

## Funke



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# Dear employees, Dear friends, Dear business partners,

This year, Funke Medical AG celebrates its 30-year anniversary. This anniversary will be commemorated with this "Magazine", which aims to remind us all of some of the building blocks upon which this company's success was built.

The road to success is not always a straight line. In our field of work, we know only too well that taking one step forward can sometimes result in taking two steps back, and that sometimes you have to take the circuitous route to reach your goals.

The development of Funke Medical AG from its foundation in Raesfeld to an internationally active medical technology company with more than 80 employees to date is also a process that didn't always follow the most direct path.

But when you look at it as a whole, the journey has been very successful, with only marginal deviations from the objectives that were set. In the years that have gone by, we have reached many new heights, but we have had to overcome difficult situations and persevere with determination to find solutions to these situations.

We have been able to overcome all of these challenges thanks to the commitment and hard work of all of our employees and partners.

### We would like to sincerely thank everyone involved!

We hope that in the following years we can build on this support and commitment, in order to continue to develop Funke Medical AG.

Andreas Funke

Helmut Wessels

Patricia Funke - Executive board of Funke Medical AG -





# From a living room office to a global player

The production and administration building, which spans 4500 square metres, at Roringskamp in Raesfeld as a third location is a **symbol of the economic success** of Funke Medical AG.

With modern machines and IT equipment, the company produces up to I200 mattresses at this location and two others. However, thirty years ago when the company was founded, it was a much smaller operation. Back then, the most important tools were pencils, paper and a whole lot of brain work.

"At the start, we still didn't have a name for our product and marketing concept", says company founder Bernhard Funke. Together with his wife Edelgard, he searched for a term that could sum up the quality characteristics of his product ideas in one

"We had to extend our pool of creative thinkers. Then, we had a weekend of brainstorming with our children and friends"

says Bernhard Funke.

The current chairman Andreas Funke was also part of this select group. The members of the group noted down their ideas on A4 sheets of paper and presented them to the company founder in the family living room. The suggestions list contained terms such as "Superbetten" (super beds) or "Kaiserschlaf" (emperor's sleep) and "Königsschlaf" (king's sleep).

Finally, together with the family, Bernhard decided on "Goldschlaf" (gold sleep) and added the caption "einfach – himmlisch – wohlig" (simple – heavenly – cosy). A suitable Goldschlaf logo was also designed and quickly registered at the patent office in Munich.



...einfach himmlisch, wohlig!





From concept "Goldschlaf" till today



### Coloured insulating tape instead of Excel tables

In the early days, smaller businesses were frequently run in an unconventional manner. Bernhard had to overcome a lack of computers and appropriate software with solutions such as using coloured insulating tape to glue the bars for his sales diagram to the wall.

At the beginning on 1<sup>st</sup> January 1988, the bars were still small, but in the second year and the year after, Funke continued to grow constantly. Nevertheless, there was not enough money to produce a high-gloss catalogue, and the company had to continue to improvise. "My wife and I produced the advertising material ourselves using simple adhesive letters. Our living room was full of paper and drafts. We had somewhat of a gold-rush mentality."

Finally, space became too tight in the living room and the temporary location in a barn was only an adequate solution for a short time to do justice to the growth of the company. The first site in Ährenfeld spanning 4127 square metres was purchased in 1992, and appeared gigantic in comparison to what the company was used to: "The site was very large, at that time it was actually too big for us, but the bank advised us to purchase the site in full so that we would be able to expand later on down the line", says Funke in a joyful tone, reflecting on the forward-thinking decision.

The first hall was built quickly. It had a storage area of 800 square metres and office space of 200 square metres. The building was also urgently required, because the company was no longer just handling individual mattresses, now it was processing entire truck loads. Business was going so well that a second hall covering an additional 800 square metres followed between 1994 and 1995.

It was not just the range of products that became more extensive, we also had to increase the number of staff.

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We needed additional support in the office and in the warehouse, and we needed it quickly. While we first began using a small transport trailer, in no time at all we needed the first 7.5-tonne lorry",

says Bernhard Funke.

"Of course, we painted this gold, in the style of our Goldschlaf logo. And when you have a lorry, then you also need a driver and additional helpers.

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### Ist January 1988

Company foundation



...einfach himmlisch, wohlig!

### 1992

The first lot at Ährenfeld with 4127 square metres.



### 1993

Construction of the first hall, which offered 800 m<sup>2</sup> storage and 200 m<sup>2</sup> office space.



#### 1994

A second hall with an extension of 800 m<sup>2</sup> followed.



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From concept "Goldschlaf" till today

### CEO

### as a technically adept businessman

In the following years, up to 30 employees worked for the company. This included Bernhard's son, Andreas Funke, who helped to build up the company, drawing on his vocational business qualification and business studies degree.

At this time, the current CEO of Funke Medical AG didn't just demonstrate his abilities in sales, but also as a technician: "Andreas was a young, dynamic man and built some small machines himself. He welded them together and fitted them. We then used these machines to help us to easily finish mattresses, for example", his father remembers.

In the interim, Andreas Funke moved to southern Germany to join a large company in the healthcare sector, where he gained extensive experience in the field of medical technology. Then in 2005, he took over the company from his father and transformed what was then a regionally focused manufacturer of mattresses for the bedroom and furniture retail sector into an innovative industrial firm specialising in medical technology.



"Andreas was clever and determined as he gradually moved the company into the medical sector. That was the key to the company's current success", concluded the father of the family, Bernhard Funke.

