

## **We will make it happen! An interview with Tino Henn**

**The management of the Bruno Gmünder Group looks to the future with high hopes. The starting point is the financial recovery of the company through insolvency.**

On the 28<sup>th</sup> of May the Bruno Gmünder Group filed for insolvency. Three years ago Tino Henn, Nik Rice and Michael Taubenheim bought the company from its founder and former owner Bruno Gmünder. The Editor-in-Chief of the magazine *Men* - David Berger spoke with Tino Henn, the chairman of the Management Board, who has been responsible for the desperately needed expansion and reorganization of the company.

### **1. Firstly allow me a personal question: when you notified the employees last Wednesday about the insolvency, I had the impression that this step did not come easily.**

First of all, it is a step - when you have invested all your energy in a company which you have believed in over the years – which is as a whole of course not easy. To say that to my staff, who, over the years have also invested an enormous energy in the company, was in addition a terrible situation. But we have also grown together in the last few years with all the challenges, making an open approach to the bankruptcy possible - and also the reactions have given us enormous courage: Now we have to grit our teeth and get it over with. Let us get on with it, we are good, we can do it! In addition, following the press releases on the insolvency, comments in the social networks included: "The Community needs you! You'll make it! But you also have to adapt to the new circumstances!"

### **2. Was this insolvency was not foreseeable? Who buys a somewhat outdated publishing house in the middle of the greatest crisis in the publishing industry since the invention of the printed book?**

It was not so, that at that time we did not know about the crisis in the print sector. On the other hand we saw and we see the enormous potential of this company: we have a clear target group, for which there is no significant alternative to us worldwide. This of course applies firstly for the German-speaking countries, but also for the huge US market. Many of our books and e-books now also appear in English and high-quality photo books are still bought and are not affected at all by the publisher crisis. In addition, there are long-established brands in our company: I am thinking in particular of the Spartacus Guide, but also our magazines. Interestingly, in the last few days we have quite often received the comment: I hope it is not the end of "Men" or "Spartacus". These traditional products, however, require a contemporary business model (Internet sites, Apps, etc.). Over the last few years we have been working on these extensively. In addition there are still completely new ideas and branches, in which we have planned to expand our range.

### **3. Great ideas - but no successful implementation?**

Yes, we were indeed attracted by promising ideas. We did not buy the company because we were bored, or because we didn't have any other perspectives - quite the opposite. We also knew that new business models, including a large scale expansion of our Internet visibility, the introduction of a merchandise management system and better external communication, i.e. a marketing department where internal and external partners are urgently needed.

#### **4. Again my question: a lot of effort, but no success?**

In view of the insolvency perhaps it does not look like it, but we have had the following successes: a particularly mention to our substantial increase in sales in the Brunos shops and from our internet shop Brunos.de. In addition new channels in international business and the expansion of the book publishing business, including comics and e-books and the digitalization of our products (Spartacus app).

#### **5. Then ultimately, it didn't work out. You have simply overlooked important things?**

The expenditure incurred in the purchase of the company was of course perfectly clear. But the modernization costs which had to be undertaken (inventory management, staff, web pages), evolved into a mammoth task. It bound too many resources for too long. Parallel to this, the change in the market took place much faster than expected. For us, and probably for the seller too, this was not foreseeable when we took over the company. This is a bit like when you buy a used car. We knew that the exhaust needed to be repaired and new winter tires had to be bought, but after a month the transmission was broken, because in the past too little oil was filled in the engine.

#### **6. That means that you were on the right track, but you don't have enough time and money?**

Unfortunately that's exactly how it is. And this is particularly painful: if you have promising ideas, the first important successes start to show; you know that you're on the right path, to make the company competitive for the future and successful - and then there is no money or time, in which the successful renovation can be financially implemented.

#### **7. What should the insolvency effectuate? Can a positive outcome be achieved? Why was this step taken?**

This was the only way to rescue the company and create a new start. An insolvency in Germany always has the aim to save the company. It is almost like a rehab measure for the company. This is the first step to a successful new beginning. And we are convinced this will be possible.

For any further queries, please do not hesitate to contact Dr. David Berger at: [david.berger@brunogmuender.com](mailto:david.berger@brunogmuender.com).

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