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## CEO FOR OERLIKON CONTRAVES INC. IN CANADA

**INTERVIEW**  
with Ernst Odermatt,  
CEO  
Oerlikon-Contraves AG



At the end of 1999, Oerlikon Contraves Defence was sold to 100% to Rheinmetall DeTec AG, a company of the Rheinmetall group. Oerlikon Contraves AG with its subsidiaries in Germany, Italy, Canada, and the Far East thereby became part of a modern defence division that has all key technologies under one roof for complete weapons systems for ground troops. The aerospace activities of the company were hived off as Contraves Space AG, which is still part of the Oerlikon-Bührle group.

**Mr. Odermatt, what does the integration of the Oerlikon Contraves group look like following the spin-off from Oerlikon Bührle Holding and its integration in the Rheinmetall group?**

I am optimistic about the future. Thanks to the leading market position of Rheinmetall DeTec AG in the area of marine technology and simulators, there is significant synergy potential to be exploited, and the market presence can be optimised through our distribution of Rheinmetall products. And, in regard to air defence, Oerlikon Contraves will be the competence centre within Rheinmetall DeTec AG.

**How did the need for a BRAINFORCE interim manager arise at Oerlikon Contraves Inc.?**

Our Canadian subsidiary is divided into four business units. In addition to the traditional primary business with the Adats system, we have a Weapons/Sensor Systems/Integration product line in which we attempt to integrate Adats technology in other systems. Moreover, there is also the Communications & C3 product line which is targeted at integrating Adats know-how in other Canadian military projects. And, finally, there is the Software Systems product line with which, among other things, we are also attempting to enter

the civil aviation market to exploit existing resources and our wealth of knowledge. Our strategy is based, on the one hand, on maintaining the opportunities for new orders for Adats systems and, on the other hand, to position the product where it has more weight in the other three business segments. For this reason, we will be reorganising the management of Oerlikon Contraves Inc. in Canada. The former general manager was to concentrate 100% as president of the company on marketing the Adats opportunities while a new CEO is to focus on managing the three other business areas and maintaining the company's ability to realise sophisticated Adats projects. The goal is thus to make Oerlikon Con-

traves Inc. a profitable company even without Adats by exploiting the opportunities in the Canadian market with the knowledge derived from the Adats system. To realise this goal, the management of the Oerlikon Contraves group approached BRAINFORCE at the beginning of 1999 to deploy a suitable interim CEO at Oerlikon Contraves in Canada.

### **When evaluating the position of Interim CEO what were your reasons for deciding on the member of the BRAINFORCE pool?**

The profile of our ideal candidate envisioned that the new CEO in addition to leadership qualities, technical competence, and social skills would be close to having a Swiss mentality on the one hand as the basis for an ideal communications structure. On the other hand, the candidate should also be well-acquainted with the Canadian market through vast experience gathered in the country. The selected member of the BRAINFORCE pool fulfilled these requirements exactly, particularly since he also held dual Canadian-Swiss citizenship.

### **What were the special tasks of the Interim CEO?**

An initial status-quo analysis he prepared revealed firstly certain quality problems due to a lack of diligence and genuine work ethic. From this information, he developed a TQM project. Secondly, it became clear that the former CEO's focus on the Adats system had left the customer focus in the other three business segments too weak, and

consequently sales opportunities were only insufficiently perceived due to a lack of focus.



### **What action plans did the Interim CEO derive from the previous lack of customer focus?**

First, he succeeded in directing the existing crew in the non-Adats business to focus on the new targets. Second, in sales, he created a sharper focus on selected issues with realistic sales opportunities by introducing a consistent acquisition strategy. Third, thanks to his excellent people skills, he rapidly established promising contacts to decision makers in the top echelons of the Canadian government as well as industry.

### **A special ability of the Interim CEO is thus a capacity to both have a successful impact within and outside of the company?**

Precisely! Within the company he was readily accepted by the crew because of his uncontested abilities. Existing uncertainties in communications vis-à-vis the group management in Switzerland were reduced so that we now have better cost transparency and a high realisation rate for the forecast. In dealings with outsiders, his systematic tenacity in the

pursuit of acquisition projects is bearing first fruits in that in the Weapons/Sensor Systems unit as part of a joint venture with an Israeli company as prime contractor we have successfully sold a system with future potential in the Canadian and international market.

### **How do you evaluate your prospects?**

I find it hard to believe that the procurement volumes in Canadian defence will increase. It is thus even more important to pursue the strategy we have embarked on, namely, in addition to the Adats system, to push the three other business segments under strong leadership. The successes we have logged to date are encouraging.

### **The factors for the success of the assignment given to BRAINFORCE for the deployment of the Interim CEO position in Canada:**

- Efficient selection process (one and a half months from the submission of the proposal to the start of the manager's deployment)
- Vast experience of the manager in operative management and in turnaround situations, as well as in industrial manufacturing
- Good understanding and documented knowledge of the local culture
- Ability of the deployed manager to absorb, understand, and bring together the various demands and interests of the stakeholders