

INNOVATION
VERSUS
RECESSION

Variograph Printing GmbH (Bad Liebenwerda, Germany)

The eight-page rotary made by Zirkon fits this "niche".

"The term of 'printed form' has been inflicted with a negative connotation", says Wolfgang Stier. Still, the Berlin based owner of two businesses, Variograph Printing and Vordruck Leitverlag, is successful despite this negative connotation, and reports a continuous growth for his two printing houses which run forms jobs, among others. His strategy: nationwide marketing and cost-effective production – partly in cooperation.

Market economy finally arrived in the former division of *Vordruck Leitverlag Berlin* in Bad Liebenwerda (Elbe-Elster-Kreis district, Germany) in 1993. The business, which was then focused on simple calendars and printed matter, was then privatized through management buyout (MBO) by *Wolfgang Stier* and *Jürgen Mey*.

Very soon, Stier recognized he would not be able to survive only on local customers, and thus he started to set up a strong sales organization to get his products, mainly forms, but also brochures, leaflets, booklets, newspaper inserts and books, to customers all over the country, mainly to public-sector institutions.

New construction and purchase of the publishing house

These successful early years made it possible to build a new printing house a few kilometers away, in Elsterwerda, and to buy the Berlin based *Vordruck Leitverlag*. Today, Stier with his two businesses and 102 employees (43 of which at *Variograph*) not only produces printed matter, but offers comprehensive administrative packages or solutions.



Variograph general manager **Wolfgang Stier** (left) meeting with **Holger Röhrs** (middle) and **Bernd Winkler** (both from Zirkon).

With a comprehensive product range from customized software to forms of all kinds, Stier's group of companies has turned into a real "interdisciplinary" business long ago. But, strong cost management is required to survive on the competitive forms and continuous stationary market. That is why partners have been sought for cooperation in the field of sheet-fed printing, and they strictly focus on small-format rotary

offset printing in both Variograph businesses.

Long-standing partners

For several decades, Stier has established and maintained a trusting relationship with the Leipzig/Germany based rotary offset press manufacturer *Zirkon* whose products match his needs. Long ago, Zirkon ceased being the large press manufacturer and quasi-monopolist with a workforce of 1,500, affiliated to state-owned VEB Polygraph, that used to dominate the COMECON (see box on page 29). But, the Leipzig based supplier never stopped improving the design of the conventional eight-page rotary (half web) press for cross grain even after the political changes and after its privatization in 1994. If you come to the Elsterwerda based Variograph printing house you will see presses made in Leipzig in several decades. Right next to the pale blue *Robb*, there is a *Zirkon Supra 660* put in operation in 1999, and now, right in the center of the workshop, there is the brand-new 6611 press, dark gray in color, with dark blue side frames.

At a glance

Variograph Druck- und Vertriebs GmbH
Markt 27
04924 Bad Liebenwerda
Phone: +49 (0)3 53 41 - 15 40
Fax: +49 (0)35341 - 9109
E-Mail: info@variograph.de
Workforce: 102
Managing director:
Wolfgang Stier

Sure, I could have bought a sixteen-page press, says Wolfgang Stier in an interview with the *Deutscher Drucker* trade magazine. But, this would have been no good because of "missing structures". He appreciates the performance offered by Zirkon, and the 6611 press which meets the requirements of his product range and cost budget. This would not have been true for a sixteen-page rotary press in his environment.

Of course, in a printing house with only Zirkon presses, which is situated merely a one-hour drive from the manufacturer's workshop, the Leipzig based supplier enjoys a



The 6611 eight-page rotary press in the new Zirkon design: dark gray with dark blue side frames.



Shortly before the press was to be put into operation, some more adjustments were made on the folder with its two deliveries.

“home advantage”. The more so that printers here are already conversant with its presses, and may perform some minor repairs themselves, if necessary.

The Zirkon 6611 press, designed for 50,000 impressions/hr, at the Elsterwerda printing house has been provided with a *Megtec AR 70 A* autopaster, a *Vits Rotoline OT I* hot-air dryer, a *Technotrans* silicone applicator, and an ink key and register control by *Eltromat*. The four blanket-to-blanket printing units, the chill roll stand, and the folder with a switch for two deliveries and a chopper fold for the quarter fold are Zirkon's own design.

