



Carsten Knop

# FREUDENBERG

1849–2024

A Start-up in a Revolution



**campus**

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A Start-up in a Revolution

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# CONTENTS

- Preface ..... 9
  
- 1 Foundation of the company** ..... 13
  - Foundation in the midst of a revolution ..... 13
  - Why Weinheim? ..... 15
  - Excursus: Leather production* ..... 17
  - Application to acquire the tannery in 1828 ..... 19
  - Acquisition of the tannery in 1829 and Carl Johann Freudenberg joins the firm in 1833 ..... 22
  - Career success, starting a family – and rescue from insolvency ..... 24
  - New beginning on February 9, 1849 –  
The foundation of Heintze & Freudenberg ..... 29
  
- 2 Formative years, innovations and growth** ..... 31
  - From innovative patent leather to the foundation of the  
Carl Freudenberg company ..... 31
  - On correct behavior towards one another – the Business Principles .. 40
  - Excursus: Social responsibility – Part 1: From foundation  
to the outbreak of World War I* ..... 44
  - Hermann Ernst and Friedrich Carl Freudenberg: America,  
chrome tanning and a new patriarch ..... 45
  - Changes in the ownership structure ..... 51
  - The educational pathways of the third-generation managing  
directors ..... 56
  
- 3 From World War I to Great Depression** ..... 61
  - World War I and its impact on Freudenberg (1914-1918) ..... 61
  - Excursus: Social responsibility – Part 2: From the First to the end  
of the Second World War* ..... 70
  - Hyperinflation and emergency money ..... 70

Trade unions .....	73
Foundation of F&Co. (1921): Separation of the administration of the family shares from business operations .....	75
Death of company patriarch Hermann Ernst Freudenberg (1923) ...	76
Complete transfer of responsibility to the third generation .....	77
Recapturing the markets .....	80
The Great Depression and its consequences .....	84
Developing technology and driving diversification .....	87
<b>4 Freudenberg in the Nazi era .....</b>	<b>97</b>
Freudenberg after the Nazis came to power and the Management Board's political stance .....	97
Conversion to a limited partnership .....	106
"Aryanizations" and Aryanization attempts .....	108
Armaments production at Freudenberg .....	114
Effects of World War II on the company and its workforce .....	117
Forced labor at Freudenberg .....	120
The "shoe test track" in Sachsenhausen concentration camp .....	123
Companies' room for maneuver between 1933 and 1945 - An essay by Werner Plumpe .....	127
<b>5 New beginning and economic miracle - Internationalization and diversification .....</b>	<b>137</b>
The new beginning: The legal investigation .....	137
The company under trusteeship .....	145
Richard Freudenberg as a politician in the young Federal Republic of Germany .....	152
Rebuilding the leather and shoe business .....	158
<i>Excursus: Social responsibility - Part 3: From the end of World War II to the end of the 1950s .....</i>	<i>169</i>
Nonwovens become Vileda .....	170
The emergence of the first filters, innovations and the construction of the Berlin Wall .....	176
The development of the seals business .....	178
Entry into the vibration control technology segment .....	182
The further development of the Nora segment: the first rubber floorcoverings and increasingly more rubber shoe soles .....	185

Environmental commitment in South America: Forestry and timber businesses in Brazil .....	187
New generation on the Management Board .....	189
Heinz Hoppe and Freudenberg .....	192
Hans Freudenberg and education .....	195
Era of full employment: Internationalization of the workforce in Weinheim .....	197
New partners in Japan .....	199
The transition from Richard to Hermann Freudenberg .....	203
Computing and modern business management .....	209
Entering the lubricants business with the takeover of Klüber .....	213
<b>6 Freudenberg under the influence of economic crises, growing complexity and innovations .....</b>	<b>219</b>
The end of the boom and the acceleration of structural change in the markets .....	219
The structural crisis in the German leather industry and its effects on Freudenberg .....	225
The first female executive at Freudenberg and environmental protection .....	236
The struggle to retain the shoe and synthetic leather business .....	238
Freudenberg and SAP .....	240
Sealing and vibration control technology between oil crisis, German reunification and López effect .....	247
Teething pains in China .....	259
Structural change? Innovation! Internationalization!	
The nonwovens business from the 1960s onward .....	264
A new market: Freudenberg in India .....	276
Vileda takes households by storm .....	281
The rise to become a global player: The development of the Klüber Group after being taken over by Freudenberg .....	289
Further development and farewell to Nora .....	293
<i>Excursus: Social responsibility - Part 4: Up to the mid-1990s .....</i>	<i>303</i>
Managing complexity through organization: From division organization to "Freudenberg Organization for Customer-Oriented Corporate Structure" (Focus) .....	304



