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Anniversary Edition

2013

We think in generations

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and Heinrich Deichmann

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Deichmann celebrates its hundredth
anniversary with its employees.

Heinrich Deichmann
accepted the awards for
the company specifically
in the name of the
employees.

Interview

We think in generations

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Dr Heinz-Horst Deichmann
and Heinrich Deichmann

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Dr Heinz-Horst Deichmann believed from the start that social commitment must be part of a company's philosophy.

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Photos: Fessel, Christopher Adolf, Bruneis, Deichmann-Archiv

Trendsetter with tradition

Dear fellow employees,

quite suddenly, the 100th anniversary is upon us. One doesn't always think about it during the hectic day-to-day business. There are shoeboxes to be sorted and customers served, containers unloaded and the contents stored in the distribution centre according to precise specifications, shoes to be purchased and allocated or personnel lists and payrolls prepared.

But a one hundredth birthday of a company is a good reason to pause and think. It is a good moment in which you not only look back but also ask: What is special about Deichmann? Is it the tradition as a family enterprise? Is it the ability to repeatedly respond to current trends and customer needs? Whether in fashion, in the manner of presentation of goods or in the use of modern means of communication? Is it the will to keep the company healthy and continue the growth?

To answer these questions, we have in some instances looked behind the scenes in order to show something of the personality of the company, which is also reflected in the people concerned and their work. In addition, we take a journey through the history of the company. However, we not only want to give the view from inside the company, but have also asked outsiders about their impressions.

In all of this is revealed a principle and a tradition that run like a thread through the Deichmann history: the company is there to serve the people – its customers, its employees and the needy. That was and is paramount for the owners, arising from their Christian convictions.

After 100 years, one can summarize: Deichmann is a trendsetter with tradition.

Yours

Silke Janssen

Editor – Deichmann intern



We think in generations

Interview with Dr Heinz-Horst Deichmann and Heinrich Deichmann

If a family firm has existed for 100 years, then this is an occasion to take stock. We spoke with Dr Heinz-Horst Deichmann (86) and Heinrich Deichmann (50) about the company's roots and its prospects.



Dr Heinz-Horst Deichmann (l.) and Heinrich Deichmann are grateful for 100 years of Deichmann.



Last year there were many accolades for the company. "All this praise goes to the staff," Heinrich Deichmann declared at an awards ceremony.

Photos: Christopher Adolf, Fessel, Talinski

? 100 years of Deichmann – not many brands belonging to a family enterprise experience such an anniversary. Are you proud of this achievement?

Dr Heinz-Horst Deichmann: It's probably more about gratitude than pride. We are grateful for the past years and for what the company stands for today. That is something we cannot take for granted. It is a gift from the hand of God that we as Christians and entrepreneurs are allowed to gratefully accept. We are indeed proud, but actually of the performance of our employees. Without them, this development over decades would not have been possible. The entrepreneur doesn't achieve it alone. I always told the staff in the stores: behave as if you were Mr. and Mrs. Deichmann – and that's what they did.

? In the past year many awards came your way: the Family Entrepreneur award, the German Retail Prize, the "Dealer of the Year", the Honest Dealer, the Service Prize for Online Stores. How does one manage this on the verge of a major anniversary?

Heinrich Deichmann: We had no influence on these things. We didn't apply for these awards, we were selected. Of course, we were delighted to receive them. But again: all this praise goes to the team. It has earned such recognition in a special way. In this way, the performance they provide anew every day is recognized. The daily business in retail demands nothing less than full commitment. And then it's great, when the team is allowed to mount the winner's podium.

? But the entrepreneur also has a share in such a success?

Heinrich Deichmann: Yes, of course. We see it as our most important task to create the conditions under which the company develops and employees can perform well, and that starts with the provision of financial resources right through to the directional leadership of the company's development.

? What was the recipe for success of these 100 years?

Dr Heinz-Horst Deichmann: It's like a cake. One has to include many ingredients in order to achieve a good result. The key factor is surely that we have never regarded the company as an end in itself. I once said that, for the company, making money is also not an end in itself. You have to serve the people, meaning primarily the customer, but also the employees. And we want to help people in need with the earnings generated by our work. This goes beyond the purely material. I think it has inspired us all in a very special way to pursue our corporate goal. And this philosophy has not changed in the past 100 years. Today, we still want to provide our customers with fashionable and good quality shoes at a very reasonable price.

? You don't want to talk about pride, but is there something that gives you particular pleasure when you look back?

Dr Heinz-Horst Deichmann: I am particularly pleased that we are now able to offer around 33,000 people a secure job



Deichmann wants to offer its customers fashionable, quality shoes at a very reasonable price.

or training position. We don't see our employees purely as a cost factor. Our goal is to create and maintain jobs so that we can make an important contribution to the society in the countries in which we operate. This naturally also includes producing earnings so that the company remains financially healthy.

? What part did the family-business factor have in this success story?

Heinrich Deichmann: Owners of family businesses are accustomed to thinking in terms of generations, not just in quarters or in five-year contracts with the board of directors. This permits them to exercise the necessary patience in overcoming problems. There is no need to constantly explain oneself to banks or stock market analysts. And one can decide what to do with the profits of the company – in our case, to re-invest them in the business and to fund aid projects.

? Are family businesses a superior model?

Heinrich Deichmann: One can't generalize on this one. Sure, the concept has its strengths, as we have just explained. But when a family fails to settle the issues of management and succession, for example, then it can be problematic. We have witnessed examples in recent years in the German economy where family dominated companies were headed in the wrong direction. It is thus no guarantee of success. Moreover, there are also many salaried managers who do a good job.

? Has the success of the company something to do with your Christian faith? Could Deichmann be called a Christian company?

Dr Heinz-Horst Deichmann: Regarding the second question, we say very clearly: there is no such thing as a Christian company - just as there are no Christian states as such. History has shown us that such a construction does not work. Politics and religion are separate worlds, which should respect, appreciate and inspire each other but which should also act independently. The same goes for companies. On the other hand, it is of course correct to say that there are Christians in politics and business who strive to act and make decisions based on their values. We claim to follow this course. We say that our corporate policy is dominated by the Christian image of humanity. That is the foundation on which we personally base our principles. However, we employ people of many faiths who need to feel respected and well looked after. For this reason alone, we cannot be a Christian enterprise. But we personally conduct ourselves as entrepreneurs who are believers in Christ.

? You have been working on many social projects for decades. Why do the customers learn so little about this?

Dr Heinz-Horst Deichmann: We make no secret of it. In the stores there are donation boxes and flyers that contain information about *wortundtat* projects. We also refer to it on our home page in the internet. But we don't want to



Dr Heinz-Horst Deichmann: "I am particularly pleased that we are now able to offer around 33,000 people a secure job."



Deichmann puts great emphasis on good training.

issue a news release every time we support a good cause or to combine the selling of shoes with fundraising. The customers should buy from us because we make them an attractive offer. If the company makes a profit, then we are also in a position to support the social projects that are close to our heart.

? Much is heard and talked about in the media, however, about the consumer having a good conscience.

Heinrich Deichmann: That's another topic. The customers rightly expect good quality, reasonable manufacturing conditions in supplier countries and pollution-free products that meet the statutory requirements. Of course, there are people who highly regard our commitment to the poorest of the poor. We don't want to and shouldn't use it however as the trigger for the buying urge. This would be tantamount to reducing our concerns to a marketing campaign.

? How would you describe the current state of the company?

Dr Heinz-Horst Deichmann: The birthday child is healthy and strong. We are pleased with our achievements, but we



The biggest wish of the owners is that Deichmann can continue to be successful in future for the benefit of everybody, based on the principles that we have applied up to now.

also know that we must not rest on our laurels. Success is a good thing, but it always contains the risk of failure if it leads to our being sluggish. I think we have enough motivation in our team, however, to repeatedly put us under scrutiny.

? The media like to refer to Deichmann as a shoe dis-counter. Do you like being defined in this way?

Heinrich Deichmann: We know about it, of course, but it is wrong. Discounters sell solely on price. That's not our approach. Of course, we are value-for-money, but we have evolved into a fashion and lifestyle company that very swiftly brings the latest fashion trends at very affordable prices into the shops where they are presented in a modern and attractive environment.

? Where will Deichmann be in 10 years' time?

Heinrich Deichmann: The conditions in our world are changing increasingly rapidly. It is difficult to plan so far

ahead. We assume, however, that we will grow steadily and prudently in existing and new markets and that our online business will expand consistently. That is our defined goal.

? Will there be stores in 100 years' time or will people buy everything via the internet?

Heinrich Deichmann: I don't think that will be the case, but we are already experiencing strong growth in online shopping. This topic will continue to evolve. With our many on-line stores we are already part of this development, and we shall closely monitor how it develops. We do not know what will happen in 100 years' time, but we have 100 years of experience in order to meet our customers' needs.

? Your biggest hope for the future?

Dr Heinz-Horst Deichmann und Heinrich Deichmann: That Deichmann can continue to be successful in future for the benefit of everybody, based on the principles that we have applied up to now.



Photo: State Chancellery of North Rhine-Westphalia

"Committed to a Christian ideal of mankind"

Prime minister Hannelore Kraft
congratulates Deichmann

The prime minister
of North Rhine-Westphalia,
Hannelore Kraft.



While family enterprises enjoy a long tradition, they are by no means history. Quite the contrary: even today, family enterprises are the main pillar for growth and employment in Germany. They successfully withstand crisis again and again due to one very convincing reason: family entrepreneurs measure their success in sustainable long-term growth rather than a short-term financial yield. They feel a deep social responsibility for the company and the employees. This is reflected at Deichmann SE by the continuous provision of new jobs in Germany and other countries while waiving restructuring redundancies. This special combination – social responsibility combined with economic success – is the basis for the success story of our social market economy. And it indeed has a future.

Deichmann SE with its principle offices in Essen provides a good example. The company philosophy is based on the Christian view of mankind and Deichmann seeks to live these ideals in the company's daily routine. "The enterprise

must serve the people" – this company ideal applies to employees as much as to customers and suppliers. And it also applies to people around the world who are in need. The sustainable social commitment of your enterprise has been applied to numerous charities and relief projects for decades. That is a remarkable tradition, even for a family enterprise. And you can be proud of it, especially in this anniversary year.

This year, Deichmann SE celebrates its 100th anniversary as Europe's largest shoe retailer. The first store was opened in Essen Borbeck, and your company has – unlike many others – remained in the centre of the Ruhr area, where it all began. Beginning with a small store, Essen-Borbeck is now the location of the head office, with its more than 600 employees. A success story widely visible!

On the occasion of your anniversary, I congratulate you and hope that you can continue the good traditions that the name Deichmann has now represented for 100 years.

Hannelore Kraft

Deichmann – the affordable ease of a distinctive presentation

By Stephan Grünewald



Stephan Grünewald is co-founder of the "Rheingold" Institute for Qualitative Market and Media Analyses. He is a psychologist and has been working in market research since 1987.

The formerly pragmatic purchase is now changing to be a customer's purchase of desire.



Photos: Rheingold-Institut, Fessel

Deichmann is the pioneer that liberated the German shoe trade. Deichmann did for shoe shopping what Ikea did for furniture and H&M for clothing:

The provision of simple spaces and freedom. This is the basis of the widespread sympathy felt by many consumers for Deichmann. People often almost hate buying shoes, because the ideal shoe must simultaneously match the three P's: a shoe must fit perfectly. The shoe must individuate the buyer's personality to allow for a convincing appearance. And finally, the price must be just right. In the past decades, Deichmann eased these P-problems and gave its consumers a new and sophisticated light-footedness.

Deichmann stood and stands for affordable quality.

Deichmann relaxed the fear of the unknown when entering a shoe store by designing stores that have a friendly ambience and are accessible to everyone. The range and variety of shoes promised each customer the possibility of finding just the right shoe. And the informal atmosphere of the stores became a testing ground, where customers could uninhibitedly try out their new appearance. At the same time, Deichmann – as an upmarket discounter – promised that even the wildest experiments would not exhaust the customers' finances. Deichmann stood and stands for affordable quality. Moreover, Deichmann is becoming a trend indicator, because the customer can rely on the promise of always following the latest fashion.

Along with the fashion comes the new store concept by Deichmann, implying a further evolution of the brand: while in the past mostly focusing on the product, now shopping at Deichmann is part of an overall experience. People sense the new stores as brighter, more inviting, even friendlier, fresher, tidier, more spacious and modern and of higher quality. This metamorphosis from store to ambience enhances the entire range of products and also makes the customer feel valued. Here, he finds an appropriate setting for the presentation of himself and his shoes. The formerly pragmatic purchase is now changing to be a customer's purchase of desire. And the experienced level and higher profile of Deichmann fascinates not only the regulars, but it arouses the curiosity of non-customers.



Photos: Deichmann, Shutterstock

Who are you?

