

Funke
MEDICAL



DEVELOP THE **FUTURE**
BY DESIGNING CHANGE

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**Andreas Funke**

CEO of Funke Medical AG

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.

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

A handwritten signature in black ink, appearing to read 'A. Funke'.

Andreas Funke
- CEO -



Efficiency,
product quality and
workplace well-being

“In our company, chiefs and Indians are in the same tent”

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-bedsores mattresses, cushions for anti-bedsores 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-bedsores 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.”





Funke Medical AG
sells medical products
on every continent

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 travel-loving 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.



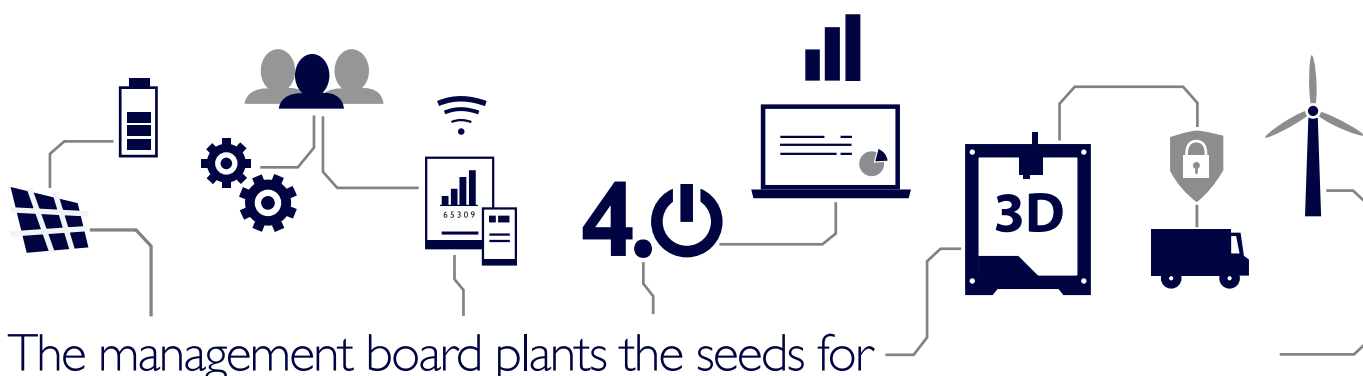
Made in Germany and in-house manufacturing

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.*"





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 wide-ranging 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:

”

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 x 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.

“

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.



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.

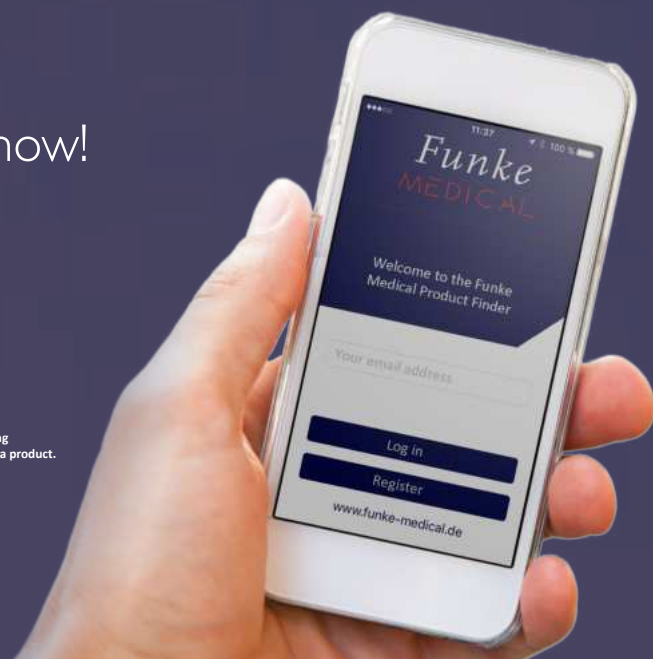
Services are another area in which Funke Medical AG plans to expand its existing customer offering. The value-added concept of the “Academy” is targeted at so-called instructors, who act as disseminators and pass on their knowledge to institutions such as hospitals and nursing homes. “This training is 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.”

Download the app now!



Warning! This app is designed exclusively for qualified medical personnel working in the medical supply industry. It serves merely as a decision aid when selecting a product. Under no circumstances can it replace a formal diagnosis by a doctor or nurse.

Funke Medical AG accepts no liability for any operating or input errors.



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."





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 check-in 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

Safety was an important factor when choosing the 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.



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.

We also have the honour of calling ourselves an “official sponsor”!



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.



Andreas Funke & Dani Ben Abu

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.

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.



National coach Nicolai Zeltinger



Avi Lehrmann



Patricia Funke presents the official gift to the Israeli team

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