### 2005

Andreas Funke took over the company



### 2013

Construction at Ridderskamp – Warehouse and Service Centre

Market launch of POSIMED® – Positioning aids

Market launch of EVAQ® – Evacuation systems



Funke Medical AG becomes official sponsoring partner of the German wheelchair basketball national teams



Construction of a production area of 600 m<sup>2</sup> as sewing hall







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In the meantime, Helmut Wessels joined the executive board of the young public limited company as head of sales. Before starting at Funke Medical AG, Wessels acquired extensive experience over 25 years in sales at management level.

In 2012, Patricia Funke took over responsibility for international marketing as the third member of the executive board. With her degrees in Biology, English and Business Studies, Patricia Funke had all the skills needed for the wide range of tasks involved in the business.

The executive board now really got started: A third hall was set up, the administration building of the company was built and the sewing hall was expanded. The logistics and service centre in Ridderskamp followed, and in September 2017, this was followed by the new administration and production centre at the third site in Roringskamp.

Significant investments have also been made in technology. The **production process is automatic** and uses CNC technology, which can be monitored from all workstations in the factory. The quality management process is always oriented around the guidelines of the ISO 13485 standard, which

specifies strict safety criteria for the manufacture of medical products.

Funke Medical AG also provides young professionals with excellent starting conditions for a successful career. In **six training occupations**, school leavers can learn everything that is important for working in a modern medical technology company. The portfolio includes the following occupations: industrial clerk, warehouse logistics specialist, production engineer, technical fabric manufacturer, machine and plant operator and media designer in the digital and print sector.

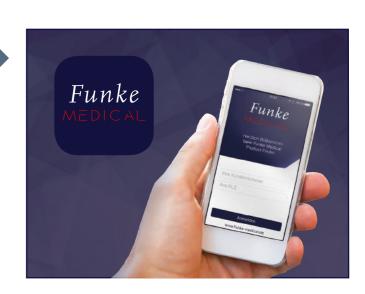
The strategic decisions and choices were right and the **resulting success is evident** – both on a national and international scale. For a long time now, Funke Medical AG has sold its medical reclining and positioning systems for decubitus therapy on every continent, and is continuing to expand. Company founder Bernhard Funke is optimistic about the future: "I am certain that the company will continue to grow and that the new production site will not be the last"



GELSEAT® - Decubitus therapy seating system with GELTOUCH®-foam

Online store with all products is online

Product Finder APP available in the APP Store



2017

Third operational location with 10.000 m<sup>2</sup> area - Administration and production facility



2018

New product Heel Protect® – Heel protector boot

Funke Medical Academy – E-Learning portal



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Interview with company founder

Bernhard Funke

Funke Medical AG is renowned for high-quality medical products, and under the leadership of Andreas Funke, it has developed into an innovative industrial company, which has been represented on all continents for a long time and whose name is synonymous with firstclass quality and a wide range of services. Bernhard Funke laid the foundation for this success 30 years ago – with a small amount of money, great ideas and thanks to energetic and skilled support from his wife Edelgard.



Interview with company founder Bernhard Funke

### "I actually wanted to be a butcher"

#### Ingo Uhlenbruch: "Mr Funke, you weren't just an entrepreneur, you also worked in different professions and industries in the past. But your original career goal was much different."

Bernhard Funke: (grins) "Yes, originally my dream job was to be a butcher, but my father also had his say when it came to my career choice. Instead of a white apron and rubber boots, he wanted his son to wear a suit. So I became a businessman involved in wholesale and export trade, however, as part of this education I gathered some experience in the food industry on at least a few occasions. At a later stage, I finished a training to become a banker at the Sparkasse in Recklinghausen, before moving to a bank close to Heidelberg. Then I moved back into the free market economy and took over

a management position in the small furniture industry, because I found this type of work more fun and had more freedom to shape processes. Finally, I was poached by a headhunter and moved into the mattress sector."

#### "What led to you founding your company?"

"In 1987, I was forced to give up my role as an employee for health reasons. At that time, my wife and I thought: What do we do now? What can we do? Then we had the idea to work for ourselves in the mattress industry. It was of course clear to us that two unknown individuals in the industry couldn't compete with the large manufacturers at the start. We did not have our own production and had no sales team, so we had to do everything ourselves. So we asked ourselves: What do we have to do to be able to remain viable against these large companies?"

#### "What was your answer?"

"When bed retailers wanted ten truck loads of standard mattresses, the large manufacturers were able to deliver these within two days. However, if these retailers ordered one mattress with odd dimensions of 95 by 187 centimetres, then they had to wait up to eight weeks to receive such an order. The wait was just as long for small lot sizes. Consequently, our strategy was to cover a radius of 100 km around Raesfeld so that we would be able to reach each customer within a maximum of 2 hours. Not in Munich, not in Hamburg, not in Berlin, but here in our region. Back then there were a great deal of customers, such as bed retailers or small textile dealers in the countryside with bed departments. Another one of our objectives was that we had to be able to deliver within 24 hours."

#### "Wanting to deliver is one thing, but how did you get the mattresses?"

"Firstly, we were helped by a fatherly friend who owned a large mattress factory. We produced our own mattresses there and had them delivered to us once or twice a week. I had rented and set up a small storage facility here in Raesfeld at a farm building, which used to be a barn. I dried it and lined it with my own two hands. I built the first office myself with furniture made from old parts of kitchen cabinets. My wife then took care of the office and the orders."

#### "At these times you showed a true pioneering spirit. You must have had to improvise at times."

"Definitely. Back then we didn't have any computers, so we had to arduously create our forms and catalogues using adhesive letters. Page and pages of drafts were strewn all around the living room. Or when a customer needed a mattress on Saturday, for example, I personally delivered it to Gelsenkirchen in my car. I didn't earn anything from that order on that day, but the service would pay off at a later stage. Because people would say: Call Funke, he delivers guickly and reliably. It was all incredibly exciting, a really great time.

