

GROWING GERMAN FILTRATION COMPANY ESTABLISHES NORTH AMERICAN HEADQUARTERS IN WISCONSIN

From their rolling hills to the home-grown values of their respective residents, the similarities between Germany and Wisconsin are striking. The state is well known for its German heritage, which makes it feel like a home away from home for German businesses looking to set up shop in the U.S.

ULT AG, a German leader in high-efficiency industrial air filtration and dust collectors, is no exception. The company designs and manufactures products used by many industries including medical, pharmaceutical, electronic and general manufacturing. ULT also offers solutions for process air drying and cleaning, as well as custom built units for special applications.

Over the last two decades ULT has grown into a sizeable employer in the Löbau territory in Germany with more than 100 employees. When the company's

growth allowed for expansion beyond Germany's borders, ULT set its sights on North America.

After an extensive review of potential locations for a new North American headquarters, including Texas, California and other Midwestern States, ULT chose a location with a strong German heritage: the southeastern Wisconsin city of Mequon in Ozaukee County.

"Our decision to move to Wisconsin was made based on a number of key factors, including the region's manufacturing strength, central location and proximity to a significant customer," said Wolfgang Koehler, CEO of ULT AG's North American branch. "Ultimately, we had two different approaches to our search; one was commercial, one was personal."



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THE BUSINESS NEED

In 2000, ULT moved to its current headquarters in Bautzen, Germany, which provided ample space for future growth. In 2004, ULT became a public limited company, and in its first expansion phase, ULT doubled its production area in just three short years. By 2013, ULT entered its next expansion phase, and once again doubled its production and office areas. Currently in its fifth expansion, ULT plans to add an additional 16,000 square feet this year.

As the growing company looked to establish a footprint and increase sales in the U.S., it was important to locate its U.S. headquarters in one of the manufacturing industry's "hot spots." The Midwest quickly rose to the top of the list, ahead of the East Coast, Texas and California. The convenience of traveling to any area of the country from the Midwest region also appealed to company executives.

Eventually, company leaders narrowed their top choices to Wisconsin or Ohio, but the many positive business and cultural benefits the Milwaukee area offered swayed ULT officials away from Ohio.

"We opted for the centrally located Great Lakes region and studied the cost of living, business friendliness and infrastructure, among other criteria," said Kohler. "In the end, with a tremendous amount of help from the Wisconsin Economic Development Corporation (WEDC) and Milwaukee 7, we chose the Milwaukee area. The people here have the same ethics and remind me of the grounded, earthy people of Germany."

The company's Wisconsin location will initially serve as a national sales office before ULT adds service

and hires additional staff as the business grows over the next three years.

"ULT's strategy is common for new international companies entering the U.S. market," said Beverley Ferrara, director of attraction and expansion at Milwaukee 7. "Establishing a sales office allows a company to get traction in the market before adding distribution, and finally production."

In fact, another German company followed a similar path. HAINBUCH GMBH, a manufacturer of clamping solutions, has a long history of innovation beginning with the original quick-change collet system, first patented in the U.S. in 1980. HAINBUCH America traces its beginnings to 1997 when the parent company opened its first sales office in suburban Milwaukee with Welge Machine Tool Corporation to market its line of modular, quick-change chucks.

In 2010, HAINBUCH America began to engineer, manufacture and service HAINBUCH's modular chuck systems, which led the company to move into its 14,000-square-foot manufacturing facility in the Milwaukee suburb of Germantown in late 2012. The plant houses HAINBUCH America's growing team of inside sales representatives as well as the company's engineering and manufacturing operations.

Since there were numerous similarities between the two German companies, Milwaukee 7 representatives put ULT's Kohler in touch with Sylvia Rall, managing director at HAINBUCH. The connection reaffirmed Kohler's perception of Milwaukee's manufacturing leadership and helped the ULT management team finalize their location decision.

90%
OF OUR DECISION
was based on what Wisconsin
could offer our employees.



“I was able to see the tremendous growth and support that HAINBUCH has experienced in the Milwaukee area, which really helped me visualize ULT making a home here,” said Kohler. “HAINBUCH has a very similar story and started out small with plans to grow. They’re now a large, stable company within the manufacturing industry and that’s exactly the path we plan to take.”

The coordinated support ULT received from local and state economic development organizations, including WEDC, also reflected well on the state in general and the Milwaukee area specifically.

“One of the most valuable things we, as economic development groups, can do for domestic and international companies looking to move to or expand in Wisconsin is to help them make the right connections and encourage collaboration within the private sector,” said WEDC international business director Mark Rhoda-Reis. “Those relationships and the collaborative environment we have throughout the state, have proven beneficial for many companies thriving here.”

BEYOND BUSINESS

In addition to connecting Kohler with professional service providers and manufacturers in the area, Milwaukee 7 also assisted with personal acclimatization to ensure he and his family get settled in the community as seamlessly as possible.

“I was looking for the best place to raise my five children, so quality of life was obviously factored into the search,” said Kohler. “When we decided it made the most business sense to move to the Midwest, we took a close look at Ohio, Indiana, Illinois, Michigan, Wisconsin and Minnesota to determine what made the most sense personally. It’s no surprise we ended up in Wisconsin. The state has everything we were looking for: good schools, four wonderful seasons, a tremendous quality of life, exceptional cost of living, low crime rate and much more.”

Kohler also applauded the support from Wisconsin organizations, area businesses and community members. “I’ve been getting so much wonderful support from Milwaukee 7, the Hays Companies, Baker Tilly, the German American Chamber of Commerce, Uptown Motors, the schools in Shorewood and many, many others. It’s the people I’ve met throughout this process—they are the ones who made this an easy decision.”



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THE TOTAL PACKAGE

The responsiveness of Wisconsin's economic development representatives played a significant role in Kohler selection of Mequon as the ideal location for ULT's first American facility. His correspondence and interaction with state leaders and economic development representatives reinforced his impression of Wisconsin's support of business growth, and his conversations and personal connections at the local level sealed the deal. Wisconsin's proximity to customers and deep manufacturing supply chain were also important factors in his decision.

"What I've learned over the past few months is you have to be close to where your customers are, and a huge part of our service is engineering and customizing," Kohler said.

Kohler has hopes of growing the Mequon branch to seven people within five years, and he plans to start a manufacturing operation in the area in the future. The Mequon office is at 6000 W. Executive Drive, an area Kohler said brokers at Milwaukee-based RFP Commercial helped him find while he was in Germany via emails and phone correspondence.

"With access to Wisconsin's highly skilled talent in manufacturing, I am confident we'll be able to grow and be an employer of choice in the area," said Kohler. "ULT offers excellent working conditions in a family-friendly environment and consequently supports talented young people for the future."

Milwaukee 7's Ferrara, who assists large corporations during relocation and expansion projects, said ULT's site selection process was extremely satisfying from both a business and a personal standpoint.

"In an extremely competitive industry, companies are looking at a mix of factors when it comes to location decisions," said Ferrara. "For those in advanced manufacturing, Wisconsin offers advantages in terms of the integrity of our people, an unmatched workforce, a robust supply chain and a business-friendly climate. Not to mention it's a great place to raise a family with an exceptional education system and outstanding quality of life."

The Wisconsin Economic Development Corporation is the state's lead economic development agency, and partners with a network of more than 600 regional and local entities to help businesses start, grow and locate in Wisconsin