

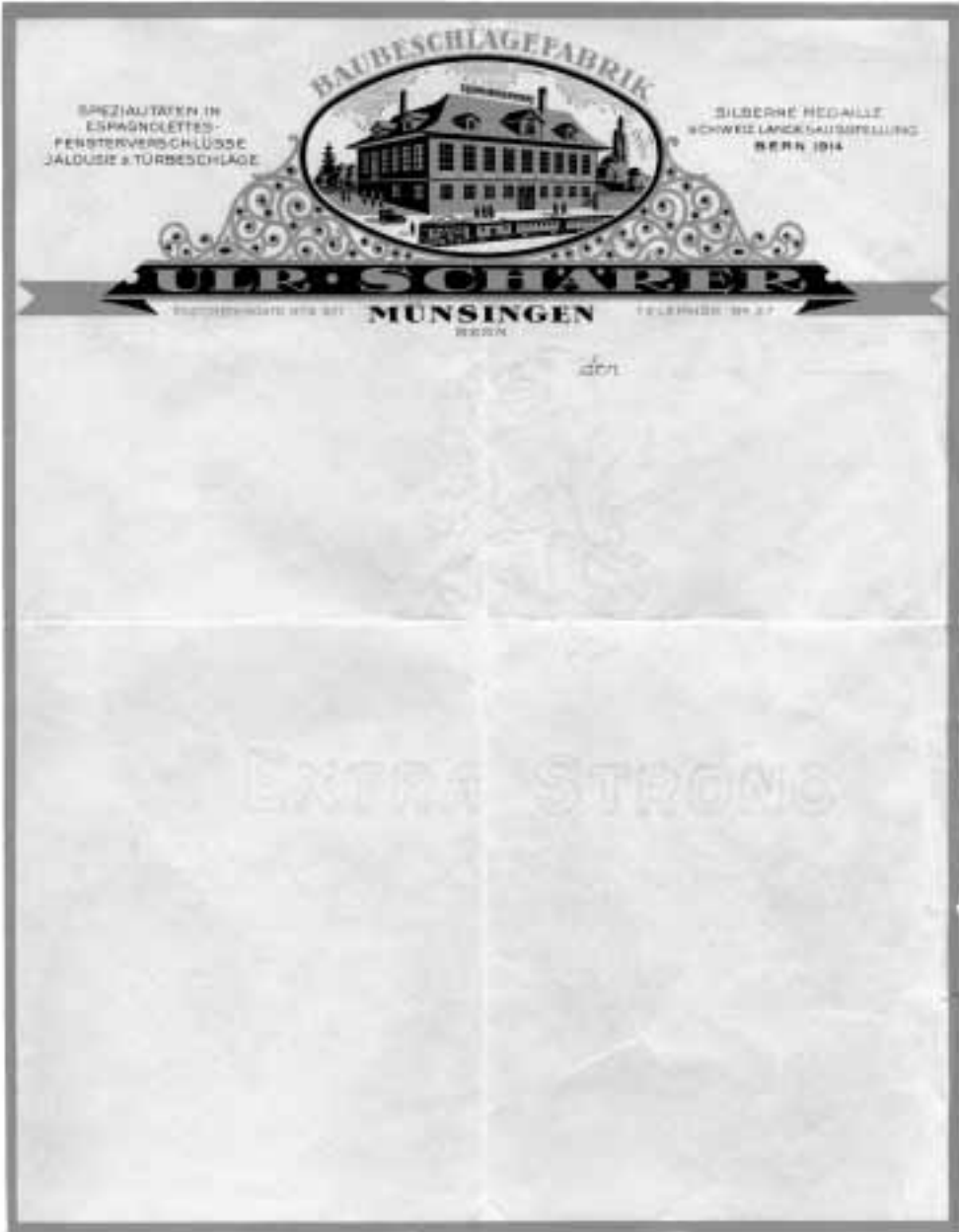
USM



USM – brand, products



Window fittings production
(circa 1926)



Original company letterhead from the iron fittings factory (circa 1914)

USM's corporate history

The USM brand and the company logo can be traced back to the name of the company founder and the town where he was from: **Ulrich Schärer Münsingen.**

In 1885 Ulrich Schärer set up his own business working a metal forge while his wife Rosalie managed a hardware store in the same building - an early example of the family synergy.

