to perform, ability to perform and possibilities to perform.
- **Culture of regular feedback:** This supports learning and growth quite decisively. Feedback is both a craft and an art; but it is always subjective. It is not always clear what constitutes "giving and receiving good feedback". Particularly during separation interviews but also long beforehand, it is vital to clarify how well feedback was or was not used. With the new FeedForward training format, employees can systematise their skills in giving and receiving feedback.
- **Systematic job rotation:** This regularly provides good opportunities for employees to develop personally and professionally. It is therefore one of the best ways to enable individuals and the company to learn and grow.
- **Compensation policy and processes:** As a matter of principle, we aim to pay salaries that are at least at market level. Fairness plays a major role in compensation and in defining salary paths for different positions. In order to pay fairly, it is a question of cross-comparisons within TGW and comparisons both with the

market but also outside the TGW market, in each case taking into account the assessment of potential.

- **Global HR processes and tools:** Under this umbrella created in 2016, HR managers are working locally and across divisions to strengthen a systematic and structured approach at both the individual and at the company level. The aim is to advance personal development and corporate development – they are closely intertwined! – in line with our vision. Systematic succession planning is also relevant in this context. The AQAL four-quadrant model can be a valuable inspiration for structuring all HR processes and HR instruments. It can be inspiring when it comes to advancing forms of work successfully, for example in the direction of “new work”.

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In addition to these very specific measures planned by TGW Logistics, I would like to remind you of the great potential that can be raised by applying the so-called **S-curve in personnel development.**

The S-curve concept originally comes from strategic innovation management with the perspective of the potential of technologies for further development. An S-curve graphically illustrates the gain in performance that can be achieved through additional R&D expenditure and is thus a measure of R&D productivity. This classic S-curve approach can be applied to “learning and growing” and show individuals, teams and even an entire organisation which development path (start-up, growth, maturity phase) they are on, and help shape healthy growth.

Our two Foundation divisions (TGW Logistics and TGW Future Wings) are characterised by strong growth. Consequently, shaping individual and collective growth processes is of immense importance also with regard to diversity. A central question is: “What mix of skills and experience is needed for healthy growth?” This question of “learning and growing” thus arises for each individual and for the company as a whole. Here, we are all challenged to design “smart” growth (for a more in-depth look at this, see e.g. Johnson, W., *Smart Growth*, 2022).

## 4.3 Example: TGW Future Wings' growth potential

Since the start of social entrepreneurship in 2007, a total of 36 million euros has been invested in the projects, 24 million in grants from the TGW Future Private Foundation and its legal entities and 12 million euros in external funds. The quantitative growth opportunities are enormous. Qualitatively, it is also essential to leverage existing potential in the best possible way.

### TGW Future Wings' growth potential

#### Quantitative growth

##### External levers

- LEVER 1: Building out partnerships
- LEVER 2: Professional fundraising

##### Internal lever

- LEVER 3: Profitable growth of TGW Logistics
- LEVER 4: Increase in the distribution of TGW Logistics to TGW Future Private Foundation
- LEVER 5: Percentage increase in the use of funds of the TGW Future Private Foundation for social entrepreneurship

#### Qualitative growth

- LEVER 6: Exploit the potential for improvement by applying the indicator system of the impact logic (side effect: boosting attractiveness for partners due to the know-how transfer on the subject of impact logic)

In the following, potential quantitative and qualitative growth levers are explained. The quantitative levers are presented first. External levers refer to levers that can only be implemented with the help of external parties, while internal levers refer to those that affect only the TGW World.

#### – LEVER 1: Building out partnerships

The aim is to join forces – wherever possible – in order to increase the impact on the topic of education & innovation. Cooperation with partners, for example with regard to educational innovations of like-minded companies, ensures that synergies are used. Today, we work together with different partners in various ways. In principle, it is always important for us to work together on an equal footing.

#### **Analogy of parent-child relationship**

One goal consists of setting up the projects such that they will become increasingly independent of TGW Future Wings and viable on their own. In simple terms, this process can be compared to the relationship between parents and children. Responsible parents prepare their children for life in the best possible way by providing an excellent upbringing and education and letting them grow into their independence. They delight in their children's free and autonomous development. Of course, they are there to help when needed, but there is no overprotection or nannying.

#### **– LEVER 2: Professional fundraising**

Through the systematic solicitation of funds from companies, public funding options and private individuals for “education & innovation”, i.e. for that topic with which we want to achieve an impact through TGW Future Wings, the available funds can be significantly increased. This is in line with the will of the founder, who was definitely interested in financial independence – i.e. the greatest possible autonomy of the projects – since this improves, or enables in the first place, the long-term viability of these individual projects. Should the proprietary revenue ratio be increased from today's approx. 33% to over 50% across all projects, for instance, then the funds available to TGW Future Wings would increase once again.

#### **– LEVER 3: Profitable growth of industrial entrepreneurship**

The absolute amount of the distribution to the TGW Future Private Foundation increases whenever TGW Logistics increases its annual profits.

#### **– LEVER 4: Increase in the distribution of TGW Logistics to TGW Future Private Foundation**

The current minimum distribution of 1/3 of TGW Logistics' annual profits to TGW Future Private Foundation could increase by up to 50% – more would not be possible, since the TGW Group must always be given priority over all other beneficiaries.

- **LEVER 5: Increase in the use of funds of the TGW Future Private Foundation for social entrepreneurship**

At least 30% of the distribution to the TGW Future Private Foundation must be used directly for TGW Future Wings. This 30% is currently the status quo. However, considerably more would be allowed to be and could be used. This is because distributions to former beneficiaries, for example the founder and the former CEO, are no longer made. Distributions to future Managing Directors are also not set in stone and could be replaced by other salary models.

- **LEVER 6 (= qualitative): Exploit the potential for improvement by applying the indicator system of impact logic**

TGW Future Wings aims to use the funds earmarked for social entrepreneurship mindfully, i.e. efficiently and effectively. Indicator systems based on impact logic, which are developed individually for each project and then applied comprehensively and consistently, offer enormous leverage in measuring impact efficiently and effectively and drawing conclusions for the further use of funds. The indicators show how effectively the money has been used. This approach is comparable to auditing R&D effectiveness. Particularly in the case of social projects, there seems to be a great risk that funds are used in an extremely idealistic but rather inefficient manner. This can quickly lead to the impact being negligible despite a lot of money being invested. In addition, there is another synergy effect: If funds are used particularly effectively, the fundraising described in Lever 2 is also likely to be far more successful.

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These six levers thus present enormous growth potential for social entrepreneurship. The emphasis is on the word potential. Not all options need to be exhausted in their entirety, especially since the big picture – the sustainable development of the entire TGW World – must be kept in mind. But it is also clear: The management team of TGW Future Wings will make generous use of these tools as concrete levers towards the healthy growth of TGW Future Wings.

#### 4.4 Example: impact logic and indicator system

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An exciting and essential question concerning the implementation of the Foundation philosophy is: How do we succeed in making transparent whether and how we are successfully pursuing the Foundation philosophy and the pictures of the future, achieving progress and thus coming closer to the vision of the TGW World? It is about transparency in our own organisation. It is about critical and constructive self-reflection. But it is also about credibility in terms of realising the vision, the imagined reality of the future.

The further development of the corporate culture called for by Ludwig Szinicz in his Christmas speech can only be successfully and sustainably implemented if the employees sense there is progress towards the vision of the TGW World and if this progress can be tangibly demonstrated. Maximum transparency, self-reflection with regard to efficiency, effectiveness and meaningfulness of one's own actions and proof of an impact-oriented way of working will be very helpful whenever TGW World wants to attract external collaborative partners. After all, transparency helps TGW World, its three parts and its subunits to be perceived as credible and taken seriously as an attractive and professional (new) employer or collaborative partner.

The above question concerning the vision and transparency on the way towards its realisation is as justified as it is challenging when we reflect upon the Foundation philosophy and the six dimensions of its hexagon. At the level of individual, primarily quantitative aspects, it may still be easy to check them continuously – for example, the number of participants in the Monkey Motion exercise programme or courses in the GRAND GARAGE. The difficulties grow when it comes to measuring the implementation of the value system or successes in holistic education. Multidimensional issues such as sustainability are likewise challenging with regard to measuring their impact. They must not be reduced to a narrow view, only looking at CO<sub>2</sub> levels or at expenditures for research and development or for learning and growing. How far has the TGW World advanced on this journey?

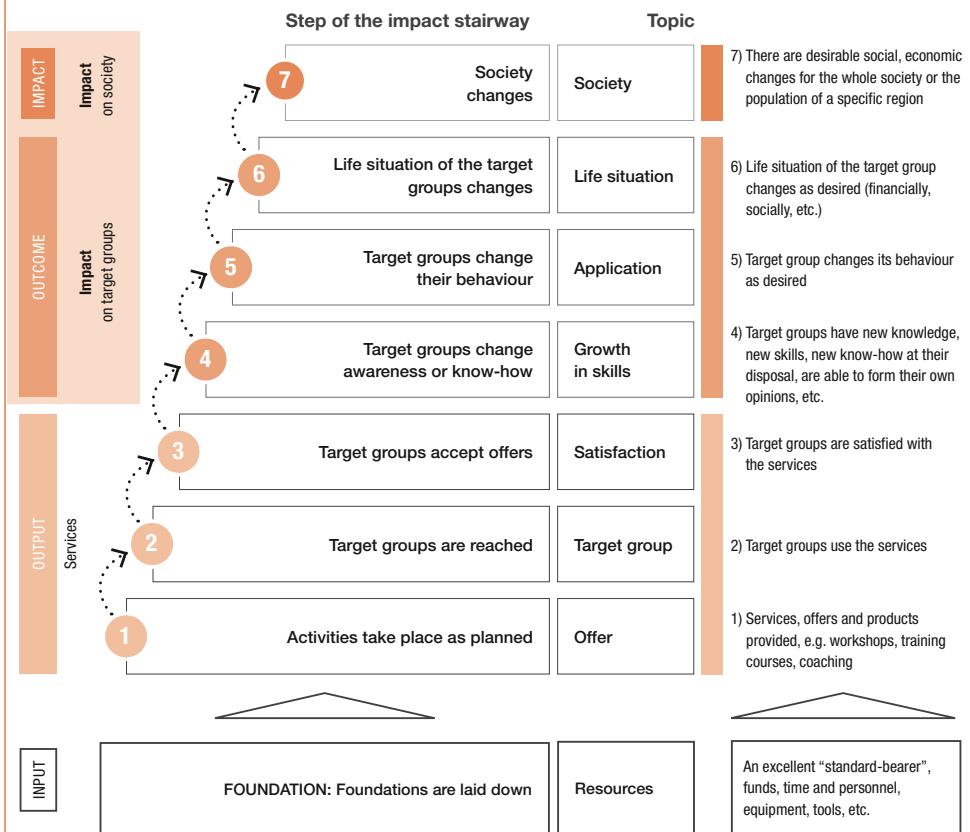
# IMPACT LOGIC

Social Reporting Standard:  
Impact stairway for impact measurement



On our website at: <https://www.wirkung-lernen.de>, you'll find intriguing and exciting information on the topic of impact measurement.

## MODEL OF THE IMPACT STAIRWAY



Graphics: Impact stairway based on the Social Reporting Standard (SRS)  
(Secondary source: SRS; primary source of SRS: "Kursbuch Wirkung," p.5, [www.kursbuchwirkung.de](http://www.kursbuchwirkung.de), PHINEO gAG 2013)

How is it possible to make the analysis holistic, that is, above all, not only quantitative but also qualitative? And is this possible without at the same time creating a complexity that with all these details obscures the view of what's essential?

The graphic on page 220 shows an overview of the correlations of our impact logic at TGW Future Wings. What are the objectives of this impact logic?

- It describes not only the path from the vision (Foundation philosophy + pictures of the future) to specific actions in day-to-day work but the desired future as well. This gives everyone a picture of what the target state looks like.
- The indicators help us to find out at which levels we have already shaped our resources (input), our performances (output) and our impact (outcome) in a goal-oriented way. They are therefore the basis for questioning our own ideas, opinions and ways of acting, maybe letting go of established things or changing them where necessary.
- The indicators are an important management tool, especially for project leaders, because they flesh out in detail any feedback, provide orientation and prepare the necessary basis for decision-making.
- The impact logic can be a value contribution that makes social entrepreneurship attractive to cooperation partners and helps with fundraising.

In 2020, it was decided to implement impact measurement at TGW Future Wings based on the Social Reporting Standard (SRS) impact stairway. This is an internationally recognised standard for reporting in the non-profit sector. Based on the SRS, it has been measured since 2020 – first with two pilot projects, Sueniños and CAP., then gradually more comprehensively and systematically at TGW Future Wings – by indicators whether the respective project is effective and efficient in relation to the individual picture of the future.

## Presentation of the impact logic terminology

In the following, key terms revolving around impact logic as visualised on page 220 will be briefly defined. The aim is to avoid misunderstandings by using a common language along with the same definitions of terms, and to create as much clarity as possible for everybody.

- **Impact stairway:** In addition to the seven steps, the foundation is also really important. The input are the resources for implementing the project in question, which is also given great importance in the sense of the Fundamental Principle. Only when the impact (step 7 of the impact stairway) is mirrored in the vision (i.e. the Foundation philosophy and pictures of the future taken together) will it become transparent how effective each project and TGW Future Wings as a whole are.
- **Topic:** Each topic, such as “satisfaction” or “growth in skills”, describes a step and helps to classify it concisely.
- **Dimensions:** Each topic, in turn, is analysed on the basis of specific dimensions, with identical dimensions to be covered for different projects. In the case of the topic “growth in skills”, for example, the criterion “personal development” is always to be taken into account, regardless of the project.
- **Indicators:** This is about specific measurement and key figures. What do we measure, and how? How do the dimensions develop? Which indicators do we define for TGW Future Wings? When setting up the indicator system, the aim is to find common indicators for all projects. For example, “satisfaction” can be queried using a questionnaire for participants. Ultimately, it is about an intelligent modular kit that is standardised as comprehensively as possible yet still allows for individuality.
- **Measurement:** What types of measurement are there? Many associate measurement with the cardinal measurement system (e.g. x euros were invested; or courses of a total of y hours were offered). However, TGW Future Wings also considers the nominal measurement system (0 or 1, yes or no, etc. – for

instance: Would you unconditionally recommend our organisation as an employer?) or the ordinal measurement system (low – medium – high or scale of 1–10, etc., for instance: How well did you like the training on a scale from 0 (not at all) to 10 (perfect!)?

