



HOLLU CASE STUDY

ÜLYSSES

DIGITAL STUDENT COMPETITION ON FAMILY BUSINESS



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1. SLOGAN/TAKE AWAY MESSAGE

“In everything we do, we take care to treat people and the environment responsibly.”
(Meinschad, Personal Communication, 4th June 2021)

2. KEYWORDS

- Sustainable Development Goals (SDGs)
- Leadership
- Impact Management
- Corporate Culture
- Family Business

3. ABSTRACT

The family business Hollu Systemhygiene GmbH is a mid-sized company that specializes on hygiene solutions and was founded in 1905 in Innsbruck, Austria. Sticking to its first principles and products, the company came a long way, expanded widely and developed innovative coordinated cleaning systems for all areas of cleaning and hygiene. Within the last few years, the company actively fosters the implementation of the 17 Sustainable Development Goals (SDGs) in every part of its strategy. Doing so, the company's aim was not only to evolve its own business, but also to inspire other companies too to jump on the 'band wagon' of sustainability and make the planet a better place. The ambition of Hollu is “to actively shape the future of hygiene” by focusing on the following key pillars: developing high-quality, eco-friendly cleaning solutions, continuous investment in innovation and technology, social responsibility, and sustainability in environmental, economic, and social matters to keep the planet safe for future generations.

4. INTRODUCTION TO THE SITUATION (STORY-TELLING)



“Well, Simon. I must say hearing you telling Hollu’s story and the company’s development over the past years, I am quite impressed. For me personally as an expert in the field of family firms, I think that the company, as it is today, is quite unique”, Professor Meier admits nodding as she listens to Simon Meinschad’s explanation. Simon Meinschad is the CEO of Hollu Systemhygiene GmbH.

He explains the company’s history and current challenges while taking a swift look outside of Professor Meier’s window, which is displaying the beautiful Tirolean Alps:

“You can’t get enough of this view, can you? But to get back to your former question of how to manage family firm continuity with an external CEO. Yes, I absolutely agree with you. I think it is not only the fact that I am an external CEO for the company. I mean, how common are external CEOs actually in family firms? Most of the family firm entrepreneurs I know really try to keep the business in the family. No matter what.”

Professor Meier nods again and replies: “That is absolutely correct. Usually, the value of family continuity is a main driver in family firms. I am not saying that there are no external CEOs, but that is certainly not the usual pathway. Nevertheless, I think that there is a trend. As working conditions and the people’s perspective on work change, more and more transformations also happen in the traditional family firm structures.” Simon Meinschad continues: “Yes, I absolutely see that. Especially the impact of today’s changing working environment. I mean, the SDGs: technically they are not obligatory or anything, but I really see a big value implementing them.”

“Okay, great to hear that. Could you describe the process of how Hollu implemented the SDGs in detail so that I can prepare the students before you join us in our next class?”, Professor Meier asks leaning forward reaching for a pencil. Simon Meinschad answers delightful: “Yes of course, I am sure that this will be very interesting for the students. Especially, since I am quite proud of my team and all their efforts. Okay so, I think it is important for you and the students to understand that it is Hollu’s vision and already was a major value driving the company’s development to contribute to our customers’ life quality, health and well-being by improving hygiene. Basically, the core strategy is incorporating the pillars: quality, innovation, and sustainability. We want those values to motivate all actions of the company. In addition, we try to provide excellence, eco-friendliness and regional solutions for all products we offer. And this is not only the status quo of today. As I told you earlier, the Holluschek family originally founded the company over 100 years ago and throughout its growth over generations, the desire to innovate products and develop sustainable solutions was always an integral part. During my regular meetings with the family, we have had many conversations on sustainability in general and SDGs in particular. Hence, the approach to take on the SDGs and realize them stems from this tradition of Hollu to be innovative, be responsible and make holistic



solutions accessible. So, today we actually have implemented all SDGs. And in turn, I believe that the SDGs helped us to become a more attractive employer.” Simon Meinschad pauses to let Professor Meier finish taking notes. As Professor Meier concludes her last point, she says: “Terrific. You said that the company has implemented all of the seventeen SDGs, the sustainable development goals. Can you tell me a little about how you decided to specifically target all UN’s development goals and maybe give an example of how the implementation of one specific SDG looks like?”.