Almost forty years later, in 1922, one of his sons (Alfred) had a new studio built for window fittings production on Bahnhofplatz. Together with his brothers Paul, Robert and Hans they built an iron-fittings factory that became a successful business.



USM

Before and after WW II, the iron-fittings factory mainly produced fittings for apartments and military barracks. The company logo for the iron fittings manufacturing company represented the company's core business.

In the 50's, the company and its related brand name became famous for its leading window locking systems, which were developed by Hans-Ulrich Schärer. In addition, Robert Schärer began producing metal building components.

A formative step for the company came with the entry of Paul Schärer. Under his guidance, the business – also an architectural declaration of modernity designed by architect and professor Fritz Haller – was relocated to its current location. Alfred Hablützel from Jacquet, the company's advertising agency at the time, created the company's new USM logo, which is still recognized today.

**The development
of modular furniture**



Office pavillon (built in 1963/64 by Prof. Dr. h. c. Fritz Haller)
Sculpture by Oscar Wiggi



Paul Schärer, dipl. Ing. ETHZ, President of the Board of USM Holding AG

The birth of a product

Extract of a talk by Paul Schärer
presented to the Deutschen Architekturzentrum DAZ, Berlin.

After receiving my degree from the ETHZ (Eidgenössische Technische Hochschule Zurich) and completing my apprenticeship, I returned to Münsingen to the family's iron-fitting business in 1961. During my time as a student, I became fascinated with the publications on architecture and construction by Mies van der Rohe. At that time, I was somehow attracted to beautiful things. For my first apartment, I invested my modest apprenticeship income in Mies van der Rohe furniture, a Braun radio and TV set as well as an arm chair by Le Corbusier. From the original iron-fittings factory, I envisioned bringing the solid achievements of my forefathers into the modern industrial age by constructing an attractive new building in Münsingen at the «grünen Wiese» site.

At the time of my return to my father's company and the search for an architect for my plans, I had a life-changing experience. I met Fritz Haller, a young up-and-coming Swiss architect with several commercial successes and implemented designs, mostly of school buildings. I was fascinated by the designs of his buildings. After a kind of «tour», my parents allowed me to commission Fritz Haller to design a new window fittings production facility. Fritz did a fantastic job of meeting our requirement specifications for an adaptable building for all situations (risk reduction vs. the banks) and we began to build. The building was very well received by the architecture community. It also received a lot of attention from the press. At that time, the most important publication for architects was «Bauen + Wohnen», (Building + Living) a German-Swiss cooperative publication.

One day Fritz Haller called me. Jürgen Joedicke, the then Editor-in-Chief for «Bauen + Wohnen» in Germany, wanted to do a feature story on our building for the magazine. We drove to Stuttgart and the documentation work began. We have to thank this event for the continuation of this story.

Following numerous surveys, Fritz and I decided to make our modular factory system initially available to the commercial construction market under the name Stahlbausystem USM Haller (steel component systems). Subsequent to the building of our factory, we built an office building between 1962–64 which, when finished, housed the first open-floor office in Switzerland. However, we were unable to find the right office furniture to go with it.

The closest thing that would have worked was the Velox System by Schnelle, which could be seen at that time at the offices of a company called Boehringer. Fritz thought that we could throw something together ourselves based on his ideas and designs. Basically, we felt that we could transfer the modular system approach used in our modular factory system from a macro arena to the micro arena of furniture and interior design. We went into the factory and furnished our administrative offices with Fritz Haller's designs and the results were again covered in a feature story in «Bauen + Wohnen». People began noticing USM. A French consulting firm wanted recommendations for furnishing a renovated building belonging to the Rothschild Bank on the Rue Laffitte in Paris. Then Bob Blaich, vice president of design at Herman Miller, Inc., a US furniture company, contacted us to inquire whether he could take a look at our furniture.

At the end of 1969, the Rothschild Bank commissioned us to supply office furniture for 600 workstations. This got USM into trouble as we did not have the tools for serial production – and even less of a clue on how to price the offer. There are various anecdotes concerning USM and its cost estimates from that time. I wouldn't be telling you the truth if I told you everything proceeded as easily as the press described. We used the price per kilo of a VW Bug as our guideline. Nowadays, we would probably project the price per kilo for a «Smart» car as a target price for a new product.