The language of shoes

If you only think of shoes, you have no worries? Not at all! According to new research, it is even possible to make statements about the psyche and political views based on the type of footwear. Whoever thought it was superficial to judge others by their footwear now stands to be corrected. According to a study carried out by the University of Kansas, the fact that someone wears high heels, ballet flats or boots, most certainly indicates something about character and living circumstances.



As part of the project, the researchers collected images of the shoes of 208 participants aged between 18 and 55. Participants also filled out questionnaires and provided information about age, gender and income. Another group of 63 students viewed the footage and judged both personal data and information about interests and personal problems.

Evidence of character traits

What clearly sounds like guess work was actually correct in 90 percent of the cases. "Shoes convey a thin but useful set of information about their owners", writes Omri Gillath, lead author of the report. According to the study, boots are supposed to be a sign of an aggressive personality, while relaxed characters wore more uncomfortable, laced shoes. Some of the most prevailing prejudices were also confirmed: big earners wear expensive shoes, extroverted people resort to colourful and eye-catching items, and people who keep their shoes clean for years are rather conscientious.

Indeed, it is not only personal information but also political views that shoes and sandals reveal. According to the report, liberal thinkers wore rather rundown and cheap shoes. Omri Gillath explains this with the balance of practicality and references to symbolic messages that are visible on the footwear.

When do you buy?

A customer only needs about half an hour to buy shoes but can also use the time, if needs be, to learn about feet and fit, latest fashion, shoes that are too tight and the ease of walking. Most people walk about in shoes that are too narrow. Due to posture, weight and wear, the shoe size will change at mid-life, but most wearers ignore this. Once 38, always 38! Forever! Sadly, not true!

When someone buys a shoe depends – surprise! – on gender. Men usually buy as needed, for example, they buy sandals only when temperatures exceed 30 degrees. Or because their partner motivated them to buy shoes: this is the case with every second man! And their models resemble each other. Fashion-conscious women on the other hand go and buy shoes immediately after the latest spring fashions become available.

From the shop window to Facebook

The customers need to be addressed in many different ways



Because there were no leaflets yet, the shop window was the only means of presenting the merchandise. Just as here in 1938 in the first store on Borbeck Market.

"We request your esteemed visit", was the plea in May 1949 in the ad relating to the opening of the first store outside of Essen in Düsseldorf's Akerstrasse. There then followed the special offers for Whitsuntide.

SCHUH-DEICHMANN
ESSEN DÜSSELDORF
ACKERSTRASSE 32

Wenn Sie noch nicht Bekanntschaft mit unserem neu eröffneten Schuhgeschäft in der Akerstrasse 32 (Höhe Wollinger Platz) gemacht haben, verpassen Sie bitte nicht, unser

Pfingstangebot

In Regenschuhe zu nehmen. Sie finden eine reichhaltige Auswahl in modischen Artikeln zu erschwinglichen Preisen.
Außerdem bieten wir an: Für den täglichen Gebrauch Schuhe in guter Qualität!

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SCHUH-DEICHMANN
ACKERSTRASSE 32

Achtung! Neueröffnung!
SCHUH-DEICHMANN
jetzt auch in Düsseldorf, Akerstr. 32
Eröffnungsverkauf: Samstag, den 28. Mai 1949

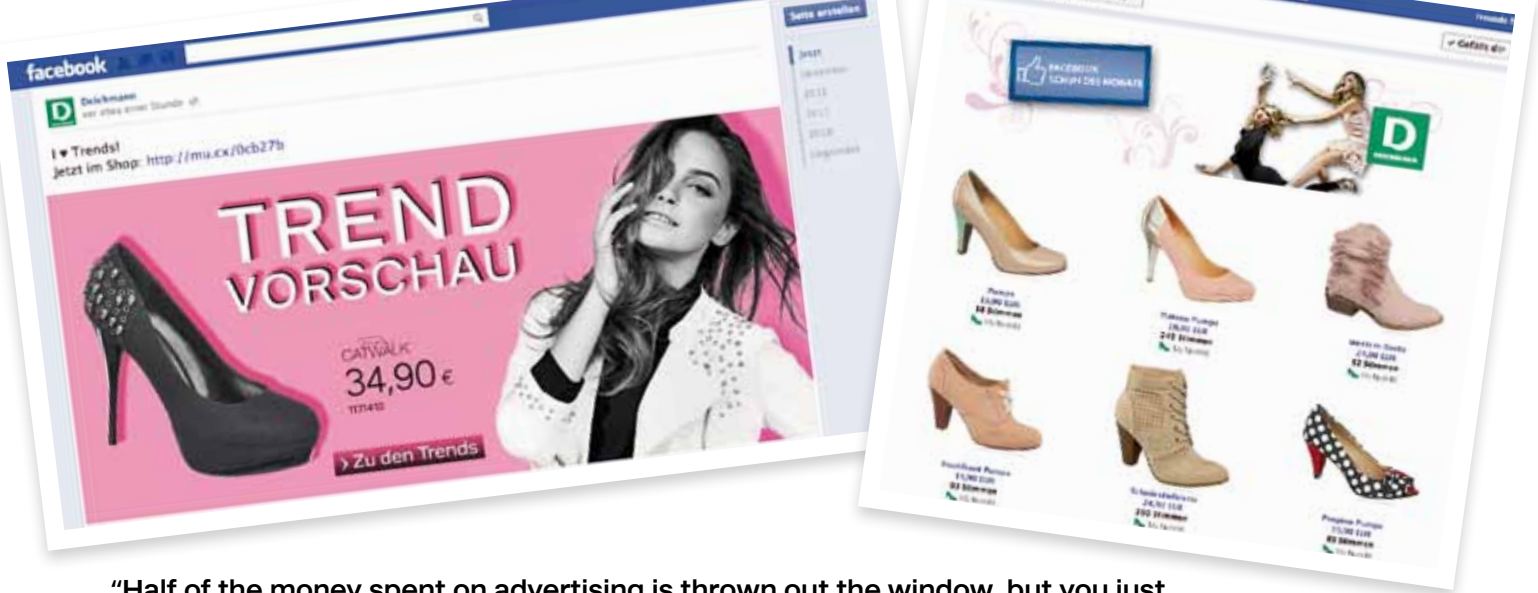
Ständige Lieferung garantiert auch Ihnen einen Schuhverkauf, der Sie voll zufriedenstellen wird.

Eröffnungsverkauf

Kinderstiefel u. Halbschuhe	ab 7,-
Damensportschuhe	ab 11,-
Elegante Damenpumps	ab 13,-
Damensandaletten	ab 2,-
Herrenhalbschuhe	ab 14,-

Sie werden überrascht sein, das haben wir Ihnen ganz leicht gemacht durch unsere außergewöhnlich niedrigen Preise. Außerdem finden Sie in unserem Haus auch viele Herrenschuhe, Herrenpumps in Gestalt, Eleganz und Puffform. Täglich Lieferung von Neubestell!

SCHUH-DEICHMANN
Akerstr. 32



“Half of the money spent on advertising is thrown out the window, but you just don’t know which half it is,” Henry Ford was supposed to have said. For Deichmann too, advertising is an important issue, but here each euro should be spent effectively. This is a task that requires the application of ever more efficiency. Firstly, the company grows and continuously offers new products to its customers, both nationally and internationally. Secondly, the media landscape and hence the advertising landscape is becoming increasingly diverse, and consumers are becoming increasingly aware and the competition more global. To get an idea how this all functions under one roof, we talked to marketing manager Andreas Conze.

At the beginning of the company’s history, advertising was primarily through the shop window. This is a topic that is close to Dr Heinz-Horst Deichmann’s heart: “A shop window is the face of the enterprise.” In early years, advertisements were indeed placed, then was added the “mono-leaflet strategy”, i.e. pure shoe ads based on price and quality for a local store, in the form of supplements in newspapers and weeklies.

The first TV spots

A milestone for the company was effected in 1995, when, using TV spots on a large scale, advertising was switched to electronic media. The melodic slogan “Hard to believe that branded shoes cost so little!” is still a catchy tune for many people. It is also hard to believe that this happened 18 years ago. “By that time, Deichmann had become so large that national television advertising was worth it”, remembers



Very innovative advertising at the beginning of the 50s.

Photos: Deichmann archives

Advertising in a 70s style.

Bei diesen Preisen macht die bunte Mode Spaß.

Die Deichmann-Modenschuhe in Farbtönen, die zu jeder jungen Mode passen. Für Mädchen, die mutige Mode mögen.

Schuh-Kauf ist Vertrauenssache. Oft mal zu Deichmann.

DEICHMANN
Bremen, Stegstraße 50-52, Hallenstraße 7, Hamburg, West-End-Ladenzentrum

DEICHMANN • Schuhe, die begeistern

DEICHMANN
wenn's um Schuhe geht

Preis-Sensation am laufenden Band

Der Top-Knüller
Damen-Mokassin mit Klettsohle ECHT

Super-Hits
Alle Modelle ECHT LEDER

Modischer Damen-Mokassin-Slipper mit Quastel-ECHT LEDER

Damen-Mokassin mit Blättchen-ECHT LEDER

Damen-Mokassin mit Freizeitsportler-schläge Leder-ECHT LEDER

Leaflets through the times. In 1938 moccasins were the hit.

DEICHMANN
Die Frühjahrskollektion

Die neue Marke. Meine Mode, mein Stil. Obermaterial aller Modelle feines Leder.

49.90

49.90

39.90

Kannst du glauben... Markenschuhe so günstig.

In 1998 it was "hard to believe – branded shoes at cheap prices".

Gute Schuhe zum günstigen Preis

DEICHMANN
IM FRÜHJAHR '88

Ganz schön günstig.

19.90

39.90

29.90

19.90

39.90

29.90

29.90

39.90

1988 offered bags matching the shoe.



"Spring awakening" in spring 1992.



A more reduced presentation at the beginning of the new millenium.

Andreas Conze. The company was already well known among customers for good quality at a reasonable price. "For this reason, the spots were also primarily used to raise the profile of the private brand portfolio – that had been developed in the 80s - even more in the awareness of customers."

Then came the Hollywood feeling

The commercials to this day speak to clearly defined target audiences, with brand recognition, image and product/price being always in the foreground. This is always combined with short stories, sometimes with a Hollywood touch and often with a humorous punchline. The 90s were a time when, especially in Germany, DJ Bobo, the group "Ace of Base", Yvonne Catterfeld or Oliver Geißler were the celebrity faces representing "Graceland", "Victory" or "Memphis One". Later, as a result of increasing internationalization, well known celebrities like the Pussycat Dolls (2007), the Sugababes (2008) and even the Hollywood greats Cindy Crawford (2009) and Halle Berry (2012) helped to publicize the Deichmann brands. This is a concept that is now being implemented right across Europe.

Deichmann as umbrella brand ...

In the new millennium, Deichmann has focused its advertising more on the presentation of its umbrella brand i.e. the

company name. The slogan "Deichmann – for Good Business" indicates to the customer, that no matter what items he/she chooses, he/she always gets a good deal. "As a company, one must also be perceived by customers as sympathetic to their needs and as having values. Deichmann, as an umbrella brand for a generalist which offers a full range for all target groups, is tremendously important", explains Andreas Conze. "Even more important are the brands that are directed at the specialist and guarantee good quality and high-quality products for specific target groups. In this area, Deichmann has, in recent years, done its homework."

... with a unique portfolio of brands

It is a fact that the company offers a brand portfolio that is effective and balanced. "This doesn't mean that we rest on our laurels", Conze says. Brands are developed continuously. How a brand is placed plays a major role. "We need to closely observe the media landscape. The cycle in which new media appear and the old disappear is becoming much faster. We must reach today's customers, for example, through different channels, such as newspaper ads, brochures, posters, TV spots or via communities like Facebook or Youtube. The problem that we face is that media usage has become so much more diverse and each person only has a limited capacity for absorbing messages. This makes effective marketing today a particular challenge", says Conze.



The "good business" presented the Sugababes' collection in 2008.



The star of the collection: 5th Avenue by Halle Berry

▼ Although followed by some roughs, Halle Berry simply cannot let go of her shoes.



A quick glance at the Deichmann brand world:



Victory is the sports brand for athletes and has an excellent price-performance ratio: function-related, durable materials, manufactured especially with the medical aspect of sports in mind and having different attenuations, provide strong support for the feet and stability as well as protection for the joints.



Gallus was founded in 1880 in the Viersen district and launched in 2005, now as part of Deichmann, into a new future. In machine-assisted manual labour, shoes of top quality are produced from high-quality materials. Specific product lines such as Gallus COMFORT.walk or DRYZ/X-Static models meet the highest standards.



Graceland offers high fashion at a low price. Always the latest trends – in colours, shapes and materials! They are the perfect match for young fashion-queens who are looking for provocative and trendy footwear at unbeatable prices!

Market research support

When it comes to the best use of advertising, market research plays an important role. "We try to look a little into the minds of customers to understand their needs", Conze confides. "But it also requires a certain instinct to find the right medium at the right time of day – and then also to catch the customer in the right mood for some Deichmann advertising." The right media mix will continue to determine the future marketing strategy of Deichmann. Soft factors such as lifestyle and quality are as important as the pure product and the price. While doing all this, we keep a constant eye on the competition.

