

Press release

GABRIEL SHOWS THE WAY OUT OF THE CRISIS

Gabriel has done it again – shown itself to be one of Denmark's most innovative companies, gaining an impressive second place in this year's Innovation Cup, after Lego and before Oticon, which won the competition in 2006.

The role of innovative standard bearer is far from unusual for the north Jutland manufacturer of upholstery fabrics. Gabriel won the Innovation Cup in 2007 and was then able to call itself the Danish champion in innovation.

The managing director Jørgen Kjær Jacobsen already made it clear then that the company had no intention of resting on its laurels: *"For Gabriel, innovation has always been top of the agenda, and so it will in the future. We will quite simply become even better at ensuring innovation in our products, services and processes in order to secure our company's foundation."*

And it is precisely our rigorous strategic focus on value creation and cost control which has made Gabriel a model of innovation. We have managed to make good innovation habits better, thus establishing a business model which supports the way in which we work with innovation.

"This innovative transformation has given us a stronger profile," says Jørgen Jacobsen, *"and placed us on a better and more competitive strategic foundation. The traditional production company has become virtual. We have, in popular jargon, cleaned up and concentrate now on what we're really good at. Only the profit-creating nucleus remains, while the physical production, storage facilities, textile dyeing etc. are outsourced."*

As a virtual production company, Gabriel is less vulnerable than previously, underlined by the fact that an expected fall in turnover from 279 million in 2007/08 to 190-200 million in 2009 because of the financial crisis is expected to occur with a continuing plus on the bottom line.

"The strength of the model which we have established is that there are practically no costs for which we can't immediately 'switch off the light' if we want to," Mr Jacobsen emphasises.

With 158 years of experience behind it, Gabriel is now one of the world's leading manufacturers of furniture textiles – and if it's up to the employees, there's one thing that won't be changed. Every single one of them has carried

out a competence development project "From Idea to Innovation – a journey for everybody at Gabriel". The journey was arranged by InnovationMaster, which acts as a partner for companies which need an innovative transformation in Gabriel's style.

That innovation will also occupy a central position in the future is emphasised by the fact that Gabriel currently has three radical innovation projects in concept and prototype phases with a view to taking out patents.

"We have never had an in-house patent, but under our 2005 vision, we intend to gain at least one patent before the end of 2010. We have a well-founded hope that we will achieve this vision," Jørgen Jacobsen concludes.

Facts:

The Innovation Cup was initiated and is run by Mandag Morgen (Monday Morning) in cooperation with Aarhus School of Business, Centre for Management, DTU Business and Innovation Inside.

The competition was run for the third time in 2009, and almost 200 companies competed.