<b>7 Sustainability, mobility, digitalization – The company since the turn of the millennium</b> .....	315
Euro, terrorist attacks, financial crisis, conflicts, pandemic – Freudenberg in a changing world .....	315
The organizational and strategic evolution: Focus 1 and its successor, Focus 2.0 .....	325
Progression to Focus 2.0 .....	334
<i>Excursus: The history of the Freudenberg logo</i> .....	338
Planning the future: The Odyssey project .....	338
The digitalization of Freudenberg .....	340
Digitalization in training, research and development .....	345
<i>Excursus: Social Responsibility – Part 5: Since the mid-1990s</i> .....	353
Freudenberg and mobility in the 21st century .....	356
The fuel cell – a technology for the future .....	368
Demographic change – a great opportunity for Freudenberg .....	376
Household Products, demographic change and globalization .....	384
Commitment to sustainability for future generations .....	389
Sustainability in the chemical sector .....	394
Sustainable solutions for the oil and gas industry .....	396
A systematic sustainability strategy .....	402
Leadership, family, values .....	406
<b>“Freudenberg will remain a family-owned enterprise” – Interviews with Mohsen Sohi and Martin Wentzler</b> .....	419
<b>A sustainable corporate culture – Freudenberg as a generational model</b> .....	431
<b>How archive treasures are revealed – The story of a traveling company and R.F.’s wardrobe trunk</b> .....	435
Annotations .....	437
Bibliography and list of references .....	517

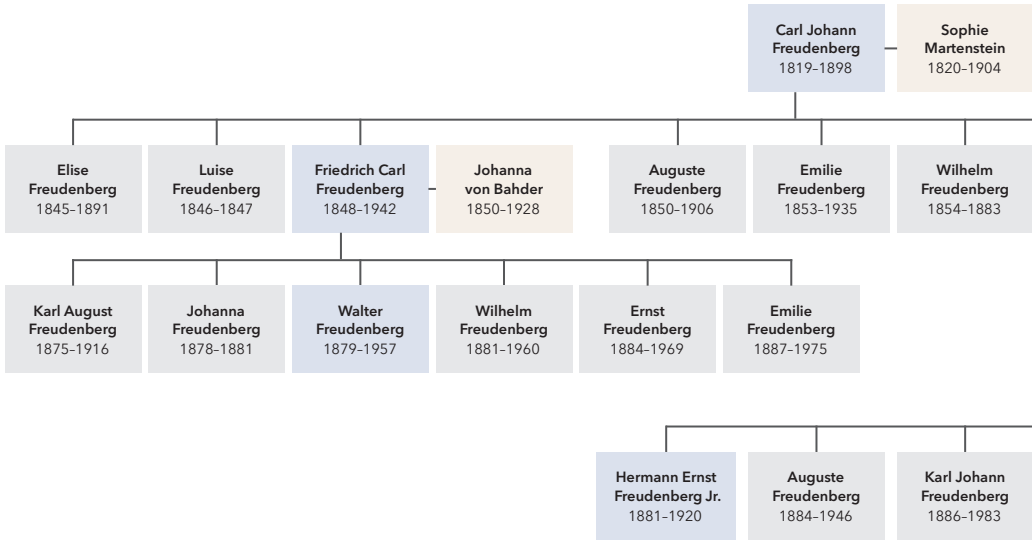
# PREFACE

For the first time since it was established 175 years ago, in the middle of the 1848/49 revolution, the Freudenberg family enterprise from the southern German town of Weinheim has had a completely source-based company history compiled. The result is a book about a classic “hidden champion”, written for the Freudenberg family and all Freudenberg’s employees, for family enterprise owners, for history lovers, but also for people who would like to read a business novel from real life. If a company prospers through all upheavals – starting with the foundation of the German Empire, through World War I, the hyperinflation of the 1920s, the Great Depression, the Nazi dictatorship, World War II, the foundation of the Federal Republic of Germany, right up to a globalized world with a pandemic and digitalization – and if it defies all menaces, if it remains inventive and socially committed throughout, then that is a really good story.

And Freudenberg’s story has been defined by the people involved, by their acumen and their talent, by setbacks and by location factors right from its foundation. Likewise, it has always been defined by competitors and amicable collaborations, as well as by the requisite modicum of luck that has constantly accompanied the internationalization efforts that were recognizable from early on.