Simon Meinschad continues: “The beginning of Hollu’s focus on the SDGs was when I took part in the United Nations Conference in Geneva. I was attending the conference on behalf of the Tirolean and Austrian Chambers of Commerce. At this event, I realized that our firm has the ability to have a real impact and change things. Sustainability is in our DNA, and I want us to be a role model for other companies. Just think about how great the overall sustainable development would be if all companies would act according to the SDGs. In the end, we carry responsibility for how we leave our earth for future generations. To give you an example, SDG#4 is about ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for everyone. In this sense, at Hollu we want to create the opportunity for continuing education for every employee. For providing this accessibility, we founded the so-called Hollu Academy, which offers a variety of different courses. The courses are set up for employees on all hierarchical levels, including different learning programs to develop new skills. Further, some programs teach the latest hygiene and quality standards. The Hollu Academy is also accessible to external students, and we continuously expand our range of courses. So, I understand the variety of training provided as an indicator of our customer-orientation. In this way, we can position ourselves better in the market. In a way the Hollu Academy became also a part of our business model. All in all, I am very proud of our development and I want to make sure that the SDG implementation and its continuous advancement will outlive me“, he concludes with a thoughtful look on his face.

5. INFORMATION ABOUT FAMILY BUSINESS

In 1905, the company called today Hollu Systemhygiene GmbH, was founded by Julius Holluschek at the age of 59 years. Originally, Hollu started with the production of cold-stirred soaps. Over the following two decades, the company grew continuously. Thus, in 1928 the product range expanded to washing powder. Continuing its success, the company started to supply, not only private customers but also hotels, hospitals and laundry shops. In 1956, Hollu employed 24 people. Ten years later, the company devel-



oped the first enzymatic washing powder used in Austria. Since then, Hollu has continuously evolved and innovated cleaning products. In 1972, Hollu grew to 80 employees and began to open up new markets. The company's orientation towards eco-friendly products picked up with the development of the first phosphor-free washing powder in 1984. Since then, Hollu assumes ecological responsibility for relieving the domestic waters and prelude to the ecological orientation of the Hollu product range. In 1999, Hollu was awarded the Austrian national coat of arms. The company celebrated its 110th anniversary in 2015. Today, Hollu employs 450 people and has €61 million turnover.

The company's business model is targeting a "system-solution" as it aims to offer cleaning and hygiene solutions for every possible problem. This includes products for personal hygiene (B to C) as well as industrial use (B to B). All products are high quality as the company targets top quality within their industry. Hollu's business activities cover the following areas:

- (1) Production of detergents, cleaning agents, and chemical products;
- (2) Production and distribution and trade in of chemicals, cleaning agents, and cleaning equipment;
- (3) Provision of services to clean all types of properties;
- (4) Production and repair of dosing devices for detergents and cleaning agents;
- (5) Acquisition and construction, use and management, as well as the taking and leasing of movable and immovable fixed assets.

Hollu has expanded its offerings from producing soap for cleaning purposes to offering a wide range of cleaning products and providing compatible cleaning systems for all areas of cleaning and hygiene. Hollu is a professional hygiene partner and full-service provider for 18,400 customers in various industries, such as hospitality, restaurants, and hospitals. Hollu's product portfolio encompasses a comprehensive range of over 3,500 high-performance cleaning and care products, including solutions for body hygiene, laundry care, dishwashing, as well as cleaning machines and dosing systems. Further, Hollu provides related services such as consultation, training and further education. Most of the products are manufactured in-house. In the light of recent challenges, such as the COVID-19 pandemic, this production strategy constituted a cornerstone of the company's success.