- **Impact:** “Output” (levels 1–3) is initially about “services”. TGW Future Wings only talks about impact from step 4 of the impact stairway.

With the academic support of the Steyr University of Applied Sciences, the TGW Future Private Foundation developed the impact logic and the indicator system for TGW Future Wings and all its projects. The design of the questionnaires was of particular importance. An intelligent design was achieved that combined high user friendliness for participants with at the same time a persuasive, meaningful, and above all clear illustration of the results at first glance.

### **From a financial metrics-oriented to an impact-oriented performance measurement – a change of perspective**

When it came to the description of “exemplary entrepreneurship” in the hexagon of the Foundation philosophy (cf. p. 160 et seq.), the principle of using synergies was mentioned, which should also be exploited within the TGW World. When it comes to performance measurement, it makes sense to venture a transfer from social entrepreneurship to industrial entrepreneurship.

In the future, industrial entrepreneurship could also increasingly take into account not only performance in terms of output but also results in terms of outcome and impact. TGW Logistics can therefore continue where the management control of classic industrial companies usually leaves off. Isn’t this approach especially impactful when you think about the implementation of the human-centred vision of the TGW World? Ultimately, it is about a courageous change of perspective in performance measurement: away from an inflexible focus on euros or dollars and the benefit to one’s own company to a wider view encompassing the sustainable impact outside one’s own organisation.

Recognising the underlying causes of problems at an early stage, learning from them and adapting the input – it helps if you also keep an eye on the impact at an early stage. For example, there are important indicators in the HR area that can help quantify how well the TGW World is doing in both Foundation divisions in terms of implementing the Foundation philosophy. Take turnover rates, for instance: If people feel good about their work because the environment, leadership, task and compensation are right, then they are less likely to want to leave the company. With indicators such as the number of women overall and in management positions, mixture of seniorities, age distribution, internationalism and education, valuable conclusions can be drawn as to where there is a need to catch up on the topic of diversity.

Regarding the topic of employee selection, it is also important that the greatest attention be paid to the input, i.e., the selection of the right employees. Sufficient time must be invested in this, and it must be carefully checked whether people are really up to the requirements and can grow with them. Wrong recruitments happen again and again. But who is really aware of the fact that it is usually not the employee himself or herself who is at fault but the company (keyword “selection fault”). It is not uncommon, for example, for excellent technical experts to be promoted to a management position – without early comprehensive preparation towards a management career.

If the basic concept of a project is on track and sufficient financial and human resources are made available, an excellent project manager can help to ensure that excellence also prevails in project implementation. The goal must therefore be to select the right standard-bearers, then keep an eye on their performance and support them as well as the entire team in learning and growing.

## **Outlook: MINDtastic® as an example of a developmental journey in impact measurement**

Consistently implementing an impact model requires a great deal of preparatory work, even in the TGW World. For most topics, it is important to embark consciously on a longer developmental journey, to define individual specific goals as intermediate stages, to assess goal achievement regularly and to readjust as necessary. In other words, it is a matter of evaluating what has been achieved, when it has been achieved and how it has been achieved.

One such developmental journey is MINDtastic, through which the TGW World wants to become a benchmark in the field of learning within the next five to seven years, in Upper Austria and beyond. Here, it will prove important to keep an eye on whether the right thing is being done (effectiveness) and whether it is being done correctly (efficiency). Two key aspects, already mentioned elsewhere in the book, will be referenced here as examples. Keyword 1: *Alice in Wonderland*: It is not enough that our plan is good; speed as well as a sufficient investment of time and money are equally important (e.g. increasing the L&G rate from x% in 2022 to y% in 2025). Keyword 2: Holistic personality development (cf. p. 148 et seq.): Here, the “output” could be checked regularly: How many courses on personality development are there on the curriculum today, how many will there be tomorrow and the day after tomorrow? How many have attended these courses? And what was the satisfaction rate, i.e. the average rating by all participants? In a subsequent step, the focus could then be on the “outcome”, i.e. the impact in the actual sense: How much have the “growth in skills”, the “application” and finally the “life situation” of the respective person improved? And are we achieving the societal “impact” we’re looking for?

CHRISTIAN LUTZ

*Member of the Board of the TGW Future Private Foundation*

## **DRIVEN BY THE IDEA OF OPENING UP NEW OPPORTUNITIES FOR YOUTH**

*"You can't go before the Management Board like that!"* Ludwig said, after I had completed my first small assignment at TGW as a young student and was supposed to present it there. Without further ado, he drove me to his tailor and gifted me my first business suit. A small example of how Ludwig helped many young people – and had great fun doing so!

Since I started my studies in 1986, I often met him when he visited his son and my best friend, Christian, in Vienna. We immediately got along very well. Those frequent meetings turned into a close friendship spanning decades.

Ludwig always liked to hear about our innovations and to foster and support them. We had regular coaching meetings. He was always very well prepared. He noted everything down on his legendary steno pad and forgot nothing. There was never a meeting where he hadn't thought in advance: *What do I want to discuss today? What do we need to deal with? What should we agree upon?* Those were very instructive interactions.

He also supported my first really big entrepreneurial idea without reservation, not only as an advisor. He spontaneously lent me 1 million Schillings in share capital when we'd made a contract written on a napkin! Maximum risk, no collateral, just the promise of a share of the profits on exit. *"I never doubted you and your ability for a second,"* Ludwig said to me later when he received his share of the profits.

Not only our professional paths to success but also our personal development was close to his heart. From great lectures to extraordinary trips with topics like self-discovery or shamanism: He exemplified his credo of learning and growing to the core. And I try to model myself on him. Ludwig has been my most important mentor and fatherly friend, companion and supporter, ever since my student days.

From this I draw the strength and motivation to be available always to his Foundation's legacy with heart and mind.

MANFRED WEBERSDORFER,  
*Former member of the Management Board of TGW Logistics*

### **PROMOTE PEOPLE AND LET THEM LIVE**

Ludwig had a basic philosophy: performance orientation together with a very strong people orientation. It was important to him to let people live their lives.

In my own company, a leading HR consulting firm, we handle things in a similar way. And that's no coincidence. Because how did we manage it? To a certain extent, we have been guided by Ludwig's basic attitude in terms of corporate management and employee leadership, which he imparted to me: to structure entrepreneurial affairs well; to manage the company holistically, from market monitoring strategy to how you implement things. And also to pay attention to: How do you deal with people? And how do you deal with them in order to achieve common corporate goals?

Ludwig Szinicz had a basic attitude of appreciating people, showing them that "They make a valuable contribution to the whole", "It is seen; it is valued", "You're part of the team". Those are the kind of things I learned from him. The individual has a platform for self-development at our company as well!

So, in my company, I live a bit of Ludwig's legacy:

To promote people, to let them live – and to support them in carrying their own topics forward.

5.

## The guardian:

### TGW Future Private Foundation as the long-term guardian of the founder's legacy

In Chapter II of this book, the Foundation philosophy was dealt with comprehensively. First, the Foundation Declaration as the backbone and the dimensions of the hexagon as the heart of the Foundation philosophy were presented. This was followed by insights into the field test and an outlook towards the vision. In conclusion, the guardians of the highly valuable legacy of the founder and of the Foundation philosophy shall now be discussed.

With the establishment of the TGW Future Private Foundation in 2004 and the donation of 100% of his shares in the company, Ludwig Szinicz wanted to create the conditions for a stable future of a TGW that would also benefit people outside the company. In the Foundation philosophy, which was presented in detail in the previous chapters, he defined a framework within which the two Foundation divisions should move.

When it was fleshed out in 2016, it became clear that the TGW Future Private Foundation, in accordance with the founder's will, should take on a strong role as the guardian of the Foundation philosophy.

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At this point a brief remark. Was the foundation model completely uncontroversial among Ludwig Szinicz' close companions? Not at all! Dr. Rudolf Knünz, a member of the Foundation Board since its establishment and until 2016, was and still is rather critical of foundations, at least in general: "In principle, I am not a fan of foundations. I don't have one, either. Nonetheless, it appealed to me to work as a member of the Foundation Board. It was definitely an honour for me that Ludwig Szinicz thought I was capable of doing this." His fundamental skepticism on the subject of foundations is due to the fact that in reality, in his view, the Foundation's mission of preserving the company is often not taken into account. Where

foundations have only lawyers or auditors on the board, who usually see their role as defensive and reactive, this entails risks, he stresses. However, he does not see this risk to the TGW Future Private Foundation at present. His analysis: "Here we have a completely different constellation. With Martin Krauss as Chairman of the Foundation Board, an entrepreneurially thinking man is now at the helm, and he also has entrepreneurial colleagues on the Board. If a founder entrusts his legacy to an entrepreneurial person and the board is excellently staffed, then a foundation model, such as the one currently in place at the TGW Future Private Foundation, is obviously an option. Nonetheless, he asked himself, what would happen if these people were no longer in charge of the Foundation – how could it then be ensured that such a model would exist in the long term?"

In this context, it is tantalising to ask one of the current Foundation Board members about the foundation model and the future of the TGW Future Private Foundation. Christian Lutz, for whom Ludwig Szinicz was a mentor and fatherly friend, is a successful founder of multiple IT companies in Austria and the United States and has been a member of the Foundation Board since 2014. He sees the TGW Future Private Foundation as being well prepared for the future. "Of course, there will come a time when you need to shed your skin and where the next generation will come in, and it will be exciting what this next phase will look like. But at the same time, you can always sense the scheme that Ludwig had in mind. Namely, that you create a system that is constantly renewed, independent of people. I am confident that this torch of values and the torch of Ludwig Szinicz' spirit, which was enshrined in the Foundation philosophy, can be passed on well from one generation to the next."

## **About the composition of the Foundation Board of the TGW Future Private Foundation**

At this point, the composition of the Foundation Board ought to be briefly discussed. For it naturally shapes the degree of professionalism and ensures that the legacy is properly safeguarded. From Christian Lutz' point of view, Ludwig Szinicz

had put together a “very intriguing team, whose members complement one another quite well and will continue to make very correct and crucial decisions under the aegis of Martin Krauss.” Christian Lutz goes on to say: “Ernst Chalupsky is one of the most experienced lawyers I know. Clemens Steiner, who manages Tiger Coatings, is also not a typical CEO of an industrial company but very much influenced by Ludwig. Johannes Feldmayer, with his background as a former Siemens board member, is from a completely different planet than everyone else, also marked by the ups and downs he went through there, and he’s a very credible, extremely experienced and intelligent business leader. And he, Christian Lutz, is honoured that he, as a successful founder in the IT sector and commuter between Austria and Silicon Valley, has been asked to take on responsibility as a Foundation Board member.

Having personalities on board as Foundation Board members who can contribute extensive knowledge and experience is one side of the coin. The human aspect should never be underestimated, though. In this respect, people seem to have come together here who can believably represent the Foundation philosophy. At least Saša Gortva, who has been an employee representative on the Supervisory Board of TGW Logistics since 2018, along with the five Foundation Board members and his colleague, Klaus Bachmair, is convinced of this. “Regarding the Foundation Board members, who are after all the representatives of our owner, TGW Future Private Foundation, I’m really quite positive about them all. They are not only intelligent people, but they also have their hearts in the right place. That is also something pretty essential. Just being professionally well positioned is not enough, especially in the TGW World with the Foundation philosophy.”

### **More responsibility for the Foundation Board due to the reorganisation**

The main task of the Foundation Board of TGW Future Private Foundation is to ensure that the mission of the Foundation is fulfilled. This includes the implementation of the Foundation philosophy in the two divisions and the necessary

reorganisation. It was important to Ludwig Szinicz that the Foundation Board has a legally strong basis to demand implementation in the long term.

*The reorganisation of the TGW Future Private Foundation aims to create conditions that ensure that my original legacy or the "Idea TGW" is realised – namely, without Ludwig Szinicz. It is not to be a solution related to an individual person but sustainable, a "solution in perpetuity".*

Ludwig Szinicz transferred more responsibility to the five Foundation Board members he had personally appointed at the beginning of 2016, more than a year and a half before his death. He wanted to withdraw completely from an active role.

### The founder defines his own role (July 2016)

#### Setting the course in the spirit of my legacy

- As a honorary member of the Supervisory Board, I have the right to take part in the meetings of this body; as the founder, I have the right to take part in meetings of the Foundation Board.
- I hence remain an active observer and shall take part in regular discussions, in particular with the Chairman of the Foundation Board and the Supervisory Board, concerning the implementation of my legacy.
- Hence, I may participate – but I do not have to do so – until the point at which I am no longer among you.



**I want to be informed about the developments in the Foundation and the TGW Group as well as in the non-profit projects. I do not want to be obligated, however, to play an active role.**

**I have assigned more responsibility to the Foundation Board.**

Ludwig Szinicz once more emphasised the strong role of the key bodies in July 2017, i.e. a few months before his death, in Linz at the Group Management Conference (GMC) of TGW Logistics (see speech in the APPENDIX p. 274 et seq.):

*To execute the Foundation philosophy as imagined by me, it is a prerequisite to divide responsibilities. Key are a strong Board in the TGW Future Foundation, a capable Supervisory Board, a truly collective Management Board and an empowered leadership team.*

In this regard, he underscored the role of the Foundation Board and, in particular, the lead responsibility of its Chairman with regard to the implementation of his legacy.

*I ensured that the Board can dedicate the required time to the fulfillment of this task. Martin Krauss, in particular, committed to spend 50 % of his annual work time in executing his role as Chairman of the Board and hence acting as the main responsible person of both the Foundation's Board as well as of the Supervisory Board. He is leading the process of developing and implementing the Foundation philosophy "Focusing on people – learning and growing".*

### **Closed meetings for comprehensive consideration of strategic issues**

The idea of an annual closed meeting was born in 2016 out of the circumstances that the official meetings of the Foundation Board, which take place four times a year, have always been – surprise, surprise – packed full with topical issues such as information on the current business situation, etc. There was no time for in-depth discussions on long-term topics. For this reason, there was now to be a two-day closed meeting once a year, the main aim of which was to think through strategic issues in a holistic manner. As a welcome side effect, collaboration within the Board and with the leaders invited to the meeting was to be strengthened.

The constituent closed meeting was held for the first time in December 2016 at the Seehotel Oberndorfer on Lake Attersee. This location, which with its idyllic setting practically invites one to slow down, was not selected by chance. It was at the express wish of Ludwig Szinicz. After all, for him it was associated with many fond memories: As a teenager, he often vacationed here, and for many decades, as a member of the local sailing club, he took part in regattas with great pleasure and success.