The second main event in the history of USM – contact with Herman Miller, Inc. – culminated in a licensing contract with this company. Intense preparations resulted in contact to people such as Charles Eames, Probst, and George Nelson. Through Fritz Haller, I met Konrad Wachsmann, and, of course, Hugh and Max Depree, and Bob Blaich. Max and Hugh are the sons of the legendary D.J. Depree, one of the son-in-laws of Herman Miller, the owner of a furniture factory that produced completely traditional home furniture, but who in the 30's looked and found a way out of traditional furniture production. It must have become clear to him that exchangeable products lead to zero sales earnings. With people such as Nelson, Eames, and Probst, Depree and his sons found the way out. The then vice president of design, Bob Blaich, tried desperately to speed up the product launch.

The birth of a product

Then came the setbacks that eventually led to USM's current success. Our European furniture sales partners (except France) refused to accept USM Haller products into their product lines. Product launch in the US collided with the simultaneous launch of «Action-office 2» from Probst.

Thanks to their moral integrity, Hugh and Max Depree decided to return to us the rights to the Haller products, in order to prevent the product launch from being blocked. For the sake of the product, such an action among friends was still possible at that time. Nowadays, it would have required a lawsuit lasting years. So we went at it alone, first in Switzerland, and we succeeded!

We tried exporting to Germany first. We were lucky because we received an order from the Bayerische Rückversicherung in Munich, then from Bahlsen Biscuit in Hanover. In 1975 we took the plunge, and opened a subsidiary in Germany. From there, business slowly picked up. A copyist lawsuit against the company Dula (main supplier of BMW), which we won after many years of litigation, brought even more prestige. Everything seemed hunky-dory as they say. However, peace did not reign for long when in the beginning of the 90's, external and internal plotting and a power play for the successful USM set in. According to a business magazine in western Switzerland, it was subtly stated that I was experiencing a crisis of authority. I was just barely able to save my life's work from destruction. Crisis, for me, always means opportunity!

After much restructuring in terms of personnel and the organization itself, belt-tightening and the establishment of clear ownership boundaries in the corporate structure of both parent and subsidiary companies, the fourth generation with my son Alexander as CEO has now found a fantastic platform at a higher level for successfully continuing USM's charted course.



Alexander Schärer, Dipl. Ing. EPFL, CEO of the USM Group

Interview with Alexander Schärer, CEO

Mr. Schärer, in his student days, your father became fascinated with the key players in modern art – Mies van der Rohe, Le Corbusier – and at the same time laid the foundation for innovation at USM. Was there a similar life-changing event in your life and to what extent did it impact the company strategy?

Well, obviously, I grew up in an entirely different era than my father. After completing my studies at the Swiss Federal Institute of Technology (EPFL), my first job was working for Procter+Gamble. There, I became aware of the «power of the brand» for the first time. Why in the world do the majority of infants in the western world spend their first years in Pampers? On the one hand, because this product is almost perfect. But also because mothers and fathers simply want only «the best» for the bottoms of their children. And this quality guarantee comes only from the brand name. In a figurative sense, this also applies to USM.

The USM brand name was heavily influenced by your father Paul Schärer. Where are you going to make your mark?

On the one hand, a brand name survives from the continuity of its quality promises; on the other hand, from the change that it permits throughout time. In this sense, it isn't about making «ones own mark» come hell or high water. This would be fatal. But an evolution of sorts would be ideal. The art is to control this process. Due to the fact that as an engineer I think like my father, I can ensure continuity. Evolution will come entirely naturally because my current socio-cultural environment is completely different from the one that dominated when my father made his mark.

Doesn't the USM Modular Furniture Haller Systems lack innovation potential?

Its timelessness is proof to the contrary and the fact that we sell these recognizable products – such as the classic USM Haller – to good companies, such as Hugo Boss or to the Schweizer Rückversicherung. This is called brand name pooling which has recently been very effective overseas. We have also enjoyed success thanks to having our products on display in a Porsche showroom – a brand name, which, by the way, like USM, does not depend on discounts, but rather good marketing and a good product.