Looking into the future

And in ten years? – "We shall experience an even greater complexity in our marketing function", suspects Andreas Conze: "It will be more difficult for us to reach our customers with pinpoint accuracy. Many media outlets will merge into one, with the result that everybody will be able to order shoes or compare prices from anywhere in the world using their smartphones. Competition will become even greater and keener. We must adapt ourselves to this situation, particularly in the retail business. This will continue to exist, but in a different way. Additionally, we have to intensively pursue our multi-channel strategy. "Then and now and in the future the motto for the marketing manager will always be: "We have to be where the customer is, because the customer is the focus of our activities."



▲ „Most Wanted“ – Sports brands are special.

◀ In TV spots children and elephants discover the world.



▲ „For every you“ – that is the Graceland claim.



5TH AVENUE

Elefanten have been taking children on discovery trips since 1928 and have accompanied many generations throughout their childhood. This brand was introduced at Deichmann in 2005, and is coupled with high quality and the assurance that children's feet can grow healthily.

5th Avenue is representative of trendy, international designs and quality materials in trendy colours and is very well appointed with a feminine look. And that at unbeatable prices! Stars like Cindy Crawford and Halle Berry have developed their own collections under this brand name.



Photo: Messe Düsseldorf (GDS)

“An outstanding role in the footwear industry”

Deichmann's position in a dynamic retail industry

Manfred Junkert, CEO of the HDS Federation of the Footwear and Leather Goods Industry, congratulates Deichmann on the occasion of its centennial.

The Deichmann shoe group has now existed for 100 years. This number alone is impressive and makes the company Deichmann stand out. If we were to add more numbers, we should see that the company is truly unique. 156 million pairs of shoes sold in 2011, employment for over 30,000 people in more than 3,000 outlets in over 20 countries around the world and sales of footwear in several billions of euros are remarkable figures. This makes the Deichmann company one of the outstanding enterprises in the German shoe industry.

The footwear trade is an industry that in Germany is sometimes underestimated. In our industry, many brands – some known worldwide – have established themselves and offer a wide variety of footwear that takes into consideration current fashions, as well as comfort, well-being, environmental and safety aspects. We live and work in an industry that operates globally, carries out worldwide manufacture, and is logistically at the forefront of

Human and social aspects are not lost sight of against the background of this huge entrepreneurial success.

technology to make the product “shoe” available to the customer at the right time. Each year in Germany alone, 500 million pairs of shoes are made available, for purchase by the consumer. The total market for footwear in Germany is worth over EUR 10 billion.

The company Deichmann occupies a prominent role in this dynamic industry. With its extensive network of branches, Deichmann is the largest footwear retailer in Europe and probably one of the largest in the world. To develop a company over a period of 100 years and to attain such a leading

market position deserves the highest respect: respect for the entrepreneurial vision and a willingness to take and shoulder risks, respect for the strategic approach and consistency in the implementation of concepts, respect for the dedication and passion that are involved and which are necessary in order to achieve these things. This respect is due in similar measure to the entrepreneur, the entire management and the many employees of the company who together contributed to the success.

Human and social aspects are not lost sight of against the background of this huge entrepreneurial success. That is indeed remarkable. The company motto, to serve the people, is credibly put into practice. Thus, the manufacturing process in the many countries follows high quality standards and creates jobs for many people around the world. At the same time, employment is carried out under good conditions, both from a social point of view as well as from environmental considerations.

On the occasion of the 100th anniversary, with its related achievements, I send hearty congratulations on behalf of the German shoe industry. I wish the company Deichmann an ongoing good, successful and entrepreneurial development, so that the company will continue to be a good, outstanding customer of the German shoe industry. With its competent and motivated employees, this wish will most certainly be realized.

But I also wish the company Deichmann a rigorous competitive environment, which was the case in the past and up to now. Because only the daily challenge of competition maintains a dynamic field and creates innovation and thus ensures further entrepreneurial success, and I wish the company Deichmann this future success also on behalf of the German shoe industry.

"Deichmann Shoes": this is now a well-known brand in Europe and even beyond, – most probably the strongest in shoe retailing. The question arises whether this brand strength is the basis of the high reputation of the Deichmann Group with the general public and the German family businesses in particular: "Certainly not", is the reply.

Is it then perhaps the undoubted outstanding operational success in sales growth, earnings growth or the extent and success of globalization that make Deichmann special? Even this does not get to the core. After all, there are a number of German family enterprises whose brand awareness has achieved similar dimensions to Deichmann.

Is it finally perhaps the corporate mission statement of Deichmann that accounts for its special position in the field of corporate culture? No, neither in this area will you find it. In the mission statement there would indeed seem to be much that is exemplary, but the selected formula-

ate "light and warmth" for all people that have contact with his company – in whatever way.

Arising from this ethically sound basic understanding, there has developed at Deichmann what can be described as an effective instrument for an operational and socially stable future for our world of business: an intact family, a successful generational handover, a business organization that can develop its own ideas without financial restrictions imposed by third parties. This ultimately includes a globalization concept that is aimed at sustainably improving social conditions that exist in poorer countries: in short, an organization that, as well as all reflecting the factors inherent in running a successful business such as the commercial virtues of hard work, creativity and courage, regards itself as committed to serve. This obligation creates – in contrast to the major global corporations, for which quick profits are paramount – soundness and sustainability, not from a basis of economic power, but from a basis of conviction.

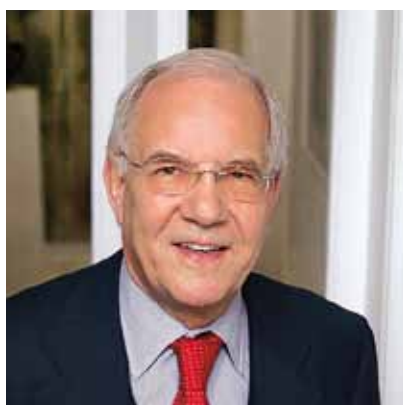


Photo: Press photo

"The future needs roots"

Tradition as a factor of success

Professor Brun-Hagen Hennerkes, chairman of the board of the Family Enterprises Foundation, answers the question why the Deichmann family enterprise is held in such high regard.

tions to be found therein resemble many codes of conduct that we find today in the manufacturing and trade sectors.

You have to look deeper into the soul of the Deichmanns if you want to recognize the truly exceptional, the outstanding and the incomparable in this corporate group. It is not the different, creative elements according to which the family lives and the business is conducted. These elements are only the expression, but not the substance, of how the Deichmann family views its lifetime achievement. The real substance of the widely accepted special status is based rather on an overall view of a Christian image of mankind, rooted in a deep personal belief of the owners, a humankind image that is today neither appreciated nor put into practice by many representatives of our business community. This Christian view of humankind seems to shine through everywhere in the Deichmann group, as, for example, when the Dr. Deichmann, going beyond the interests of just his own employees, demands "a warm feeling of being accepted" for all people in need, even where they are not Deichmann employees, and when he wants to cre-

"The future needs roots" is the motto of the now third generation of this family and this awareness of tradition represents a strong foundation for all personal and business decisions of the Deichmann family. This is the most important pillar for continuity, particularly in times of an increasingly progressive general moral decline. It is essential to hold on to.

In this sense, I should like to convey to the company as a whole, to the owner family and to the entire staff on the occasion of the 100th anniversary, my heartfelt congratulations by voicing the blessing of the ancient Romans:

"Vivat, crescat, floreat!"

or, put this way: to the Deichmann company and its owners, employees, customers and suppliers – may they live, may they grow and may they prosper.



The shoe down the ages

From useful to fashion accessory

The shoe has been the centre of Deichmann's attention for 100 years. Initially the focus was on functionality, in recent decades however, fashion and trends became more important. The design of a shoe was not always based on functional ideas, but rather reflected the spirit and zeitgeist of the time. But the history of the shoe goes back much further. Shoes have been with us for thousands of years.



A 5000-year-old sandal made out of bast from a linden tree. It was found in Sipplingen on Lake Constance.

Where does the shoe originate? There is no real "first shoe": cave dwellers protected their feet with leaves, grass and animal hides. We believe that animal skins were wrapped around the feet and calves in colder regions. Elsewhere peoples tied hide around their feet, forming a bag, which later evolved into the moccasin. In warmer areas people bound soles from palm leaves under their feet as protec-

The lattice-like plaiting from twisted bast laces is the basis of the shoe that "Ötzi" wore back in stone age times. It was stuffed with grasses to warm the foot and covered with outer leather or a piece of fur for protection. The sole was also made out of a piece of hide from a bear.



tion against the hot ground, probably the forerunner of the sandal. The oldest pair of shoes discovered so far is 9,000 years old – simple sandals made from plant material.

Bear hide and hay

Even the glacier mummy "Ötzi", who lived in the stone age some 5,000 years ago and was found in the Alps in the early 90s, already protected his feet with a bound sack of bear hide padded with hay. Probably the oldest form of footwear is the sandal. They were ankle high in Egypt and made from reeds and bast, or made of leather in Greco-Roman antiquity. Since the early days, sandals existed in all cultures and remain the world's most common footwear even today.

Right and left shoes

The Romans were the first to distinguish between right and left shoes in shoe making. Although the differentiation meant more work in their manufacture, it resulted in correspondingly greater comfort. But this knowledge disappeared with the fall of the Roman Empire. It was not until towards the end of the 19th century that a distinction between left and right shoes was made again.

A short history of the heel

The first boots emerged from the occident and were originally only made for men. They had heels, which simplified riding with stirrups, as the heel was simply hooked in. About 400 A.D., women in the orient attached wooden heels to their sandals with wooden heels indicating their social status. The higher, the more influential! Later on, heels were probably mostly intended as protection against the dirt in the streets - the Middle Ages knew nothing of drainage.

In the 14th Century, appearances became more important and shoes were ornamentally decorated. This habit decreased however in the following decades, probably due to the fact that the aristocracy lost its supremacy, especially after the French Revolution in 1789. Footwear again became that bit more functional.

Machines made shoes affordable

The industrial revolution around 1830 finally resulted in the machine manufacturing of shoes and thus their mass production. The new sewing machines initiated the shoemaking industry and allowed for rather different prices alongside traditional shoemaking. Heinrich Deichmann, the company founder, also recognized this development. He soon sold machine-made shoes and used machines for shoe repairs



Ludwig XIV was a fan of eccentric heels.



Sandals from goat leather with soles and heels made from cork layers covered by silk. They were designed in 1938 by Salvatore Ferragamo for the actress Judy Garland.

in his workshop. The foundation stone for the unprecedented history of the company was laid. There were the two important trends in the 20s and 30s of the 20th Century: the discovery of the loafer in its different variants and the shoe as a fashion accessory for women.

Shoe fashion gradually changed: while men during these times needed practical work shoes for their feet, the women started liking fashionable and extravagant models. Until then, it was quite common to own only two pairs of shoes: those for the week and those for Sundays. The need for different shoes for different outfits was not satisfied until later. This applied particularly after the Second World War, when the economic circumstances of the population improved as people regained their prosperity. Deichmann also began offering the matching shoes for the latest fashions.

New Materials

In the middle of the last century, new and cheaper methods for fixing the sole to the shaft were made possible by developing new materials in rubber and plastic. This method of production reduced the prices of shoes immensely, so that consumers were able to afford new shoes more often. Now, the shoe was not only useful, but was becoming a fashion accessory. With the wide range of shoes offered, Deichmann made sure that current trends found their way into many shoe cupboards. Lifestyle no longer is a privilege.



Photos: RGZM Mainz/Dörte Christin Beec (2), picture-alliance (3), Deutsches Ledermuseum-Schuhmuseum Offenbach (2), Museo Salvatore Ferragamo, Florenz (2)



The first Deichmann store on Borbecker Market looked like this from the inside.



The zeitgeist window

The refurbishing of a store reflects the lifestyle of its era



The customer can these days wander around the store at leisure and look for the right pair of shoes.



At the time, it was the usual thing that the customer chose a shoe in the shop window, pointed it out to the sales person (usually female) who then retrieved the relevant pair from a cardboard carton stacked in shelves on the wall.



1979 was the epoch of "disco". It was the time of ABBA and Michael Jackson. Display stands dominated the appearance of the shop interiors.

Sabots were the hit of the late 70s. Even then, customers could choose them as pairs. Deichmann was the first shoe retailer to present pairs.



Anyone who enters a Deichmann store knows, due to the decor and fittings, that he is at Deichmann – whether in Germany, Poland or Spain. The store fittings play a special role in brand recognition and customer satisfaction. No wonder then that new buildings and modernizations are being systematically planned. A store is renovated very ten years, otherwise it looks old-fashioned. It thus follows that the selling area represents a window on each respective zeitgeist.