None of those present would have thought at the time that this would be the first and last closed meeting that Ludwig Szinicz would attend. In 2016, in addition to the founder Ludwig Szinicz, the following people attended: Martin Krauss, Chairman of the Foundation Board, his deputy, Ernst Chalupsky; the Foundation Board members Johannes Feldmayer and Christian Lutz; the then designated Foundation Board member Clemens Steiner; and Christian Szinicz, Ludwig Szinicz' son, who was to succeed him in the Future Wings Private Foundation; another attendee was Reglindis Pfeiffer, who had supported the founder and the TGW Future Private Foundation as an external consultant since 2015 and who played a decisive role in the preparation of the contents not only of that conference but quite significantly of this book as well.

In 2016, during the two days of the closed meeting on Lake Attersee, attendees focused on very basic topics. They reflected on how to make tangible the conception of human beings upon which the Foundation philosophy is based. The result was that the topic of trust is a vital building block for the founder's conception of human beings. The reflections revolving around McGregor's Theory Y later became a building block in the development of the TGW World's conception of human beings. They also spent four hours looking at approaches to double employee participation, which was later renamed Dual Employee Participation. Inspired by a conference in which both esprit and great seriousness in the implementation of the Foundation philosophy was tangible among the attendees, Clemens Steiner suggested at the end of the meeting that Ludwig Szinicz should give a speech to the employees of TGW Logistics at the Christmas party, which was to take place only two weeks later (cf. APPENDIX, p. 267).

Over the years, the closed meetings have established themselves as a constitutive element of the Foundation's work. They continue to provide an opportunity to deal more comprehensively with strategic, personnel and organisational development issues relating to the Foundation philosophy and for discussing milestones in the development of the corporate culture. Ultimately, the closed meetings are an important building block in making Ludwig Szinicz' dream come true.

### **Building the TGW Future Private Foundation team**

After the founder had fleshed out the Foundation philosophy in 2016 and assigned the role as a guardian to the TGW Future Private Foundation, it rapidly became clear: The TGW Future Private Foundation must be further developed organisationally for this purpose. His mission "to develop further and install the system and to implement the Foundation philosophy of 'Focusing on people – learning and growing'" was very demanding, and a "keep up the good work" to the TGW Future Private Foundation would, it was clear, be insufficient. Martin Krauss had already agreed to dedicate 50% of his working hours to the implementation of the legacy in the future, as requested by the founder. For their part, the Foundation Board members, all of whom worked full-time at other or at their own companies, ensured that, in addition to the usual board meetings, they would also schedule time for dialogue and the annual two-day closed meeting described above. In addition, they repeatedly contributed (and continue to contribute) to special topics, such as the further development of corporate governance regulations, the TGW World brand project as well as the exchange of information on software and digitisation. These are all topics for which there would not be enough time either in the regular meetings or in the annual closed meeting.

Until 2016, only one assistant supported the founder and Foundation Board in their tasks. Monika Netzthaler was not only highly professional and highly committed but also a close confidante of the founder – as early as during his time as Managing Director. Later, she supported him in his function as initiator of the

non-profit projects and Chairman of the Foundation Board of the foundation subsidiary Future Wings Private Foundation.

However, with the great amount and variety of challenging tasks that arose from the reorganisation of the TGW Future Private Foundation, it soon became clear: A small professional team permanently employed by the Foundation was needed to support the Board and its Chairman in their role as guardians. In 2019 and 2020, TGW Future Private Foundation was able to recruit senior experts for the tasks in the areas of assistance, finance, communication and human resources.

#### The team of the TGW Future Private Foundation



**Martin Krauss**  
Chairman of the  
Foundation Board



**Romana Blach**  
Assistant



**Jan Kubben**  
Finance



**Tanja Obmann**  
Communication



**Matthias Uhl**  
Human Resources

#### Reorganisation of TGW Logistics: good corporate governance

Good corporate governance is both an opportunity and a duty in the TGW World when it comes to implementing “exemplary entrepreneurship”. Until 2015, clear rules and roles were lacking or existed only rudimentarily. Therefore the goal was to create more clarity and transparency, one step at a time.

Starting in 2016, my task was to work closely with Ludwig Szinicz on the reorganisation of the company, which involved specifying contents and clarifying organisational questions. I was guided, among other things, by Fredmund Malik's rules of good corporate governance, a book that Ludwig Szinicz had strongly recommended to me. At TGW Logistics, the articles of association, the respective rules of procedure as well as the foundation declarations of the various legal entities

contain clear rules, especially regarding collaboration. The rules of procedure for the TGW Logistics Management Board explicitly refer to the Foundation philosophy as the framework for action (cf. APPENDIX p. 277).

### **Corporate governance**

Put simply, corporate governance is about defining the rules of collaboration, roles, degrees of discretion and the limits of action. These aspects cannot always be interpreted in the same way but take on different forms depending on maturity and responsibilities.

Corporate governance is not rigid. It requires adjustment depending on the organisation and the level of maturity. The next step in the advancement of corporate governance must always be reflected upon carefully.

At TGW Future Wings, the adaptation of the corporate governance is still pending – the division will benefit from the elaboration of the new TGW Logistics rules of procedure. Although the starting position is quite different – here industrial entrepreneurship, there social entrepreneurship; here a company with a global presence, there currently 10 projects with a presence mainly in Austria; here a single owner, there different legal entities and external partners – TGW Future Wings will nevertheless benefit from the work on TGW Logistics corporate governance. TGW Future Wings is about further professionalisation as part of organisational development, taking into account enormous potential for growth.

“The rules of the game” – this is more than a simple catchphrase with regard to corporate governance. By analogy with soccer, for example, clear rules of the game are needed on the field to ensure that everything proceeds in an orderly, transparent and professional manner: What is offside, what is a foul, and what is just hard physical play? What is handball and what is not? What are the consequences if somebody breaks the rules? In addition, clear-cut roles are defined: Who plays offense, who defense, and who takes which position? How do you rotate? What is the overall composition? Is there a chain crew of three, four or five? The roles of the individual in the context of both the overall composition as well as the team

must be defined. Clear rules of the game are thus needed in all fields of action in the TGW World – both in industrial entrepreneurship and social entrepreneurship.

Just as not every team can play every game system (immediately), the question must also be asked in entrepreneurship: How do we want to work together, and who has what role in this “game”? The role, in turn, must not be rigid but requires careful, semipermanent revision, depending upon, among other things, what stage of development or what level of maturity we have currently reached in the company.

The so-called group constitutions of TGW Logistics are a good example of this. They pertain to questions of interaction and distribution of roles in the subsidiaries of the regions. Patchwork should be avoided as far as possible; instead, the rules of the game should be based on the Foundation philosophy and, in particular, its value system; and should allow sufficient scope for individual evolution in line with responsibilities.

### **Essential responsibilities of the managing bodies of TGW Logistics**

In addition, it should be added at this point that the main responsibilities of the TGW Logistics managing bodies were laid down in 2016. It was particularly important to Ludwig Szinicz that the roles of the Foundation Board and the newly established Supervisory Board be defined and lived out more exactly than before. It should be more transparent what body fulfils what role in the TGW World, and how it does so.

In terms of personnel, the five representatives of the owner TGW Future Private Foundation appointed by the founder are also representatives of the Foundation (capital representatives) on the Supervisory Board. This should help to simplify the “overall design” and the flow of information.

# TGW LOGISTICS

## Bodies and their essential responsibilities

<b>Founder</b>	<b>Foundation Board</b>	<b>Supervisory Board</b>	<b>Management Board</b>
From 2004 until his death in November 2017: Ludwig Szinicz	Martin Krauss (Chairman), Dr. Ernst Chalupsky (Deputy Chairman), Johannes Feldmayer, Christian Lutz, Dr. Clemens Steiner	Owner representative: Martin Krauss (Chairman), Dr. Ernst Chalupsky (Deputy Chairman), Johannes Feldmayer Christian Lutz Dr. Clemens Steiner  Employees' representatives: Klaus Bachmair, Saša Gortva, Wilhelm Kloiber	Dr. Harald Schröpf (CEO), Jörg Scheithauer (CFO), Christoph Wolkerstorfer (CSO)
Amendment of the Foundation Declaration	Amendment of the Articles of Association	Issue of Rules of Procedure for Supervisory Board and Management Board	External representation of TGW Logistics
Appointment and recall, Foundation Board	Issue of Rules of Procedure, Foundation Board	Definition of division of departments of Management Board	Strategic and operational management of the TGW Logistics business
Identify beneficiaries	Implementation of the Foundation's mission (legacy)	Definition of reporting and approval obligations	Course of business and decision-making of the Management Board
Foundation revoked (theoretical)	Appointment and recall Supervisory Board and Management Board	Subject to approval for certain legal transactions	Preparation of annual financial statements
	Employment contracts of Management Board	Audit of annual financial statements	Reporting obligations to Supervisory Board
	Discharge of Management Board	Election of the auditor	Mandatory submission of legal transactions subject to approval
	Subject to approval of the Rules of Procedure for the Supervisory Board, decision on payment of allocations	Convening of the General Assembly	Convening of the General Assembly
	Determination of the annual financial statements		
	Decision on the use of profits / distribution		
	Right of instruction to Management Board		

## Reorganisation of social entrepreneurship

In the non-profit sector, too, it was always a question of how to become even more professional. The question was relevant *per se* as part of exemplary entrepreneurship. But it was also owed to the employees of TGW Logistics since they generate the annual profits of which the TGW Future Private Foundation has provided millions for social entrepreneurship since 2007 and continues to do so.

The goal is to pay into the trust of all the people in the TGW World and outside, e.g. cooperation partners, who believe in the TGW World and its social entrepreneurship. Therefore, literally every euro shall be used sensibly and effectively – and the organisation is continuously developing further to meet the most professional demands.

As a result, there has been a great deal of focused thought over the last few years about how best to position ourselves in relation to social entrepreneurship. Just like the Foundation division of industrial entrepreneurship (TGW Logistics), the Foundation division of social entrepreneurship also now operates under a single umbrella brand: TGW Future Wings. The clear focus on TGW as a reference brand for social entrepreneurship as well and a modular, effective and forward-looking brand-building kit enable the diversity of living brands to be used effectively for the whole organisation (cf. Chapter 1, p. 33).

SAŠA GORTVA

*Employee representative on the Supervisory Board of TGW Logistics*

## **A LOT OF TIME FOR THE WORK COUNCIL, AND A LOT OF OPENNESS THERE**

The first time we got to know Ludwig Szinicz was in 2016, when he took the time to tell us work council members about his intentions, even before his speech at the TGW Christmas party in 2016. Over the course of three hours, he talked to us about his life and philosophy. That was really great because it was very authentic.

Especially because he had also made definite references to his mistakes. He talked a lot about having learned from his mistakes, including those in his private life – that family was not a priority to him at the time and that he focused nearly exclusively on his job. He was very, very open about that, which fascinated me at the time. He didn't want his employees to have to go through the same misery that he had gone through. If everything is all right at home with the family, then you can work with a bounce at the company.

He really took us on a journey through his personal experience at that time. Compared to his speech at the Christmas party with over 1,500 employees, we were not even 20 people at this meeting with the members of the work council. Therefore, it was much more authentic and emotional – it was absolutely fascinating to all participants, especially to me.

Because by then I had internalised this fire that he wanted to spread – and this fire then also became the foundation of my activities at the work council.

We also asked him a wide range of questions, which he answered very openly and to the best of his ability. After these three hours, I was really inspired. My other colleagues felt the same way, because none of us expected Mr. Szinicz, whom we only knew by name, to have such a big heart – and to take so much time for us.

HEINZ KÖNIG

*Founder of TGW (together with Ludwig Szinicz)*

### THE "INNOVATIVE" PASTA SHEET

Once we built a conveyor belt for a pasta factory and I looked at it and thought: Why should we make this from wood? Steel would be so much cleaner and better.

Then we put it into operation. It was an absolute disaster!!!

I hadn't even gotten home when Ludwig received the phone call. *"Heinz, something terrible has happened. The dough is stuck to the tray and in front the dough is hanging out, like the whiskers of a catfish."*

Since then, I know why you use a pasta board.

And not a metal pasta sheet.



## **CHAPTER III**

Summary

&

Conclusion:

‘You’ve got things well in hand – carry on!’

## Summary

*For one thing, I want you to have a stable opportunity to earn a living at TGW. But it is just as important to me that you can pursue your vocation in an appreciative environment. I want you to discover and evolve your talents at TGW so that we grow together.*

*And I want you to experience it along with this feeling: I'm part of this company, my contribution is important, and what we do here is meaningful. And this meaning inspires me.*

*This is why the TGW Future Private Foundation philosophy is "Focusing on people – learning and growing."*

**Ludwig Szinicz (FoundationUpdate / Issue 01, December 2016)**

Ludwig Szinicz was a gifted sailor, a passion he shared with Heinz König. Twice they sailed together across the Atlantic. Countless sailing trips took him together with his life partner, Erika Doppelbauer, and with Ruth and Werner Arrich, Clemens Steiner and many others to the waters off Italy and Croatia as well as to the North and Baltic Seas. Ludwig Szinicz enjoyed the time on board, good conversations and the regional cuisine, whenever a stopover in a fish restaurant in a marina was once again on the agenda.

He also grew fond of Lake Attersee in Upper Austria. As a teenager, he had often spent summer vacations there with his parents and friends. Later, together with Heinz König, he became a member of the exclusive sailing club. With a great deal of planning and meticulousness, with a lot of bite and ambition, with a lot of passion and dedication, he lived the idea of performance in sports in a similar way as he did as an entrepreneur. On 3 July 2017, on a Sunday evening a few months before his death - during coordination of the TGW Logistics management conference - he sent an e-mail about his sailing weekend with words that were full of joy: *"Sailing was perfect: after a tough duel in the last race (duration 3 hours), we took*

*home the victory in this year's TGW Brenta Cup. Ahoy, and thank you that you kept your fingers crossed!!"*

TGW was his life's work and, so to speak, the boat that he knocked together with Heinz König and gave away to TGW Future Private Foundation as the new owner – and from then “only” acted in a fiduciary capacity as a trustee. With the foundation model, he wanted to ensure that TGW would be able to successfully navigate the targeted ports in the coming decades and in perpetuity – independently of individuals.