But for us, companies such as Porsche or Hugo Boss are not our only important customers. We also want to provide support to normal offices, hotels, airports, agencies, public buildings, museums, residences and apartments. These are the places where people go and where we can develop our market share in the private sector. Many office furniture companies produce their own line for the home office market. In contrast, we only need to think about how we can expand our existing system. USM has always had as part of their customer base designers, architects, and freelancers who often have home offices. We got into the furniture business thanks to these multiple factors. It is interesting that people first use our products in their home offices and then later think that they might have use for them in their living areas.

But USM also had the office market in its sight with the development of eleven22. You played an important role in its birth, so to speak, thus eleven22 is your «baby,» so should it be established as a second brand name?

eleven22 was never developed as a competitor to Haller, rather as an alternative within our product line of modular furniture. It is a product for this young market and there we do need some time in order for the new philosophy to prevail. Also, we do have very volatile target groups in this market. USM has always been heavily identified via its products. Therefore, all our products are equally my babies even if, in the case of the Haller Systems, I did not contribute to its development right from the start due to biologically obvious reasons. In this sense, all USM «babies» develop and grow at the same level of priority.

But the potential to have your product honored as artwork and to be accepted as part of the collection of the Museum of Modern Art (MoMA) in New York, as is the case with USM Modular Furniture Haller Systems, does not mean that eleven22 is lying dormant, does it?

Now, it would be very ambitious to want to achieve cult status right away with eleven22. I see the product more as a part of our philosophy of continuity. Our creativity does not consist of promoting a short-termed, transitory style and to continually launch a new product on the market, but rather to find out the needs of our customers and to meet those needs. A classic product is created if it satisfies customer needs for an above-average period of time. It is interesting to note that eleven22, in contrast to Haller, received the most diverse and well respected design awards worldwide right from the start. In the case of Haller Systems, it took somewhat longer, but the product has nevertheless become a so-called Olympian of design. It is therefore hard to say which baby has shown the best «performance.» One thing is for certain: in terms of economic success, Haller Systems has raised the bar very high. It will be several decades before we can effectively evaluate whether eleven22 will achieve similar success.

All the same, is eleven22 simply a reaction to the current trend of «desk-sharing» and subject to the volatility of this trend? And, in contrast to USM Haller Systems, eleven22 lacks the quality of the convergence between home and office. What comes after eleven22?

Currently, Haller Systems furniture is also a product of its time and has outlasted it anyway. Owing to its variability, eleven22 has the ability to absorb changes in the work world. In addition, the trend of so-called «New Work» was already declared dead before it even had a chance to get off the ground on a larger scale. But the fact of the matter is that in the long-term we will observe a development toward making work time (personal time) more flexible. Though part-time work, job-sharing, telecommuting are catch phrases, they are, at the same time, also obvious reactions to developments in society that do not seem to be reversible, such as better integration of women in the work process or increasingly fuzzy housing structures. For their part, these are a direct result of mobility thanks to the omnipresence of the Web, which allows us to set up workstations in x number of preferred locations.

Stable value as a brand asset is one thing, but how do you protect the brand name from becoming a fossil?

I believe that the key to success lies in the fact that people do not only define themselves through products, rather increasingly through culture. The company's image on the market is very important. We must take on a leading role concerning important issues – for example the same basic principles that apply to our products must apply to our logistics – certainty and precision. We must also become much more noticeable due to our events than with our products. In the end, you cannot underestimate the value of after sales customer care. We want to purposely go deeper, after three months, after six months, a year, two years, we want to become the partner that dominates these processes lifelong. Services must be a recognizable asset. We cannot ignore issues such as facility management, restructuring, new work, and outsourcing. We must also be in the position of renting an infrastructure for several days or several weeks. Because customers do not want furniture, but a workstation, they want a solution that will function 24/7, 365 days a year.

What role does trade play in this process?

We want to give trade a chance by distinguishing ourselves in this area. For example, we have had some experience in Japan. There, assembly is being done with a certain dignity. Our Japanese sales partner has at least twice as many employees as one European furniture dealer. Currently, there are already end customers who no longer have furniture warehouses. They require that their dealer be able to install new workstations within a certain time frame. The rent that the dealer saves means a sale for the sales partner.



Powder coating production

So do you place more value on service than sales?

