**The Triumph and Adler relationship**

At the turn of the 19th century the world was swept by a flood of technical innovations that paved the way for industrialization. One of them was the bicycle. In the 1890s the new vehicle took the public by storm. The predecessor of the modern bicycle--the*Velocipede*--was equipped with a giant front wheel and proved suitable only for acrobats. In 1884, however, two Englishmen invented a version with much smaller wheels which became increasingly popular. At about the same time two German entrepreneurs--Siegfried Bettmann and M. Schulte--founded a bicycle firm in Coventry, England, the Triumph Cycle Company Ltd. In July 1896 they established a subsidiary in Nuremberg, Germany--the Deutsche Triumph Fahrradwerke AG.

Six months after it had been established, Deutsche Triumph opened the Velodrom, a driving school for bicyclists. The Velodrom consisted of an open-air practice lot and a roofed cycling track where Triumph customers could learn to master their new vehicles. On Sunday afternoons, a crowd of curious spectators watched the bicyclists-in-the-making demonstrating their progress, while sipping coffee and enjoying live music. The creative promotion effort bore fruit. Deutsche Triumph realized a 10 percent profit from one million Reichsmark in sales in the company's first full business year.

under on Future of Space Industry Once Regular Travel Takes Off

Selling bicycles was a seasonal trade, however, and the company looked for new business opportunities. When the demand for bicycles dried out in the cold season, Deutsche Triumph used its production capacities to manufacture cigarette-making machines, surgery tables, elevators, and box springs. At the beginning of the 20th century the automobile caught most of the public attention. However, intense public interest did not immediately translate into purchases, due to the immense cost. This was an opportunity for another new vehicle which offered the convenience of motor-power but at a much lower price: the motorcycle. After German engineer Gottlieb Daimler had invented the world's first motorcycle in 1885, a number of manufacturers jumped at the opportunity. One of them was Deutsche Triumph, which presented its first motorcycle model in 1903. The company soon realized that the German market was still very limited and in 1907 decided to abandon motorcycles and focus solely on bicycles.

Only two years later Deutsche Triumph ventured into another new field when they took over the production of a bankrupt typewriter manufacturer in Nuremberg. The Norica typewriter became the company's second key product, and in 1911 Deutsche Triumph was renamed Triumph-Werke Nürnberg AG Nürnberg. Two years later Triumph-Werke became independent from its English parent company.

**Surviving Two World Wars**

During World War I, from 1914 until 1919, Triumph-Werke made supplies crucial for the war: beds and tables for field hospitals, fuses, and ammunition. After the war the company resumed the production of motorcycles and launched Knirps--the first German motorcycle with a two-stroke engine. The popularity of motorcycles grew during the 1920s, bolstering Triumph-Werke sales. In fiscal 1923-24 the company's output amounted to 1,600 motorcycles. Five years later it had grown to over 13,500. Triumph-Werke also continued making bicycles, almost reaching the prewar output of about 16,000 by 1921. However, the demand for bicycles started declining in 1927 and Triumph-Werke united both the bicycle and motorcycle divisions under one organizational roof. In 1928 the company launched a new motorcycle--K9 Supra--which was so small that a driver's license was not required to drive it. For a short time Triumph-Werke also made four-stroke motorcycles but abandoned them in the late 1930s.

In 1920 Triumph-Werke also started making typewriters again, continuing with the prewar model Triumph 2. In 1925 the company received an order for 600 typewriters from the telegraph service division of the German post office, the Deutsche Reichspost. Three years later a Triumph typewriter was shipped to the Vatican, and the company received an endorsement from the pope himself. Triumph's typewriters were continuously improved throughout the 1920s. In 1928 the company introduced three smaller typewriter models: Durabel, Norm 6, and Perfect. In the mid-1930s Triumph-Werke erected a brand-new building for large-series production of its standard typewriter. In addition, the company extended its product range in the office equipment sector and started making adding machines. By 1938 Triumph-Werke employed about 1,800 people and was grossing 15 million Reichsmark annually.

In 1939 Germany went to war again, and the country's economy was administered by the National Socialist government. Triumph-Werke's mainstay during this time was its BD 250 motorcycle, which the German army ordered by the thousands. By 1940 the production of typewriters for civilian use was restricted and ceased completely at the end of 1942.

World War II left the company's offices and production facilities mostly untouched. Triumph-Werke then received a production permit and started making typewriters, bicycles and bicycle trailers, wheelbarrows, and hand-drawn carts. In 1948 the company also resumed the manufacture of motorcycles and in 1953 launched a new line of mopeds and motor scooters. The mid-1950s also saw a new Triumph typewriter, called the Matura, equipped with a patented carriage return mechanism.