With TGW in the hands of a foundation, Ludwig Szinicz wanted to prevent what he had witnessed with horror in other Upper Austrian companies: that flourishing family businesses perished because there were disputes among the next boat crews – i.e. in the following generations – or because there had been too much interference in the maneuvering of the boat.

But there was much more behind the establishment of the Foundation and the strengthening of the company's independence than a formal business act. Ludwig Szinicz was not only concerned with the what but also with the how. In the legally binding Foundation Declaration, he stipulated as a key aspect “promoting learning and personal growth”. This theme moved Ludwig Szinicz throughout his life. Think of holistic education and MINDtastic, which – even more than a learning centre built according to the latest schemes – is a special approach to holistic learning in connection with development.

In addition to TGW employees, the founder was also interested in helping people outside TGW to learn and grow. This was the starting signal for social entrepreneurship in 2007, which Ludwig Szinicz as the initiator focused on but built up in a rather isolated manner; it is now accorded equal status with industrial entrepreneurship, i.e. TGW Logistics. This is clear evidence that Ludwig Szinicz was intrigued by a different way of doing business from the very start. Social entrepreneurship is not a means to an end but exists for its own sake. Projects revolving around education & innovation are meant to achieve a real impact for people and society.

Since 2015, with expanded support from the Foundation Board, he has been working to flesh out his human-centred Foundation philosophy, which applies to both Foundation divisions, in line with the guiding principle of “Focusing on people – learning and growing”.

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At the beginning of this book, the TGW World and its history were first described, before the Foundation philosophy was presented in detail. In the following, the most important aspects are briefly summarised again, knowing full well that with any focus, some important and exciting aspects must be left out. But may the summary below help the reader grasp the complex subject matter of this book.

### **The TGW World and its Foundation philosophy of “Focusing on people – learning and growing”**

A holistic entrepreneurial approach

#### **The TGW World...**

The TGW World includes the two Foundation divisions of TGW Logistics and the non-profit projects of TGW Future Wings as well as the owner TGW Future Private Foundation: Each part for itself has its own history, each is in a sense autonomous and has its own mission, its own role. But all three entities live together under a common spiritual and intellectual roof: the “Idea TGW”, as the founder called it. His legacy is set out in the Foundation Declaration of 2004. In 2016, Ludwig Szinicz specified the Foundation philosophy of “Focusing on people – learning and growing” in the Foundation Declaration. It is and remains valid for the entire TGW World.

In the TGW World, the Foundation division TGW Logistics represents industrial entrepreneurship, while TGW Future Wings stands for social entrepreneurship, which initiates and implements projects related to education & innovation. Both

areas have equal importance, but – due to their size and role – are not to be classified as of equal rank. Both Foundation divisions are intended to cross-fertilise each other in an optimal way, not although but precisely because they are so different! Both Foundation divisions contribute to the vision of the TGW World. For they have their respective picture of the future and are realising it, step by step; in addition, they are consistently pursuing the Foundation philosophy in accordance with the guidelines and the hexagon.

Industrial entrepreneurship and social entrepreneurship have undergone a rapid development, which is also mentioned out of respect for the people involved. Nonetheless, the Foundation philosophy was the main topic of investigation and focus of the book – the history of the Foundation divisions was deliberately only roughly outlined.

**TGW** developed from a locksmith's shop in Wels into an Austrian intralogistics company and has become a globally operating intralogistics group with more than 4,000 employees. Under Georg Kirchmayr as CEO of TGW Logistics, the company drove global development by implementing a strategy to develop from a supplier into a system provider. Starting from 2017, the next phase of the company's history began. In line with the requirements of the owner, TGW Future Private Foundation, the management team of Harald Schröpf, Jörg Scheithauer and Christoph Wolkerstorfer now gave a much higher priority to the further development of the corporate culture in accordance with the Foundation philosophy.

Social entrepreneurship, which has been operating under the name TGW Future Wings since 2022, began in 2007. Today, there are 10 projects with various legal entities. Over 120 employees are working to carry forward education & innovation. Organisationally, TGW Future Wings has had quite an eventful history: It started in 2007 as Future Wings Private Foundation, transformed into an overarching brand name Future Wings from 2017 to 2020, under which, as in a biological cell's division, the activities of two corporate divisions emerged in 2020, evolving into the current constellation. Today, TGW Future Wings stands for the entire social entrepreneurship – and is, like the industrial entrepreneurship, i.e.

like TGW Logistics, a Foundation division of the TGW Future Private Foundation.

The TGW Future Private Foundation has also developed further over the years. The more the implementation of the Foundation philosophy took shape, the more important it became to network with the Foundation divisions and to work together on new ideas.

### **... and its Foundation philosophy of “Focusing on people – learning and growing”**

Ludwig Szinicz was following a dream when he established the Foundation in 2004. Put simply, he was primarily concerned with two things: Ensuring TGW's independence and continued existence beyond his death; learning and growing and exemplary entrepreneurship as the purpose of the Foundation.

“Focusing on people – learning and growing” – this formulation as a “heading” for the Foundation philosophy has only existed since 2016. At that time, Ludwig Szinicz realised that he had to articulate the Foundation philosophy in order to give the TGW World more orientation regarding his legacy. Ludwig Szinicz dealt quite comprehensively and for many weeks and months with the fleshing out of the Foundation philosophy, which was formulated again in the legally binding Foundation Declaration in the form of 10 guidelines.

For the operationalisation of the Foundation philosophy, the hexagon of the Foundation philosophy was developed in 2020 as a further development of the so-called learning cycle. Purpose orientation (as it were as a “lighthouse”), conception of human beings (“fertile ground”), value system (“rules”), sustainability (“prospect”), holistic education (“soul”), exemplary entrepreneurship (“aspiration”) – these six dimensions became the heart of the Foundation philosophy and shall therefore be briefly touched upon again here.

**Purpose orientation:** Ludwig Szinicz wanted to create framework conditions “that allow individuals to lead a meaningful life both at home and at work”. This was important to him not least against the background of personal experience: He

regretted having focused as a founder and entrepreneur almost exclusively on work and wanted to enable the employees of TGW World to enjoy an environment that allowed the private sphere to contribute to a meaningful life just as much as work.

**Conception of human beings:** The company's own conception of human beings is seen as an essential basis for how people act in the TGW World. It provides orientation for the design of effective development processes at the individual and community levels. A strengthened inner world is thus the basis for taking responsibility, for sustainable connections to other people and for shaping a sustainable living space. The four levels of being human according to Ken Wilber – body, emotions, knowledge, consciousness – provide guidance for how people are viewed in the TGW World. Interacting successfully depends on how you approach people. For the TGW World, the trust-based conception of human beings provides guidance.

**Value system:** The founder dreamed of a “purpose-oriented community of values”. This is another reason why this key aspect was given high priority. As part of a values process, earlier, parallel value concepts were moulded into a single, consistent value system. The result: “How we treat each other”, “The way we work”, “How we lead” – a three-dimensional value system with 3 times 4 values and a total of 50 explanatory statements as action orientation for the community of the TGW World.

**Sustainability:** We view the topic primarily as a creative and innovative process – by no means as a formal one. The foundation model per se pursues a sustainable approach: It was designed to secure the company and its jobs as well as to create new ones; two-thirds of the profits are to remain within the company; and a respectable amount of the annual profits of TGW Logistics is earmarked by the TGW Future Private Foundation for non-profit projects of TGW Future Wings. In addition, classic topics are on the agenda in order that we meet our responsibility in terms of business, the environment and society. We are guided here by international codes and best practices.

**Holistic education:** MINDtastic encompasses holistic professional and personal training and continuing education in its many aspects. It is a cutting-edge learning

environment open to the future, taking into account appropriate learning architectures, networks and technological possibilities as well as a curriculum that has the core competencies of the future firmly in mind. Personality development training plays a very special role in this because it increases the general level of preparedness and thus the ability to cope on a basis of strength in the VUCA world.

**Exemplary entrepreneurship:** Professionalism was one of Ludwig Sznicz' favourite key terms. Four principles in particular are considered catalysts for exemplary entrepreneurship: performance orientation, holistic principle, implementation orientation, using synergies. Innovations remain the lifeblood of the TGW World. These are by no means to be seen only in terms of products. Processes, business models, management and development topics, and corporate culture are also perspectives on innovation in the TGW World.

### **A holistic entrepreneurial approach**

Each element of the hexagon of the Foundation philosophy is highly relevant; none of them works in isolation. For only with a holistic, entrepreneurial approach, i.e. only in the interplay of all six dimensions, can the Foundation philosophy fully unfold. Two examples may be briefly mentioned here: performance orientation, which was mentioned as a principle in exemplary entrepreneurship, must be in harmony with purpose orientation and the value system. And “holistic education with a special focus on personality development” in turn needs the right fertile ground, i.e. a specific conception of human beings.

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To conclude, the vision of the TGW World is about where the TGW World wants to sail as a naval formation, to return to sailing metaphors. The vision consists of the successful realisation of the respective pictures of the future of the two Foundation divisions: TGW Logistics (industrial entrepreneurship) and TGW Future

Wings (social entrepreneurship), while at the same time implementing the Foundation philosophy.

But how do we succeed in sailing fast enough as TGW World? What is needed is the right team! Everyone must do a good job in his or her position. The sails must be set correctly and, if necessary, the course be adjusted according to the wind and current conditions. A lot has been done when it comes to all these items in recent years, and the TGW World considers itself to be set on a good course here.

But why is the course the fleet has taken so crucial? From a very sober point of view, it is a question of the credibility of Ludwig Szinicz' legacy and the Foundation philosophy. Is the current path towards achieving the vision effective? The impact logic with the indicator system is a helpful approach in analysis. It makes a decisive contribution to critical and constructive self-reflection. It helps to review the paths taken and, if necessary, to successfully adjust them in time. In the TGW World, indicators are used to measure whether the work at TGW Logistics is effective and efficient and whether the projects on educational innovations have an impact on society. And of course the input, i.e. using the right people in the right way – also in accordance with the Fundamental Principle – has the greatest impact potential.

.....

**Ludwig Szinicz set out on a very long sailing trip with his “Idea TGW”. It was not at all about dropping anchor at the lighthouse and thus implementing his vision 100%. Instead, to him the journey was the goal. He wanted everyone in the TGW World to participate in bringing the vision as close as possible to a reality.**

A lot has happened since 2004 when the boat of the TGW Future Private Foundation was launched and started its journey in the fleet, initially together with TGW Logistics and from 2007 onwards with social entrepreneurship as well. In the last five years, the management crew consisting of the Foundation Board and the leadership teams of the Foundation divisions has refitted the ship and created a framework for approaching the vision more quickly.

With the COVID-19 pandemic still in mind as a hurricane-like storm, the fleet seems stable enough to stay on course even in heavy weather. Ultimately, the captains and command crews of the three boats, i.e. the three parts of the TGW World, will always have to keep an eye on performance. As necessary, a stop will be made, the sails changed or the route adjusted.

But the goal will always remain the same: as successful an implementation of the pictures of the future and the Foundation philosophy “Focusing on people – learning and growing” as possible.

.....

## Conclusion

‘You’ve got things well in hand – carry on!’

Ludwig Szinicz followed the development of the TGW World until the end. Always interested. Always benevolent. Always enthusiastic.

As late as 24 October 2017, it is reported, he participated in a workshop with future partners – representatives of industrial companies, universities, etc. – in the GRAND GARAGE.

Actually, his presence was not planned at all. It was agreed not to bother him with too many appointments, in order to protect the extremely fit, active, but already “elderly gentleman”, as he called himself.

But at some point, he heard about the meeting by chance, pricked up his ears and was quite happy that he was permitted to attend as another welcome participant. At the introduction, he then let everyone know right away with a wink: *I’m lucky to be here since I invited myself, so to speak.*

Ludwig Szinicz was easy-going, relaxed and liberated.

He was beaming in the midst of the young people, and everyone saw how much he was enjoying himself and how much he liked it, he was so animated and relaxed. He stood there with tears in his eyes.

He realised how well everything was going.

He was so keen and wanted to give so much energy. And he felt how much energy this project also gave him – and saw: Now it’s really getting started!

.....

But then Ludwig Szinicz suffered a stroke. He survived it, but it was only to be granted him to say goodbye to his family and closest friends in the hospital. With regard to his legacy, one sentence remained particularly memorable – as if it should be addressed to the entire TGW World:

*'You've got things well in hand – carry on!'*

**Ludwig Szinicz died on 10 November 2017 in Linz, Upper Austria. The eulogy at the funeral was given by his lifelong companion Heinz König.**

**He left his legacy to the TGW World:  
“Focusing on people – learning and growing”.**

**The Foundation philosophy should represent an obligation to all who had the privilege of knowing him and to all who feel connected to the TGW World:  
To commit to this holistic approach of human and sustainable entrepreneurship.**

## Acknowledgements

I could not have conceived or written this book on my own.

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I would also like to express my special thanks to all those who agreed to take part in a conversation or interview. It thanks to them we've gained these vital insights and great stories; it is they who helped readers to get a feel for the special person of Ludwig Szinicz himself, behind the founder and benefactor.

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Last but not least a special thanks to my wife, Aydée. She had to endure that this book became much more extensive and expansive than originally thought. But I hope that it will help employees of the TGW World all the better approach the holistic idea of entrepreneurship epitomised in the Foundation philosophy of “Focusing on people – learning and growing”.

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# **APPENDIX**



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# TGW\_WORLD

// TGW PROMOTES COMMUNICATION



CIRCULATION OF 600 POSTAGE PAID IN CASH

future

**TGW**  
conveys productivity



01

## FUTURE OFFENSIVE

On 1 July 2000, Ludwig Szinicz transferred the operational management of TGW to a young management team. Remodeling the corporate structure in light of the changed economic environment, preserving the independence and continued financial autonomy of TGW were his foremost concerns. TGW\_WORLD has gotten wind of his current view of the development and has exciting news.

[Interview with Ludwig SZINICZ »](#)

**TGW\_WORLD:** Mr. Szinicz, when you handed over the company's operational management, you indicated you wanted to pull back as owner if the change process was successful.