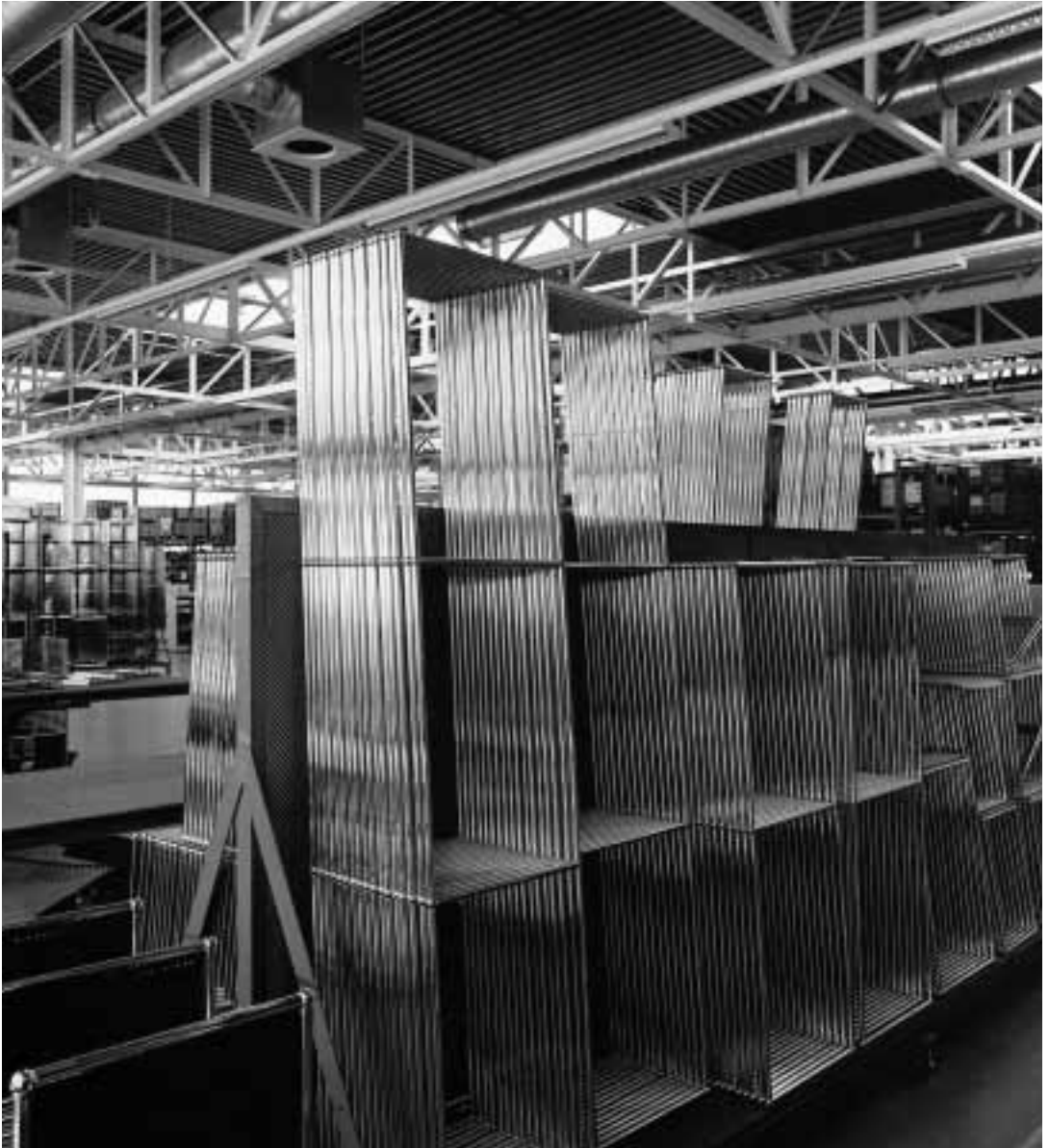
Companies that place too much value on making as much money as possible will run into resistance. On the other hand, companies that attempt to establish a brand name in the region will succeed in gaining trust. In Germany and in Switzerland, we have very good sales partners who we hope to integrate as closely as possible. There, some people work exclusively for us.

You obviously place a great deal of worth on personal contact between sales partner and customer. Does e-commerce have more of a secondary significance for you?