When small traders began to die out later, things got a little tight for us sometimes. It wasn't always a constant climb to the top, there were also times when we fell back down again. Back then we went back on forth on whether we should keep the business going."

#### "Did you have a plan B for such a situation?"

"That was out of the question. It all simply had to work."

#### "Would you start a company again in today's society?"

Yes, I would do it again. ... and again and again.

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"Yes, I would do it again. ... and again and again. But I can't say whether I would do something different or not. At that time, I had no other choice. My father was not a millionaire who could give me major financial help. My father was a maintaining these relationships. worker. My wife and I looked deep into each other's eyes and said: We have enough money for two years in the savings account if things go wrong. And then we simply went

Perhaps everything would be much simpler with all of the opportunities that are available today and maybe I would do everything differently. But back then, it had to be done that way. It was definitely incredibly hard work, but it was fun."

"Your son Andreas is now represented across the world with the company and his products. Do you view globalisation as a

#### blessing or a curse?"

"In contrast to our original 100 km radius around the church tower, nowadays I view globalisation as a big opportunity. Times have changed, and in this respect, everything was right with the way things continued with us and what Andreas has done with the company. Thanks to his professional experience, he had the knowledge required to react to the new conditions in the best way possible. Finally, he was a doer and knew what levers to pull. In contrast, I experienced my successes in the classic bed business and I look back on these times with pleasure. I personally felt more content in that environment."

#### "You handed over control of the company to your son in 2005. How do you and your wife spend your free time now?"

"Firstly, we have a large circle of friends that we value very much, and we put a lot of effort into My wife and I also enjoy being able to spontaneously decided to go on holiday and setting off in the car within half an hour. This also includes cycling trips that last several days, and we didn't have this level of flexibility before. We don't need to go to Florida. A small hotel in the countryside is more than enough for us. I also regularly sing in a choir and have done for a long time. I like to spend time in my workshop as well, and take pride in my handywork, which can be seen all over. Last but not least, our two small grandchildren run us off our feet during trips, shopping or in the vegetable garden. Our lives are definitely not boring."



You'll find more information in our general catalogue
www.funke-medical.de/downloads



Product development

### From a protective sheet to a medical product

**PO/IMED**® HEEL PROTECT®

Heel protector boot

• Autoclavable according to RKI guidelines



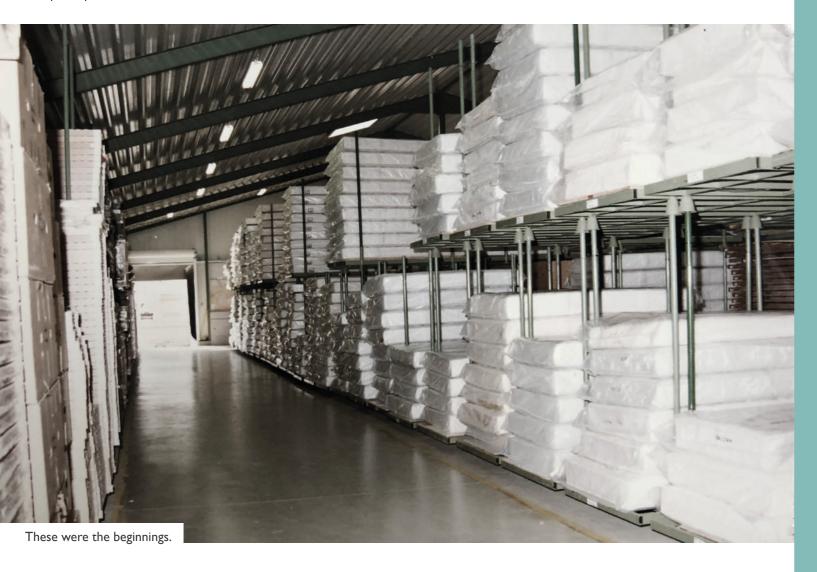
• For decubitus prophylaxis and therapy

• Cover is easy to disinfect





Product development in the past 30 years



#### Horsehair creates confusion

Nevertheless, time and time again customers would order special mattresses without having properly thought about the filling material beforehand. Bernhard Funke recalled one trader who complained about a mattress one day: "What's the deal, Funke? The mattress smells funny", grumbled the customer, "it smells a bit like horse." Bernhard Funke was in no way surprised and pointed out the particular characteristics of a horsehair mattress to the trader.

The bed industry experienced another boom with box-spring beds. Funke also reacted to the increasing

demand. Although the production of these large and heavy beds was not part of the core business of the company, with excellent craftsmanship and business acumen, Bernhard Funke and his team were able to rise up the ranks to become the supplier for the Sheraton chain:

"This was no easy feat, we had to constantly make ourselves available and make and do more and more. Sometimes back then we didn't see family on Sundays, but on the whole and from today's perspective, it was important and good."

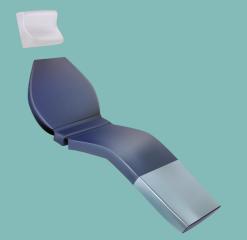
### Foam parts for the

### dental industry

In contrast, the company's venture into the medical sector started with tiny products from the field of dentistry. When treating patients, dentists use small foam parts that are only around three by five millimetres. The company founder was able to take the first step towards the medical technology sector with a short-term major order with lucrative contractual conditions and acquire a punch press as a tool for the new product.