Hollu's aims to continue developing existing products. The company takes on a holistic approach for doing business, which includes for example the integration of employees in the strategy development and implementation. The main stakeholders are the employees, the clients, the suppliers, the owner and the advisory board, educational institutes, business partners, authorities, the municipality that acts as a supportive partner in the legal and regulatory sense to provide businesses with resources, neighboring



businesses and citizens. Hollu is engaged in sustainability and responsible management towards all its stakeholders. Hollu endeavors an open communication with its stakeholders to foster outstanding relationships with them. In addition, the company conducts surveys to evaluate and monitor the stakeholder's perceptions and satisfaction (Hollu Systemhygiene GmbH, 2021c).

6. DESCRIPTION OF CHARACTERS AND FAMILY BACKGROUND

Today, Hollu Systemhygiene GmbH is owned by Werner Hollushek who is also the chairman of Hollu's supervisory board, leading the family business in its fourth generation. Even though the Hollushek family stands behind the firm and is present at events etc., Werner Hollushek is the only family member actively involved in the company. No other family members are employed at the company. Werner Hollushek is part of Hollu's strategic leadership and leads the company together with Simon Meinschad. Wener Hollushek has no operative function. Thus, he is the owner of the company but not part of any operations. Since 2012, Simon Meinschad is the CEO of the company. Concerning the company's structure, the second level consists of systems management, controlling, product management, strategic procurement and systems development, and documentation. The third level hierarchy includes four different processes, which are human resources and training, administration, sales and marketing, and technology.

Simon Meinschad brought the SDGs to Hollu motivated by his attendance at the United Nations Conference in Geneva: "I believe our company is in a very good position to have a huge impact and make things happen" (Meinschad, Personal Communication, 4th June 2021).

The SDGs were defined by the United Nations in 2015 as seventeen global goals to eliminate poverty by the end of 2030, promote equality for women, improve health care and counteract climate change (United Nations, 2021). Simon Meinschad acknowledges his own stance as the company's leader in this matter with the following quote: "As a CEO it is my job and responsibility to create and provide a clear path for working together in the company now and in the future" (Meinschad, Personal Communication, 4th June 2021).

In this, Hollu strives to fully implement all SDGs and also initiates the necessary measures for this. Nevertheless, in the next paragraphs the SDGs are brought to the fore and mentioned, which have a special significance for Hollu.



The SDG#4 aims “to ensure inclusive and equitable quality education and promote life-long learning opportunities for all” (United Nations, 2021). At Hollu, SDG#4 receives special attention. Therefore, quality learning and equity in education is being promoted at Hollu on all levels of the hierarchy. Simon Meinschad said (Meinschad, Personal Communication, 4th June 2021): “Everyone should understand our vision - we leave no one behind”. For Simon Meinschad, employees are regarded as the company’s biggest asset. Especially with regard to future challenges, such as digitalization and automation in the labor market (Meinschad, Personal Communication, 4th June 2021).

SDG#6 aims to provide clean water and sanitation. Hollu focuses on water conservation through a water life-cycling approach, treating and reusing water to reduce overall consumption and minimize their impact on freshwater resources. They optimize cleaning processes by using highly concentrated liquids, achieving effective results with less water and reducing environmental footprint. Hollu is dedicated to minimizing microplastic release by seeking alternative materials and technologies. They prioritize the use of groundwater instead of drinking water for production, conserving potable water resources and ensuring safe drinking water availability. Therefore, specific products and services are developed at Hollu to act against water shortage, such as innovating disinfectants without oil basis and a special dosing system. Also, Hollu donates money and machines to charity organizations in developing countries (Meinschad, Personal Communication, 4th June 2021).

SDG#10 is dedicated to the reduction of inequalities of all kinds (United Nations, 2021). Hollu implements SDG#10 through a specific employee strategy which aims at improving working conditions for employees. Part of this strategy is the reduction of income inequalities through collective contracts and improved transparency. Social inequalities are tackled with donations. Also, Hollu educates employees concerning disabilities, hires people with disabilities and checks their accessibility. Moreover, Hollu pays men and women equally, which addresses also SDG#5, and provides benefits for families, such as a toddler group for employee children (Meinschad, Personal Communication, 4th June 2021).