It begins with the shop window. Particularly in the early part of the last century it was often the first point of reference for potential customers. Television was still to come, radio and magazines with their ads were a luxury and the internet was a distant prospect. The shop window was thus the business card of the store. Here, the customer could see at a glance the goods on sale.

Using the ladder to reach the shoes

In 1936, Deichmann opened its first sales outlet without a shoemaker's workshop in Essen on Borbecker Market. At the time, it was the usual thing that the customer chose a shoe in the shop window, pointed it out to the sales person (usually female) who then retrieved the relevant pair from a cardboard carton stacked in shelves on the wall. To reach shoes in the upper shelves, she had to use a ladder.

In the years of expansion from 1960 to 1980, the shops had selling spaces of 150 to 200 square meters. The shoes were stored in huge storerooms, sometimes on

other floors. Back then, customers would look for their shoes on a sales display stand carrying just one shoe of each pair and the corresponding second shoe was then fetched from the storeroom by a sales person.



The carpeted shop window display.



Many customers still remember the locomotive in the "children's paradise".



The "rack room" system was ground-breaking

This all changed in 1983, when, for the first time, the rack room concept, imported from the US, was introduced in store 273 in Fürstenau near Osnabrück. All shoes were displayed in shelves in cartons and could be directly examined and tried on by the customer. Deichmann in those days was a pioneer for the industry. The competition found it all rather amusing.



The zeitgeist was determinate

The store oriented itself towards the spirit of the time: in the '70s and '80s wood panelling adorned the ceilings and walls, carpet lay on the floor and padded the pillars and large lamps illuminated the store. The name Deichmann often shone above the entrance in huge lettering.

Shop window decoration also contained elements that were then fashionable. These included, for example, large coloured flowers or the typical hippie-look of the time.

In the late 80s, the stores were bright and carpeted floors dominated their appearance.

Europe-wide approach

Since 1992, Deichmann has been expanding under its own name into other European markets. That posed the challenge of developing a unified approach for fitting out shops, which would be applicable in principal for each country in which Deichmann operated. The optimal presentation of goods became more and more paramount. Stores became easier for customers to find their way around and more emphasis was placed on the value of the products stocked. Every square centimetre of the stores – most having an area of 380–450 square metres – is now used quite effectively.

Which design elements shape the look of a store is already fixed in advance. Every detail will be planned, as, for example, which floor covering will be used or which shelf modules will be placed where. Hand in hand, in cooperation with various departments in the firm, such as sales or advertising, impulses are collected and new ideas developed for fitting out new stores. The experience of the existing outlets is taken into consideration in this process. What has proved itself in practice is retained.

The result is thoroughly coordinated “building blocks” for all components of interior furnishings, applicable Europe-wide, which can be used by outlets ranging from specialized and city shops to the flagship store. Regional differences are of course taken into account, as what is considered chic in northern countries like Denmark and Sweden, may not be usable in southern countries such as Spain and Italy due to different climatic conditions. The underlying furnishings, however, should accommodate everybody.



Quality furnishings dominate the design of shops.



Modules make product presentation more flexible.



Today's store is bright and easy to navigate.



Photos: Deichmann



Facebook screenshot



For online customers, Deichmann offers an exclusive range of products.

Online and retail stores

Deichmann is just where the customers want it to be

Where does the customer like buying shoes? In the store, where he can choose quietly, examine and try on and receives competent and comprehensive advice? Or rather, online on the Internet, 24/7, with the ease of choosing a favourite shoe from the comfort of the living room? Deichmann can look back on a long experience in both fields.

In 2013, the company celebrates its 100th anniversary and its presence in retail stores. But Deichmann is also an online pioneer. In 2000, the company was the first shoe retailer in Germany to start selling on the Internet. It is a huge advantage to have this experience, as Deichmann was not under pressure to enter into this field like other companies in recent years were. Now subsidiaries in eleven countries benefit from these years of experience. Regardless of whether the current collection or large sizes – the shoes will be delivered free of charge, with free returns. Thus, Deichmann remains right on

top of developments. The company continuously keeps updating its Internet site, now issues an exclusive online collection, adds to the online experience with newsletters, is present in social media and offers the opportunity to buy shoes on a smartphone. The magic word is: multi-channel, i.e. a range of products on offer through different channels which the customer can use.

Retail store trade

Deichmann operates more than 1,300 stores in Germany and some 2,000 stores



A big advantage for Deichmann is the extensive network of stores in Germany.

abroad with motivated employees on site and corresponding services. Here, the customer is well served and advised on site, and can look around and try on shoes.

A report of the Cologne E-Commerce Center for Trade states however: every third purchase in retail stores is previously researched on the net. This figure confirms the mutual benefit of the means of distribution. Deichmann offers even more value: many customers look for shoes on the Internet, then look up the next store in the online store finder, make sure their favourite shoe is available there and then go and buy it. The store finder is actually by far the most commonly used functionality of the online services.

Social Media

Deichmann is also active in social media and has one of the largest fan bases in

the shoe trade on facebook in Germany. Fans are able to criticize and make suggestions, advise their friends on fashion topics or to talk to Deichmann about shoes. In spite of periodic criticism, the mood in the community is generally positive. Often the wide range of products is praised, but also the good service in the Deichmann stores. In total, the exchange in the social media enhances the Deichmann brand even more and helps to make new friends. Talk ranges from the actual product to large sizes, accessories and socks. Customers even talk about the latest footwear trends in blogs, giving styling tips and name Deichmann products that fit the latest fashion trends.

Newsletter

Another channel of the multichannel concept is the newsletter that is issued to customers almost every week. Unlike the printed brochure that is issued six times a year and has a particular subject, e.g. "back to school", the newsletter picks up many fashion topics and combines them with matching shoes. When the weather turns bad the newsletter shows fur boots, sandals are presented in summer. Because of the frequent issues, different target groups can be approached: women, parents, men, sports fans, young people or older people. Thus, Deichmann presents its really great range of products 52 weeks a year to the target groups. The customer receives the newsletter via the Internet or directly to their smartphones.

Mobile store

For some time now, Deichmann's customers have been able to access the online offer from mobile devices. The presentation has been designed specifically for Internet surfers using a smartphone. Once the page is accessed, the device and the operating system are detected and the web content is automatically adjusted. The mobile version of the online store is user-friendly, clear and fast to access.



The Deichmann customer can also be online and mobile.



Das Gesicht hinter der Marke

Deichmann: Schuhe, die von Herzen



▲ In 2008, the new stores refurbishing concept was presented to the press at Limbecker Platz, Essen.

In 2003, the women's magazine "Neue Revue", presented the face behind the brand.

"We did not think we were so important ..."

The face behind the brand

Since 2002 – more than ten years – Deichmann has had its own P.R. (public relations) department. Put another way: Deichmann did without one for 89 years. Why change one's mind at the beginning of the new millennium?

Deichmann had long since been Europe's market leader. In Germany, the level of brand awareness was well over 90 percent at that time. The green logo was omnipresent in German cities, the number of employees well into five digits, and with the number of stores into four digits, the company was undoubtedly a market heavyweight. The stock market crash of August 2000 still showed its effects on the world economy. Everyone was on the lookout for sound business models in a really lived-out social market economy. Suddenly, the successful family business in Essen was in demand as a partner for the media. A business that grew without being on the stock market and without bank loans and that was even socially active in lots of ways. Suddenly, the soundness of a family-run business was no longer dull and dusty, but exciting and exemplary. The requests for interviews came in faster than they could be answered.

The decision was made to communicate with the public not only through advertising but also using the media. Journalists were not only interested in the business strategy of the market leader, but also in "the face behind the brand", as one author put it in a headline.

The first press conference

Consequently, the company's very first press conference was held in 2003 – on the occasion of the 90th anniversary of the company. The conference was accordingly well attended, and the first question from a puzzled TV editor was, "Why have you never held a press conference?" Dr Heinz-Horst Deichmann's answer was as disarming as significant: "We did not think we were so important." The listeners were astonished, but they believed every word of the speaker. Here they had found someone with a message, someone who did not push his way into the foreground. And so the public learned, in the course of the years and bit by bit, why in Deichmannweg it is believed that the company needs to serve the people. And the editors took note how the next generation took over and how the company values were passed on from father to son.

Vienna, Istanbul, Amsterdam

The premiere press conference was soon followed by more in Germany and abroad. Meetings with media representa-

▼ When Deichmann gives a press conference, it finds a great echo, in Germany and abroad.



▲ In 2010, Deichmann introduced itself to the Italian press in the old town of Milan.



Photos: Deichmann, Fessel, Fernkorn, Dreißig

tives in the jubilee year 2013 are our daily business, whether in Cologne, Milan, Istanbul, Warsaw, Budapest, Vienna or Amsterdam. Response turned into action. Today, there are hundreds of editorial inquiries to the press office every year – from simple questions about store openings to interview requests and complex television projects. The opinion of the market leader is in demand, and of course critical questions are also posed.

Fashion statements

Also in the field of international fashion and product PR all information channels are supplied – from the Internet to TV and the fashion magazines. Deichmann promotes a clear fashion statement with look books, newsletters, style files, photo shoots, our own customer magazine and the annual prize for fashion journalists, the ShoeStep of the Year.

Internal communications

The flow of information has developed both externally and internally. As before, the printed in-house magazine "intern" is the company's first choice when it comes to reaching the more than 33,000 employees. The editors publish 15 regional editions in 13 languages four times a year.

Traditional values remain

What remains is the reticence shown when it comes to the self-presentation of the entrepreneurs. Whoever has questions will be answered. But nobody will be imposed on. As a journalist put it recently in a portrait: "Everyone knows his name, but hardly anyone knows the person behind the name. Quietly and unobtrusively Heinrich Deichmann has taken up his father's legacy and turned the company into Europe's largest shoe retailer. His recipe: traditional values."

Ulrich Effing



The German regional TV channel Westdeutsche Rundfunk wanted to know in 2009 in its morning magazine how logistics function. Dr. Heinz-Horst Deichmann explains it all in the company's distribution centre in Bottrop.



Heinrich Deichmann didn't pass up the opportunity to unveil the new logo to the press.



Photo: Michael Dannenmann

You recognize “decent” guys by their “decent” shoes

Trends and the remarkable in shoe design

“How important is the design of shoes?”, intern asked Professor Peter Zec. He is communication and design consultant and founder of the internationally renowned red dot design awards”. Additionally, Peter Zec occupied the top official positions of the design community.

Professor Zec, in your opinion, how important is design as a reason for buying shoes?

Extremely important! For everything fashionable, it always depends on the look and the composition. Of course, this absolutely includes shoes. We also live in a time where every German can afford a pair of good shoes. Good footwear improves a coherent overall outfit, poor footwear devalues it. My plea to all female readers: A “decent man” in particular can be recognized by the quality of his shoes, and the ladies should certainly exercise a critical glance. Worn-out shoes with a noble suit – an absolute no-go for me!

Celebrities like to bring out fashion lines or shoe collections under their own name. Do celebrities and design go together well?

This is related to the target and buyer group and their respective needs. A celebrity cult can be observed, especially in younger people. If the cooperation is set up with the right celebrity – that is, the currently hip celebrity – this can be a very fruitful collaboration and passionate fans can feel much closer to their idols. For me, it has no relevance – the degree of fame has no significant influence on the design. Design is generated from itself and not from the status of another person.

People are getting older, functionality is important to many consumers. Trends also appear to play an increasingly important role. Is it possible to predict whether such factors will have an impact on future fashion trends, possibly even for future shoe design?

The demand for convenience grows with someone's age. In this case, comfort becomes the most important factor in choosing a shoe. This will certainly be reflected in trends. The demand placed on a shoe is growing, but nobody wants to be stigmatized by its design. The shoe must meet demands for comfort, while satisfying the individual's desire for modern design.

Designers' investment in their shoe collections is sheer madness. One collection is chased by the next. In this, you can recognize the importance of design for the end user.

From the perspective of fashion designers, a shoe is hardly more than an accessory. To the consumer, a shoe is often “only” a practical product to protect the feet, no matter what it looks like. The average income of the population will probably decline in the coming years. Will shoe design continue to follow fashion trends – or will the shoe get “stripped down” for its practical use?

Of course, shoe design will continue to follow fashion trends. Even the lower price ranges are dominated by fashion and need not be expensive. Take, for example, relatively cheap costume jewellery that can be very beautiful. That's just the same in the world of shoes. Sneakers have achieved a high priority in our shoe universe. But they need not be costly.

Where do you see shoe fashion in ten years?

The shoe will always follow fashion trends. If we know what fashion will look like in ten years, we shall also know the looks of shoe design. One thing is certain: footwear fashion will always remain in vogue. It will always be an expression of a personal lifestyle.

Most certainly we shall observe a trend of individualization. Often, shoes will also be used as a fashionable, yet conscious break in style: sports shoes worn with a suit, rough biker boots with a flowery dress with the younger ladies, or niche labels are purchased that offer new shoes in an already worn look.