Dentistry offered further potential for development for the company. Funke Medical helped to ensure that patients were relaxed by providing pressure-relieving cushions for the resting surface or for the head area of the dentist's chair. It was also at this time that the "Head and Neck" system was created. This system relieves pressure using a viscoelastic foam core and a memory effect, preventing tension in the neck muscles

According to the company founder, the development of this product was triggered by a female dentist who was looking for pressure-relieving material for her patients. She visited the warehouse outlet at the time and that is how Bernhard Funke and the dentist came into conversation. "Five days after her visit, we had the prototype ready and began production. A dentist's chair cushion for children followed, since the stools are designed for adults."



### Relaxation for anxious patients

Now the entrepreneur from Raesfeld had developed full-blown inventor fever. His idea: "Anxious patients must have access to relaxing music, at a calm 60 beats per minute, without disturbing the dentist while they are working". Bernhard Funke subsequently drove to Jena to acquire the licence for a special loudspeaker system from a professor. He integrated this product into the "Head and Neck" system and eventually provided musical relaxation to patients through an MP3 player.

Even though this venture into the world of electrical acoustics did not go any further and protective covers or spring mattresses are very much part of the company's past, some of the products for the dental sector are still part of the product range of Funke Medical AG today.

Decubitus therapy systems supplement the diverse product spectrum of the medical technology company. In addition to that, with the Medical Autoclaving Centre, the company disinfects decubitus therapy systems subject to the legal provisions and guidelines of the Robert Koch Institute.

"Over the next few years, we will continuously and strategically expand the company, our portfolio and the intensity of in-house production. We want to be pacemakers in the field of medical technology", the executive board agrees.

Marketing tools and services



Retail order system, smartphone app and E-learning

### Digital services offer added value for customers

Prospects, posters or brochures
are part of the classic
marketing instruments that
Funke Medical AG has used
for three decades to
advertise its products.

However, the company recognised the signs of the times at an early stage and offers its customers additional digital services that continue to be expanded and optimised.

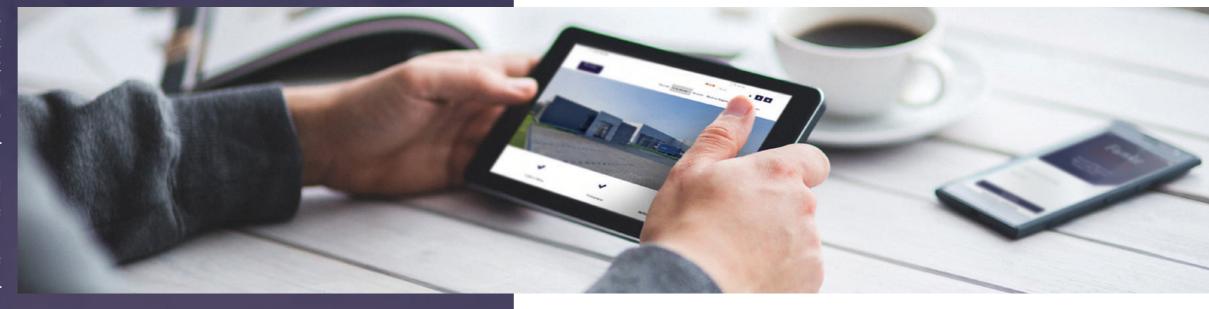
"We are continuing to use printed products such as catalogues and tables to provide information about our product portfolio. We also provide traditional media such as roll-ups or shop-in-shop systems for marketing campaigns", says Marketing Director Patricia Funke.

According to her, the customer is the main focus for all measures and ideas. Therefore, the customers can decide for themselves whether they would prefer to find out information in a digital format or through traditional print media.

Head of Sales, Helmut Wessels, also highlights the equal importance of analogue and digital offerings as an important component of the company philosophy: "At our company, we always follow the guiding principle that businesses are made by people. That's why personal customer visits and face-to-face communication are of course part of our day-to-day business."

### Comprehensive service package for business-to-business customers

However, the advantages offered by the digital world when it comes to quick and direct information cannot be simply dismissed. Customers love the website, which features up-to-date news about the company and information available for download, as well as the online



training videos. "Whether in analogue or digital form – our customers receive a comprehensive business-to-business package in advance, which they can then use to approach their own customers", says CEO Andreas Funke, adding: "A good product or a good price is no longer the only important factor for satisfied customers. This also needs to be followed up by an attractive range of services.

The medical device manufacturer has provided a popular online portal for a long time with the Funke Medical Shop – a retail order system that is available online around the clock. Customers can place their orders online at any time and from any location, regardless of opening times, holidays and weekends, and receive an instant notification about the status of their order. "The parcel service collects the day's items from us a 3 pm. When the customers order at 2.58 pm, the package still makes it into the truck. The customers then receive their goods on the next working day", states Andreas Funke, highlighting another advantage of the shop.

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### Funke Medical Product Finder App

As smartphones and tablets have become more and more popular, the executive board made the decision to develop another software service for all conventional smartphones and tablets. While customers previously needed to select their products based on the criteria in a printed table, the Funke Medical Product Finder App helps customers to easily find the right aid for decubitus therapy or decubitus prophylaxis.

Simply by entering a small amount of information via the touchscreen, parameters such as age, gender, weight, body size or decubitus severity can be defined. The app guides customers through the criteria of the internationally recognised Braden Scale, which is used as the basis for risk assessment for the development of a pressure sore. The customer is guided through the process of classifying the decubitus severity and the mobility grade with simple explanatory texts. Finally, suitable products are recommended and the customer receives a summary of the parameters, which can be sent to them in an email if required.

"In this way, our customers can make an unerring product selection using the "Funke Medical Product Finder App" so that they can provide optimum, and most importantly, safe support for their patients", says Marketing Executive Patricia Funke as she explains the concept. The app does not just take into account the indications but also the contraindications and is currently available in German, English, French, Danish, Spanish, Swedish, Polish, Portuguese and Italian. Dutch will be available shortly.