The internet can be a tool in order to facilitate purchase for a customer and guarantees a certain anonymity during the first contact phase. In addition, e-business increasingly emancipates the end customer. The end customer can use simple tools and experiment creating different configurations. However, individuality cannot be guaranteed without dealers, architects, and neutral planners on site. The quality of services must be even better because customers nowadays are armed with information and have much higher demands and expectations.

Is this philosophy responsible for the fact that you invest in the future of design by annually awarding \$25,000 in scholarship money to students at the Virginia Polytechnical Institute and State University in Blacksburg?

Actually, the relationship to Virginia Tech originated from a furniture sale. We wondered how it happened that people in this far-away corner of the US became familiar with our products. We came across professors and deans who were greatly interested in our work and who extended their hands in friendship. As a kind of thank-you to the university, every year five to ten students now receive a scholarship. This is more about the spirit of patronage of the arts than a classic sponsorship. Also, financial support for students is always an investment in the future.



Modular furniture frames

The development of modular furniture

The fourth generation of the family company

At the most recent award ceremony in the New York showroom, you said: «Creative people have the gift of fighting wars with creativity. Today's generation of designers must face the challenge of working in a world in which natural resources are increasingly dwindling. They must be aware of the fact that one fourth of the population consumes the majority of these resources.» (Source: Interior Design, July 18, 2002) What role does this conviction play in your function as a CEO of USM?

First of all – on a product level – this philosophy is expressed by the fact that the quality and timelessness of our products contribute to resource conservation and responsible environmental management. Secondly – on the company level – this is expressed in our reserved expansion strategy. Companies who want to grow must do so slowly and develop from the inside out. That's why we have decided not to go public. We want to remain independent and grow with deliberation. My father once said: «Our secret to success was that we were always a bit different from the others.» That is how it should stay. We will chart our own course and not make any compromises along the way.



Factory building in Munsingen, Switzerland



Above: USM Modular Furniture Haller Systems
Below: USM Modular Furniture Kitos

The development of modular furniture

The product lines under the brand USM Modular Furniture

USM Modular Furniture is based entirely on the advanced principle of the open system. It can be modified as desired and ensures that the furniture has the greatest possible adaptability to meet individual needs when designing and arranging workstations, thus contributing to promoting and maintaining a creative work environment. Reduced to the essentials, all product lines are a declaration of aesthetic simplicity and functional precision.

USM Modular Furniture Haller Systems has meanwhile advanced to become a design classic. Its shelving systems with their almost infinite variations and matching tables make it ideal for both the home and office. Since its launch on the market in 1969, Haller Systems has undergone continuous technical improvements while maintaining the design originally conceived of by Prof. Fritz Haller, Paul Schärer, and Kurt Scherrer. The central element of this system is the ball in which the connecting tubes are inserted. This is how an extremely pressure-resistant and pull-resistant load-bearing structure is produced, and is where the paneling and organization components are inserted.

USM Kitos (Complex Integrated Table Organization System) stems from the «idea workshop» of Paul Schärer, Rudolf Graf, USM engineers, and Fritz Haller and has been on the market since 1990 as a modular workstation and meeting table. With this product, everything revolves around the support ring. It connects the basic components of this table organization system: columns, transverse, and support tube for the tabletop. The Kitos table height can be adjusted either electrically or manually as desired; it is available with angled tabletop design and can be combined in any configuration.



Above: USM Modular Furniture Display
Middle: USM Modular Furniture eleven22
Below: USM Inos

The development of modular furniture

The product lines under the brand USM Modular Furniture

USM Display, a presentation and room dividing system, another innovative product from Fritz Haller and Rudolf Graf, was launched in 1989 and consists of stands on which various panels can be hung. The partition walls for presenting, communicating, or providing information can function as both dividing or connecting components in terms of interior design needs.

Since 1999, USM Modular Furniture eleven22 has been answering the changing work environments of today and tomorrow, which along with desk sharing create the demand for mobility and flexibility. The heart of the system, which was created by Alex Schärer, Florin Baeriswyl, and André Gerber, USM engineer, is the vertical frame on which components, CPU holders, storage as well as foldable work surfaces can be attached. At the same time, the integrated lights make the modular furniture an infrastructure which is not only useful for new buildings, but also makes it easier to convert large spaces such as halls into office space.