**Losing Ground and Independence: 1956-93**

In 1953, the takeover of Triumph-Werke by German entrepreneur Max Grundig, whose core business was in consumer electronics, ended the company's independence. Grundig reorganized the company to focus on office machines and shut down the vehicle production. Research and development (R&D) efforts were directed towards better electric typewriters which were becoming increasingly popular for their more comfortable features. With electronic data processing on the rise, Triumph-Werke introduced a telex-type tape punch in 1956. Triumph's new Family Typewriter--a name inspired by Grundig's granddaughter Gabriele--followed a year later. Another novelty--the F3 automated invoicing machine, equipped with a connector for card punches--marked the beginning of the office computer era. The company's new electric typewriter Electric 20 became its standard model of the 1960s. It was used by the world typing champion in Vienna in 1961, who scored 647 strokes per minute, setting a new world record.

In 1957 Triumph-Werke acquired a minority share in Frankfurt/Main-based typewriter manufacturer Adler. Combined, the two companies controlled over 50 percent of the German market for typewriters. By 1968 Triumph-Werke had an 82 percent stake in Adler, and the latter was merged with Triumph and the company renamed Triumph-Adler. Just around the time that the integration of the two companies was completed, Grundig sold Triumph-Adler to Beverly Hills-based Litton Industries Inc.

Backed by the new parent company, Triumph-Adler set out to conquer the growing market for microcomputers. In 1969 the company introduced the new TA 100 computer series. Triumph-Adler's microcomputer division--including R&D, manufacturing, marketing, and distribution--was based at headquarters in Nuremberg. In 1971 the company launched the TA 10, which dubbed "the people's computer." It was the size of a suitcase and offered at a competitive price. Only two years later Triumph-Adler had sold over 10,000 of the computers. Still, typewriters accounted for more than 60 percent of the company's total sales. In 1977 Triumph-Adler acquired the U.S.-based Royal Group, using the company's production plants and distribution network to enter the American market. Ten years after the Litton takeover, Triumph-Adler's sales had grown ten-fold. The company's professional microcomputers had a 19 percent market share in Germany, a share larger than that of any other competitor.

In March 1979 German auto maker Volkswagen AG bought 55 percent of Triumph-Adler's share capital, acquiring another 43 percent from Litton and German Diehl GmbH in 1980. The company, which by 1980 had over 17,000 employees on its payroll, was renamed Triumph-Adler AG für Büro- und Informationstechnik.

That year marked the beginning of a challenging era for Triumph-Adler, as the company reported a loss of DM 50 million. In the following years, top management focused on downsizing and restructuring. The company's workforce was cut in half and distribution was extended to include department stores. None of these measures, however, stopped the company from falling behind the competition. By 1986 Triumph-Adler was only number five in the German market for professional microcomputers, with its market share having shrunk to 6.4 percent. In that year, Volkswagen sold most of its holdings in Triumph-Adler to the Italian Olivetti group, one of the company's main European competitors.

The new parent, however, was not able to rescue the company from its downfall, caused by the increasingly popular IBM personal computers which rapidly replaced the older microcomputer technology. By 1988 the number of employees as well as the company's revenues had shrunk to less than half the figures of 1984. Only the company's typewriter division turned up a profit.

In the early 1990s Triumph-Adler became Olivetti's headquarters for office machines and an original equipment manufacturer for other computer makers. In 1991 the company launched a self-developed laptop computer. However, the rapidly declining prices for computer hardware components and the development cost for the new TA portable computer pushed the company heavily into the red. Moreover, parent company Olivetti was struggling too, cutting down on orders for Triumph-Adler by one-third. All of the company's production facilities in Nuremberg, Fürth, and Schwandorf were shut down while production was moved out of the country. Most of the company's assets, such as real estate and machinery, were sold to cover some of the DM 160 million in losses that Olivetti incurred in 1992 alone.

By 1993 Triumph-Adler had shrunk to a quarter of its former size. It was, in fact, left only with the typewriter production business in Frankfurt/Main. In that year Olivetti decided to rid itself of the loss-making enterprise and canceled the agreement with Triumph-Adler that had guaranteed that the Italian parent would be responsible for making up Triumph-Adler's losses. Olivetti then integrated Triumph-Adler's office machine distribution subsidiary, Triumph-Adler Vertriebs GmbH, into its own business.