*Ludwig Szinicz: The change process was successful, and the company was led by the new management with a sure hand. Bear in mind that we have had enormously difficult market conditions over the last two years, and despite this TGW had an outstanding development. My ideas about the future of the TGW have not fundamentally changed, so I have fleshed out a concept that secures TGW's independence in the long term.*

**TGW\_WORLD:** Can you elucidate your vision of the future of TGW?

*Ludwig Szinicz: It's particularly important to me that TGW remains an autonomous company, independent of external influences and third-party interests. This ensures that management focuses on the market and follows market activities. In this way, TGW will be successful and safeguard its independence and corporate culture. TGW is a company that offers jobs to people – for whom work is a vital part of their lives – jobs that match their skills and open up opportunities to them to develop, learn and grow personally.*

*But the company's purpose is not commercial success and growth alone – although we must all be aware this is an indispensable foundation for a promising future. TGW also shoulders a social task and fosters learning and personal growth outside its business activities.*

**TGW\_WORLD:** Can you outline roughly how your ideas should be implemented?

*Ludwig Szinicz: The most important part is to create ideal framework conditions that ensure the long-term continuation of TGW as an independent company and guarantee business continuity. This means that changes in the ownership structure must not have a negative impact on the business and the development opportunities of TGW. A clear arrangement concerning ownership of TGW must therefore be made for the time after my departure. Otherwise, the company might get into troubled waters. Conflicts might arise from an unresolved inheritance situation, which in turn may result in an enormous financial burden.*

*Moreover, a framework must be established that allows for the implementation of the social task of promoting learning and growing.*

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**TGW\_WORLD:** All stakeholders such as employees, customers and banks are likely to agree with these objectives. But how do you want to put these ambitious goals into practice?

*Ludwig Szinicz: I gave my stake in TGW to a foundation, the TGW Future Private Foundation. This means I gave my ownership rights to the Foundation and transferred those rights to it.*

*The Foundation is an institution, similar to a corporation but without owners. It's managed by the Foundation Board, made up of four outstanding and experienced personalities from the business world. The Foundation Board is obligated to ensure that the purpose of the Foundation stipulated in the foundation agreements is made a reality.*

**TGW\_WORLD:** Beyond this explanation of the basic structure, can you give us some information on the arrangements stipulated in the foundation agreements that are most relevant to TGW?

*Ludwig Szinicz: Probably the most significant provision in the Foundation Deed relates to the fundamental tasks of the Foundation: "Promoting learning and personal growth as well as exemplary entrepreneurship." The income generated by TGW constitutes the economic basis to accomplish these tasks. Framework conditions must be created in which TGW can be successful in the long term. Hence the well-being*

*of TGW is paramount. The core, i.e. the capital and assets of TGW, must be inviolable. It's not a question of ownership of the company but of the use and earmarking of income generated in conformity with the aim of securing the company's future.*

**TGW\_WORLD:** As you've explained, TGW will be 100% owned by the TGW Future Private Foundation. What happens to the profits that are fundamentally owed to the owners and investors?

*Ludwig Szinicz: An owner who is interested in a company's long-term existence must let the major part of the profit stay in the company so as to allow for growth and the seizing of opportunities, something that always entails risks as well. One part of the profit is to be earmarked for the Foundation so it can carry out its tasks, which go beyond the preservation of TGW.*

**TGW\_WORLD:** Employee participation in the form you envisioned four years ago is not realised in this concept.

*Ludwig Szinicz: True. After reflecting upon various solutions, I came to the conclusion that employee participation would require quite complicated contractual arrangements that would impede the business of TGW. After all, the purpose of holding a stake in a company is having a stake in its earnings, and this purpose is met with the existing profit participation in a much simpler arrangement.*

To me, the essential tasks of the Foundation are:

“Promotion of learning and personal growth and encouraging exemplary entrepreneurship.”



TGW\_WORLD: Thank you for the interview and the information you've shared with us. Finally a question about yourself: Do you intend to play a role in TGW after the concept has been implemented?

Ludwig Szinicz: Yes. As long as I'm able to do so, I would like to be involved in key decisions of the company and influence

corporate governance. The same is true in the context of shaping and advancing my plans for TGW's future, which are documented in the foundation agreements. As a founder, I'm entitled to influence the activities of the Foundation Board and I'll make use of this right with the aim of making a substantial contribution to the continuing success of TGW.

Ludwig Szinicz,  
Co-founder of TGW Logistics Group GmbH  
and Benefactor of the TGW Future Foundation

**Speech at the Christmas event of TGW, 16 December 2016**

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I am delighted that so many of you have come this evening. I am deeply grateful to you all.

At the same time, seeing so many I am a bit worried as to whether all of you will be able to hear my voice. I hope even those of you at the back will understand me. If I can't reach you through your ears, I won't be able to touch your hearts.

**Dear TGW employees,**

I am incredibly happy I can be here today. I would like to tell you about my legacy. I would like to tell you about TGW Future Foundation. Many, possibly most of you, don't yet know me personally. That isn't surprising, as I passed over the company management in 2000 to a young, three-person team, and agreed not to interfere as long as they were successful. That was 16 years ago.

In the meantime, TGW has grown at least four times as big. I spoke to Georg *[G. Kirchmayr, CEO TGW Logistics Group]* earlier; that isn't the case at all. We had fewer than 400 people – today there are more than 2500. That's why it's hardly possible to meet new employees, to run into them, introduce myself to them. I want to make up for that now.

\*\*\*

My name is Ludwig Szinicz. I am the co-founder of TGW Logistics Group, and in 2004 I set up the TGW Future Foundation. In 1969, my friend Heinz König and I founded TGW, and then built up and directed the company together. I am, so to speak, the "tribal elder" in our community. And it is from this position that I wish to outline my legacy.

The word "legacy" tends to sound a bit like a last will and testament. That's what it is, really. My legacy sets down the framework in which TGW should continue to operate and develop. And I've provided guidelines for where this path should lead. What's special about my legacy is that it was already published in 2004, I set it down in an interview in TGW World No. 1. You can read it there, although many here today weren't then in the company. And that's why I want to explain my guidelines a bit more precisely.

I'd like you all understand what it can mean for you. It is very important to me that you understand my legacy, and are aware how close TGW – our TGW – is to my heart. So I would like to take you on a little trip back in time, back to the past.

\*\*\*

Back to 1963, when I was 24 years old and had an idea for my first company. The core of this business idea was to move reinforcing steel for steel concrete buildings from external building sites into a central plant, and process it there using a technique for which I later received a patent.

At the time, I was working on my thesis, on "EDP in wholesale steel". It was an unbelievably exciting story: That was the age of punch cards, and yet I never finished it. The idea of a company interrupted me, the opportunity to become an entrepreneur. So at short notice, I founded a company using this idea, and I was lucky. It was the only start-up during my career that didn't make losses, right from the start. And that was extremely important: having almost completed my studies, I didn't have large reserves or the possibility of carrying losses. If it hadn't worked out, I would not be here now. I mean, TGW wouldn't exist.

I called the company BEST, Baueisen- und Stahl-Bearbeitungsgesellschaft. The business idea was good, and the company grew very fast. Or to be honest, the revenues grew very fast. However, I did have an enormous problem: I was a mechanical engineer, but the plants I set up for the first expansion stage were far too weak. They weren't up to the rough operation by iron benders – mostly lads. That was disastrous. We spent five days working and two days making repairs – so that we could work again on Monday. And I couldn't find suppliers who were prepared to make these special machines, and even develop prototypes for me. And so I took the opportunity in 1968 to take over a small insolvent metalworking company, to become independent. And this small business was the basis for TGW almost 50 years ago.

In the early years, most of TGW's turnover came from building processing machines and facilities for BEST, and so it had the opportunity to develop from a small metalworking firm into a serious mechanical engineering company. I did all this together with my friend and comrade Heinz König. We worked together for 35 years to make both BEST and TGW successful. Being entrepreneurs fascinated and inspired us. It became the centre of our lives. We neglected everything else, especially our families. This dedication and complete commitment to the business drove our lives until we withdrew from management.

\*\*\*

In 1998 we began to think about what should become of TGW afterwards. Our key challenge was not to sell the company, to ensure the company's independence. We wanted to ensure that the employees who built up TGW with us continued to have a secure job. They should be able to carry out their jobs in an environment they had been used to with us.

At the beginning of 2000, we reached a decision. Heinz and I, independently of one another, drew up a concept for TGW's future, and after intense debate we decided on mine. This concept was essentially the end of the pioneer phase, and the transition from an owner-run to a management-run company. In truth, Heinz found it hard to imagine how it could work.

Heinz as a pioneer couldn't imagine that what we had achieved together could be carried on by a management team and be even better.

He didn't want to carry on this risky business. He said, "I wish you luck, but I don't want to risk the capital that I have left in the company. But I will make a proposal: you buy my share, and you can do what you want with it." Heinz sold me his share of the business for a very fair price, one that was affordable for TGW. It was clear to both of us that we would have to take this step, because TGW would have to continue growing if we didn't want to risk it being gobbled up by a bigger company. Heinz remains my closest friend. Every time we meet and I tell him about the exploits of TGW and its great successes, he is always delighted and expresses his sincere congratulations.

He is still very attached to the company that used to be his. It was from him that we received the ingenious idea for "KingDrive". "King" of course comes from "König". And you all know how this idea – which he gave to TGW 6 years ago – has turned into an excellent product, of which we are all very proud.

\*\*\*

After assuming full responsibility for the future of TGW in 2000 I took the first steps, setting the course for its implementation. At the start of the 2000 / 2001 business year I entrusted the company's management to a young, three-man team. They were only about 30 years old, and many around me thought this decision was not exactly irresponsible, but very risky – what are you doing with your company? – because these three have no idea at all about how to run a company. I knew that! But I also knew – I was convinced – that these three, who had worked for me for a long time, had great potential, a great sense of responsibility, and were prepared to compensate for lack of experience with their tremendous dedication.

Rudolf Hansl, Georg Kirchmair and Manfred Webersdorfer were successful. From the very first year, they managed the company with good results, and developed it further, and this gave me the chance to take the next step. And the next step was my dream – and this dream still drives me – to turn TGW into a company that puts people first in a way not seen at any other company.

The idea is that TGW is there for people: for its employees and its customers, but not for an investor, an owner who is only interested in profits.

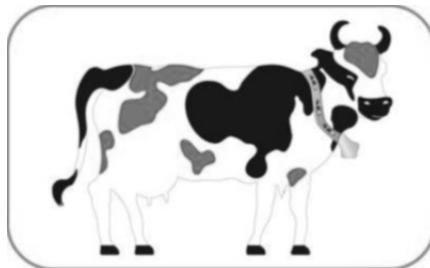
I would like to try and help you understand this dream by telling you a little story: I do a tour of TGW and I ask one of the staff, "What are you doing? What are you dealing with?" He answers: "I am a respected professional. I enjoy doing my job. It gives me the opportunity to make an important contribution to TGW performing well. This job has meaning for me, this meaning inspires me." If I hear an answer like this, I know that here my dream has become reality. But perhaps this metaphor is not enough to make it clear to you what my goals, my intentions really are, behind my legacy. My objective is to safeguard the economic independence of TGW. I have made sure that TGW cannot be sold.

\*\*\*

I set up the TGW Future Foundation for this purpose, and then gave it all of my company shares – 100% of the company. So from that point – that was 2004 – TGW no longer belonged to me, my family or another shareholder, but it belongs to the Foundation, so TGW is a foundation-owned company. And this Foundation is not allowed to sell TGW. I also laid down that 2/3 of the profits must stay in the company, to ensure that TGW would grow independently of banks or other investors, and weather times of crisis. In comparison with other companies this is a very high amount, but it was deliberately set this high to increase the company's equity, and a substantial equity base is like having a strong immune system. It helps us to survive in difficult times.

While putting these measures into effect, an image came to mind: TGW is a cow! You all look so astonished. But you heard me correctly. TGW is a cow. TGW is a beautiful cow! She is a unique cow. She is inviolable. No one has the right to sell this cow. No one should get the crazy idea of slicing a cutlet out of this beautiful cow. She must be looked after lovingly and with great care and must be nurtured, so that she can produce lots of good milk and rear healthy calves. The milk from this TGW cow must be shared fairly and wisely, taking into consideration the contributions made to her care and growth, and special care must be taken to ensure that she is left plenty of milk for rearing her calves.

And to ensure that you retain a vivid memory of this image, I have brought along a present for you.



*[life-sized TGW cow  
was uncovered]*

She really is a beautiful cow, isn't she? YES – this cow is a symbol of what I stipulated in the Foundation Deed, and can never be changed. TGW cannot be sold. Even parts of the company may not be sold. This means you don't need to worry that one day you'll open the newspaper and read the headline: "Global market leader TGW sold to foreign owners". That will not happen. And it will not be allowed to happen, and it can't happen, if we continue to work carefully and observe the rule that 2/3 of the profits must remain in the company. And there is no possibility for anyone not to observe this rule.

You now have the opportunity, with your entrepreneurial commitment, to ensure that TGW flourishes and produces good results – or even excellent ones. But it should also be your aim for these results to be shared fairly, according to your own contribution.

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What I have explained so far concerns the financial side of my legacy. The economic success of the company, as Georg [G. Kirchmayer, CEO TGW Logistics Group] has already said, provides the basis for continuing to think about what we have to do to fulfil the actual vision better and better. "TGW is there for people."

What does that mean for you? I would like TGW to be somewhere you can earn a stable income, a livelihood. But it's just as important that you can exercise your profession – your calling – in an environment that values you. Each and every one of you should have the feeling: "I am part of this company; my contribution is important, what we are doing here together is meaningful." You should be proud of what we are creating with "living logistics". You should enjoy going to work at TGW. So it is necessary to make sure there is always a good working atmosphere. Georg [G. Kirchmayer, CEO TGW Logistics Group] mentioned this as well. It's essential to realize that there are other things that are important to us, not just earning money.

So we must also take care, in situations where we're under a lot of pressure, where we have to cope with stress, that we always treat each other in a human way. I believe that we have to agree on the values that are necessary to ensure this. In my opinion, these are respect, esteem, friendliness and trust in the goodwill of others. We must uphold these values. These values must dominate how we work and live together.

But don't misunderstand my "TGW is there for people" statement. It is of course impossible for employees to come and go when they please or to do whatever takes their fancy. Entrepreneurship has a lot to do with taking things seriously. With responsibility, with shared responsibility. It's about 2,500 employees. It's about three or four times as many people, who are dependent on the income of these employees. Realising my claim that "TGW is there for people" can only work if TGW continues to be economically successful. I believe that will only succeed if you are ready to make a commitment together with the company: "TGW offers me an attractive job, which enables me to learn and grow both professionally and personally, and to organise my career and my private life in a meaningful way. In return, I make a valuable contribution to the TGW as a whole."