Is Freudenberg still a classic family enterprise, given the size it has achieved on this journey? The answer is a definite “yes”. There is a relationship between size and the transition to external control, but this is considerably more pronounced in the USA. In Germany, in contrast, the large family enterprises are characterized by significantly higher longevity and continuity. And Freudenberg is one of these too.

If we take a look at the lists of the 25 largest family enterprises in both countries, what stands out the most at first glance are the similarities.<sup>1</sup> In both countries, family enterprises top the rankings in individual sectors, and they include well-known brands and global corporations: Ford and BMW in the automotive industry, or Bertelsmann and Fox in the media sector. And then there are the companies which management consultant Hermann Simon called the “hidden champions”. They are market leaders in their respective sectors and segments,

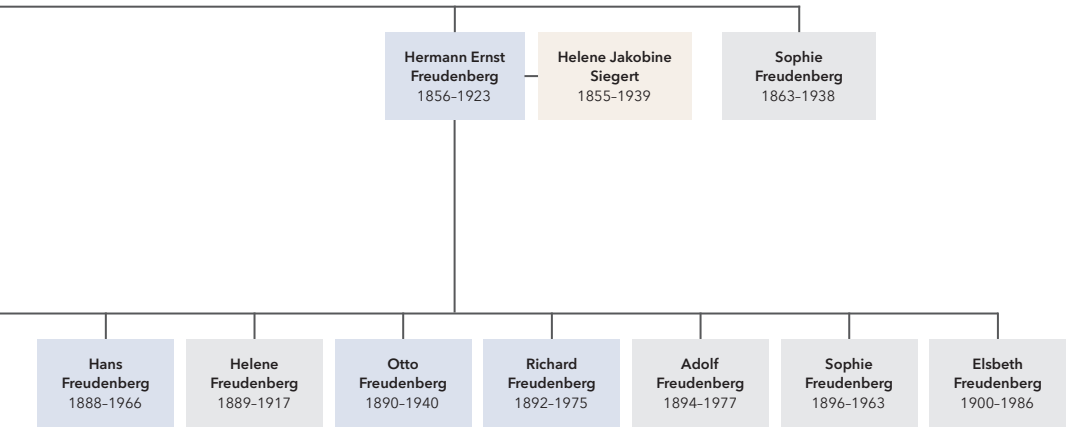


**Fig. 1** Freudenberg family tree, 1st to 3rd generations (the names in blue boxes are people who worked at the company)

or among the top three, and generate billions in turnover. However, they are virtually unknown to the general public. But particularly, they are mostly fully owned by families right up to the present day, have high equity ratios as well as a high level of vertical integration, conduct intensive research and development, and maintain close relationships with partners and customers. On the other hand, they tend to behave with reticence towards the general public. That is no different at Freudenberg.

The capital market in Germany is less efficient in contrast to the United States and the United Kingdom, a fact which leads to the low market capitalization of German companies in an international comparison. This is an advantage. For family enterprises, the incentive to list the company on the stock exchange was and is appreciably smaller. The result is that the shares, or at least the majority of them, tend to be owned more often by the respective families in Germany than in the United States, which is much more capital market-oriented. This is associated with the markedly lower importance of institutional investors, as in hedge funds, pension funds and private equity companies, who are constantly on the lookout for attractive family enterprises as candidates for a stakeholding or takeover.

Such a thing was never an issue anyway in Weinheim, the company's headquarters: Here, the family enterprise was maintained and at the same time it



was ensured that the expertise of external managers in executive positions was used as well. Thus there was never an issue of needing a successor from within the family, something which is frequently a catalyst for the sale of a company. Because as early as 1914, Hermann Ernst Freudenberg, a son of the company's founder, was of the opinion that the company did not have to be run solely by family members. In the 1970s, the first managers from outside the family were admitted to the Management Board to promote professionalization. Guidelines for employing family members in the company guarantee equal opportunities and the achievement principle. These rules were adapted later to enable family members to maintain a special connection to the company.

In 2012, discussions about employing family members were held again and new guidelines were drawn up based on interviews and a benchmark study. These now stipulate that family members are only permitted to join the company at executive level after demonstrating external success. Overall, we see a story emerge about how the company management developed from a purely family setup right up to a professional and performance-oriented structure.