Another interesting aspect is this: there is a high affinity between shoe and automobile design. The style of sneakers and the dynamics of the car correspond with each other to quite a large extent. A shoe is basically the shape of a two-seater. A sneaker looks like a small Formula 1 racing car. The shoe is presented in the stores as a sculptural object. The attention to detail, the three-dimensionality – shoe designers are almost predestined to create dynamic sneakers!

" had previously been in the iron and steel industry with its inflexible structures", says the now 78-year-old. "That was completely different at Deichmann! At that time it was still a smallish shoe company – a whole new world for me. They were all working like crazy – but you see what came of it", he adds, grinning.

Unbureaucratic access

"Dr Deichmann has always been a man of action. He thought it extremely important that people get the freedom to get things done", says Welke. "And what has always fascinated me, were the unbureaucratic ways in the company." The doors to the offices were literally open all the time, even that of Dr Deichmann. Everyone was always available for a discussion and important things could be decided quickly. "But this also meant that everyone had to be flexible and had to do everything as needed", says Welke.

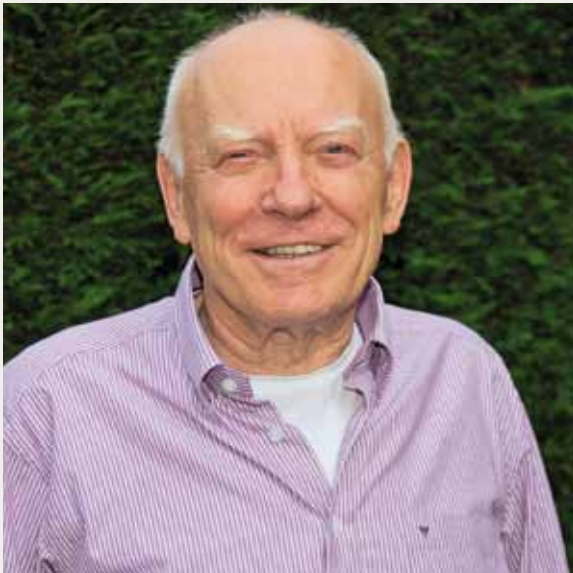
also took care of the distribution of goods and the merchandise management system. "It was always important to Dr Deichmann that the right product had to be at the right place at the right time", says Welke.

The fall of the Berlin Wall

Welke considers the fall of the Wall in Germany as a turning point – also for Deichmann: "It was the wish of the owners that we should cautiously, steadily, but not too slowly gain a foothold in Eastern Germany." And so it happened. Unlike other companies in the West, Deichmann opened the first stores in late 1990, a year after the fall of the wall, offered the same range of products as in the West and sought out the locations so carefully that some are still going today.

Social commitment

Soon after joining the company, Willi Welke became involved in the charity *wortundtat*. "I also paid some attention



Willi Welke was a managing director of Deichmann between 1980 and 1996.

Photo: Janssen

A house of open doors

Willi Welke, a former managing director, takes time to remember

Deichmann was and still is built up by people. This certainly includes the management of a company. Willi Welke, now 78, belonged to the management team for 16 years. "When I look back, I can say that I have traveled a lot, and I had to be flexible," remembers Welke. As a managing director from 1980 to 1996, he was primarily responsible for expansion. During this time the company acquired Rack Room Shoes, vanHaren, Roland, Ochsner, expanded under its own name into Austria and prepared the first stores in Poland.

Nothing but shoes

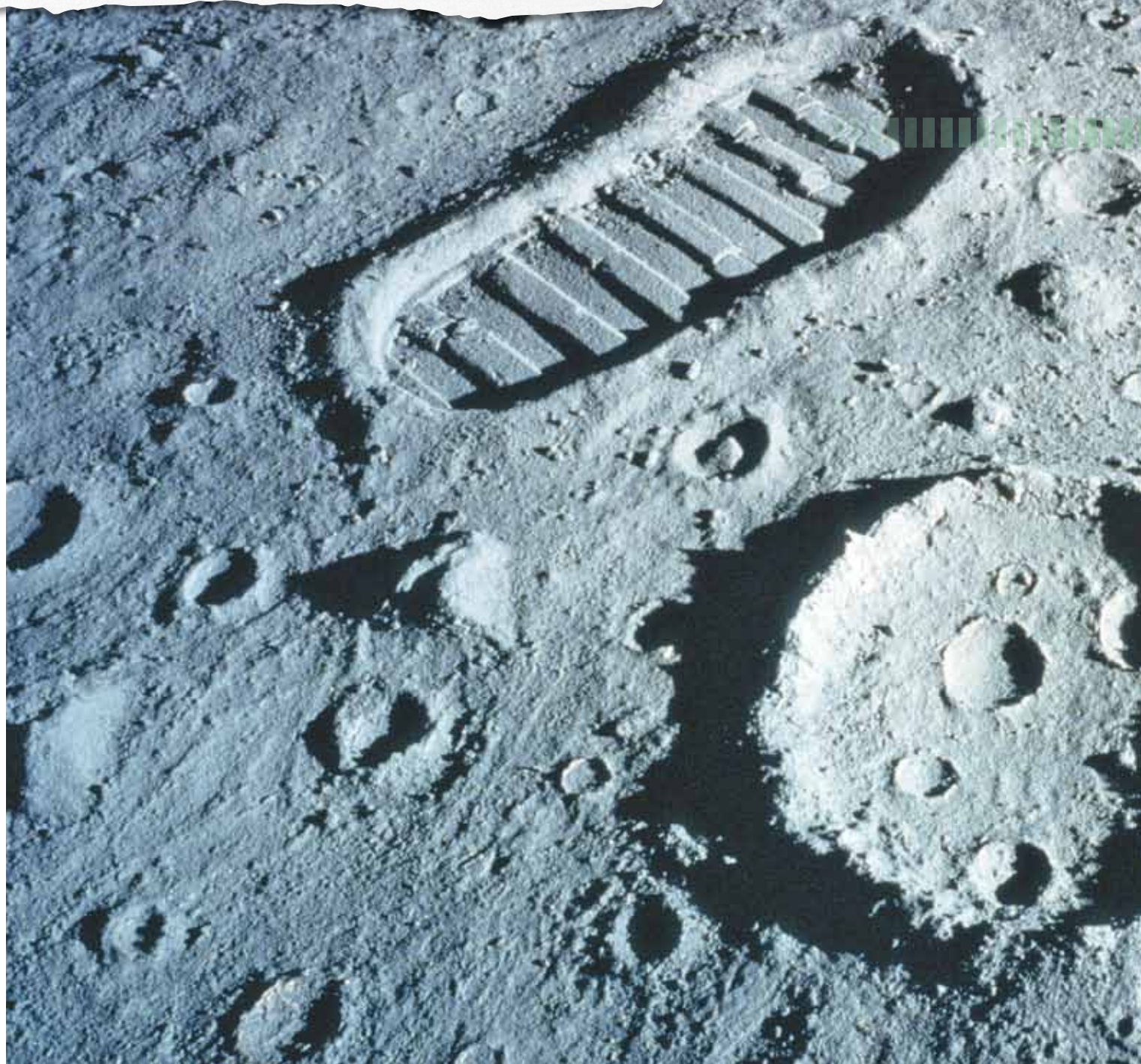
In the 80s and 90s, the company was driven by the desire to expand. But not at all costs, remembers Willi Welke. "One of Deichmann's secrets of success is certainly that we always stuck to shoes. We never wanted to do anything else than sell shoes." And the owners were committed to selling quality shoes at reasonable prices to families. "This successful concept has gained acceptance over time. Eventually the owners of the stores recognized this and happily accepted us as tenants. Probably not least, because we always paid our rent on time."

The establishment of internal auditing

Apart from expansion, Welke's responsibilities extended to planning, coordination and organization. The first steps towards an operational cost and quality control system were taken and the internal auditing department set up. Welke

to the local finances", he recalls. "Then, over a total of 20 years, I travelled to India about 20 to 22 times." There were always new and interesting projects that, after some discussion, were supported on account of their being good causes. "This commitment to those in need demonstrates the principle that the company must serve the people", recalls Willi Welke. "It could also be felt by the nature of management and the informal ways of working together in the company. That was quite different to the iron and steel industry."

100 years of Deichmann – **A journey through time**



1913

Heinrich Deichmann with his daughter Ellen in front of their shoemaker's shop.



It all begins in the working class district of Essen-Borbeck in the heart of the Ruhr area. Born in 1888, Heinrich Deichmann opens a shoe maker's shop, which he runs together with his wife Julie. He buys – quite unusual for those times – machines for shoe repair work. The machines increase his productivity and he can offer cheaper services.

1936

Opening of the first major shoe shop in the market square in Essen-Borbeck.



1919



The start of selling factory-made shoes.

Many of the Deichmann customers are miners. They need cheap but sturdy shoes. Heinrich Deichmann procures factory-made shoes, which he sells to the miners. This line of the business will soon become the most important source of income for the young enterprise, in which not only Heinrich Deichmann, but also his wife Julie, works.

1940

Heinrich Deichmann dies. His wife, Julie Deichmann, continues the business.



Heinrich Deichmann and his wife Julie.



Shoes made of poplar wood and parachute straps shortly after the war.

1945

In June – only a few weeks after the war – the sale resumes of remaining goods that Julie Deichmann had stored away in secure locations. In the following months the whole family fights for the survival of the business. Twelve employees are hired to repair shoes. They improvise with a lot of imagination. Poplar wood and parachute straps are used to produce 50,000 pairs of shoes. The Deichmanns set up an exchange for used shoes and soon have 5,000 addresses in their files.



Heinz-Horst Deichmann (right) and Ruth Fischer married in 1950.

1949

In Düsseldorf, the first Deichmann store outside Essen is opened. Heinz-Horst now studies medicine in Düsseldorf and supplies the local store with shoes on his trips to the University. In the meantime, his mother Julie runs the business.

1955

Opening of a Deichmann store in Oberhausen.

Heinz-Horst Deichmann is looking for new ways to address his customers. He introduces "display stands" and also presents shoes in the mall outside the store. Deichmann got that idea recently in Oxford Street while visiting London.

He also develops the principle still valid today: Deichmann offers fashionable shoes in good quality at a very reasonable price. He wants to reach a wider consumer segment.



The first Deichmann store outside Essen opened in 1949 in Düsseldorf's Ackerstraße.



On December 1, 1955 Deichmann opened a store in Oberhausen. This is the first shop to introduce the shoe display stands, the "extended display window inside the store."



1956

Dr Heinz-Horst Deichmann ends his active time as a doctor and takes over the management of the company.



Dr Heinz-Horst Deichmann joins in.



Company excursions have always been part of the corporate culture.

1963



The company celebrates its 50th anniversary. There are now 16 Deichmann stores in the Rhine area.

1968

The new office and warehouse building at Boehnertweg 9 in Essen (now renamed Deichmannweg) is inaugurated. It still is the home of the company's principal offices even today, enlarged though with various additional buildings.



In 1968, Deichmann moved into the new administrative and storage buildings in Boehnertweg.

1973



The Dosenbach store in Zurich's Rennweg.

1973 Dosenbach

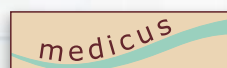
Patrice Dupasquier,
managing director
of Ochsner AG and
Dosenbach



Both Dosenbach and Ochsner Sport are market leaders

in their respective markets. Being part of the Deichmann Group gives us many advantages. This applies to the range of products, the up-to-date fashion, price leadership, and to the synergies in store design and marketing. That is a real advantage over the competition. Other advantages are the clear strategies at Deichmann and the courage to try new things and to get things done. In recent months, we have opened a Dosenbach store in Zurich's Bahnhofstrasse, one of the top three streets in Europe. We are very proud of it.

As the traditional **Swiss family-run retail company DOSENBACH** fails to find a successor from the ranks of the family, the company seeks a buyer and Dr Heinz-Horst Deichmann takes over the shoe-store chain. He continues it under its original name, thus starting the company's international expansion on its 60th anniversary.



The Medicus brand still is one of the top brands in the wellness area.

↑ **1975** Opening of the **Deichmann store 100** in Würzburg.

1978

↑ The rapid distribution of goods becomes increasingly important: The **first central warehouse** is built in Bottrop.



↓ **1980**

Opening of Deichmann **store 200** in Hanover.

↓ **1977**



When Dr Heinz-Horst Deichmann visited India in 1977, he was confronted with leprosy patients and immediately decided to help these people in need. In the same year, he founded the charity "wortundtat".


wortundtat

During a visit to India, Dr Heinz-Horst Deichmann is suddenly confronted by hundreds of lepers. The encounter moves him so much that he decides to help: he soon after founds the charity "wortundtat" that helps those in need by providing access to medical and social assistance and also builds education and training institutions. In India alone, the charity currently helps more than 120,000 people per year.