SDG#12 aims to ensure sustainable consumption and production patterns (United Nations, 2021). Hollu integrates this SDG by producing and selling eco-friendly and employee-friendly products. Therefore, Hollu targets problems regarding material footprint, chemicals and waste. Communication plays a key role, also when it comes to communicating with their customers. Simon Meinschad elaborates: “We want to make our products even more sustainable. An important factor in this is to reduce raw materials and additives that are critical from an ecological or social point of view or to replace them with alternatives” (Meinschad, Personal Communication, 4th June 2021). For imple-



menting SDG#12 successfully, Hollu's products are sustainability certified. The company repairs the cleaning machines and containers for reusing renewable materials. The company adopts a recycling concept by promoting the return service for empty cans and contribute to CO2 emission reduction (Meinschad, Personal Communication, 4th June 2021).

SDG#13 is defined as "take urgent action to combat climate change and its impact" (United Nations, 2021). The implementation at Hollu covers communication with employees to whom incentives are offered. Also, employees are involved in every step. The biggest challenges for targeting SDG#13 constitute new laws, finding suppliers and customers, the current overall economic situation, lack of supplier's transparency and price increases (Meinschad, Personal Communication, 4th June 2021).

Hollu uses the SDGs as a framework for the strategy definition and for the employees' daily work. There are legal obligations attached. Simon Meinschad says:

"Sustainability is in our DNA. We believe that companies are in a very good position to have a huge impact and make things happen. What we really want to achieve is to inspire other companies to follow our path" (Meinschad, Personal Communication, 4th June 2021).

Simon Meinschad considers Hollu as a pioneering company and aims to inspire other family and non-family businesses to follow his approach. Therefore, Hollu implemented all seventeen SDGs in the company. In this way, all employee's actions are guided by the SDGs and the corporate culture based on shared values, such as ambition, decency, partnership, and responsibility is established. At the company, the employees' well-being is crucial, aligning with SDG#3. Simon Meinschad understands that the employees are the basis for the company's success and constitute the real asset through their commitment to the company. Thus, his vision is to ensure that at Hollu every employee can feel good and contributes committedly to the Hollu brand.

As a family business, Hollu focuses on a sustainable impact for all stakeholders such as the employees, the partners, and the customers. By implementing the SDG's, Hollu aims to create growth and value for people living in the region, aligning with SDG#8. Further, Hollu invests in research and development and creates innovative cleaning solutions, align with SDG#9. Over the past years, and especially lately, Hollu has invested in digitalization and industry 4.0 to meet the expectations of the market (Hollu Systemhygiene GmbH, 2020e).



7. PROBLEM TO SOLVE

Simon Meinschad was able to promote the SDGs at Hollu and incorporate every single one of the seventeen goals into the company's strategy. Still, the SDGs do not include any legal obligations or official certificates. For Simon Meinschad there were two main aspects that cause challenges for the SDG's implementation. On the one hand he realized that "one challenge is to bring all involved stakeholders together" (Meinschad, Personal Communication, 4th June 2021). Since at Hollu the people are the pillar for all business operations, he aims to involve all different stakeholder groups with his approach. This is particularly challenging as the stakeholder groups differ concerning their level of involvement, perspectives and expectations. On the other hand, the overall lack of experience with SDG work constitute a challenging hurdle.

Today, Hollu provides a report to inform about which extend goals were reached. This report is provided regularly (i.e., every three years). For the report, the Global Reporting Initiative (GRI) standards are used. The GRI standards are a set of guidelines for sustainability reporting. These standards provide a framework for organizations to report their economic, environmental, and social performance in a comprehensive and transparent manner. They cover a wide range of topics, including governance, human rights, labor practices, environmental impacts, product responsibility, and community engagement. The GRI standards help organizations measure, manage, and communicate their sustainability impacts and performance to stakeholders. They are widely recognized and used globally as a leading framework for sustainability reporting.