"This app helps to save our customers time and money. The process of selecting the products is also significantly more detailed and convenient than the original process with tables printed on paper", concludes CEO Andreas Funke.







### Funke Medical Academy

Funke Medical AG is also breaking new ground in the field of training and certification. While previously training sessions took place in the form of presentations carried out on site with PowerPoint slides and moderation, customers can now also access the educational learning modules online. The innovative value-added concept is referred to as "Funke Medical Academy" and is targeted at instructors, who act as multipliers and pass on their knowledge to institutions such as hospitals and nursing homes.

The training participants are guided through the learning content interactively and using a wide range of media, with multiple choice questions, gap filling exercises or matching tasks.

The selection of training topics is large and can be extended at any time. For example, the curriculum features topics such as decubitus, underlying diseases that can lead to sore problems and general vascular diseases, as well as international medical product

law. Further training on the topics of evacuation, occupational safety and fire safety are also a possibility.

"This form of certification and re-certification must be repeated each year and is required worldwide", says Andreas Funke. "But we aren't just doing this because it is required by law. We are also doing this because it is part of our commitment to quality, and nothing has changed in that regard. We can only sell our products well when our customers are also aware of what is behind them. Our products are the result of a great deal of expertise and you simply need to have this knowledge and be able to apply it."

With the "Funke Medical Academy", customers now have a convenient tool that they can use to work through and complete the necessary courses remotely. The final test and certification are also completed comfortably via a data connection, independent of the location or time.





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### Funke Medical



### DEVELOP THE FUTURE BY DESIGNING CHANGE

funke-medical.de



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Foreword by the CEO



### Dear reader,

Like every company, Funke Medical AG is feeling the effects of wide-ranging societal changes. Demographic change – the fact that we are becoming "older, fewer and more diverse" – and the paradigm shift in legislation governing medical devices both present particularly significant challenges.

In terms of our everyday work, these changes leave us contending with a set of conflicting priorities. On the one hand, a greater burden is placed on our employees due to new or changing duties. On the other hand, we want to meet the requirements of modern society in terms of work arrangements and work-life balance.

Funke

In order to strike a balance between these competing demands in future, we have developed a shared strategy in which efficiency, product quality and workplace well-being are all aligned.

### "Develop the future by designing change"

This is the approach adopted by senior management and by all of our employees.

An approach that meets the demands of new technologies, promises realistic commercial success, and aims to improve practices in care. An approach that focuses on core development instruments and their minimum standards, and that maps out a route to innovation.

Developing the technologies of the future is not a pastime or a question of intent; instead, in a world of clinical and geriatric care that is growing ever more complex and dynamic, it reflects an understanding of the necessity of thorough preparation for future challenges. Yet this is not just a necessity – it is also an opportunity to design the future.

Your

Andreas Funke





### THE MANAGEMENT BOARD

Presentation of the Management Board and Managers



### Andreas Funke

Born on:

Joined the team in:

Responsible for:

Hobbies:

Hobbies:

What inspires me:

What I don't like:

11 July 1970

2005

Everything; CEO

Flying planes, tennis, hiking,

hunting, travelling

Interesting people, Cirrus Aircraft,

successful entrepreneurs, good food

Dishonesty, armed conflicts,

the exclusion of ethnic minorities



### Helmut Wessels

Born on:

Joined the team in:

Responsible for:

Hobbies:

What inspires me: What I don't like:

21 May 1968

2011

Head of Sales

Music, playing the piano, jogging, skiing

Travelling all over the world

Grumpy people



### Patricia Funke

Born on:

Joined the team in:

Responsible for:

Hobbies:

What inspires me:

What I don't like:

3 July 19/3

2012

Head of Marketing

Tennis, hiking, travelling, dogs,

reading, skiing, swimming etc.

cading, skiing, swiinining ctc.

a long ascent good food

Inconsiderate behaviour towards other

people and the environment

### **MANAGERS**

### Marc Handlöchten

Born on: 14 March 1970
Joined the team in: June 2009
Responsible for: Domestic sales

**Hobbies:** Skiing, cycling, the outdoors

What inspires me: My family (including my dog), mountains and the sea

What I don't like: Violence and stupidity, whatever form

they take





### Christian Maruhn

Born on: 14 January 1982

Joined the team in: 2009

Responsible for: Technical management and procurement

Hobbies: Gliding and R/C models
What inspires me: People with clear ideas;

good pasta

What I don't like: Discrimination and hypocritical behaviour

### Daniel Funke

Born on: 22 September 1981

Joined the team in: July 2005

**Responsible for:** Administration and logistics

Hobbies: Music
What inspires me: My children

What I don't like: Dishonesty, tardiness





### Christian Kohl

Born on: 4 November 1972 Joined the team in: February 2016

Responsible for: Commercial management

Hobbies: Football, tennis

What inspires me: Football, my daughter



Interview with the Management Board

# In our company,chiefs and Indiansare in the same tent 66

Although the ancient Egyptians used canvas bags to bandage bedsores, the medical supply industry of today has long relied on modern and efficient tools to treat pressure sores. In Raesfeld, Germany, Funke Medical AG manufactures a wide range of medical products that include anti-bedsore mattresses, cushions for anti-bedsore therapy, and positioning aids that offer preventive and therapeutic support to patients.

Andreas Funke, CEO of Funke Medical AG, took the company over from his father in 2005 and transformed what was then a regionally focused manufacturer of mattresses for the bedroom and furniture retail sector into an innovative industrial firm specialising in medical technology. For a long time now, Funke Medical AG has sold its medical reclining and positioning systems for anti-bedsore therapy on every continent, and is one of the top 3 employers in its home town.