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In the last 12 years, since setting up TGW Future Foundation and the transfer of TGW into this Foundation, TGW has developed in a successful and highly satisfying way. We changed the corporate strategy. And this change was a step from being a supplier of mechanical or mechatronic subsystems to being a general contractor.

This was certainly the most difficult and riskiest decision in the history of TGW. We had been successful with the business up to then, but there were already signs that our key customers – so as not to become even more dependent on us – were starting to manufacture their own mechanical components. Or starting to buy firms that were able to take over this work. So it was clear that, if we didn't do something, we would not be able to grow any further, but would end up in a situation that is a nightmare scenario for any entrepreneur: winding the company down, cutting back. Taking the decision was thus like navigating in very dangerous waters.

We were quite aware of the risk. But what we didn't know was that when we started sailing in these waters, the global financial crisis of 2008 would break out. That was like a storm, like a hurricane, which catches a seafarer unawares when he is already in a tough environment. Despite these difficulties, TGW managed to steer clear of the rocks, and not sink. We had to learn a lot during that period, especially about the difference between a supplier of mechanical components and a general contractor. And that proved to be much, much more than we had initially thought. We had to pay dearly for this experience. But even then, TGW managed to finance everything itself, without support from outside, without loans, and to show good business results. In the last two financial years we have achieved excellent results.

And that shows me that we have learned our lesson. That we are now in a position where we have mastered the processes and where you carry out the work at a very high professional standard. These results would not otherwise be possible. So we have made TGW successful. We have stabilised it. Created the economic conditions to be able to pay more attention in future to the development of our corporate culture. That's something – and we shouldn't pretend otherwise – that demands resources, and these resources need to be provided. We have to be able to afford them.

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You all did excellent work throughout that time. Your admirable efforts created the conditions that mean TGW now has the standing it does. That it is a successful company. That we can be proud of TGW. The key demand that my legacy constantly makes to – "focus on people" – was not always honoured during those stormy times. For many of you, your professional commitment took its toll on your private life, in an unreasonable, in an excessive way.

I know that people who are prepared to take on responsibility often see no way to avoid this excessive burden. But I also know from my own experience how bad it can get if this situation continues unchanged for many years. The other areas in your life suffer. You often do serious damage to your health.

Life becomes one-sided and less attractive. Enjoyment of life dwindles; we become unhappy. We need to learn from these experiences and make changes.

We have a sound commercial base on which to develop, but in the next stage of TGW, we must give far more attention to developing the corporate culture. This will not be easy: the challenges of the market have not changed. They are constantly intensifying and achieving this new goal presents us with a great challenge. Despite this, we must achieve both.

We must be economically successful, and we must respect and further develop the people focus in our company. I am convinced that even if it takes not weeks or months but years for this process to bring results, you will eventually manage to combine a successful, healthy job with a fulfilling private life.

\*\*\*

On this brief journey – which has actually taken some time – I have told you how TGW came into being. I have told you my role in it. I have told you why I am committed to making TGW even greater than it already is. I believe that you can understand and feel why my heart belongs to TGW. I have explained my legacy and my idea for TGW, and what this can mean for you. For your work, but also for your whole life. I am absolutely convinced that we will, we must, succeed in developing our corporate culture. Because this culture is an important requirement for you to feel that the work you do is meaningful. And if you see meaning in your work, you will bring great successes about without great difficulty.

But I'm also sure that work in such an environment at TGW – your work – can become a fulfilling part of your life. I invite you to use the opportunities I have created through this Foundation. I invite you to make your contribution to helping the company develop, to make TGW a company that "puts people first". TGW will become an even greater company, and that's why this idea needs to be put into effect. As long as I am in a position to do so, I will continue to do whatever I can to support this process.

**Dear TGW employees,**

Thank you for letting me tell you the story about the company I cherish. Thank you for listening so attentively. I also thank you for your commitment – together with your colleagues not present today – a commitment which has made the successful development of TGW possible. I would like you to take my idea for the future TGW with you as you leave for your Christmas break. Think about it and take it to heart, so that it increasingly becomes reality.

**In conclusion, I would like to express one request.**

I told you that I set down my legacy in 2004 and that there will be no changes to it. I would just like to make one small but – for me – important additional request.

*When I am peering down on TGW in 10 or 20 years' time, I would like to see that my idea for the future of TGW has been implemented.*

**That would make me incredibly happy.  
Merry Christmas to you all!**

\*\*\* end of the speech \*\*\*

Speech by Ludwig Sznitz, Founder of the TGW Future Privatstiftung  
“**Focusing on People – Learning and Growing**”  
The foundation’s philosophy guiding the actions of the  
TGW Logistics Group GmbH’s leadership team

It is my true pleasure to spend this day with you and be part of this important platform for TGW. Some of you are known faces to me, with some I have personal contacts but most of you are new to me. I am hence looking forward to getting to know you.

**Dear TGW-Leadership Team!**

At last year’s Christmas event at TGW Wels I have presented my legacy, the philosophy of the TGW Future Foundation, to you. I hope you have found the time to reflect on its meaning for you.

TGW a foundation-owned company as a “loan” to the people working at TGW

I loan the TGW to you!

**But why this loan? What are the reasons behind it?**

This is about you, about the many people working here every day. I want TGW to be an exceptional work place for you. A work place you look forward to going to every morning: because it allows you to earn your livelihood - but especially because you get the opportunity to further develop professionally as well as personally.

TGW should be your TGW. A company you care about; a place where you can contribute to shaping the future; a company where results are fairly shared.

I am confident that understanding the true meaning of the foundation’s philosophy – “Focusing on People – Learning and Growing” – will also allow you to understand me and my vision. Martin will certainly say some additional words afterwards too.

Once my vision has become clear to you, I hope you will burn for this vision just as much as I do and I hope you will take initiative and passionately work on living my legacy.

**What does this loan mean to you? Is your commitment worth it?**

My legacy intends to enable you to live a healthy balance of work life and private life. Or more precisely:

- It should provide you a safe and attractive work place.
- It should allow you a joyful working attitude thanks to a humane company culture.
- It offers you a financial share in the jointly achieved results.

**Preconditions for success**

I previously said: I wish for you to take initiative and proactively contribute to shaping the future of TGW. What does this mean?

A fundamental precondition for succeeding in living the foundation's philosophy is a healthy economic basis. If we fail to be economically successful, we will not have the means to develop in the direction I believe in. It will be a matter of surviving or falling apart.

The reason I feel so strong about these things is the fact that I have barely escaped bankruptcy, an economic ruin, twice in my life. Economic success **is** key.

Therefore, I also know how much your previous achievements at TGW must be honored. Your commitment and hard work contributed to today's financial health of the company with a robust immune system. I am certain that we are well equipped for taking the next steps in developing TGW further.

And developing further is important, despite our economic success. Our world is becoming more and more complex and we cannot predict what the markets will look like in 5 or 10 years.

This means, understanding and adapting quickly to new conditions is going to be our game changer - and we have to be ready for doing so.

We all have to take responsibility to shape the future of TGW. And I truly mean: every single employee has to take responsibility. But, bringing everybody on board will only succeed if we are conscious about and really live a culture of "focusing on people".

To do so, we have to live up to our fundamental values and practice them in every-day life, even if stressed or under pressure.

These overarching core values are:

- Respect,
- Esteem,
- Friendliness,
- Trust in the goodwill of others and
- Freedom from fear.

#### **Contribution in taking responsibility for the future of TGW**

It has to be clear to us, why joint responsibility is important – and, what it means to take responsibility.

To me, taking responsibility means that all employees care for TGW. TGW isn't just an employer, this is your enterprise. I have given TGW into your hands and stewardship. You should have the opportunity to get a fair share from the economic results of your hard work.

A great chance and risk at once, this means that positive results will result in ensuring your job and increasing your income. Or, losing your work and facing the end of TGW.

Therefore, I believe that all employees must act responsibly, must mind and esteem the company, just as they do with other areas of live too: Family. Partners. Children. TGW and their professional life should be no exception.

July 3<sup>rd</sup>, 2017 | 1:30 -1:45 PM | Courtyard Marriott Linz

**Participation in the results of TGW**

You certainly know the picture of the TGW cow?

All I have said until now is about creating the right conditions for nurturing a healthy cow so that she is able to produce good milk and rear healthy calves. These efforts only pay off if we have the main aspect of work in mind: ensuring and improving our material basis.

Therefore, employee participation means to me two things: taking responsibility for the company as well as getting a fair share in the economic results.

**Framework for developing further**

To execute the foundation's philosophy as imagined by me, it is a prerequisite to divide responsibilities.

Key are a strong Board in the TGW Future Foundation, a capable Supervisory Board, a truly collective Management Board and an empowered leadership team.

- I hence enforced the foundation's Board.
- I explicitly mandated the Board to implement my legacy – the foundation's philosophy, which is also included in the foundation declaration.

The Board members committed to this important task and fully understand the fundaments of my vision for TGW.

Additionally, I ensured that the Board can dedicate the required time to the fulfillment of this task. Martin Krauss, in particular, committed to spend 50% of his annual work time in executing his role as Chairman of the Board and hence acting as the main responsible person of both the Foundation's Board as well as of the Supervisory Board.

He is leading the process of developing and implementing the foundation's philosophy "Focusing on people – learning and growing".

With these changes, we laid the ground for executing my legacy and the foundation's Board has already initiated a number of important tasks to set the preconditions and framework for the next steps. Clarified and newly defined roles within the entire organization are an example.

Martin Krauss, Chairman of the Board of the TGW Future Foundation and Chairman of the Supervisory Board, will now outline the decisive meaning of the foundation's philosophy for the future of TGW. He will also give guidance on HOW we can JOINTLY get there. In the end, this is really about Working.Togther.

Martin the floor is yours.

## Rules of Procedure for the Management Board of TGW Logistics Group (5.11.2020)

Excerpt from "Mission Statement" (p. 1)

TGW Logistics Group GmbH  
Rules of Procedure for the Management Board

### Rules of Procedure for the Management Board of TGW Logistics Group GmbH

(hereinafter referred to as "Company")

as amended by the Supervisory Board decision of 2020-11-05  
according to section 6.4. of the Articles of Association

#### 1. Duties of the Management Board / Mission Statement

- 1.1 TGW Logistics Group GmbH is the parent company (sec. 189a subsec. 6 of the Austrian Commercial Code (UGB)) of the company group TGW (TGW Group).
- 1.2 The Management Board shall manage the corporate undertaking and thus the TGW Group, which shall be managed according to the principle of sound financial management. The Managing Directors shall conduct the business of the company with due care and diligence and according to legal requirements, the Articles of Association, the decisions of the shareholders and the Supervisory Board as well as these Rules of Procedure and any provision in the employment or Managing Directors' contracts.
- 1.3 The **mission statement** for the Management Board is defined as follows:

The company is not a purely economic partnership of convenience, but a meaningful community with shared values permitting personal and professional growth as well as entrepreneurial success. The cooperation between the people within the TGW Group and with people outside of the company is based on commonly shared values. The culture within the TGW Group shall ensure freedom from fear. Furthermore, respect and trust shall prevail. The people shall be able to trust that others are benevolent. The foundation philosophy "Focusing on People – learning and growing" is the framework defining HOW to manage the TGW Group sustainably.

All 12 values of the TGW World with the corresponding guiding principles



## HOW WE TREAT EACH OTHER

### RESPECT AND APPRECIATION

WE VALUE OTHERS IN THEIR UNIQUENESS.

- Each of us can and should make important contributions to the overall outcome, regardless of job functions, background, gender, or religion.
- We value different opinions, we approach each other at eye level, and we treat each other fairly.
- We respect the personal boundaries of others and are careful not to violate these.
- Self-respect is the basis for respectful mutual cooperation.

### TRUST

WE TRUST IN THE GOODWILL OF OTHERS.

- In the TGW world, we treat others with benevolence and without prejudice, and by focusing on the things we have in common and what unites us.
- Our sense of goodwill towards others makes us open to critical dialogue, thus laying the foundation for joint learning and team success.
- We initiate interactions by showing trust, but always proceed with good judgement.

### FREEDOM FROM FEAR

WE CREATE CONFIDENCE AND ACT WITH COURAGE.

- In the TGW world, we create an environment free from fear in which we can act with courage.
- We are aware of the fact that it is okay to make mistakes or fail.
- We engage in open and frank dialogue independently of the position in which we might find ourselves.
- We trust that criticism is expressed with positive intentions.
- We learn quickly through regular feedback that we provide as well as request.
- In the event of mistakes and conflicts we treat each other fairly and constructively and view them as an opportunity for more learning and growth.

### FRIENDLINESS

WE APPROACH OTHERS WITH A POSITIVE ATTITUDE.

- In the TGW world, we treat each other in the spirit of openness and kindness, which also includes courtesy and good manners.
- In terms of friendliness we make no difference between co-workers or external partners: we treat everyone alike, regardless of rank or function.
- Even in difficult situations – when there is a problem or if a conflict arises – friendliness remains essential to the way we treat others.

All 12 values of the TGW World with the corresponding guiding principles (cont.)



## THE WAY WE WORK

### RESPONSIBLE

WE TAKE ON RESPONSIBILITY FOR OURSELVES AND FOR THE COMPANY AS A WHOLE.

- In the TGW world, we enjoy numerous freedoms which we exercise with prudence and awareness. Freedom comes with responsibility.
- Personal responsibility is very important to us and requires us to seek and respect other opinions, especially in making tough or farreaching decisions.
- We consider ourselves joint entrepreneurs and are therefore committed to the success of the TGW world.
- A sense of commitment and dependability towards our co-workers as well as our customers is important to us.
- Workplace safety has top priority.
- We also take on responsibility outside of the TGW world. This includes readiness to engage in society as a whole.

### OPEN MINDED

WE ARE OPEN TOWARDS CHANGE AS WELL AS NEW AND DIFFERENT THINGS.

- In the TGW world, we are interested in alternative ideas and different viewpoints. We are open towards inspiration from the outside.
- We balance different points of view. We seek consensus, but we allow differences of opinion and are willing to discuss them.
- We are willing to examine, challenge, and revise our viewpoints.
- We allow space for creativity and we are bold and innovative.

### PROACTIVE

WE ACT IN A PROACTIVE AND FORWARDLOOKING SPIRIT.

