



ÉCOLE POLYTECHNIQUE  
FÉDÉRALE DE LAUSANNE

# Big Swiss Companies

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- Top multinational pharmaceutical company
- Founded in 1996 by merger
  - History spans 250 years
- 123 000 employees of 144 nationalities
- Revenue of 50.4 billion USD
- Headquarters in Basel



- One of the largest engineering companies
- Founded in 1891 as BBC which merged with Swedish company ASEA in 1988
- 140 400 employees
- Revenue of 35.5 billion USD
- Headquarters in Zurich



- Largest food company in the world
- Founded in 1866 as Anglo-Swiss Condensed Milk Company
- 339 000 employees
- Revenue of 91.6 billion USD
- Headquarters in Vevey



- World leader in peripherals
- Founded in 1981 in Apples
- 9000 employees
- Global revenue of 2.13 billion USD
- Headquarters in Lausanne

# History

- Different histories
- Individual problems:
  - Milk availability for Nestlé during the war
  - Strong German competitors for chemical companies
  - BBC problems with expansion to the USA due to a strong competitor
  - Challenges of modern technologies for Logitech
- Similar pattern
- Being Swiss:
  1. Size of Swiss market
  2. Currency strength
  3. Swiss neutrality
  4. Strong universities
- Common points:
  1. Early expansion abroad
  2. Emphasis on innovation
  3. High diversification of business

# 1. Expansion abroad

- Relatively small Swiss market
- Exporting goods abroad
- Ciba, Geigy, Sandoz, Nestlé, BBC had foreign production sites at the beginning of 20th century – lower production costs
- Opening research departments abroad
- Similar pattern of expansion – first Europe and the USA, later other countries
- The beginning of Logitech was boosted by collaborations with multinational companies