Today, Hollu is able to cover the GRI 102-48, 102-49, 102-51, 102-55, 302-1, 403-1, 404-3 and 417-1, partially or fully. For maintaining the GRI-standards and reporting the success all stakeholder groups are needed. Thus, Hollu tries to bring e.g. the employees together for discussing and assessing recent developments and possible improvements. This is often time and cost consuming. Also, highly committed employees, who understand sustainability efforts of Hollu and stand behind the SDGs, are important to continue our sustainability pathway (Hollu Systemhygiene GmbH, 2021c).

As pointed out by Simon Meinschad, one of the most crucial challenges was the lack of knowledge and experience with how SDGs work. Since no company implemented the SDGs before Hollu, the company lacked role models and faced some implementing challenges. The process of linking all SDGs to Hollu's actions took a lot of work and investment for the company and the employees. Simon Meinschad concludes that all efforts were worthwhile. Today, Hollu is a partner of the Tirolean Chamber of Commerce for the topic of the SDGs as the company gained exceptional knowledge and experience



in the field. Hollu is a best practice example for sharing their expertise. They are also hosting workshops on the topic together with the Chamber of Commerce.

Even though Hollu was successfully able to implement all SDGs, there are some problems arising. One challenge to solve is how documentation and reporting on the SDGs can be improved. Although the SDGs are implanted, integrated and lived at Hollu to some extent through specific policies and programs, the assessment of the different approaches is lacking. There are no clear measurements when a goal is achieved. This relates to aspects of planning, analyzing and reporting, as well as assessing outputs, outcomes and impacts when targets have been achieved. Moreover, a current question is how relevant stakeholders can be best engaged and how future pathways for further cooperation can be created. Thus, Hollu needs to develop its own kind of impact management. Especially, since Simon Meinschad is one of the main driving forces at Hollu to advance the SDGs implementation. But how can it be ensured that the company sustain these implementations continuously? How is it possible to maintain the relevant mindset, leadership, corporate culture and communication strategies? And what if Simon Meinschad decided to leave the company at some point of time?

8. QUESTIONS

- (1) How can Hollu extend the impact of currently implemented SDGs through the use of an impact management strategy (planning, analysing, reporting impact)?
- (2) Which outcome indicators or KPIs could measure the changes in conditions or behaviour resulting from implementing the SDGs?
- (3) How can the long-term success of implementing SDGs be ensured and continued in the future, especially in the event of changes in leadership structure or approach, or within a family or family business context?

9. INSTRUCTIONS FOR STUDENTS

- (1) Please read the case carefully and make yourself familiar with the company Hollu, as well as the Sustainable Development Goals (SDGs) by the United Nations.
- (2) Do research about impact management and work on a solution how Hollu can plan, analyse and report its impact in the future.



- (3) Do research about responsible leadership and think about a solution to maintain the success in the future although the team, family or the structure of the family business may change (e.g. Simon Meinschad leaves the company or retires).
- (4) Do research about the impact of a planned succession in family businesses and explain what could be its added value in ensuring the sustainability of the vision defined by Simon Meinschad.



10. EVALUATION

10.1 WRITTEN SOLUTION

- (1) The assessment is based on how the team was able to identify the problem/crisis/issue, defines clear and comprehensive aims on how to solve it and describes its approach and the reasoning behind it.
- (2) The assessment is based on the form and structure of the final output and if its presentation is creative (editing, tools used, design, attractiveness), comprehensible (red line), follows academic standards (citations) and uses adequate language.
- (3) Furthermore, the assessment takes into consideration if the team's solution provides an added value for the family business and its members.

10.2 VIDEO SOLUTION

- (1) The evaluation takes into consideration if the team's solution provides an added value for the family business and its members.
- (2) Moreover, the evaluation concerns the form and structure of the final output and if its presentation is creative (editing, tools used, design, attractiveness), comprehensible (red line), follows academic standards (citations) and uses adequate language.
- (3) In addition, the structure and outline of the presentation and working with others will be evaluated.

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