1984 Rack Room

Mark Lardie,
managing director
of Rack Room Shoes
and Off Broadway
Shoe Warehouse

Rack Room Shoes is a family's first choice when it comes to shoe shopping. We have many loyal customers due to our broad product range at affordable prices for the family needs and our easily accessible locations of the stores. Off Broadway Shoe Warehouse is a highly fashionable shoe store with a sales area of up to 3,500 sqm. We offer a large selection of designer and branded shoes at a discount of 25% to 60% on the regular retail price. We still have great potential for expansion with this concept. Customers appreciate that they are treated by our staff with great respect and esteem in both companies.



With the acquisition of the shoe retailer "Lerner Shoes", later renamed to "RACK ROOM SHOES", Deichmann takes a big step over the Atlantic to the United States.

1984

With the takeover of the shoe retailer **Lerner Shoes** in the USA, Deichmann gains a foothold in its second market outside of Germany. Shortly after the acquisition, Lerner Shoes is renamed Rack Room Shoes. The name indicates the method of presentation of goods. Dr Deichmann is also the first to introduce to Europe the system of displaying both shoes of a pair on shelves.

1985 **vanHaren**

In the Netherlands, the family run business **vanHaren** fails to find a family successor from its own ranks for the continuation of the business. Dr Deichmann takes over the company and continues to run it under its own well-known name.



1985 vanHaren

Krein Bons,
managing director
of vanHaren

The company's founder Ivo van Haren opened his first store in Rotterdam's Hoogstraat in 1929. In 1985, Deichmann took over vanHaren. Many stores were improved, including the introduction of the rack-room concept, and vanHaren was and is successful in terms of fashion, quality and price. But the values "trust, Dutch and family-oriented" are still important. I am very pleased that my colleagues and I feel at home in this successful company. We also put our hearts into supporting *wortundtat*. I myself was able to experience the benefits of giving thousands of children a future in India!

1988

In its 75th year, Deichmann has **400 stores** in Germany. A **second distribution center is opened in Feuchtwangen/Germany.**



1988 Roland

Rainer Worbs,
managing director
of Roland and
mySHOES

Roland opened its first store in Cologne in 1928 with a range of quality men's shoes. Today, we are a fashion specialist for the entire family. Roland offers a mix of high-quality company brands as well as international top brands and occupies a middle segment of the market. Thanks to the rack-room concept, Roland is able to present the items more clearly than most competitors. At the same time, we ensure that the store refurbishment matches the wishes of our demanding customers. We shall continue to satisfy the claim "Beautiful shoes in beautiful stores" throughout our stores.



With the acquisition of the previously privately owned **shoe retailer ROLAND** a new name joins the Deichmann group. The company's stores, originally with a good reputation for only selling men's shoes, are step-by-step developed into modern full range stores in major German cities.

1989



Dr Heinz-Horst Deichmann's son, **Heinrich Deichmann**, joins the company. He bears the same name as the company founder.

1992



The third distribution centre is in Soltau.

Inauguration of the third **Deichmann distribution centre in Soltau**.

For the first time, Deichmann expands abroad under its own name – into **Austria**. In the same year, the company takes over the Swiss shoe retailer **OCHSNER**.



Deichmann Austria opens its first store.

1993



Deichmann introduces the D logo with the blue shoe that will soon be known throughout Europe.

1990

In **Coswig near Dresden**, Deichmann opens its first store in the new federal states in the formerly communist part of Germany.



1992 Deichmann Austria

Georg Müller, managing director of Deichmann Austria

Deichmann is the favourite shoe store of the Austrians and enjoys the highest level of awareness in Austria. I believe the secret of the 100-year success of Deichmann to be the philosophy of selling a wide range of shoes at unbeatably low prices to a large part of the population. A further strength is the people who have shaped the company by their personal input, hard work and commitment. Not forgetting the growth strategy: We serve central and south-eastern Europe from Vienna. There now are nine countries with around 500 stores.

1996

Opening of **store 800** in Dessau.

Dr Heinz-Horst Deichmann starts a **medical aid project** in the middle of the African bush in southern Tanzania.



1995

From the time of German reunification to the year 1995 more than **140 Deichmann stores** were opened in the new federal states.

Start of the first **Deichmann TV spots** with the new claim: "Hard to believe, brand shoes so cheap – **DEICHMANN**."



1997



The first store in Poland is launched in Konin.

In May, the **first Deichmann store in Poland** is opened in the town of Konin.



1997 Deichmann Poland

Johannes Obersteiner, managing director of Deichmann OBUWIE (Poland) and of Deichmann Avalyne (Lithuania)

The Deichmann brand has a very positive image in the newer EU countries in eastern Europe. We were, for instance, voted Polish "Retailer of the Year" several times and also voted most customer-friendly shoe store. In addition, we are recognized as the industry's fashion leader. Our goal is to build a nationwide store network in the two countries. 100 years Deichmann stands for 100 years family business. Decisions are made quickly and the focus is on the development of the company, not on the development of the shares. Above all, our employees realise that values are really lived out here. They feel like members of a big family.

1998

In January, Deichmann's fourth distribution centre in Wolfen starts operations. The eastern German federal states and Poland are supplied mainly from here.

In Austria, DEICHMANN celebrates the opening of the 50th store.



The fourth central distribution centre is opened in Wolfen, close to Leipzig/Germany. It supplies the stores in eastern Germany and Poland.

2000

www.deichmann.com is the first company to start selling shoes in an online store.



1999

Heinrich Deichmann succeeds his father, Dr Heinz-Horst Deichmann, as **CEO** (managing director) of the group.

The **900th** store is opened in Berlin.



Dr Heinz-Horst Deichmann is appointed Honorary Consul of India in North Rhine-Westphalia (NRW). In the same year, he is awarded the German Federal Grand Cross of Merit.

2001



The store in Glasgow is one of the first stores that Deichmann opens in the UK.

Deichmann enters the **UK market.**

In **Hungary**, the first stores are opened.



2000 Deichmann UK

Andy Underwood,
managing director
of Deichmann Shoes

Deichmann is becoming one of the leading shoe retailers in the UK. Quality products, attentive staff, with more and more locations, including our eShop, contribute to this development. It has not escaped our customers' attention, that we offer excellent value for money and up to date fashions compared to our competitors. That is why we find people generally look around our stores first.



2001 Deichmann Hungary

Tamás Czegezli,
managing director
of Deichmann Cipő

Deichmann Cipő has been the market leader in Hungary for years. In 2012, almost every other Hungarian bought shoes from us, and we are a very large employer. Our TV advertising raises our level of familiarity, our website is well visited and we have a lot of friends on facebook. But we are also known for our good service. Here, the owners are our role models. They often visit our stores, are close to the people and always friendly to everyone. Our employees strive to pass on this friendliness. Not only to the customer, though – in Eastern Hungary, we help about 300 poor and orphaned children.

2002

Takeover of the **OFF BROADWAY** Group in the US.



The second step across the Atlantic: Deichmann takes over the shoe retailer OFF BROADWAY SHOE WAREHOUSE in the US.

2003

Deichmann celebrates its **90th anniversary.**



2003

Opening of the first Deichmann stores in the **Czech Republic** (Pilsen) and **Denmark** (Aarhus).



Deichmann is now represented in the Czech Republic.



Frederikshavn is among the first cities in Denmark, where Deichmann has a store.



2003 Deichmann Denmark

Christian Berger,
managing director
of Deichmann Sko
(Denmark and
Sweden)

In Denmark, we are the second largest retailer in the footwear segment, and we do indeed see the potential to be the number one at a future time. Our price-performance-ratio is unmatched by the competition in Denmark as well as in Sweden. More unique features are the rack-room system and the "top"-rated large variety of models and fashion expertise. This is all part of the "powerful" concept that was set up by the owners and has been successful for 100 years. But the employees also have a significant role in the success: they do their very best every day, wherever they are.



2003 Deichmann Czech Republic

Karel Madzia, managing director of Deichmann Obuv (Czech Republic) and of Deichmann Obuv (Slovakia)

Deichmann is the number one on the Czech and Slovak shoe market. We are always customer-oriented and the only retailer with such a wide range of products at such reasonable prices. While it is wonderful to be the best, it's also a responsibility. Nothing but the best will be expected from us in the future. This means that we will always respond to market changes and adapt. This way, we shall continue to grow in future, because the young generation especially buys our shoes and will later on bring their own children, too. Deichmann does not economize when it comes to training and motivation of employees, which is an essential key to success.

2004

Deichmann opens its first stores in **Slovakia**.

Launch of the new brand campaign
"Good Business. DEICHMANN."



2005

Deichmann acquires the rights to the most traditional German children's shoe brand **Elefanten**. The lasts, tools and some staff from the technical development function as well as supplier relationships are part of the acquisition.

Additionally, the 125-year-old traditional brand **Gallus** joins Deichmann and is relaunched with a host of innovations.

The "**Deichmann Promotional Award against Youth Unemployment**" is launched. The award goes to schools, businesses or initiatives, which specifically promote the inclusion of disadvantaged youth in the labour and training market. It has since been awarded annually.



"Neuberger Carpentry" from Taufkirchen, south of Munich, is the first Deichmann Promotional Award winner in the category corporate and private associations.



2006



Opening of the first Deichmann stores in **Turkey** and **Slovenia**.

Deichmann opens its first store in Izmit/Turkey.



2006 Deichmann Turkey

Atilla Özkul,
managing director
of Deichmann
Ayakkabi

When we opened our first store in Izmit, we only attracted a handful of customers. A month later we started up in Ankara – and that was the beginning of our success story. Today, we are one of the major shoe retailers in Turkey. Turkey is a large country and the average age here is 27 years. Fashion is therefore highly in demand, and there remains lots of potential for healthy growth. We benefit from the synergies with the Deichmann Group – that makes us successful. By the way: We want to open our 100th store on the occasion of the 100th anniversary.

In Slovenia, the people were waiting for Deichmann.



2006 Deichmann Slovenia

Boris Kopic,
managing director
of Deichmann
Obutve (Slovenia),
Deichmann Obucom
(Croatia and Serbia)

After being in Slovenia for six years and in Croatia for five, we now are market leaders. This speaks for good and successful work, good service, friendly and competent employees as well as satisfied customers who keep coming back to us. In South Eastern Europe, we suffered a lot from the financial and economic crisis of recent years. I am proud that we have consistently implemented all necessary changes and now things are looking good. Here, the qualities of the company paid off: discipline, faith in our own strength and confidence in the team and its enormous expertise.

2007

Expansion into **Sweden**, **Romania** and **Croatia**.



The stores are also called Deichmann Sko in Sweden.

In Croatia, the first Deichmann stores open in Zagreb, a month later in Split.



The first Romanian cities to be supplied with Deichmann shoes are Arad in the west, Pitesti in the south and Roman in the east.

2007

The "Pussy Cat Dolls" promote Deichmann.



2007 Deichmann Romania

Daniel Popa,
managing director
of Deichmann
Incaltaminte



At first, our customers did not know us and the German name was hard to pronounce. The rack-room system was unknown and nobody trusted our favourable price-performance-ratio. After the fall of communism, Romania was inundated with fake, cheap products from Asia – so it took time for customers to realize that we sold sound products. The market-driven expansion, the good service, the range of products and the collection contribute thereto that Deichmann now has a high standing in Romania. What I really appreciate is that the company is so down-to-earth: the owners have taken good care of the company and the employees for the past 100 years.

Highlight for the staff: an incentive trip on the AIDA.



2008

Deichmann starts selling in **Italy** and **Lithuania**.

2008 Deichmann Italy

Salvo Romano,
managing director
of Deichmann Calzature



Our store network currently extends from the north to a line from Naples to Pescara. It is complemented by our online store – and here we see that more and more customers get to know us. In our retail stores, our competitors are no match for us in terms of pricing and fashion-quality-price – these are certainly our unique selling points. We are well known for offering opportunities to our employees because we are growing (we continue to open stores, for example in the south) and can offer to those who want it the opportunity of a career. We grow because we are a healthy company that sets targets for the employees, but also leaves enough room for freedom of decision-making.



Deichmann in the country of shoe fashion, in Italy.

From Poland, the expansion advanced to Lithuania.



The „**Sugababes**“, a British girl band, are the stars of the new commercials.



The British girl band 'Sugababes' promotes Deichmann.

2009

Deichmann opens its first stores in **Bulgaria**.



Cyrillic characters in a Deichmann store in Bulgaria.

The American super model **Cindy Crawford** promotes 5th Avenue.

Supermodel Cindy Crawford with Heinrich Deichmann (left) and Dr Heinz-Horst Deichmann.



2009 Deichmann Bulgaria
Vladimir Vladimirov,
managing director
of Deichmann
Obuvkii

Deichmann was the first shoe supplier from abroad and has thus changed the whole market. Thanks to the well-planned expansion, Deichmann is now represented in almost all the major cities. The good value for money is greatly appreciated especially in a country like Bulgaria, where the purchasing power is rather low. There is no other shoe retailer that offers fashionable shoes for the entire family at such favourable prices. We place great emphasis on customer satisfaction, and we continually strive to create a friendly atmosphere to make shopping an experience.

2010

Deichmann **Spain** starts operations.



