

A Different Dimension

FARO is revolutionising the 3D measurement space with groundbreaking innovation and cost-cutting efficiency.

Images courtesy of FARO

In the field of 3D measurement, imaging, and realisation technology, FARO is a global leader, pioneering new technologies and out-of-the-box thinking. Ralf Drews, Managing Director of FARO Europe, sat down with *The CEO Magazine* to discuss the company's evolution and market-leading position in the latest technological fields.

***The CEO Magazine:* What led you to your position as Managing Director of FARO Europe?**

Ralf: I joined FARO in 2013 after having spent a long time with a German company that made medical and safety devices. Looking for a new challenge, I was primarily looking at the following three factors: the target markets, technology, and company culture.

I looked across the different potential opportunities and I asked myself what kind of market I'd like to be in with my next position. I wanted to work in markets that had the potential to innovate, rather than being in markets where innovation doesn't play a major role and where cost-cutting and efficiency are the main drivers for business success.

I decided on FARO because it serves both traditional markets like the automotive and aerospace sectors and highly exciting markets like 3D documentation. We have a lot of new markets to serve with our 3D laser scanning technology, such as architecture, engineering, construction, heritage, and law enforcement, to just show you some examples. So the first factor was an exciting market.

The second factor results from my profession: I'm an engineer by trade so of course I'm attracted to exciting technology. We have revolutionised the laser scanning market by launching our FARO Focus3D. Before we launched our product in 2010, the price point for such a product was three times higher and it was very difficult for customers or regular consumers to operate this type of equipment. We were in a very early phase of the 3D revolution and next year is going to see laptops entering the market with 3D cameras integrated into them. The whole 3D space is just going to take off and we want to be part of that, not just following but driving the market. That's what we've accomplished with our Focus3D and we intend to do that in the future as well.

The third factor is that I was seeking a company that is in growth mode. FARO has grown over the past 30 years at consistently high double-digit rates with very few exceptions. In the face of the recession, we were of course also struggling a bit but other than that we are seeing medium to high double-digit growth and that's an inspiring environment to be in.

I was also searching for a company that was passionate about what it does while having an agility that would perfectly complement my nature. Likewise, I wanted to work in an environment that was entrepreneurial—looking for new opportunities for the future, putting opportunities into a strategic framework, and continuing to facilitate growth. That's all part of FARO, that's what we've done so far and that's what we're going to do in the future. Those are the main reasons why I joined FARO.

How have you seen FARO change and evolve since you assumed leadership?

The two key elements that I would like to mention are strategy and people. On the strategy side, we're ›



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in the process of figuring out what new markets we want to work in further down the track. Due to the new technology that we've developed and the laser scanner that I mentioned earlier, we are adding markets to our portfolio we could not reach before. There has been a change in the way we want to approach the markets, how we're going to penetrate them, and how we're going to compete.

The second major component is people. On the one hand, we

basically continued to maintain the great cultural strengths that we've had, retaining the qualities I mentioned before like agility, passion, speed, and an entrepreneurial spirit. On the other hand, we also added talent that was strategic and had experience in operational efficiency and excellence. That starts with my management team as we've made some additions to the team, which have not just represented different business backgrounds and personalities but also bring a lot of what I was seeking to the table.

How do you communicate and engage with your employees?

For me, communication really serves clear business purposes: if I make the employee understand in which direction we are heading and why, we get to a corporate alignment. Furthermore, I can expect their commitment. By creating this transparency and by letting people understand what our goals are they can develop their

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own ideas about how to contribute to the overall company objectives. I also can leverage all the know-how and intelligence of our staff to the full extent. That's why we have introduced quarterly all-employee meetings, which we record so that everybody in Europe, the Middle East, and Africa has a chance to understand the messages that we want to convey. What we actually do in the all-employee meetings is we talk about organisational changes and our future direction when it comes to strategy. Changes always create uncertainty and being clear about what we want to accomplish and how we get there is just increasing employees' certainty and motivation.

Another, more proactive approach to pick people's brains is our recently implemented initiative called 'sounding board', where we

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have people from each department reporting to a sounding-board leader. Every month we collect all the pressing questions, concerns, and proposals for improvements from our people. The sounding-board leader then filters them, determining whether it's only venting or if it's a real concern or a valuable piece of information, and then this is all consolidated and elevated to the senior management. I think it's a very powerful instrument because we get honest feedback from our people. Also, it's all anonymous so there's no faces or names behind the comments. My experience with this kind of tool is that you get a big dose of reality, which is very important for connecting senior management to the rest of the staff.

How do you work with suppliers and strategic partners to create market-leading products and services?

With our strategic partners we are seeking very close collaboration.

For example, our relationship with Gebauer goes well beyond a typical supplier and purchaser relationship because what we've done with companies like Gebauer and ATS is a due diligence and preselection where we asked ourselves who we wanted to deal and work with through the design and R&D phase. Whenever we need partners for a critical component within our products, we go out and search for partners that will be a good strategic and cultural fit for FARO today and in the future.

How has FARO led the field of 3D measurement technology and encouraged innovation?

There have actually been two paradigm shifts that we've accomplished in the market. One shift goes back to the substantial price reduction from an end-customer perspective that I mentioned earlier, so now a laser scanner is no longer €120,000 but instead €40,000. This widens our

potential customer base to people like kitchen builders, stairway builders, architects, and cultural heritage workers, who previously couldn't see the return on investment because this type of equipment was way too expensive for them.

The second shift has been in the ease of use element, which is something that FARO has always stood for. We want to make the lives of our customers simpler. Simplicity is a big goal for us, and that does not only apply to the use of our products but to all touch points between the customer and FARO. However, the massive difference regarding simplicity we do make with our products gives much better ease of use from an end-customer perspective.

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