

A year of calamity sharpens our sense of purpose

 FLORIAN STELLWAG, Chief Executive Officer of Saal Digital

I am Florian Stellwag, I joined the company in 2011 as a software engineer, as a software developer. Let's just say that with me, I brought digitalization to this company.

I joined the management team in 2016, and with the investment of Ardian, I switched to the main management team together with my colleague Robin and we are now responsible for Saal Digital.

The company was founded around 30–40 years ago by Reinhard Saal, and I am still responsible for software and some other parts. So, here is a quick introduction of myself.

Mainly, we are producing photo products, let's say high-quality photo products. When I think about our customers, they professional customers like photographers, and a lot of photo enthusiasts as well, so people who are really "addicted" to taking great pictures: they have great camera equipment and they love to take pictures with smartphones. So they are into taking a lot of pictures and they love to have the best quality.

So this is what Saal stands for in the end. We are a company who can produce the best products for the end product notably in Europe when you think about quality, delivery time and so on. And this is what Saal stands for when you think about the production part.

On the other hand, we are doing a lot with software development, we are creating our own software for our own business, we are creating software for our customers, and we are developing that continuously.

So, it's split – we have the production part, and we have that software development.

We are an Ardian Expansion portfolio company, and we are part of a big family. We work independently, we have of course our own meetings and our main idea that we all follow. So yeah, we joined Ardian in 2019 and we had of course a very challenging year. I think everybody in the world had a very challenging year in the end, a lot of changes happened, but I think we did good in the end, and I think there is a lot of potential and opportunities.

Chapter 1 - DIGITAL EVENT BEFORE THE CRISIS

Covid-19 of course changed a lot of things: how people are buying, and our customer group changed of course. Then I think about our operations. In the end, we are completely digitalized since 2013 so we have no paper, we have nothing in the end that keeps us fixed to a specific place. I'm not talking about the production facility because people need to work in production, but I'm thinking about marketing, software development, the people from office staff and so on. We are very flexible.

So in the end, for us, it was not a big change. We can easily adapt to situations like that. And we have no dependencies, we are not depending on any service provider, we have our own IT staff, we have our own software development staff, we have our own people in the company and I think that's one of the biggest, yes let's say, not goal we always had goals, but we want to always keep the value chain in the company not only related to products or production, it's also related to the whole organisation structure.

So we do not have external consultants, it means all the knowledge stays in the company and we are able to adapt easily.

So in the end, for us it doesn't matter where someone is located, we can work with everyone around the world and everyone is able to connect to our system at any moment, if necessary. So let's say we have a very flexible and agile way of working and we have that since 2014.

So I think for us, nothing really changed.

Chapter 2 - **ADJUSTING TO DISRUPTION**

In the end, we did not have to adapt any marketing strategy. I'm going to go back in time some years, we did some tradeshows, some fairs, we stopped that two or three years ago, so our whole marketing is only based on digital marketing. We do a lot of Instagram, Facebook, TikTok, LinkedIn and so on.

So in the end, that was supporting us, we were already dealing with digital customers.

The only thing that of course changed was our main customer group. When you think about the target I talked about before, we have a lot of photographers who were taking pictures at weddings, events, sport events, all the kids in school to photograph as well and all that, all those photography events disappeared from one day to the other.

I think that made us change our customer group, so we had to readjust which kind of customers we were targeting on social media, to whom we were targeting our campaigns to. But again, we are retargeting every day. So we are used to changing how we target, we are used to changing how we work on a daily basis. It was a bigger change in this case, but we could manage very easily.

In the end, everyone who works in any company and who takes pictures professionally is a casual customer as well.

And many events changed or disappeared last year or are still disappearing (it depends on the country), when you think about weddings, there are no weddings in most of the countries we are delivering to, so that changed.

But the way we can target customers, that does not change in the end. That's a good point.

Chapter 3 - **US EXPANSION**

One thing we always have to keep in mind: the US is not like a country in Europe like France or Germany.

So for us, the US is made of a lot of different countries with a lot of different behaviours.

So some of the states in the US have been completely affected by Covid-19, others in the end not at all. So it was a very different experience we had in the different countries and when I see it right now, I think a lot of restrictions have already gone in the USA. So people keep buying, they kept buying during the last year, I would say in some states maybe Covid-19 slowed down our expansion a bit in the professional sector, I'm thinking about photographers, but we were able to attract more casual customers in the US, so all in all, I wouldn't say it really affected or disrupted our US expansion.

I think when you were more in the south of the USA, it was less affected. When you think about New York for example or California, there have been more restrictions. So in the middle of the USA, there have been for whatever reason less restrictions, compared to when you are on the west or east coast, we could see that less people used wedding photographers. I mean, we are selling a lot of very exclusive wedding books to the USA, and of course the demand was a bit lower, but in other states the demand remained the same.

Chapter 4 - **GOOD TO PLAN, BETTER TO ACT**

What we've learned from Covid and I think not only us, but everyone learnt in the end, is that things can change rapidly. Things can change disruptively from one day to the other and I know from my experience that we heard about Covid-19 and quarantine from China.. But in the end, in Europe it happened within two – three weeks and a lot of things changed. From one day to the other that, people were suddenly in lockdown all around Europe..

And what we learnt in the end is that having a good plan is important, to know where you want to go and to know what's your target. But to be able to adjust in the moment, and from my point of view, to have the right toolkit, is always good. For example: if you say "OK, I see there is a change, and I have to change now and I'm able to make that change." Instead of "OK, I know I have to do something, but where do I get the people from, where do I get the processes from?"

That's what we've learned in the end: to be able to adapt in the moment and really have all the resources you need such as human resources and so on to be able to act right away.

We've seen for example a lot of companies we are in contact with, they were struggling to simply buy equipment. So for example to buy notebooks or screens to adjust to the Covid-19 pandemic and I think if you are not able to change your processes, if necessary, you are on a path to dependency and it's not easy to shift anymore.

That's my understanding, or our understanding.

Right now, we see two/three different things.

On the one hand, what we see is a lot more people who are really into photography, they like to take a lot more pictures, they like to take videos. So people are very much into that topic of photography now.

From my point of view, as in many industries in the end, a lot of people are taking pictures with a smartphone, they are sharing pictures with their smartphone, maybe they are not even printing them, but what we've seen is if people are really interested in high quality, it's really about their most important moments in life. Think about your wedding, think about your first child, think about graduation from school, things like that, they really, really like to spend a lot of money to keep those memories and that's what we've seen in the end and it's even more true when I think about the younger people joining our customer groups, they are even more interested in keeping the great moments, and as sustainability topics are more and more arising, I think it fits perfectly well with our strategy to only keep the right memories.