#### "A head for making good decisions"

Andreas's father Bernhard Funke is proud of his son's achievements: "Andreas has a head for making good business decisions, and has always been a chief and a man of action," adds Mr Funke Sr. in praise of

his son's commercial abilities. "His decision to focus on the health sector and his consistent operational leadership are the reasons for his success, in my opinion."

Andreas Funke likes the image of the chief and the man of action; however, he stresses that a company cannot survive with "chiefs" alone — indeed, the success of every firm is crucially dependent on its "Indians". "Our employees are our most valuable asset, and at the end of the day, chiefs and Indians all sit in the same tent. We want to grow as a company and to work together to develop our future. In the process, we cannot afford to lose sight of our employees' well-being for a second."

The company's chiefs also include Andrea's wife Patricia Funke, who as head of marketing is responsible for matters such as the company's public image, trade fair organisation and recruitment; and head of sales Helmut Wessels, who manages business development on both the German and international markets. Together, the management team confront the unique challenges of the medical product industry through their day-to-day work.



### Medical device legislation as a barrier to entry

"Wherever we are delivering to, we are always governed by the applicable laws concerning medical devices. That means we need to adapt to meet a constellation of conditions and regulations that vary from place to place," explains Andreas Funke. On the one hand, the company has to deal with European regulations, which in turn may be supplemented by national rulings such as the German medical aids register. On the other hand, both bilateral agreements and independent national regulations need to be taken into account. "For example, Canada is subject to the CETA agreement. From our perspective that is a major improvement and opens up new markets to us, as the Canadians now fully recognise the European CE marking when applied to medical products. In the USA, by contrast, the situation is different, as the Food and Drug Administration (FDA) is the responsible authority there and sets all of its own rules."

Funke Medical AG has adopted a clever strategic approach to deal with the significant differences between regulations in different places and the constantly evolving situation. The CEO and his team monitor developments in planned legislation in various regions via relevant platforms, and used this information to plan a suitable business model in advance. "That means my job is to assess the risks and opportunities surrounding any involvement in the region in question, and to initiate the necessary procedures," says Funke. "The Medical Device Regulation recently came into force in the EU, for example. When the final draft was approved at the end of May, we were already fully prepared and all we had to do was flip the switch, so to speak. We were ready and able to meet all the requirements of the new law in one go on the day it came into effect."





### Serious reading on soft factors

The company's operations on international markets have thrown up a whole new set of challenges in Helmut Wessels's area of responsibility. The travelloving sales director has to do some serious reading in order to properly prepare himself for his countless business negotiations across the globe.

"It's not just the business factors that are crucial for a successful deal – the so-called soft factors need to be taken into account too," explains Wessels. "Before we flew to Australia for the first time, I bought a 300-page book about Australia in order to learn as much as possible about the country and its culture. I had just finished reading it by the time the plane touched down in Melbourne."

Helmut Wessels wanted to know what makes Australians tick, what they think of Europeans, and what you need to know to avoid making any faux pas.

"When you want to do business with a partner, you need to know as much as possible about their culture and mentality. When we meet people in Japan, the things that matter are very different to when we're in Australia. In Japan, there are huge differences when it comes to greeting people or sharing a meal. Even swapping business cards has to be done according to a specific ritual. But you can find good books to help you prepare for these situations too," explains Helmut Wessels with a smile.



### Made in Germany and in-house manufacturing

Funke Medical AG's customers are based in countless different countries. The medium-sized enterprise has already gained a 50 percent share on the German market, and customer feedback clearly shows that the Raesfeld-based manufacturer justifies its position as a market leader through attributes such as "made in Germany", quality of materials, precision, and the fact that it doesn't rely on imports. As a producer with a high net output ratio, the medical device manufacturer is also able to guarantee quality products made and sold by a single provider.

Within Europe, Funke Medical AG supplies its medical products to over **75 percent** of EU member states. The remaining regions will be brought into the portfolio over the next two years and managed via sales organisations. Markets have also been established in Japan, Australia, New Zealand, South Africa, Namibia, Botswana, Zimbabwe, Chile and Colombia, and further countries will be added over time.

Despite its great success both nationally and internationally, Funke Medical AG has never forgotten its roots. "First of all, Raesfeld is my home and it's where everything started," says Andreas Funke, whose company supports new sporting talent in the region and is also a sponsor of the German national wheelchair basketball team. However, Raesfeld also offers plenty of commercial advantages. "We have good connections to the motorway and to international ports here. We also appreciate the approachable local authorities here, at both the municipal and the district level. To put it briefly: We are as important to Raesfeld as Raesfeld is to us."





Future concept



### a successful approach to the future

Funke Medical AG continues to expand and to establish new markets across the world. In order to fulfil its increasing order volumes, the Raesfeld-based medical device manufacturer is significantly expanding its production capacity. From September 2017 onwards, a new operating site will offer plenty of space for new staff, modern production technology and optimised manufacturing processes.

"Our newly acquired machine technologies will enable us to increase our output and expand our portfolio of anti-bedsore therapy products," says CEO Andreas Funke, clearly delighted with the wideranging opportunities that the new facility offers in conjunction with the company's existing sites. The businessman can see countless advantages to the expansion: "We have achieved an extremely high level of efficiency in our production, and can manufacture high-volume products such as our anti-bedsore mattresses using optimised production processes as part of a three-shift operation. As a result, we are able to produce **up to 1,200 mattresses per day.**" There are also new products planned, but Mr Funke doesn't want to give anything away on that front just yet. At any rate, he can confirm that customers can look forward to a number of useful additions to the current product range over the next few years.