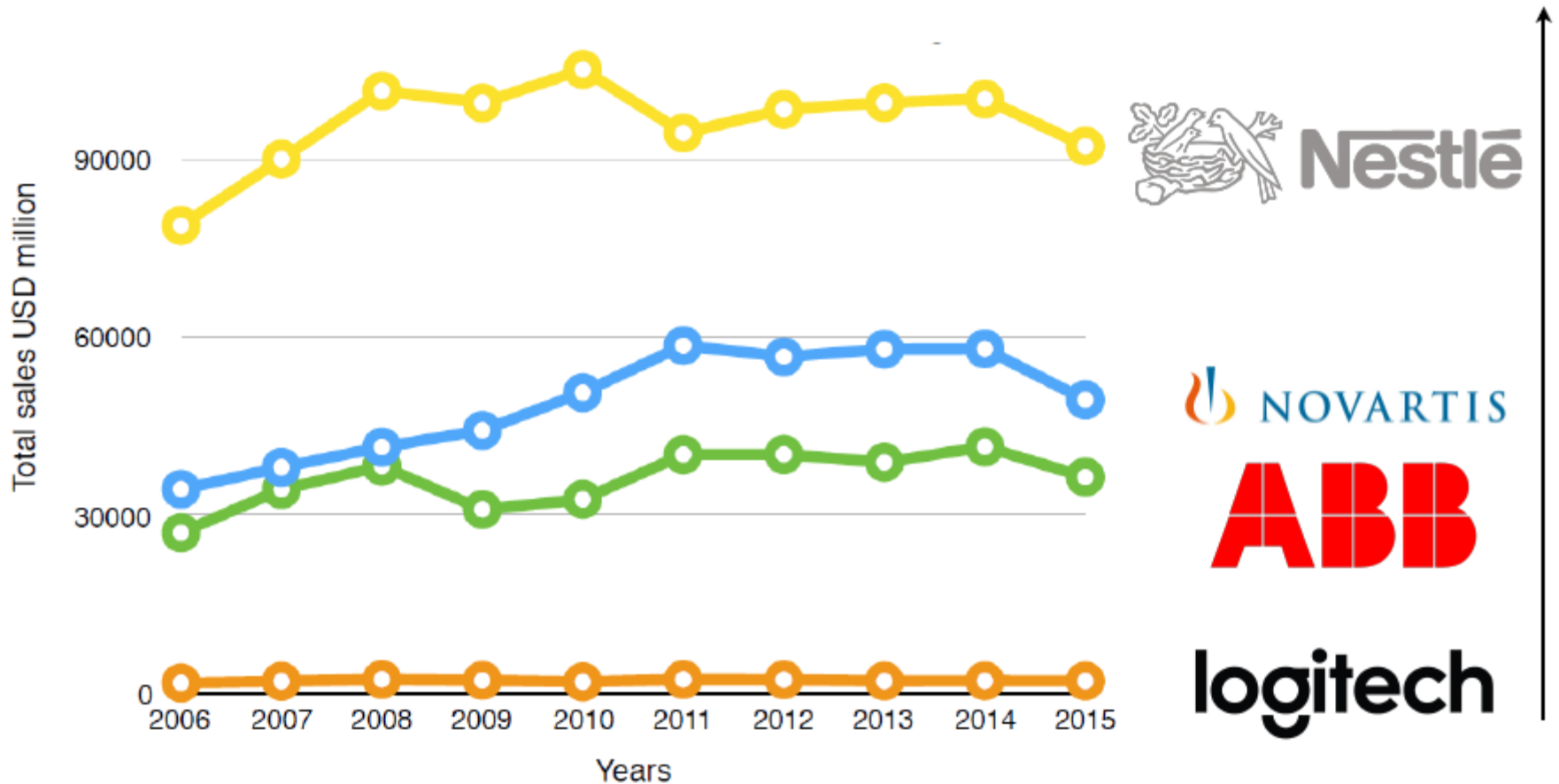
## 2. Innovation

- Inventions enhanced growth in early years
- Since early days they invested in R&D – opening research departments and collaboration with Swiss universities
- Novartis predecessors:
  - “Imitation and then innovation”
  - In 1870s production of new dyes, later research in pharmaceuticals
- Logitech: first mouse, collaboration with EPFL
- Nestlé: farine lactée (1867)
- BBC was the first company to transmit high-voltage power

# 3. Diversification

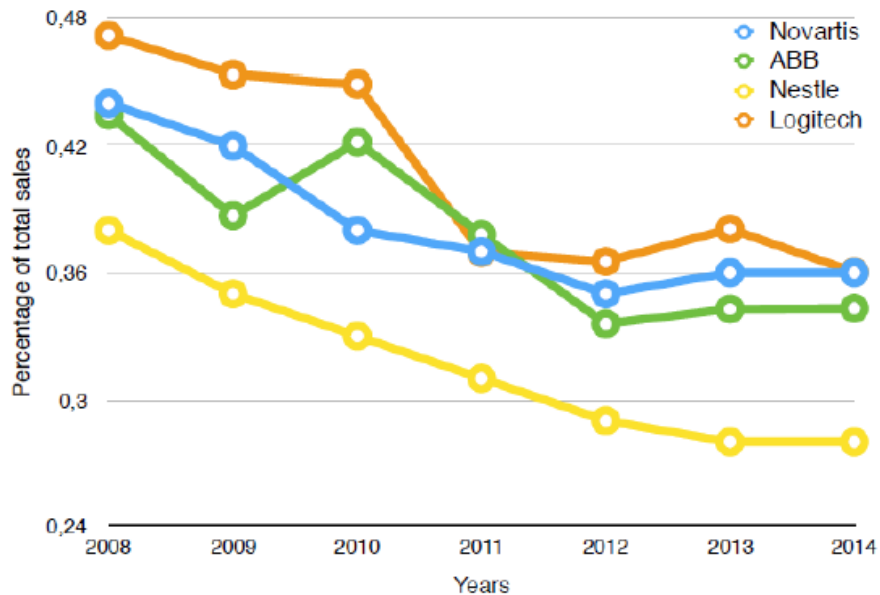
- Ensured stability – easy to adapt to market demands
- Acquiring new companies and mergers
- Novartis – from dye producing to pharmaceuticals
- Nestlé – from milk products to a variety of food and beverage products
- ABB – importance of combining complementary skills of merging companies
- Logitech – from peripherals to internet-based devices, sound and video devices...