Large-format rotary offset is a “taboo subject”.

Just like Zirkon focuses on the “eight-page niche”, large-format rotary offset printing is a “taboo subject” for Wolfgang Stier. He continues to be different from his competitors, for example through self-designed in-line units, and his efforts are supported by his technical manager, *Werner Wiedmer*, who is a real gadgeteer. Stier recalls the GDR/DDR era: “We always had to do a lot of things on our own. We were used to it – we had all those obsolete presses only.”

Today, the keys to success are efficiency and flexibility. The former is provided through their up-to-date presses (they are going to change over to CtP this year), the latter is provided through their employees who have a substantial share in the company's success. There has only been one former employee whom Stier had to terminate in his ten years of being an independent contractor. Good for the Elbe-Elster district where the unemployment rate was as high as 22.3% in December, 2003.

Gerd Bergmann

Zirkon Druckmaschinen GmbH

Selling new presses is merely one foothold today.

From the monopolist of the East to a niche supplier.

Zirkon Druckmaschinen GmbH considers itself one among a whole number of pioneers of Leipzig/Germany based printing industry. Whereas, after the political changes in the eastern part of Germany, and after the splitting-up of former state-owned VEB Polygraph, newspaper press manufacture (Plamag in Plauen/Germany) was taken over by MAN Roland and the Radebeul/Germany based sheet-fed press manufacturer (Planeta) was taken over by KBA, the Treuhand, a German governmental institution entrusted with privatizing former GDR state-owned companies, intended to maintain and continue rotary offset press manufacture as an independent enterprise



Holger Röhrs with some print job samples, this one an Arabic newspaper

(with approximately 700 to 800 employees). However, that intention never was to come true. The only memento left from those days and still showing this intention is the impressive newly built workshop at Rieser street in Leipzig/Germany.

Privatization

In 1994, Zirkon was finally privatized, and was sold to a West German entrepreneur. The press manufacturer, with its then about one hundred employees, continued to be successful, specifically in North America and with its eight-page rotary presses of the 66 series. However, when subcontracting for another



The modern manufacturing workshop which was built in the early 90s, commissioned by the “Treuhand”.

German press manufacturer came to an end in 2002 and when Platon Maschinenbau, an affiliated mechanical engineering company, went bankrupt, Zirkon Druckmaschinen GmbH was reduced again, to now some 35 employees. Since then, Holger Röhrs, its managing director, has re-positioned the company as a small-size business, and oriented its activities onto four lines of business:

- ▶ further improvement, and sale of the Zirkon series presses,
- ▶ spares and after-sales service for Zirkon presses employed the world over (still approximately 4,000 printing units),
- ▶ general overhauls of rotary presses (Röhrs: “Specifically, we have close relations with Eastern Europe.”),
- ▶ subcontracting in niche segments (because of a large number of machine-tools with some special attachments).

Zirkon mainly sells eight-page presses (6611) to Europe and North America, but also the 9621 press, a twenty-four-page rotary press. In addition, presses of the 6210 and 7221 series are on offer, the latter specifically having sold well in Arabic countries for several decades because they have the best format for their textbooks.

Contrary to previous years, Zirkon nowadays focuses on core areas determining quality such as development, component manufacture or installation. “This is the company's express policy”, say Holger Röhrs and Bernd Winkler,

its sales manager, in an interview with the Deutscher Drucker trade magazine. Minor components and standardized parts will be subcontracted.

Two to three presses a year
Holger Röhrs estimates the worldwide demand for eight-page rotary offset presses to be three to four new installations per year, of which Zirkon will try receive contracts for two to three presses. Although the company sees itself as a small niche supplier, it still considers itself to be the market leader for the eight-page press which is continuously improved. To this end, they have established close cooperation with engineering firms and scientific institutes. Zirkon is represented through distributors in more than twenty countries. Other major countries besides Germany and Western Europe include North America, Eastern Europe, and Arabic countries. For more details visit: www.zirkon-print.com



Installation of printing units on an eight-page press of the 6611 series.