

Franke & Heidecke files for insolvency

Franke & Heidecke GmbH, Feinmechanik & Optik, based in Braunschweig, Germany, has filed for insolvency.

The Hans R. Schmid Beteiligungs GmbH, Offenburg, acquired the majority shareholding in the company in September 2008. For majority shareholder Hans R. Schmid, a devoted supporter of the company's products, who had described his commitment as a matter of personal importance, there was no alternative to filing for insolvency any more.

Although it had already been obvious at the time of the take-over that a successful restructuring would cost substantial effort, Schmid accepted the responsibility and acted determinedly. Additional specialists were employed, weak points in the company were examined and millions were invested et al. in production and quality management.

Due to these measures quick progress could be made, however, the massive failures of the past could not be resolved in the required time. When recently financial and other old liabilities turned up, which had not been known to the new shareholder at the time of the take-over, it became evident that a financial reorganization would not be possible even by investing further millions. This all the more, as additionally negotiations with important business partners, banks and the attempt to obtain public funds failed.

In spite of considerable risk of loss the new shareholder invested repeatedly until the very end and has preserved the company and the hope to maintain 131 jobs for a long time. Now the insolvency could not be avoided any longer. In total Schmid invested millions in the two-figure range.