**New Beginning as a Management Holding in 1994**

In 1994 a group of investors, including two banks, an insurance company, and private investors, bought what was left of the former international brand typewriter maker. Within a few months they transformed the former manufacturing company into a management holding for mid-sized businesses. Those businesses--the backbone of Germany's economy--were struggling with several problems, including the challenge of finding successors for their enterprise if their own children were not available for the family business; financing research and development efforts or larger investments; and organizing and managing their companies more efficiently in increasingly competitive markets. Triumph-Adler's new management offered an umbrella under which such mid-sized companies could better meet those challenges. The idea behind the management holding model was to realize higher profits through bundling the resources and know-how of several mid-sized companies within in the same industry or market, but keeping intact their flat, more flexible organization.

Equipped with several hundred million in cash from outstanding Olivetti payments, the new Triumph-Adler holding company went on a shopping spree. In addition to the already existing holding for office related products, Triumph-Adler acquired a broad variety of companies, from toy manufacturers to health related products, and organized them into four major business divisions: TA Office, TA Toys & Leisure, TA Health and TA BauTech. The latter included a number of manufacturers and service providers in the construction industry.

In 1997 Triumph-Adler closed down its typewriter plant in Frankfurt/Main. In the mid-1990s the market for typewriters had shrunk drastically, by about 30 percent in 1996 alone. Personal computers had won the race against the more limited capabilities of the typewriter. Although in 2001 the company still sold Triumph-Adler typewriters worth EUR 12.7 million, the business was not profitable anymore.

For the better part of the late 1990s Triumph-Adler seemed to randomly add or dispose of its various subsidiaries. In 1997 the company sold off its health division which it had acquired two years earlier. In 1998 the management holding added a new business division in the area of electronics after the acquisition of the Hueco Group, a manufacturer of electrical and electronic components for the auto industry. In 1999 Triumph-Adler organized a public stock offering for their subsidiary Zapf, a manufacturer of dolls based in Rödental near Coburg with a long-standing tradition. It premiered on the Frankfurt stock exchange as Zapf Creation AG. In the same year the company acquired the firms Bell-Hermetics, Concord, Migua, PPE, and UTAX, some of which were sold off again soon after.

However, the concept of the*Mittelstandsholding* did not seem to turn up the profits expected by management and investors. The company's portfolio had branched out into many areas which were not connected in any way. In 2000 Triumph-Adler's top management decided to streamline its holdings and focus on office-based printing, imaging, and presentation technology. The new core business division was renamed Triumph-Adler Experts @ Output. The company's new strategy included selling off subsidiaries not related to the core business and acquiring new holdings in the defined area. In May 2001 Triumph-Adler sold its remaining shares in Zapf Creation. The cash inflow of EUR 30 million prevented the company from having to report a loss in the business year 2001. Looking to the future, Triumph-Adler planned to dispose of its holdings in the areas toys and leisure, construction technology, and electronics by 2003.

**Principal Subsidiaries:** Triumph-Adler Experts @ Output GmbH; Triumph-Adler Output Solutions GmbH; TA Leasing GmbH; Triumph-Adler Ost GmbH; Triumph-Adler NordWest GmbH; Triumph-Adler SüdOst GmbH; UTAX GmbH; UTAX (U.K.) Ltd.; Triumph-Adler A-Vi-Tec Präsentations- und Medientechnik GmbH (97%); Presentation Products Europe Holding B.V. (Netherlands; 85%); TA electronic Holding GmbH; TA BauTech Holding GmbH; Concord Kinderautositze GmbH & Co. KG; Tectro Spielwaren GmbH; Triumph-Adler SüdWest GmbH.

**Principal Competitors:** Buhrmann NV; Guilbert S.A.; Staples, Inc.

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**Source:***International Directory of Company Histories*, Vol. 48. St. James Press, 2003.

**Key Dates:**
**1896:** Deutsche Triumph Fahrradwerke AG is founded in Nuremberg.
**1909:** Triumph starts manufacturing typewriters.
**1953:** Triumph is taken over by Max Grundig, merged with Adlerwerke, and renamed Triumph-Adler.
**1968:** Litton Industries Inc. becomes the company's new majority shareholder.
**1979:** Triumph-Adler is acquired by Volkswagen AG.
**1985:** The company is renamed TA Triumph-Adler AG.
**1986:** Italian Olivetti group takes over the company.
**1994:** Olivetti sells to a group of German investors; Triumph-Adler becomes a management holding company.
**1997:** The Triumph-Adler typewriter production in Frankfurt am Main is closed down. **2000:** Triumph-Adler declares imaging and output solutions its core business.