

High-tech and craftsmanship

The family firm Rex-Royal produces fully automatic coffee machines for professional use and delivers to over 30 countries worldwide. The recipe for success? Innovation and quality.

His guests from Asia were thrilled: "It's like the Swiss watchmakers!" In fact, all that Peter Sager had pointed out was that his company only produces to order and therefore makes many things by hand.

A key experience for the CEO of Rex-Royal. "It was only then that I realised how important our craftsmanship is in the Asian market."

Rex-Royal is a family firm, and was founded in 1937 by Peter Sager's grandfather. Peter Sager took over the management from his father seven years ago. Here in Dällikon, Zurich, about 3300 fully automatic coffee machines are produced every year. "This year, however, there will be significantly fewer," says Peter Sager. The company supplies the restaurant and hotel industry as well as larger companies, mainly in Europe and Asia in addition to Switzerland. Consequently, Rex-Royal has been hit hard by the Covid pandemic. Sager estimates that by the end of 2020, the company will generate one third less turnover than in the previous year.

Corporate culture as a success factor

The slump in demand has been tough, admits Peter Sager. But the company is healthy and has reserves, he continues. In any case, the most valuable asset is the workforce, explains the CEO. The workers are the ones who, with their expertise and commitment, will help the company to move forward.



IN PRACTICE: PORTRAIT

At Rex-Royal, due to the small-series production, much is still made by hand. The heart of every machine is the brewing unit made of stainless steel.

"We don't have suppliers and customers, but rather partners on an equal footing." Rex-Royal stands out in the world market with quality and innovation. The latest model from the company, the S2, can be operated physically via touch screen or remotely via smartphone. The coffee machines can be networked with the Rex Royal Cloud, which enables remote support amongst other things. These are valuable sales arguments, especially during the pandemic, points out Peter Sager.

"As fair and sustainable as possible"

A lot of stainless steel goes into in the coffee machines from Rex-Royal. "We use plastics sparingly," says Peter Sager. Metals are of higher quality, making the machines more sustainable. So metal lasts forever, but the built-in software does not. Is that a dilemma? "No," says Peter Sager. The hardware is built to last ten years or more, and spare parts are also available for ten years. "We are constantly developing the software, it is an ongoing process", explains the graduate electrical engineer. The developers release about three to four software updates per year.

A further commitment to sustainability can be found on the company roof: A solar plant was installed there in 2019. This means about 55 percent of the company's own requirements can be covered during the course of a year. On weekends or after work, the surplus power is fed into the grid. Rex-Royal has also concluded a voluntary target agreement for climate protection and energy efficiency with the Swiss Energy Agency for Industry (EnAW). It seems that sustainability is part of the family tradition. Or as Peter Sager puts it: "We aren't worried about becoming the market leader, but we do aim to deliver the highest quality and operate as fairly and sustainably as possible."

— Text: Karin Rechsteiner

Portrait

Rex-Royal was founded in 1937 by Heinrich Gertsch, and has been run by Peter L. Sager since 2013. He is the third generation of the same family to manage the firm, which produces fully automatic coffee machines. Research, development and production are carried out at the headquarters in Dällikon near Zurich, Switzerland. The firm's most important customers are restaurants, hotels, hospitals and retailers worldwide. Rex-Royal generates about 45 percent of its sales in Switzerland, about 40 percent in Europe and 15 percent in Asia including Oceania.

Peter Sager, a graduate electrical engineer, runs the family business as its CEO and is responsible for technical development.

Made in Switzerland – with support from all over the world

ILLUSTRATION: TOMAS FRYSCAK

The coffee machine manufacturer Rex-Royal conducts its research, development and production in Switzerland. Production and sales cannot be done without international partners.

Rex-Royal attaches importance to "Swissness". Approximately 85 percent of the added value in the manufacture of the machines is generated in Switzerland. The machines are assembled at the headquarters in Dällikon (ZH), most of the components are produced by Rex-Royal itself or purchased domestically. For specific parts, however, the company is dependent on suppliers from Europe and Asia.

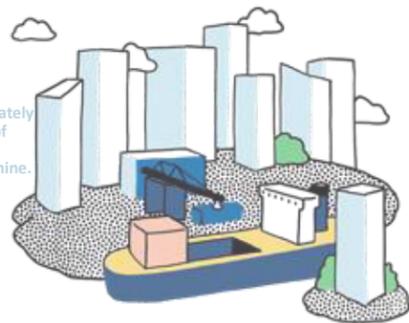
Once assembled, over half of the coffee machines leave Switzerland again. Rex-Royal generates more than half of its sales abroad. Europe accounts for 40 percent of this, Asia including Oceania for 15 percent.

For international sales, Rex-Royal works together with local partners in each target market.

The beans for the perfect cup of coffee also come from abroad: Switzerland imports over 138,000 tonnes of green coffee from Central and South America, Asia and Africa every year. More than 65,000 tonnes of this is processed and exported, while more than 72,000 tonnes of green coffee are consumed within the country itself.