### A globally positioned healthcare brand

Over the coming years, Funke Medical AG will expand to become a globally positioned healthcare brand, and intends to set the standard for new technologies. The new production facility is forging a path for this vision, as Head of Sales Helmut Wessels explains:

#### 99

The new factory, which represents an investment of 3.7 million euros, offers 43,000 square feet of developed space on a site measuring around 110,000 square feet in total. The production hall measures  $345 \times 85$  feet, and is accompanied by a logistic hall that covers 4,300 square feet. That makes our foam depot twice as big as before, for example.

#### 66

The design of the site takes efficient production and logistics processes into account in order to keep efficiency high and costs low. This means that raw materials are delivered, assembled into products and shipped based on the principle of short pathways. "The machines used to manufacture the products are configured in exactly the way we need them to be for the production process.







From the foam cutting system to the roll-pack system that rolls the mattresses and packs them ready for shipping, the facility follows the production sequence step by step," says Wessels. The application of anticipatory just-in-time production principles means there is no longer any need to reserve large storage depots — which in turn means that Funke Medical AG is able to manufacture its products cost-effectively.



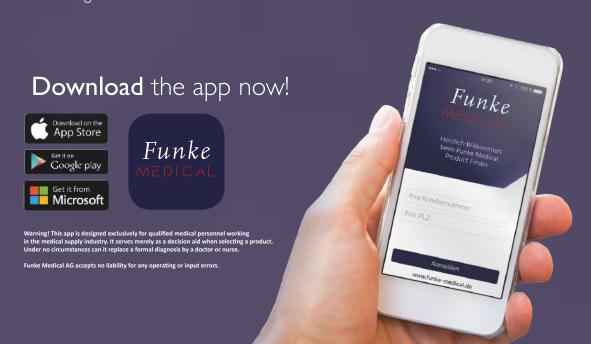


Future concept

### Industry 4.0

The Raesfeld-based company is also future-proof when it comes to IT. With its new production facility, Funke Medical AG is ready to meet the requirements of the age of Industry 4.0 – in which the focus will fall on increasingly networked business processes, production and services, and on the individualisation of products. From a very early stage, the management board began to focus on business-to-business solutions such as the Funke Medical Shop – an online service that is accessible round the clock and has been well received by customers. There is also an app for smartphones and tablets: "Our customers – who are mainly medical supply retailers - can use our 'Funke Medical Product Finder app' to find the right product for their patients and to make the right selection to support their patients as effectively and above all as safely as possible. In the process, the app takes into account both indications and contraindications," explains Head of Marketing Patricia Funke.

Services are another area in which Funke Medical AG plans to expand its existing customer offering. The value-added concept of the "Academy" is targeted at so-called instructors, who act as disseminators and pass on their knowledge to institutions such as hospitals and nursing homes. "This training is mandatory and required by law worldwide," says Andreas Funke. "With our 'Academy', we offer our customers the opportunity to take the courses they need remotely, work through them online, and take tests and gain certifications."



Training centre & meeting room

### LOUNGE

The medical device manufacturer's approach to the future also extends to additional training courses and product briefings. With the new production facility, the team surrounding Andreas and Patricia Funke and Helmut Wessels are able to offer future course attendees a pleasant environment that is also conducive to learning. "From the very beginning, our design for the new building included a lounge, which we plan to use as a training centre and meeting room for our customers. We are also equipping it with presentation technology and state-of-the-art IT facilities," explains Helmut Wessels. "At the same time, however, it is important to us to be able to talk with and attend to our customers in a refined atmosphere. There is even a kitchen where we can cook together and round off the day's training in a pleasant and relaxed way."

Just like its previous location, the Funke Medical team has installed a powerful photovoltaic system to generate the additional power required. This project makes good sense in the context of rising energy costs, adds Helmut Wessels as he explains the technical details: "At our previous site we had access to 120 kilowatt peak (kWp) power output, and we now have an additional 81 kWp. Taken together, that means we can produce around 70 percent of the power we need ourselves."

Based on these solid foundations, Head of Marketing Patricia Funke takes an optimistic view of the future: "We are already thinking about further developments, such as charging stations for in-house electric vehicles. That's still very much at the idea stage, but the output from our photovoltaic system is already very clear, and it offers a wide range of possible uses."





With the company plane faster to the customer



### We were tired of constantly sitting in traffic

Andreas Funke, CEO of Funke Medical AG, regularly swaps his executive chair for the pilot's seat in the cockpit of his company's plane. After countless motorway traffic jams and lengthy checkin procedures at major airports, the desire for a more efficient way of getting around grew stronger and stronger: "We were tired of constantly sitting in traffic, and didn't want to keep undergoing the standardised procedures you find at every major airport," summarises Funke. "The company therefore needed to find a way for us to get to the many appointments we schedule at our customers' premises."The solution: a company plane, as well as a pilot's licence - as even in the cockpit, the CEO of the Raesfeld-based medical device manufacturer didn't want to let go of the controls.

In 2012, Andreas Funke headed over to the flight training school at Marl-Loemühle airfield, and over the following months learned how to safely operate single-engine propeller planes both on the ground and in the air. There was plenty of theory to learn too, with topics such as aviation law, navigation, meteorology, aircraft technology, dealing with emergency situations and operating aeronautical communications systems all appearing on the syllabus.

#### Efficient and economical

During the subsequent search for a suitable company plane, the newly qualified pilot placed particular emphasis on combining efficiency with cost-effectiveness. It is important to be able to reach customers in cities such as Milan, Vienna, Kraków, Helsinki, Dublin and London quickly and inexpensively. He soon opted for a plane built by Cirrus Aircraft, an American company based in Duluth, Minnesota.