The people in Spain are not used to big stores like these.



2010 Deichmann Spain

Gonzalo Grande,
managing director of Deichmann Calzados
(Spain) and of Deichmann Calzados (Portugal)

We are undisputedly well ahead of our competition with our wide product range and the good value for money. Our store design is rather unusual for Spain and Portugal, as customers are accustomed to rather small shoe boutiques with a limited range. In the past 100 years, Deichmann has adapted especially to the challenges of globalization: the increasingly homogeneous demands from our customers, for instance, are met with a mix of a standard collection for all and the addition of country-specific characteristics. The employees' identification with the company is one of Deichmann's biggest success factors.

2011

On February 1, a **new company logo** is introduced.



2012

Oscar winner **Halle Berry** is the new promotional face for Deichmann.



VanHaren in the Netherlands also gets a new logo in 2012.



The group's **3,000th** store is opened in Istanbul.

In March, Deichmann starts selling in **Serbia**.

Deichmann **Portugal** is also launched.



In Niš, Serbia, people rush to the shopping mall and Deichmann.

2013



Deichmann builds an additional **distribution centre in Monsheim**.



The first stores will open in **Bosnia and Herzegovina** in March.

The group now operates in 23 countries and Deichmann celebrates its **100th anniversary**.



The store team in Montijo, Portugal.

Trade was in the genes

Alexandra Schmidt's path from trainee to regional sales manager

Companies rely on people, otherwise they would not survive 100 years. And for many people, the company is an important part of their lives. Here's an example:

If someone had told her 27 years ago that one day she was going to manage 94 Deichmann stores in the Rhine-Ruhr area, she would surely have laughed – or at least smiled in disbelief. Alexandra Schmidt is one of thirteen regional sales managers (GVLs) at Deichmann. She started her apprenticeship as a sales person in retail on August 1, 1986.

"I have always enjoyed retail", says Alexandra Schmidt. "My grandpa was a renowned barker on Bonn's market. As a child, I was allowed to help out. Fresh fruit that was fantastically presented, polished apples built up as a tower, and

those chats with the customers – all that was quite natural for my grandpa, and I believe that it also influenced me in my life."

Sales from the very beginning

Alexandra Schmidt never wanted to do anything else than to work in sales. Seeing a job offer, she applied with Deichmann for a traineeship. "The test day was a breeze in the old store 054, Essen Limbecker, they simply kept me there", recalls today's regional manager. "There was a lot to do, back in the old system. The customer chose a shoe and I had to get the matching one from the storage area. Up the stairs, down the stairs, but it was great fun." The then 18-year-old completed her final exams as a sales person with the local chamber of trade and spent another year adding a qualification as a certified retail seller. After working for a year as a sales person, she was promoted to sales assistant and managed her first store in Velbert for about five years. She then went on to a larger store in Gelsenkirchen-Buer and was promoted to city manager of the store Bochum Kortumstraße (store 429). "A few years later, in 2005 and 2006, I managed an additional eight stores around Bochum, just like a district manager", says Alexandra Schmidt. "It soon became apparent that I was to take over a whole region." At first she was responsible for an area in the middle of Germany and today she is responsible for 94 stores in the Rhine-Ruhr area, all located between Siegen in the south and Herne in the north, near the Dutch border in the west and extending to Unna in the east.

Growing with the responsibility

How did Alexandra Schmidt manage the transition from a trainee to GVL? "One surely grows with the tasks", she says spontaneously. "But you have to know the business, for instance, to assess new locations." Being a GVL requires organizational skills, etc. when it comes to merchandise presentation, or when building issues must be discussed with store managers and the building department. An insight into human nature is also required, because other employees come to the GVL with their professional and personal problems. "Of course it's not a 'normal job', says Alexandra Schmidt, "but I was and will always be supported and encouraged by the company. I was often given tasks that presented real challenges, but which I always mastered. Basically the trust that the company had in me was incentive as well as praise for me." The informal atmosphere at work was very important for Alexandra Schmidt. "One must not be afraid to address problems. I really appreciate that in most things I am free to take my own decisions. And I do hope that I put the same confidence into my colleagues.

The regional manager Alexandra Schmidt is responsible for 94 stores in the Rhine-Ruhr area.



W107/01 NUMMER



The first store that Alexandra Schmidt managed was in Velbert.

Photos: privat, Janssen



Shoes are also tested in distribution centres. Here, an elephant shoe must prove its resistance to water even under extreme stress.

Photos: Schröder-Galla, Fessel, Deichmann



Andreas Tepest is the head of quality management at Deichmann.

The shoes are physically tested at the suppliers. For instance, will the sole stay attached?

Hurdles for shoes

Multi-level quality management at Deichmann

Deichmann prides itself on providing its customers with good quality shoes at an affordable price. To meet this commitment, sandals, boots, slippers and all other footwear must tackle a number of hurdles in a multi-stage quality control process before they are displayed on the shelves of our stores.

One secret of good quality: the standards are already set in a product's development. "We develop our lasts ourselves and determine the design and the fit criteria, and set quality standards before production begins", says Andreas Tepest, head of quality management.

Fit check

Once the purchasing department has added a new product to a collection, it undergoes a multi-level quality control:

Firstly, fit and technical characteristics are checked. "If we discover a fault, the supplier must make a correction", says Andreas Tepest. This results in, for instance, correcting the last, redesigning the heel, improving the shaft or changing materials.

These corrected shoes are checked again by our purchasing department and the quality control team and finally released for production.

Does the shoe last?

Quality management also involves a physical check, conducted in the test laboratories of the suppliers. "This allows us to check the quality of a shoe during production and to

improve it, if necessary", says Andreas Tepest. A team of more than 20 colleagues monitors the production in the factories, regardless of whether they are located in China, Vietnam, Italy or Romania. "By directly accessing our suppliers, our responsibility for quality management has increased", says the head of quality management.

Toxics control

Even before the goods are shipped, the products are tested for possible contamination. "The demands that Deichmann places on the products go far beyond the legal requirements", says Andreas Tepest.

Deichmann is a founding member of the organization CADS – Cooperation at DSI – headed by the German Shoe Institute (DSI) in Offenbach. CADS is concerned about toxics in shoes and proactively contributes to the prevention of hazardous substances. The aims of the association are the creation and dissemination of knowledge about the production of pollution-free shoes and an environment friendly production.

Analysing customer complaints

Despite all the controls, a shoe may show weaknesses in everyday life later on. This is reflected in customer complaints. "For us, this is a great help to improve our products," says Andreas Tepest. "In particular, the errors detected at the checkout help us to identify weaknesses and correct them immediately."

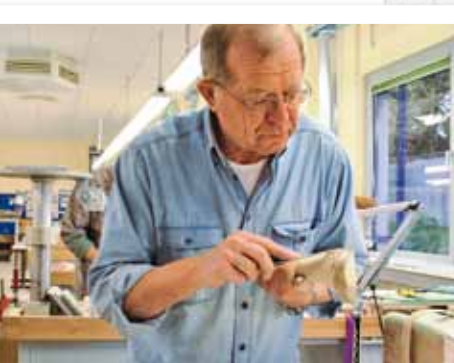
The need for design

How a Deichmann collection is created

“Whoever wants to see the latest footwear fashion early in the season must go to Deichmann”, wrote a fashion journalist a few years ago. This pleased the sales department enormously – and the buying department, of course. To achieve

this success, a lot of overlapping processes are involved. One of the success factors was surely the decision not to rely on the ideas of suppliers and middlemen, but to have company designers provide a highly fashionable collection.

Photos: Brunswick, Janssen, Deichmann



Gerhard Motsch gives the lasts the finishing touches.



This will be a shoe!



That's it!

It always starts with a great deal of creativity, coupled with precise planning. The challenge is always the same: to sense today, which trends customers will prefer the day after tomorrow. And no matter what the designers and product managers come up with, in the end it must always result in excellent value for money. Thus Deichmann has become a trendsetter in the industry.

But who actually decides on trends? Who decides which topics and styles, colours and materials will be in vogue the next season? And who decides which shoe to develop? “It always begins with the collecting of information and inspiration”, explains Isabel van de Sand. She is one of several designers at Deichmann and thus one of those who actually “gives birth” to a shoe. “We visit the haute couture shows, we research paints and textiles and see what the scene favours”, says the 26-year-old. “We have the great advantage that the clothing fashion industry determines its trends about three months ahead of us, so we can follow those.” It is not easy to find out what will be fashionable some 8 to 12 months later. The designers also analyse influences from the music business or the cinema and from social developments and turn them into trends and themes in fashion.

Scout trend in the fashion capitals

But inspiration does not come only from the big fashion houses. The designers like to visit major cities like Berlin, London or Milan to get ideas. “There is a special sense for

fashion in these cities. This is especially true for the UK. Here, all you have to do is watch people,” says Isabel van de Sand. This is what the designer describes as “trend research”. Momentum is certainly also gathered from the materials markets in Asia.

Back to Essen, the 26-year old sits at her desk and begins to draw – not, of course, without prior coordination with the product managers. It is certainly important to know just what has sold well lately and what hasn't. Generally, Isabel van de Sand just lets her pencil wander over the page – the actual creative process needs freedom. “Playing with colours, forms and materials is exactly, what I enjoy so much”, says Isabel van de Sand, explaining her enthusiasm for her profession. This results in numerous designs. In the end, one single product will be produced. On this basis, a last is produced, then the prototype.

This is then analysed by Isabel van de Sand and her colleagues from the buying department. Are the proportions of the shoe correct? Which colours are planned? Can all these creative ideas actually be technically put into practice? Once all outstanding issues are resolved, it results in a final “Go” – to set the trends for the next season!



Keyword: vertical integration

Deichmann is based on the principle of vertical integration. Deichmann takes its ideas directly to the supplier.

This eliminates costly middlemen. Besides the business advantage, this also has the effect that Deichmann can determine what is produced, particularly in terms of exclusivity and quality. In addition: due to the large quantity of orders and direct procurement, Deichmann offers unbeatable prices to the customer.

Isabel van de Sand doing her favourite thing – designing shoes..

From the container onto the shelf

In distribution logistics everything must simply work

They go on a long trip by ship and rail and are always under control: the shoes that will eventually end up together with other shoes on the shelves in Deichmann's stores. This is made possible by our fine-tuned distribution logistics that make sure that our customers can wear the season's fashionable shoes at the right time, from elegant to sporty to comfortable and extravagant.

Photos: Medienagentur Brunswick, Fessel, Dreißig

1

Manufactured in the Far East, packed, loaded and shipped in containers to Rotterdam and then shuttled to Bottrop. Here, in one of the four distribution centres (DC) in Germany, almost the entire day is dedicated to shoes. They take a journey through the most modern logistics, guaranteeing the effective and economic flow of goods at Deichmann. Once the first shoes in their brown transport cartons are put on the conveyors, a process is started where every step is fine-tuned with the next.

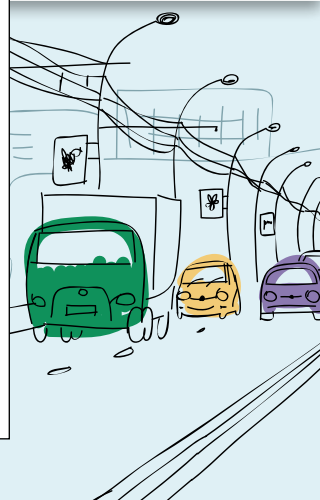
2

To prepare for the distribution to the stores, the transport cartons are sorted and even weighed. Samples are taken repeatedly to make sure that the sticker information and the goods actually match. Once the goods are palletized and recorded in our merchandise management system (in German WWS), they are stored by pallet. They can then be packed onto normainers, loaded and eventually transported to the stores in a lorry.



3

The distribution centre in Bottrop was built in 1978 and was the first major warehouse for Deichmann. This year, around 25 million pairs of shoes and ten million accessories will pass through here. Bottrop supplies about 350 Deichmann stores between Aachen and Kassel, Bielefeld and Saarbrücken and can store two million pairs of shoes on site.



4

Uwe Bittermann is one of the drivers who deliver the shoes from Bottrop to the Ruhr area. He is one of the 37 drivers who share 25 tours, the first one starting at one o'clock at night, the last one at six in the morning. Uwe Bitterman starts at three o'clock, and drives – always alternating – two tours: Essen, Mülheim, Borbeck, Bottrop and Bochum-Wattenscheid or Essen, Düsseldorf, Leverkusen and Marl.



5

Once Uwe Bitterman has loaded the normtainers onto his lorry in DC West, he is ready to go. A maximum of 30 of these normtainers fit on his lorry, with an average of about 100 pairs of shoes per normtainer – depending on whether summer or winter shoes are carried. Then Bittermann drives the lorry through Bottrop to his first store.



6

Park, open the hatch and then it's all systems go. The store team receives the goods, helps to get the normtainers into the store, pushes them back and forth, and back out again through the corridor onto the sidewalk.