USM Inos (Interior Organization System) – is a system within a system – a practical extension to the modular furniture line. The organization components designed by Florin Baeriswyl determine the interior placement of the furniture pieces and are well suited to individual storage and archiving needs.



Pre-assembly of the frames

Chronology of the company
USM U. Schärer Söhne AG

- 1885 Ulrich Schärer establishes a metalworking shop and hardware store in the small village of Münsingen near Bern, Switzerland.
- Circa 1920 Manufacturing of window fittings begins.
- 1926 A new factory is built at Bahnhofplatz in Münsingen.
- Circa 1929 Robert, Paul, and Hans Schärer take over the business. The company changes from being a small, one-man business to a general partnership U. Schärer Söhne (father of Veronika, Robert, Hansueli, and Paul Schärer).
- Circa 1946 Business booms in the post-war years; the company begins metal construction and sheet-metal work.
- 1961 Paul Schärer, Jr., engineering graduate of the Swiss Federal Institute of Technology Zurich, begins his career at USM and decides to relocate the company to the Thunstrasse 55 location in Münsingen. He commissions Fritz Haller, an architect working in Solothurn, Switzerland at that time, to design the company's new production and administrative building. Haller later became a professor at the University of Karlsruhe in Germany.
- 1963 In collaboration with Professor Fritz Haller, USM Modular Furniture Haller System is initially developed for the office building at Thunstrasse 55 in Münsingen.
- 1965 Grand opening of the new building in Münsingen.
- 1966 USM Haller Modular Steel System for factories become part of the USM product range.
- 1967 Company restructures from a general partnership into a family corporation.
- 1969 Series production and sales of USM Modular Furniture Haller Systems first large order: furnishing the Rothschild Bank in Paris.
- 1973 Introduction of USM Modular Furniture Haller Systems in Switzerland.
- 1975 Two large orders completed in Germany: Bayerische Rückversicherung in Munich and Bahlsen Biscuit in Hanover. The subsidiary USM U. Schärer Söhne GmbH is established in Bühl near Baden-Baden, Germany. Extensions are built at the production location in Münsingen.
- 1985 100th anniversary of the founding of USM. Renewed add-ons and extensions are built in Münsingen.
- 1986/87 Production flows totally reorganized. Production begins using the newest production systems at the Münsingen factory location.



Modular furniture assembly

- 1987 First extension of the company's building in Bühl.
- 1988 A copyright infringement lawsuit is won in the higher regional court in Frankfurt against a copyist in Germany. USM Modular Furniture Haller Systems is assessed as applied art. This assessment was confirmed by an additional judiciary decision in 1996 in another copyist lawsuit.
Opening of the 5th expansion building in Münsingen.
- 1989 Market launch of USM Display (Presentation System).
- 1990 Market launch of USM Kitos (Complex Integrated Table Organization System). Paul Schärer becomes majority shareholder.
- 1991 USM U. Schärer Söhne GmbH in Bühl (Germany) doubles in size; another tube processing building is added at corporate headquarters in Münsingen.
- 1992 Ceased production of window locking production in favor of USM Modular Furniture systems.
Opening of second addition of company building in Bühl – doubled.
- 1993 Fourth generation of the family represented by son Alexander Schärer, Dipl. Ing. EPFL.
- 1994 Subsidiary USM U. Schärer Fils SA opens in Charnay-lès-Mâcon, France.
- 1995 Subsidiary USM U. Schaerer Sons Inc opens in New York.
- 1996 Market launch of USM Inos (Internal Organization System).
- 1997 Opening of new assembly hall at the factory in Münsingen.
- 1998 Opening of the first permanent «by USM» showroom in Hamburg.
- 1999 Opening of by USM in Zurich, Bern and Berlin.
Market launch of eleven22 as a new space-creating modular furniture system for offices of the future.
- 2000 Seventh expansion building at USM Münsingen as well as an award for the environmentally-oriented design of USM company locations presented by the «Nature and Economy» foundation.
- 2001 USM Modular Furniture Haller Systems becomes part of the permanent collection of the Museum of Modern Art (MoMA) in New York.
- 2002 The new USM US corporate headquarters and showroom opens in SoHo/New York.
- 2003 The opening of the Paris showroom in St. Germain.



The finished product

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