

ELCON Systemtechnik: An innovative model in the European "Silicon Saxony"

White Paper



ELCON Systemtechnik, a German telecommunications company, due part of its industrial success to the economy of its region: the Saxony.

Environment

Saxony has indeed a long industrial tradition. Before the Second World War, this area was regarded as the locomotive of the German economy. In many areas, old know-how was preserved. For fifteen years, it has grown and developed its assets through a policy of targeted investments, whether public, private or mixed. The Free State of Saxony, a strong identity as affirmed as its Bavarian counterpart, played his own card, managing with originality and rigor the federal and European solidarity funds, for a clearly defined politic: to make Saxony competitive in globalization, focusing firmly on future slots, that is on products with high added value. **ELCON was therefore part of these new SMEs taking the development of niche technology.**

Since the fall of the Wall, the Land privileged productive investment in order to develop:

- Its innovative sectors:

Today, the four engines of the economy Saxon are the automotive, mechanical engineering, microelectronics / electronics and biotechnology.

Microelectronics has developed mainly around Dresden. At time of the GDR, the Robotron conglomerate manufactured the first generation of computers. Today, its successor is the greatest pole of competitiveness of European microelectronics, which is part of the top five globally. The first to settle in Saxony since the 1990s were the giants AMD, the world number 2 microprocessors, and Infineon attracted by the context. Saxony, for example subsidized AMD installation up to nearly €1 billion in Dresden, which has installed two factories and has announced the creation of a third pole. Thanks to the quality of researchers, 80% of AMD R&D is now in Saxony - although they were previously located in Californian Silicon Valley, the group's headquarters in Austin (Texas), or in Taiwan.

More than 200 companies in microelectronics (more than 20 000 employees) are now installed in Saxony. **If one considers the entire ICT sector, there are 1 500 companies employing 43 000 employees and achieving an annual turnover of 3 billion €**

- Its training system:

The industry players are grouped within the *Silicon Saxony* network, which monitors increasingly the tightened link between basic research and projects development. In this context, the Technical University of Dresden, Leipzig and the other seven high education institutions concerned have adapted. Businesses, ELCON being no exception, who settle in this area, know that they can directly hire young and performing graduates, training courses being designed ad hoc. Moreover, these universities sign research contracts with businesses, which allow them to finance in part thanks to new technologies they develop.

- Its infrastructure:

The quality and modern infrastructure is undoubtedly an asset. Regarding transport, Leipzig is particularly well served with an international airport, highways and ICE rail links at the crossroads of Berlin / Munich and Frankfurt / Dresden. All these interconnected equipments are new or completely renovated.

Rich from its cultural and industrial past, the Saxe gradually becomes as a model to follow in Europe redesigned. Its policy of openness to international trade, its adaptability to new economic globalization, its potential in high technology, its roads and airport renovated and its qualified workforce are **major assets in Europe to face the Asian giants.**

It is in this economic climate that ELCON evolved over 15 years now, keeping in its sights the following strategic objectives: flexibility, quality, innovation, competitiveness and internationalization.

ELCON Yesterday and Today

ELCON Systemtechnik GmbH with its headquarters in Hartmannsdorf (near Dresden), has become a European leader in the manufacture of transmission equipment and network access for the optimization of telecommunications networks over copper, fiber and coaxial cable. ELCON manufactures in Europe certified products from 34 countries and has delivered more than 8 million customers equipment (CPE). **The major European telecommunication providers, including Deutsche Telekom, France Télécom, Telefonica, Telenor and Telekom Austria as well as system integrators are part of major international ELCON customers.**

In 1990 ELCON starts developing and producing electronic components and devices for telecommunications and the automotive industry.

Then in 1994, with its successful pilot certification in accordance with the quality standard DIN EN ISO 9001, ELCON now dedicated to telecommunications markets with its main customer Deutsche Telekom AG.

1996 marks the beginning of a success story: CPE mass production is launched and it is considered as ELCON's best selling product ever.

In 1999, one million CPE has been manufactured and sold.

In 2000, keeping the target of mass production and with the support of the Land large investments in state-of-the-art production equipment need to be made. After buying an automatic SMT (Surface Mount Technology) line, allowing the placement of about 180,000 components per hour, (supplemented by stencil printing and reflow equipment) and a THT (Through Hole Technology) placement line with an hourly capacity of 6,000 components, ELCON is well-prepared for the expected further growth.

In 2002, ELCON reached the 5 million CPE sold. ELCON is also specialized in selling pair gain solutions (PCM). Those systems allow the transmission of several telephone accesses on a single copper pair from the central office up to the customer premises. At the same time ambitious plans for development on the xDSL transmission technology are launched.

In 2003, based on the Powerline communications technology, ELCON starts its engagement in developing the Coaxline technology. The first solutions for transmission over the cable TV network provide gross data rates of max 14 Mbps.

In 2005, ELCON diversifies and adds to its product portfolio tailored services of subcontracting purchase of components and production. The new business field EMS (Electronic Manufacturing Services) is born.

In 2006, the investing company CFC Industriebeteiligungen GmbH, listed on the Frankfurt Stock Exchange takes control of ELCON and Mr. Werner Neubauer was appointed CEO.

A new direction for ELCON is taken by investing in high-speed fiber technology answering the growing demand for high bandwidth.

Today ELCON is an internationally-active company (sales offices in Eschborn and Paris) on the telecommunications market that has managed to maintain its expertise in Europe facing the increasing of outsourcing in Asia. **With its special focus on optimized network solutions, ELCON ranks among the market leaders in the field of electronic components and devices. Network-specific and customized product development is one of the company's core competences.**

ELCON operates its own production, service and repair centre in Germany, less than two hours from Paris, and establishes support centres close to its customers. The high-automated production technology provides for a flexible and cost-efficient top-quality production of both small-sized series and high product volumes.

With its 160 employees including 42 engineers in R & D, ELCON constantly expands its product portfolio and has been awarded quality certificates from major telecommunications companies

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MINEFI-DREE/TRESOR (Embassy of France in Berlin, Mission Economique)

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