- In the TGW world, we actively contribute our ideas. We share our know-how and are committed to its implementation.
- We actively communicate the status and progress of our assignments and projects. We frequently request feedback and seek out the opinions of others.
- We learn quickly and act flexibly. That way, we are one step ahead.
- We apply our experience and a forward-thinking approach in making decisions.
- We keep an eye on opportunities and risks, on the market, and on our competitors. By acting proactively, we continuously improve our competitiveness, thus securing the necessary competitive edge that will bring us sustainable success.

### RESULT DRIVEN

WE PURSUE OUR GOALS WITH DETERMINATION.

- We make sure that we have the right goal in mind in each and every situation.
- In the TGW world, we think and act in a solution-minded and forward-looking spirit. We are dedicated to achieving our goals.
- We look beyond the horizon of our business environment, we act with vision and we make decisions that are right for the TGW world as a whole.
- In order to improve our results, we continuously work on ourselves and on developing a high quality of relationships with our customers, suppliers, and external partners.

All 12 values of the TGW World with the corresponding guiding principles (cont.)



### HOW WE LEAD

#### WE LEAD BY EXAMPLE

WE DO WHAT WE SAY, AND THEN DO OUR BEST.

- In the TGW world, we are committed to our values and we live them in everyday work life.
- We make straightforward decisions and communicate them openly, thus providing a sense of direction.
- We critically question our point of view by adopting new perspectives.
- We are willing to learn and we regularly solicit feedback from others.

#### WE EXCITE THROUGH PASSION

WE INSPIRE THROUGH SPIRIT AND IMAGINATION.

- In the TGW world, we design clear-cut pictures of the future.
- Together we will discover assignments and roles with which each and every one of us can identify – and then we commit to them with dedication and passion.
- We make sure that everyone recognises the meaning and value of their contributions to the common goal.

#### WE EMPOWER OUR PEOPLE

WE STRENGTHEN OUR EMPLOYEES AND HELP THEM TO DEVELOP.

- In the TGW world, we are aware of the strengths and talents of our employees, and we encourage them to put their talents to the best possible use.
- We encourage people to take on responsibilities and to continue in their development. This is how we promote self-determination and a sense of independent work.
- We encourage and coach people in their learning and growing.

#### WE WIN AS A TEAM

WE RELY ON SUCCESS THAT STEMS FROM TEAMWORK.

- In the TGW world, we work together. Effective teamwork is one of the essential pillars of our success.
- We build effective teams that work together towards a common goal.
- We believe in diversity and we harness the individual strengths of our team members.
- We know how to manage conflicts. We communicate openly about disagreements and we resolve them productively. We recognise opportunity in conflicts.
- We celebrate our success together.

## Future Wings Manifesto (2008)

Excerpt from "What we want" (p. 5-6)

### 2. WHAT WE WANT

#### 2.1. Mission of the Foundation

The Future Wings Private Foundation was created with the aim of encouraging the growth and learning of young people and fostering the different talents of each individual regardless of background, social class and financial possibilities.

Fostering and promoting especially young people is the concern that should be the first priority in all enterprises supported by the Foundation. They should be able, in the long term, to contribute a new awareness of education, personality development and personal maturation processes across all existing structural and social boundaries. Thus the Future Wings Private Foundation primarily wants to support those projects that are dedicated to the holistic and sustainable development of people and go beyond traditional educational (and training) options and performance demands shaped primarily by our Western culture.”

#### 2.2. Activities and goals of the Foundation

Goals of the Future Wings Foundation is to use existing financial resources to create the basis for self-sustaining systems that can operate over generations and independently of individuals.

The most important prerequisite is the availability mainly of human resources – people who are able and willing to carry on the spirit of the Foundation. One essential goal is therefore to attract potential partners and allies to work together, make the activities and successes of the Foundation accessible and thus “not only do good but also to talk about it!”

Future Wings is committed to the task of supporting projects that want to help young people, look at the topic of learning from many perspectives and open up new horizons for development by trying out innovative and courageous methods. The Foundation is also interested in lending support within existing social structures in collaboration with existing educational institutions and creating and strengthening a general awareness of the importance of personal development in every individual. From today's point of view, the focus is on building personal skills in tandem with the factual knowledge imparted by schools, so young people can mature in conformity with the holistic principle.

## Wall of the conception of human beings

### Closed meeting of the Board of TGW Future Private Foundation (2018)

(translated and set from the German original)

Documents (from the time) of the founder – mirroring Ludwig Sznitz' conception of human beings (2)

- Nucleus
- Mindmap
- Setting the course
- Key documents
- Legal specification
- Closed meeting 2016**
- Communication

**TGW Future  
PRIVATE STIFTUNG**



**"Idea TGW" by Ludwig Sznitz**

Value system, Ludwig Sznitz, 23 August 2006

"Seizing the opportunity" workshop on 5 February 2016 at SCWP Wels

"TGW World Excerpt, Mission Statement, 28 January 2016"

"Information on the legacy of Ludwig Sznitz, 28 April 2016"

Revised version of the Foundation Declaration, including the Foundation's philosophy (>>> values, cow image, etc.) from 28 June 2016

Conception of human beings MacGregor (theory Y)

Learning Cycle

(Dual) Employee Participation\*

Speech of Ludwig Sznitz (Christmas party) on 16 December 2016 in Wels

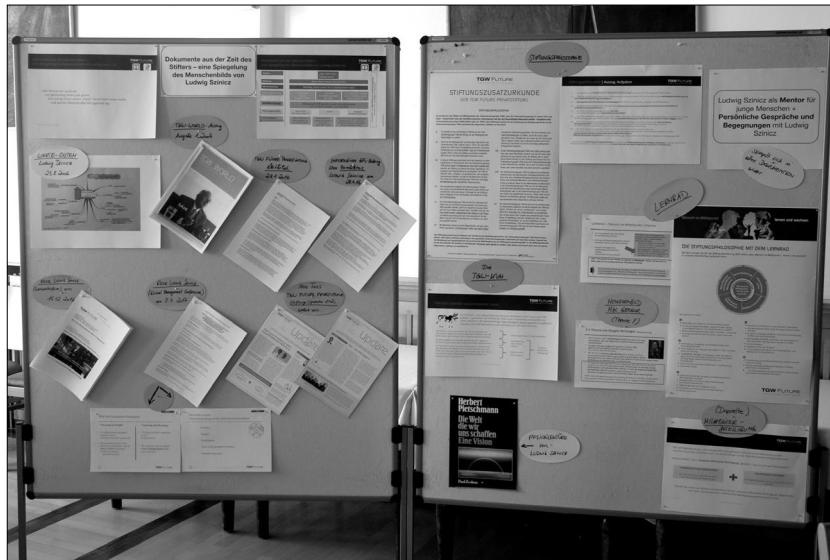
Speech of Ludwig Sznitz (Global Management Conference) on 3 July 2017 in Linz

New tools of TGW Future Private Foundation: Foundation/updates nos. 1+2; website; presence on the TGW Logistics Group Intranet; business equipment

Ludwig Sznitz as a matter of young people

person orientation is a matter of young people

2



# THE FOUNDATION PHILOSOPHY WITH THE LEARNING CYCLE

With the Learning Cycle, the TGW Future Foundation aims to provide guidance on how to embody the "Focusing on People – Learning and Growing" philosophy in your daily life at TGW.



## The Learning Cycle in detail:

### ① The question of WHY as entry point

- A vision can provide the basis for purpose orientation
- It should be possible to make a meaningful contribution to one's own working and general life situation
- A balanced work life and private life situation
- The higher the individual's sense of purpose, the more s/he benefits

### ② Good management/leadership based on shared values

- Mindset, attitude and behaviour play a decisive role
- High importance of ratio and feelings (= head and heart are equally needed)
- Freedom from fear, respect for each other and trust in the other's goodwill are very important values, as are esteem and friendliness
- Good leadership makes the difference
- How is that lived?/By example
- Working together

### ③ Acting on one's own responsibility also requires consultation

- Employees' independent action and personal organization dominate
- All employees and teams have extensive scope to make their own decisions
- Self-control to drive everyone's actions
- Consultation as a "must" is an important component
- Freedom demands commitment

### ④ Trust is the basis of learning as a company

- Trust is the basis for companies to learn
- The shared vision is reflected in one's independent action
- It is about a holistic, systemic examination in cause-effect relations
- Handling of criticism and errors is decisive in the endeavour to continuously improve
- Experimenting is needed!
- Feedback culture is an enabler
- Leadership in the form of "support" and "enabling" is decisive

### ⑤ Each individual matters and is willing to develop its talents and capabilities

- Personal and professional growth help ensure corporate success
- Both contribute to a higher level of personal satisfaction ...
- ... and the right corporate culture supports this human and professional growth

The graduation trip of Ludwig Szinicz and Heinz König  
with their friend Georg Grondinger (1/6)

## Studententrio fährt rund um das Mittelmeer

Linzer Maturanten starten morgen zu einer Fahrt über 22.000 Kilometer

Drei junge Linzer, Maturanten des Jahrs 1958 an der Bundesgewerbeschule, reisen morgen Freitag, gewissermaßen als

Maturareise, an die Mittelmerländer an. Die Väter — es sind drei Freunde miteinander — haben nichts gegen die

Direktor Szinicz (Ehrentitelberger), Sport-



Wenn L. Szinicz den Volkswagen auf diese Weise in Schwung bringen will, wird sich die Abreise bestimmt verschieben. Es hat sich sogar in Afrika herumgesprochen, daß der VW den Motor rückwärts hat.

Photo: Prökosch.

Newspaper article about the trip on 10 July 1958

10. Juli 1958

arzt Dr. König und Verkaufschef Grondinger (Opel) haben nichts gegen die Freunde einzubringen, um so setzen die drei Freunde morgen um 10 Uhr ihre VW-Kastenwagen in Bewegung, um die 22.000 Kilometer lange Reise rund um das Mittelmeische Meer anzutreten.

Sie fahren im „Uhrzeigersinn, also von links nach rechts“ über Jugoslawien, Griechenland, die Tropen Syrien, Libanon, Ägypten, Algerien, Spanien, Frankreich und Italien wieder nach Österreich.

Sie haben sich ausgerechnet, in achtzig Tagen zu Hause des Herrn zu sein. Hoffentlich klappt es mit der Zeit, dann kann viel von ihnen müssen im Oktober ihren Militärdienst anstreben. Peinlich, wenn sie Deserteure wider Willen würden!

Die Vorbereitungen reichen gut ein Jahr zurück. Was die drei mitbringen, wie die Reisegegenstände sind die Empfehlungsschreiber an die verschiedenen Handelsvertretungen in den fremden Ländern. Schon mancher Reisende wäre gescheitert, hätte ihm nicht ein Lärmann weitergebracht. Darauf bauen auch viele Hoffnungen der drei Linzer.

Alle drei können chauffieren, jeder von ihnen ist während der Reise Radfahrer, LKW-Fahrer, Schreiber, Rechner und Finanzminister. H. König Arzt und Koch, Grondinger der Publizist, der die Verbindung mit der Heimat aufrecht zu erhalten hat. Hoffentlich läßt er seinem Blatt einmal eine Nachricht aufnehmen.

Das Auto wurde von der AVEG zur Verfügung gestellt, andere Firmen unterstützen das Vorhaben ebenfalls. Ein kräftiges Tolle! toll! zum Start und glückliche Wiederkehr!



The "three musketeers" and their farewell from the family



The graduation trip of Ludwig Szinicz and Heinz König  
with their friend Georg Grondinger (2/6)



Medieval agriculture



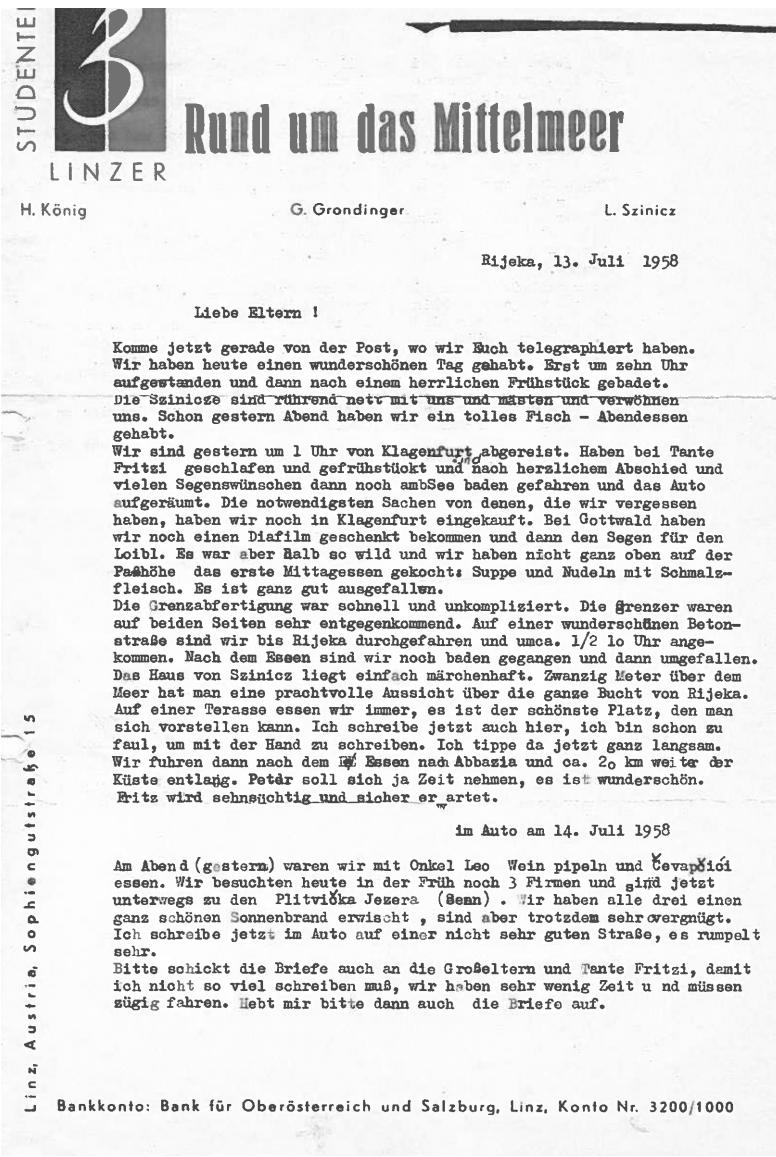
Making distilled water for the battery



Back home!