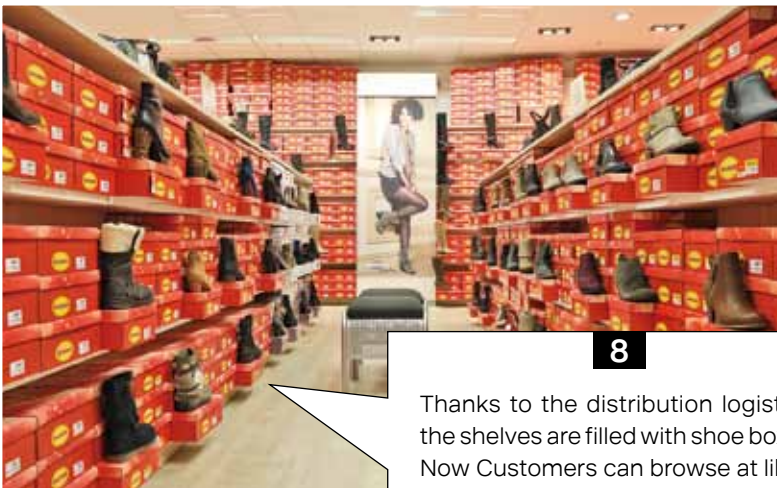
7

Deichmann lorries on their tours always take the packaging back to the DC, where a big paper press awaits the cardboard cartons for their disposal. Then the trip goes on, hatch closed, and on to the next stop. "When packing we must be pretty careful to make sure nothing slides and tumbles," says Bittermann. Finally, the aim is that all shoes find a matching pair of feet.



8

Thanks to the distribution logistics, the shelves are filled with shoe boxes. Now Customers can browse at liberty and choose the perfect shoe.





▲ Sometimes it simply must be done quickly.

Like clockwork

Behind the scenes of a store opening



▲ Still chaos.



▲ Who says stocking is no fun?



► We did it!

When entering a newly opened **DEICHMANN** store, you will be greeted by a fresh design, the latest fashion, and perhaps even with roses and champagne. How much preparation this entails is hard to imagine. Here we will show you everything that must be observed before a store actually opens, in this case the store in the Essen district of Rüttenscheid that opened at the end of 2012.

Long before the first shoe is sold, lots of people had to ask themselves a lot of questions about the store on the "Rü" (which is the nickname of Essen's favourite shopping street). Is the location a good choice? Will the flow of customers ensure the expected sales? Who are the neighbours? But above all: how must we build? Plans for the interior must be perfectly worked out and the various steps must be coordinated properly in order to stay on schedule.

The team

At the same time, organizing is in full swing in another store, too. District Manager Peter Christoph Borzucki and

the future Rüttenscheider Stern store manager, Michael Dreesen, are responsible for the recruitment of staff. Eight employees will be advising customers on their purchases in the new store. "Some of the jobs are filled with existing staff who wish to work here, usually because it's easier for them to get here." The majority however will be new colleagues, who often bring along knowledge in selling shoes, but still need to be trained. "This is done in advance. We train future employees in our products and in sales", says Borzucki.

The merchandise

It's Friday, six days before the opening of the new store. Two days earlier, the store's premises were handed over by the contractors. Now everything has been cleaned, the shelves put up, but still remain empty. Not for long, since the first 84 of a total of 260 containers with furnishings and merchandise have arrived. "Now the final phase for us begins", says the district manager. The new store team will stock the store all by themselves. "The advantage is that everyone knows where to find everything. In addition, this first major activity welds the team together tremendously", Borzucki knows from experience. Just as everywhere else the credo is: good preparation is essential.

The opening

Two days before the opening, the merchandise is perfectly stocked. Time for finishing touches! The shoes on the shelves are perfectly aligned, some decoration is wiped clean one last time, a display is rearranged. All clear for the premiere on the following day: Thursday, 10 o'clock! The doors are opened on time and the customers come pouring in. Children get their faces colourfully painted, while customers enjoy the welcome greetings of roses and a glass of champagne, as well as the attractive new-opening rebates. "I'm so happy that you're now here", says a customer to store manager Dreesen. And adds a few seconds later: "I'll be back. Even without roses."

Photos: Brunswick, Fessel



▲ Hard to believe that an attractive Deichmann store will be here soon.

► The interior is finished, now the steel brackets for the walls and the central units are set up, along with the shelves.



◀ The red elephant has arrived first!



► Now that the store is fully fitted out, the customers can come.



▲ Area manager Michael Dreesen (left) and CM Peter Christoph Borzucki are proud of the new store.



▲ Champagne, roses and chocolates for the adults.

◀ The kids are also enjoying it.

Aid that reaches its target

Right from the beginning, social commitment at home and abroad was paramount

“The company must serve the people” – this is the heading of the corporate mission statement of the Deichmann group. This naturally means the customers, who can buy fashionable quality shoes at favourable prices. But the motto also applies to the employees and the way they experience a humane management style as well as to the suppliers with whom the company works. And it extends to people in need.

The Deichmann family derives the special commitment to people in need from their Christian convictions. In recent decades, the family-run enterprise was socially engaged in many ways and launched numerous social projects at home and abroad.

It all began in the 50s, with projects for the homeless in the Ruhr area. In 1977, Dr Heinz-Horst Deichmann decided to help people in the poorest regions of the world on a long-term basis and founded the charity “wortundtat”. The charity specializes particularly in the areas education, health, welfare and infrastructure. For a long time now, this commitment has been supported by numerous friends and donors.

“Helping people help themselves” is the concept of wortundtat. The organization does not send Europeans into developing regions, but works closely with locals and turns the responsibility for the implementation of the projects over to them.

From the start, medical help was part of the wortundtat activities. When Dr Heinz-Horst Deichmann visits the projects in India, he also attends operations there.



Photos: wortundtat, Deichmann, Fessel, Janssen

Since 1977 Dr Heinz-Horst Deichmann has helped those in need in India. He was assisted by his wife, Ruth.



Whoever gets a sound education in India, has the opportunity to live free from poverty.

India: schools for rural children

In rural India in particular, people have a hard time getting a sound education. More than 14,000 boys and girls in some of the remotest regions have been given the chance of an education by wortundtat—from pre-school to the completion of secondary school.

The development of the school close to the quarries in Yeleswaram has been particularly satisfying: 20 years ago, many parents took their children with them to the quarry. They had to break up stones, sort them and load them on to trucks. They contributed to the family income, however, and had no other job prospects than being quarry workers, too. Additionally, they wrecked their bodies and could not develop intellectually according to their abilities. Today, there are almost no children any more in the quarries around the town: they visit the wortundtat school. As adults, they will have the opportunity to choose a job that better matches their interests and talents.



In KIUMA hospital more than 100 babies a year are born by a caesarean section. They or their mothers would otherwise have died.



Young people enthusiastically learn a trade in the KIUMA workshops.

The wortundtat project "KIUMA" provides the training and education of young people in the underdeveloped south of Tanzania. That is the only way to improve the infrastructure there.

Tanzania: hospital is accessible to people

15 years ago, the Tunduru district deep in southern Tanzania was what people would call a God-forsaken area: no roads, no electricity and no running water. Then, in 1977 and with the help of wortundtat, locals began setting up KIUMA – a Swahili abbreviation that translates to "Church of Christ's love".

An important component of the facility is a hospital with 100 beds. For the inhabitants of the region, the house is a blessing: the nearest hospital was previously about 70 kilometres from KIUMA. On the dusty, unpaved roads and without off-road vehicles that was a seemingly unbridgeable distance.

Today, professionals of various disciplines help about 30,000 patients per year. The hospital is especially important to women with complicated pregnancies: more than 100 caesarean operations are performed annually and many women and their babies have been saved.



Once a day there is a free hot meal for those in need.

Moldova: food and heating for the elderly

The Republic of Moldova – a small country between Ukraine and Romania – is considered the “poor man of Europe”. For many people, their paltry income is insufficient to finance their everyday lives. In the extremely cold winters, pensioners, particularly, often have to choose between food and heating. They do not have enough money for both.

In the small town Ceadir Lunga in the south of the country, wortundtat has supported the social welfare project Gloria since 2006. The project was initiated by Heinrich Deichmann, CEO of Deichmann SE. The charity – based in a former bank building – supplies regular hot meals to those in need. Second-hand clothes are distributed there and doctors of various disciplines examine and treat the guests free of charge. By working closely with local authorities, aid is constantly expanded.



Heinrich and Susanne Deichmann visiting a children's home that was renovated with the support of wortundtat.



Medical care includes house visits.

Greece: refugees experience humanitarian care



Since the early 1980s, the organization Hellenic Ministries in Athens has served those in need with help from wortundtat. In recent years, the work among refugees has become more and more important. On their way from North Africa or the Middle East, many emigrants get stranded in the Greek capital.

On two floors of an office building, and – since the end of 2012 – in a house on the edge of the city centre, Hellenic Ministries regularly distributes free meals and offers the refugees an opportunity to wash themselves and their clothes. The helpers also offer regular conversations on faith and the deeper meaning of life. The refugees do not experience such a degree of care and attention in their deprived daily routine on the streets of Athens.

Many refugees from North Africa or the Middle East are stranded in Greece. wortundtat can help some of them with clothing and food.



Since 2005, initiatives and projects that help young people with difficulties getting started on the labour market receive the Deichmann Promotional Award. Each year, this initiative is endorsed by celebrities such as the singer Sebastian Krumbiegel.

The Deichmann Promotional Award

Since 2005, the company has presented the Deichmann Promotional Award. What started as an award for the integration of disadvantaged young people has been given a new focus this year. This is due to the new challenges of constantly more children and young people with a migration background trying to make their way in our society. The focus is now widened: as from 2013, the award is called the Deichmann Promotional Award for Integration. It will be given to initiatives that aim to help children and

young people integrate into our society on various levels. More than before, the award now focuses on people with a migration background.

The prize money of EUR 100,000 can be awarded to companies, organisations, schools and private initiatives working to combat youth unemployment and towards integration.



As of 2013, Deichmann extends the Deichmann Promotional Award towards the integration of children and young people with a migration background into German society.

Germany: Time out for children in social hot spots

Many residents of a northern district of Dortmund (Nordstadt) can hardly cope with everyday problems, unemployment and the challenges of a multicultural neighbourhood. In 2009, the community centre "Stern im Norden" (Engl.: Star in the North) was opened to give children in the district somewhere to go and to offer them support and protection. Children, young people and families are offered a variety of activities such as children's meetings, help with homework or a free lunch. In addition, the centre focuses on the cultural diversity, the different needs and individual strengths of the people in the neighbourhood.



The Premonstratensian Father Tobias (centre) has initiated the project "life value" for the homeless in the North of Duisburg. It is supported by Heinrich Deichmann.

Other projects in Germany and international projects

The personal involvement of the Deichmann family also extends to projects against poverty and homelessness in Germany. The company helps children in day care and supports family-targeted assistance.

Some examples: Deichmann supports projects of the Christian Youth Village Germany (CJD) and thus supports teenage mothers who require help with the care of their babies and their future life plans. In Duisburg, Heinrich Deichmann is engaged in a project to combat homelessness run by Hamborn Abbey. Another example is medical support, where a professorship at the heart centre of the University of Essen is financed.

Emergency aid

In the past, Deichmann has repeatedly pledged spontaneous support for people who suddenly found themselves in



Trainees at Deichmann pack Christmas parcels for the enjoyment of refugee children from Syria.

an emergency – for example, after the earthquake in the Gulf of Mexico, which devastated much of Haiti in 2010. For this purpose, the company seeks partnerships with organizations that operate internationally and are in a position to provide effective disaster relief.

The social commitment of Deichmann is not limited to the parent company in Germany. The individual national companies of the Deichmann group have their own aid projects. An example: Deichmann Hungary supports an orphanage in Szabolcs-Szatmár with donations ranging from clothing to toys and financial resources. Thanks to this support the old windows of the children's home could be replaced.



Thanks to the support of Deichmann's Hungarian subsidiary, Deichmann Cipő, children in an orphanage learn how to work with a computer.

Assisting employees

The company provides employees with support for an additional occupational pension scheme, which is not matter-of course in this form in the retail business. It also has a relief fund that non-bureaucratically supports employees who find themselves in a situation of not self-inflicted personal need. In addition, employees can take advantage of offers in the context of occupational health care. There are, for example, the health weeks in Switzerland that employees can attend for free.



Deichmann staff can attend a health week in the Swiss town of Gais, which is paid for by the company.



Internationales Mitarbeiter-Magazin • International staff magazine • Internationaal medewerkersmagazine • Magazine international des collaborateurs • Międzynarodowy magazyn dla pracowników • Mezinárodní magazín pro zaměstnance • Nemzetközi Vállalati Magazin • Medzinárodný magazín pre zamestnancov • Uluslararası İç İletişim Dergisi • Magazine aziendale internazionale • Revista internațională a angajaților • Međunarodni magazin za suradnike • Revista interna internacional



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OFF BROADWAY
SHOES

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