# Multinationals giants

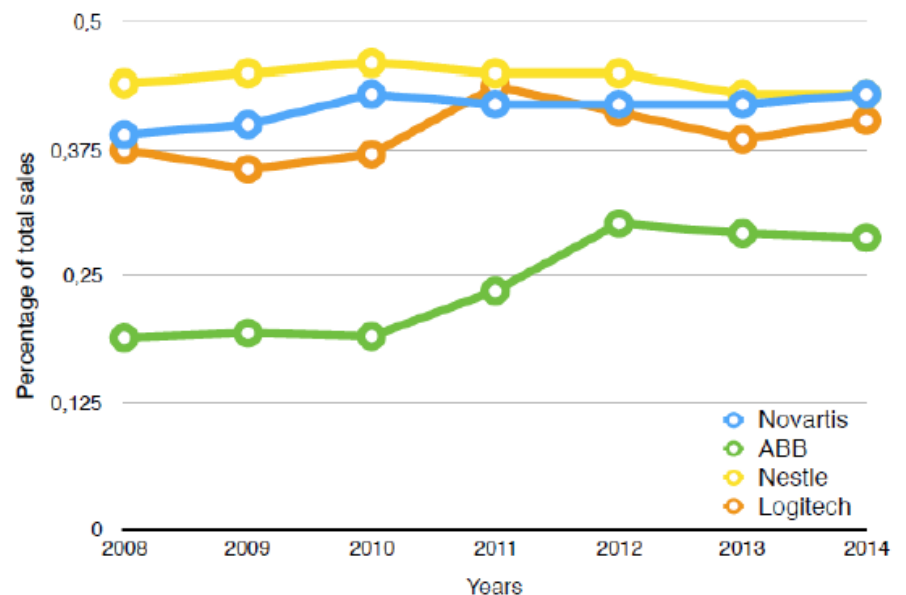


Net sales performance

# European market failure



European market

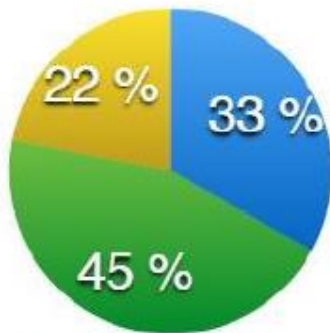


American market



# Going East

Novartis



● Europe  
● America  
● Asia/Africa/Australia

17% to 22%

ABB



● Europe  
● America  
● Asia/Middle East/Africa

27% to 37%

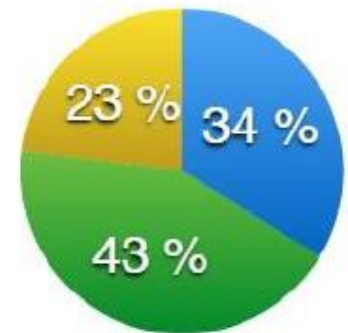
Nestlé



● Europe  
● America  
● Asia  
● Oceania/Africa

13% to 23%

Logitech



● EMEA  
● America  
● Asia/Africa/Australia

16% to 23%

Sales regional distribution

# Research and Development

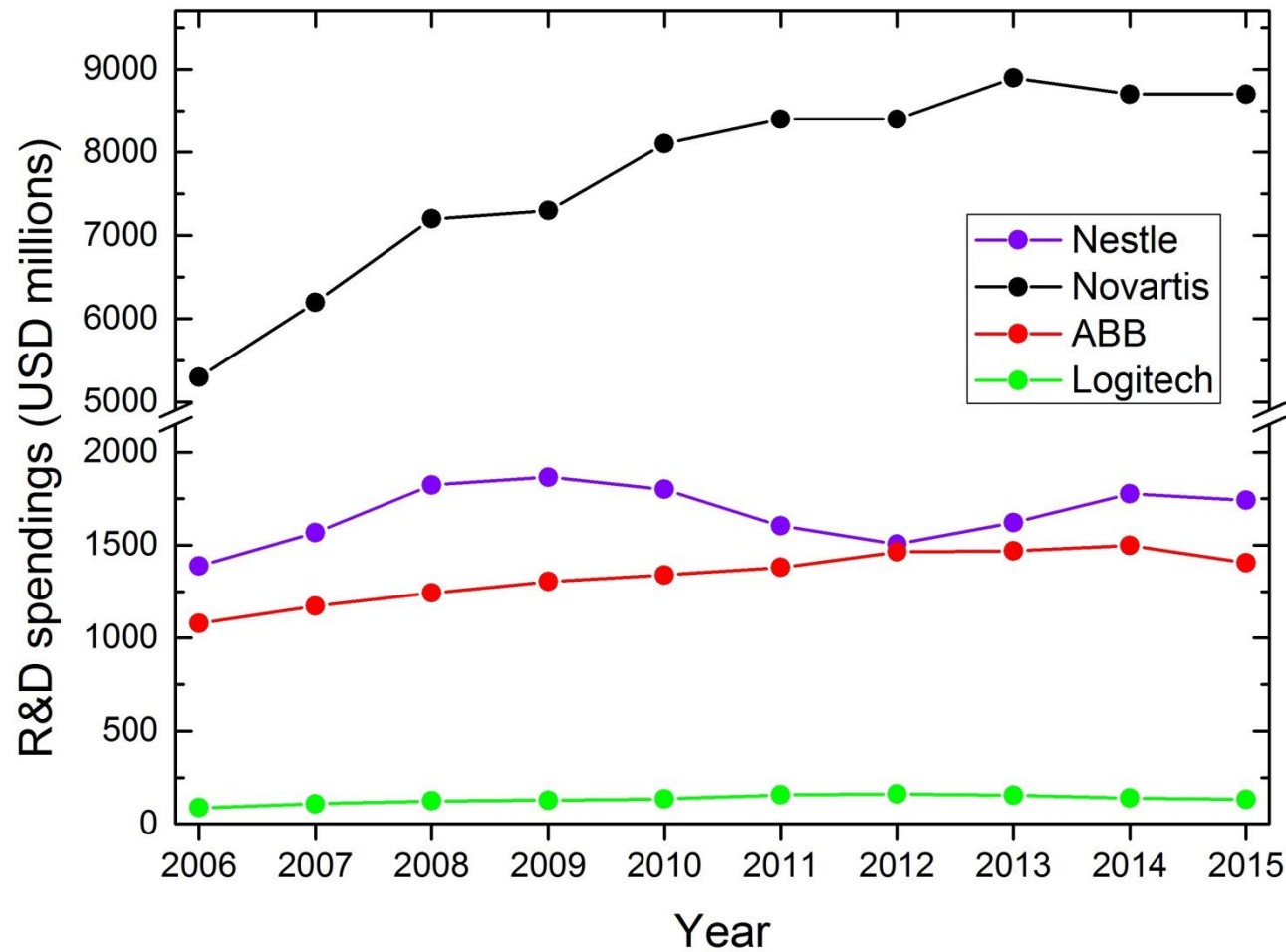
## Today:

- R&D employees in Switzerland and abroad:
  - Nestlé (>5000)
  - ABB (>8000)
  - Logitech (~700)
- R&D facilities in Switzerland and abroad.

## Collaboration with Swiss Institutions:

- Novartis: Collaboration with ETHZ dates back to the 1870s (development of new dyes)
- Nestlé: Nestlé Institute of Health Science (EPFL campus)
- ABB: Corporate Research Center in Baden-Dättwil (collaboration with EPFL & ETHZ)
- Logitech: Daniel Borel Innovation Center (EPFL campus)

# Research and Development



# Research and Development

## Switzerland versus the globe:

- Main R&D facilities in Switzerland:
  - Novartis (Basel campus)
  - Nestlé (NRC, NIHS, CDU, Orbe site)
  - Logitech (Daniel Borel Innovation Center)
- R&D expenses made in Switzerland:
  - Novartis: 42% (while 2% of total sales correspond to Switzerland)
  - Nestlé: 50% (while 1.74% of total sales correspond to Switzerland)

# Conclusion

- Early expansion abroad + beneficial Swiss roots
- Strategy:
  - Innovation (R&D)
  - Expansion
  - Business diversification
- Collaboration with reputable Swiss universities
- R&D facilities all over the world
- Expansion to new emerging markets (China)

→ ***'Swissness':** ability to adapt to the environment and demands of the time*

Thank you for your attention!  
Do you have any questions?