## The graduation trip of Ludwig Szinicz and Heinz König with their friend Georg Grondinger (3/6)



Letter from the graduation trip, 13 July 1958

## The graduation trip of Ludwig Sznicz and Heinz König with their friend Georg Grondinger (4/6)

Eben jetzt sind wir bei den Plitvicer- Seen angekommen. Einfach toll. 14 Seen, durch Wasserfälle miteinander verbunden. Es gefällt uns hier so gut, daß wir heute noch hier bleiben wollen und erst morgennach Split weiterfahren wollen.

Zum Essen gibt es jetzt Revioli, vorher eine Suppe und dann einen Schwarzen mit Soletti.

An einem von den Seen haben wir uns häuslich niedergelassen und können fast vom Auto in den See springen, der fast so warm ist wie der Wörther-See.

Die Straße zu den Plitvicer Seen ist nicht sehr besonders und schrecklich staubig. Der ganze Wagen ist verstaubt, sogar in den Leber mittel - Schachteln ist der Staub. Wir haben aber schon wieder sauber gemacht.

Peter soll in Jugoslavien unbedingt Super fahren. Wir haben heute Non getankt und der VW klingelt verheerend.

Die Plitvicer Seen sind ungefähr 80 km von Senj entfernt, und Senj ca. 80 km von Rijeka. Wenn es Peter nicht zu weit wird, sollte er unbedingt herkommen. Er könnte sich hier herrlich ausruhen. Es sind fast keine Fremden hier, ein paar Österreicher, sonst weit und breit kein Mensch und kein Verkehr.

In Split haben wir das erste Service. Wir werden uns inzwischen den Diokletians-Palast ansehen.

Hoffentlich klappt jetzt alles beim Haus. Ich bin schon sehr auf den Umzug gespannt.

Viele Grüße  
Euer

Heinz

Ludwig bitte lasst die  
Mutti d. Brief  
lesen

Bitte ebenso!

Herzliche Grüße,

Georg

Letter from the graduation trip, 13 July 1958

The graduation trip of Ludwig Szinicz and Heinz König  
with their friend Georg Grondinger (5/6)



H. König

G. Grondinger

L. Szinicz

Amfissa, am 29. 7. 58

Liebe Tante Steffi, liebe Eltern !

Stellt Euch vor, wir haben heute von der Shell 500 Drachmen (ca 450 S) geschenkt bekommen, wir müssen ihnen nur einen Zeitungsausschnitt schicken, in dem die Shell Griechenland lobend hervorgehoben wird. Also der erste Erfolg bei den "Empfehlungen". In Saloniki können wir das Geld abheben. Um 12 Uhr sind wir dann endlich aus Athen abgereist. Über-Theben nach Delphi geht es in einem Tal mitten durch hohe Berge, die fast so wie die Gegend um Eisenkappel aussehen, aber nur für Schafzucht geeignet. Die Schafe sind die blädesten Tiere die es gibt. Man könnte 100 niederführen, bevor eines einmal freiwillig ausweicht. Die Reste von Delphi liegen landschaftlich wunderschön direkt in einem steilen Bergsüdhang. Das Stadion, das Theater und Tempelreste sind noch am besten erhalten, um Orakel selbst sieht man nur sehr spärliche Trümmer. Bei Sonnenuntergang sind wir dann weitergefahren bis etwas nach Amfissa. Auch in Griechenland können die Straßen schlecht sein, wir sind 12 km in einem ausgetrockneten Flussbett gefahren. Wir schlafen direkt neben der Straße und haben uns das Wasser 5 km weit mitgenommen. Leider ist sehr viel Verkehr und wir werden sehr gerne angehupt, von Lastwagen, die Straßenbaumaterial führen. Zum Nachtmahl hat es Melanzani, Wißbrot mit Schafbutter ( die herrlich, aber sehr teuer ist, 1/8 kg 6 ö. S. ) und nachher Tee gegeben.

Trikkala, am 29.7. 1958

In der Früh sind wir weiter nach Trikkala gefahren (über Lamia, Kardhitsa), das sind alte Felsenklöster aus dem 13. Jhd., unheimlich romantisch auf fast unzugänglichen Felsklötzen gebaut. Wir wollten ursprünglich oben bei den Mönchen (griech. orthodox) schlafen, aber nach der Besichtigung vorgezogen, unter freiem Himmel zu schlafen zu bleiben. Es gibt fast keine Nachwuchsmönche mehr; in einem Kloster, das sehr groß ist höchstens ~~über~~ drei. Früher konnte man in diese Klöster nur mit einem Korb, ~~über~~ über eine überhängende Wand hinauf ins Kloster, jetzt führt eine Autostraße hinauf, der Rest geht man zu Fuß auf ins Felsen gehauene Treppen. Es gibt ca. 8 Klöster, von denen nur mehr drei halb verfallen bewohnt werden. Der jüngste Mönch ist 73 Jahre. Sie leben hauptsächlich vom Anichtskarten verkaufen. In einem Flusbett (ausgetrocknet) schlafen wir heute, leider wieder fast ohne Wasser. Man kommt sich vor, wie in Karl May "Unter Geiern", während eine ganze Menge Aasgeier gleich in der Nähe unheimlichen Krach macht, und wenn der Wind dreht, stinkt es jämmerlich. Abendessen: Suppe, gefüllte Paprika, Weintrauben und Tee.

Saloniki 30.7. 58

Wir haben den Klöster heute Früh noch einen Besuch abgestattet, hauptsächlich, um zu fotografieren. Dann sind wir weiter über Kozani nach Saloniki gefahren, wo wir bis jetzt den Grundmannvertreter in seiner "Wohnung" und in seinem "Büro" gesucht haben. Nach den Behausungen muß das ein furchtbare Mensch sein. Bankkonto: Bank für Oberösterreich und Salzburg Linz, Konto Nr. 3200/1000 Adressen: Nudeln mit Gulasch, Weintrauben, Pirateneintopf, Käse und Tee.

Letter from the graduation trip, 29-31 July 1958

## The graduation trip of Ludwig Sznicz and Heinz König with their friend Georg Grondinger (6/6)

r schlafen auf einem Badestrand, wunderschön mit Brause, 20 km von Saloniki entfernt. Georg schnarcht in der Nacht unbeschreiblich und jedes Mittel bleibt folglos. Ich habe nur immer Angst, daß er erstickt. Iwig erzieht Georg zu einem Musterknaben, es ist untehaltsam, zu zuhören, in lchem Ton.

Saloniki, am 31. 7. 1958

Heute sind wir alle wieder frisch und munter, wir haben gebadet und gut gefröhlicht. Wir sind dann in die Stadt zurückgefahren, haben bei der Shell 500 Drachmen abgeholt (die Shell Leute sind wirklich furchtbar nett, wir haben Limonade bekommen und dann hat uns noch ein Herr die Wäscherei gezeigt) und waren dann noch einmal den Grundmannsvertreter besucht. Er wäre sehr nett, leider ist er krank und schm reicht alt und seine Behausung ist auch etwas düftig. ~~Wähn~~ Wir bekamen bei ihm Eure Briefe und das Telegramm, vielen Dank für alles, und auch den Kreditbrief. Ich glaube, das mit dem Kreditbrief war ein Mißverständnis. Wir haben nämlich geglaubt, daß wir eine Bankgarantie für die ~~Wähn~~ Türkei zu Hause vergessen hätten, inzwischen haben wir entdeckt, daß das alles im Carnet vermerkt ist. Wir können aber den Kreditbrief, im Falle, daß in Spanien etwas mit dem Wagen passiert, vielleicht noch brauchen. Jed:nfalls vielen Dank. Wir sind jetzt gerade in der Volkswagenwerkstatt beim dritten Service, und lassen den Stoßdämpfer rechte hinten auswechseln. Ich glaube auch, daß der kaputte Stoßdämpfer das ~~Wähn~~ frühere "Geräusch im Getriebe" war. Der Volkswagen ist wirklich tadellos in Schuß und es besteht kein Grund zur Besorgnis. Der Kreditbrief war nicht für Reparaturbezahlungen gedacht, sondern nur als Kautio für die Türkei. Die VW ~~Wähn~~ Werkstätte hier ist ganz modern, und die Arbeiter sind sehr geschickt und gewissenhaft. In der Türkei hingegen sollen schrecklich Werkstätten sein.

Wir wollen heute noch etwas Saloniki an ehen und morgen gegen mittag wieder aufreisen. Ich bin Georges Sekretär für die Zeitungsberichte, die wir heute Abend schreiben werden.

Mit dem Mägen haben wir keine Schwierigkeiten, nicht einmal Georg, ~~Wähn~~ schließlich bin auch ich Koch. Wir haben erst drei Mal im Gaesthaus gegessen, und nur dann, wenn keine Zeit zum Kochen war.

Wir sind wieder bester Laune und alles klappt vorschriftsmäßig. Nur die Zeit ist immer knapp, aber daran gewöhnt man sich auch. Wenn man die gleiche Reise bequem machen würde man gut ein Jahr dazu brauchen.

Im Großen und ~~Wähn~~ anzen muß man von den Griechen leiser sagen, daß sie nicht sehr gastfreudlich sind. Seltens daß man auf etwas eingeladen wird, dafür wird man alle km aufgehalten und um Zigaretten angeschnorrt, oder um Zuckerl usw. In der Gegend von Saloniki ~~Wähn~~ gibt es das billigste Obst in jeder Menge. Wir waren gestern auf der Fahrt in einem kleinen, fast mittelalterlichen Dorf auf einem sehr schönen Marktplatz, zu dem man nur zu Fuß hinkommt, billig Weintrauben und Pfirsiche einkaufen. Saloniki ist eine Großstadt mit 600.000 Einwohner und sehr modern, auch viele große Autos, die man in Süd Griechenland, außer Athen, kaum sieht.

Viele Grüße an alle

Euer Heinz

( kein Kugelschreiber zur Hand)

Letter from the graduation trip, 29-31 July 1958

## Editor: About the Board of TGW Future Private Foundation

**Martin Krauss** (\*1963) has been member of the Foundation Board of TGW Future Private Foundation since 2013 and Chairman since 2014. He is also Chairman of the Supervisory Board of TGW Logistics and since 2016 has been a member of the Supervisory Board of Semikron in Nuremberg. Martin Krauss completed an apprenticeship as an industrial manager, trained as a reserve officer and worked in project management. Martin Krauss studied business administration at Aston University in Birmingham and Friedrich-Alexander University in Erlangen-Nuremberg, where he was also a lecturer in the “International project management in plant engineering” master’s program from 2015 to 2018. He carried on his professional career in 1994 in the area of strategy consulting at Siemens. Until 2013, he held various positions at Siemens in Germany and abroad, most recently as member of the Managing Board and CFO of the „Siemens Regional Company Turkey“ in Istanbul and as CFO of Siemens VAI Metals Technologies (since 2015 Primetals Technologies) in Linz.

**Dr. Ernst Chalupsky** (\*1954) has been a member of the Foundation Board since the TGW Future Private Foundation was set up in 2004. Since 2016, Dr. Chalupsky has acted as Deputy Chairman of the Board of TGW Future Private Foundation and Deputy Chairman of the Supervisory Board of TGW Logistics. After completing his law degree at the Johannes Kepler University in Linz, Austria, and then his internship at a law firm in Upper Austria, Dr. Chalupsky has worked in his profession in Wels, Austria, since 1982. He and Dr. Maximilian Gumpoldsberger built up Chalupsky & Gumpoldsberger in Wels until its merger with Saxinger & Baumann to become SCWP in 2000. Since 1999, Dr. Ernst Chalupsky has been a partner and managing partner of the legal firm Saxinger, Chalupsky & Partner Rechtsanwälte GmbH (SCWP). In addition, Dr. Chalupsky is Deputy Chairman of the Supervisory Board of KTM Industries AG and member of the Supervisory Board of many other renowned companies in Upper Austria.

**Johannes Feldmayer** (\*1956) has been a member of the Board of TGW Future Private Foundation since June 2016. He is also on the Supervisory Board of TGW Logistics. After completing his business apprenticeship and the Young Managers MBA Program at the INSEAD Business School in Fontainebleau in France, he worked in various management positions in Germany and abroad for Siemens AG, was responsible for steering the group strategy and a member of the board of the Siemens Group from 2003 to 2007. In 2006, the Technical University Berlin awarded an Honorary Professorship to Johannes Feldmayer for his work in strategic management. Since November 2009 he has been the General Manager and Chief Representative of Heitec Group, an engineering company based in Erlangen, Germany. Johannes Feldmayer has served as a member of the supervisory boards of Infineon AG, Exxon Europa, Eckelmann AG as well as Metric mobility solutions AG and is currently a member of the Management Board of Leuze electronic GmbH + Co. KG and the Supervisory Board of Friwo Gerätebau GmbH.

**Christian Lutz** (\*1966) is a member of both the TGW Future Private Foundation Board and the Supervisory Board of TGW Logistics. He has had ties with TGW since 1986 when he worked as a student for the company during his mechanical engineering degree studies – and has remained closely associated ever since. Starting in 2010, he was a consultant for the former supervisory body until he became a member of the TGW Future Private Foundation Board and the Supervisory Board of TGW Logistics in 2014. Based in Vorarlberg (Austria), Christian Lutz is serial entrepreneur in the software industry and currently dedicated CEO and founder of the venture capital-funded software company Crate.io, headquartered in San Francisco. He has over twenty years’ experience in the development and management of enterprise software, IT and in the media industry. Christian Lutz studied at the Technical University Vienna until 1994 and at Harvard Business School from 2008–2011.

**Dr. Clemens Steiner** (\*1969) has been a member of TGW Future Foundation’s Board and of the Supervisory Board of TGW Logistics Group GmbH since January 2017. He has had ties with TGW and its co-founder and benefactor Ludwig Szinicz since 1991. He completed his master’s thesis at TGW in 1992. In 2002 he got his PhD in corporate management and organisation on the subject of “SMEs go global – successful internationalization strategies for medium-sized companies”. Dr. Steiner has been working for TIGER Coatings since 1995 and managing the company as CEO since 2003. He holds an Executive Certificate in Global Management and is alumni of INSEAD in Fontainebleau, with a focus on Innovation Management, Strategic Management and Mergers & Acquisitions. In tandem with this, for 20 years he has been extensively involved with spirituality, Liberating Organisms as a framework for self-managing organisations for healthy cooperative working and leading with vision and values. Dr. Clemens Steiner has deepened his holistic networked approach through an agricultural education and finds a balance to his profession in his work as a part-time organic farmer and organic beekeeper.