85

per cent is approximately the domestic share of value added in the production of a machine.



5

kilograms is the weight of the machine shown in the picture; this is because there is a lot of valuable metal inside, and little plastic.

867

Parts are installed in an S2 coffee machine from Rex-Royal.



1 Control unit
ORIGIN Switzerland
TRANSPORT Transporter



2 Rear panel
ORIGIN Slovenia
TRANSPORT Truck



3 Water pump
ORIGIN Italy
TRANSPORT Truck



4 Brewing group housing
ORIGIN Switzerland
TRANSPORT Transporter



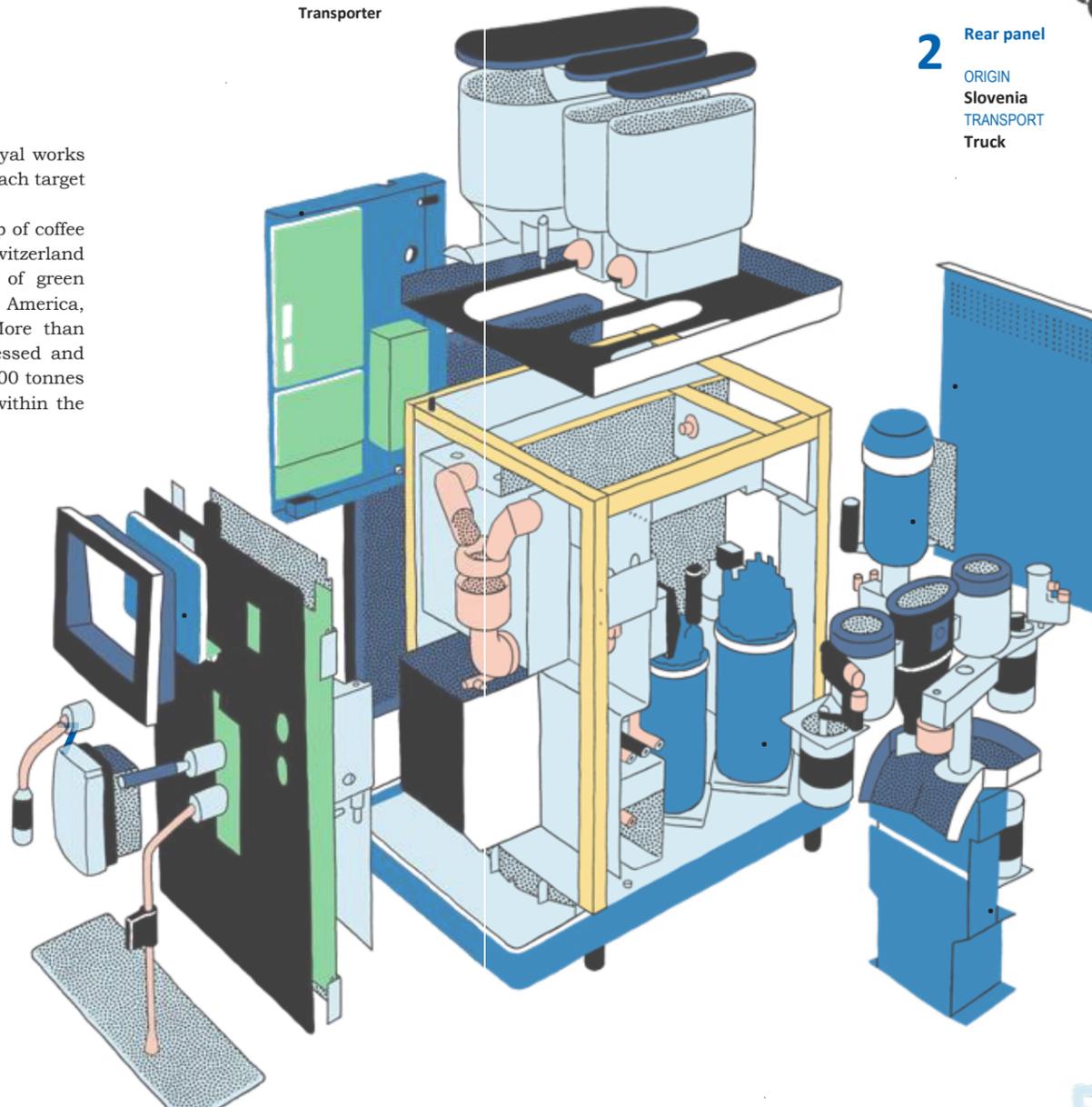
5 Coffee/steam boiler
ORIGIN Germany
TRANSPORT Truck



6

Base frame
ORIGIN In-house production
Switzerland

Display
ORIGIN China
TRANSPORT Container ship



55

per cent of sales are generated by Rex-Royal Europe and Asia.

4

per cent of sales are generated by the company in Switzerland.