His wife and fellow managing director Patricia Funke is also an enthusiastic pilot who is firmly convinced of the benefits of the high-speed company plane. Managing director and Head of Sales Helmut Wessels is also very pleased with the Cirrus, which he has come to appreciate over the course

of many flights: "At speeds of around 240

miles per hour, we can reach our European partners very quickly. That saves us time and therefore money – not least because we don't need to hire any external pilots."

The turbocharged, single-engine Cirrus SR 22 T is a five-seater plane built largely from modern fibreglass composites. The cockpit contains cutting-edge electronics, with easily readable colour displays like those found in large airliners providing a clear overview of key flight information. The Cirrus is also equipped with support systems such as an autopilot and an anti-ice system, which can prove necessary in poor weather conditions A powerful engine with a turbocharger also offers a fallback for when the plane needs to climb to where the air is too thin for standard engines. Here, an oxygen system supplies the crew with breathable air, giving a service ceiling of 26.000 feet.

### Up to 1,000 miles

### non-stop

It doesn't make sense to use the Cirrus on every route, in Andreas Funke's view. For distances under 180 miles it's better to drive, and when travelling long distances the company continues to use traditional scheduled flights. Nonetheless, it is possible to make non-stop flights with the company plane over a 1,000-mile radius. The journey is also much more relaxed: "When we use our Cirrus we can also fly to smaller airfields, which are often cheaper and much closer to our final destination than large airports. Check-in procedures and long waiting periods are no longer an issue on these trips either.

Nor is Andreas Funke dependent on the weather when making travel plans anymore. After training as a so-called VFR pilot who is only permitted to fly by sight, he quickly upgraded his licence and obtained permission to fly by reference to instruments (IFR) and to train other pilots as a flight instructor. Together, these licences and the performance of the company plane make it possible to fly under all but the most extreme weather conditions. "And even big airliners will avoid flying through severe storms of this kind, or will give them a wide berth," adds Funke. The decision was the right one from both an organisational and an economic perspective. You can make personal contact with customers very quickly.





#### Safety parachute

company plane. "Like all Cirrus planes, the SR 22 comes with a large emergency parachute (CAPS) which ensures that in an emergency, the entire aircraft is brought back down to earth with minimal damage. It's definitely reassuring to have this extra trick up your sleeve," explains pilot Andreas Funke.

The Cirrus spends up to 250 hours per year in the air transporting employees of Funke Medical AG During that time, both the airplane and its crew have covered a linear distance of around 53,000 miles. If they had travelled by car, the company's employees would have travelled around 70,000 miles instead due to the indirect routes involved. By the management board's reckoning, the time savings are immense: "At an assumed average speed of 60 miles per hour we would spend at least 1,120 hours per year sitting in cars. Travelling with the company plane offers a clear advantage in that respect. For example, when we visit our customers in Poland, we spend just two and a half hours in our plane travelling between the airfield in Marl and our destination in Katowice. There is simply no comparison to travelling 600 miles by car.



Sponsor of the German wheelchair basketball teams

### It all began

with our search for a suitable testimonial for the new XSEAT® and GELSEAT® products. Countless opportunities presented themselves from among the ranks of Paralympic athletes. However, we had a clear set of criteria: it had to be a team sport that had already enjoyed a good deal of success and showed signs of a promising future.

We quickly hit upon wheelchair basketball. CEO Andreas Funke made contact with the association and wrote directly to Nicolai Zeltinger, the coach of the German national men's team.

We then accepted an invitation to attend a national league wheelchair basketball match together with association officials in order to get a better idea of the sport. And that's when it happened – completely transfixed by this exciting, fast-paced sport, we all agreed to sign a sponsorship deal.

From that point on, the sales packaging for these products has carried the portrait of national women's team member Annabel Breuer.



# A wonderful amicable bond

However, all that was merely the commercial and contractual side of a bigger story, as a close bond developed between the partners over the following months. During this period, Nicolai Zeltinger (coach to the German national men's team) asked us whether we wanted to organise a practice game in our region ahead of the European championship. We quickly answered with a resounding "yes". We were kindly aided by BSV Wulfen e.V. – a basketball team that at that time played in the regional first division – who brought many supporters to help with the organisation on the day of the event.

It was a special privilege to be able to organise the match with Israel as the opponents – particularly as the game took place on the 50th anniversary of the establishment of diplomatic relations between the Federal Republic of Germany and Israel. At the match, we not only got to know the players, but also the officials Dani Ben Abu and Avi Lehrmann of the Israeli Paralympic Committee.



### The event gave everyone goosebumps!

The match took place before a packed hall with an incredible atmosphere; preceded by a performance of the two countries' national anthems by the school orchestra of the Gesamtschule Wulfen, there was also a 10-minute standing ovation after the game. At the after-match party we had the opportunity to properly get to know all the athletes and officials, which then resulted in a return invitation to Israel. We then travelled to Israel for a weekend together with the German team in order to watch a practice game and to maintain our warm relations with our Israeli hosts.

We were also able to visit the Wailing Wall at night (a very spooky experience!), watch a streetball tournament in the Old City of Jerusalem, attend a reception by the Mayor of Jerusalem, enjoy dinner with the German ambassador and take a trip to the Dead Sea. We enjoyed wonderful evenings ushering in Shabbat on Friday, eating kosher food, and getting to know the country and its people.

to know the country and its people.

National coach Nicolai Zeltinger

Avi Lehrmann

What started out purely as a business relationship thus developed over the following years into close friendships with Nicolai Zeltinger, Andreas Joneck, a number of players and attendants, as well as a few members of the Israeli delegation.

We are very happy to have met all these people.



Patricia Funke presents the official gift to the Israeli team

