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Titel: **Edward Krubasik Board Member -- Siemens -- Germany**

Header/Subtitle: *THE STARS OF EUROPE: TURNAROUND ARTISTS*

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Edward G. Krubasik was an unusual addition to the Siemens management board when he joined in 1997. In a company where a top post typically comes only after decades of loyal service, the Vienna native came in as an outsider at a time when Siemens CEO Heinrich von Pierer was looking for new ideas. Trained as a nuclear physicist at the University of Karlsruhe, he had spent more than 20 years at McKinsey & Co., eventually heading the consulting firm's European electronics, telecom, and aerospace activities.

That meant Krubasik also came from a more demanding corporate culture than at Siemens, where management lapses rarely had severe consequences. More rigor was just what Siemens needed. Since Krubasik's arrival, the company has set clear benchmarks for managers and linked their pay to performance. It has eased out laggards. Krubasik, 56, was one of the key executives behind the effort to raise the bar and restore profit growth at the German electronics and engineering giant.

The next challenge is to inject some New Economy dynamic into Siemens' four Old Economy industrial divisions. Krubasik is taking charge. For example, at the automation and drives group, Siemens has developed software to link automated factory equipment into networks that allow manufacturers such as auto makers better control of the flow of production. Using the Internet, those factory systems can then be linked to suppliers and customers.

The effort is paying off. Siemens' industrial units saw profit before taxes and interest rise 51% in the quarter ended Mar. 30--double the increase for fiscal 1999 ended last Sept. 30. "E-business will be the largest engineering wave we've ever seen," Krubasik insists. If he delivers, he'll likely be among contenders to succeed von Pierer when he retires.