However, this book also describes the daily and strategic challenges that companies like Freudenberg face – a family enterprise that has been successful over several generations. In this context, Freudenberg benefits time and again from its collective memory and a strong corporate culture that enable it to draw

the correct conclusions from previous occurrences and prepare for the future. Collective knowledge, innovation, adaptability and a long-term mindset are key to handling technological and political change. But a long-term mindset should never be confused with forbearance. That too is something which current and future managers and shareholders' representatives must communicate time and again to Freudenberg's employees.

These employees meantime come from more than 100 countries and live on an Earth that is threatened by climate change. Employees in this context naturally always means everyone in all the countries and from all nations in which Freudenberg operates. Freudenberg strives to tap the strengths of diverse cultures and create a shared value system. This is related to the objective of being a carbon-neutral company by 2045 – and helping the world to operate increasingly more sustainably itself, and various products play a role here, but especially hydrogen too as a source of energy. The coming 25 years up to the company's 200th anniversary will not be any less exciting than the time which has passed since its foundation. But in an intact family, people think in terms of generations. A culture cannot be any more sustainable, in every sense of the word and in every respect.

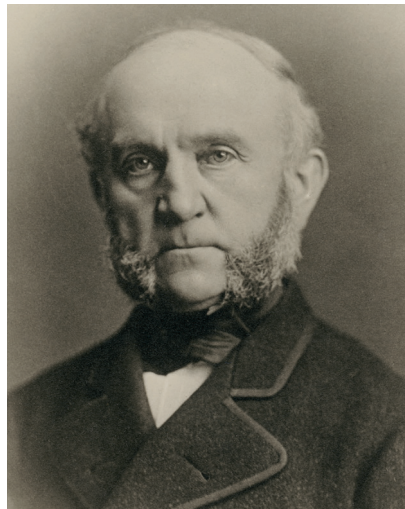
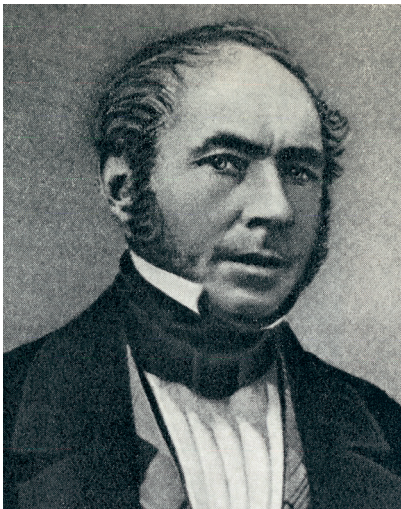
*Carsten Knop, in spring 2024*

## CHAPTER 1

# FOUNDATION OF THE COMPANY

### Foundation in the midst of a revolution

It is February 9, 1849, a Friday. On this day, Carl Johann Freudenberg (1819–1898) and Heinrich Christian Heintze (1800–1862) establish a new firm based in Weinheim. It bears the name “Heintze & Freudenberg”<sup>1</sup>. 1849: It is already quite a feat for a company to have this year on its files as its founding year. And then in Baden of all places. Because this state was where the revolution in Germany had originated the previous year, and a civil war still raged here in the summer of 1849. It was in this revolutionary Baden, or more precisely, in Mannheim, that Carl Johann Freudenberg lived with his young family. There was uproar in Mannheim in the true sense of the word: “[Here, in February 1848,] a first revolutionary people’s assembly took place with more than 2,500 people; countless more followed across Germany in the subsequent days and weeks.”<sup>2</sup>



**Fig. 2-3** Heinrich Christian Heintze, around 1850 ■ Carl Johann Freudenberg, around 1875

The demands were: freedom of the press, local militias, jury courts and, as the revolution progressed, a national German state with a freely elected parliament. In Baden, the revolutionaries were divided into two camps: the liberal constitutionalists and the radical democrats. Unlike in Württemberg, the liberal forces in Baden did not manage to sway public opinion. From then on, it was no longer a matter of effecting change within the existing political system there, but of achieving radical upheaval.<sup>3</sup>

Anything seemed possible in this Germany which did not even exist yet as a unified national state at that time. The country was a patchwork of independent territories, and the Grand Duchy of Baden was one of them. The ruling order that had prevailed in the German Confederation<sup>4</sup> and in Europe after the end of the Napoleonic era was beginning to falter. Businesspeople, who generally tend to favor stable political conditions, followed events anxiously. This also applied to the founders of what is now the Freudenberg Group, Heinrich Christian Heintze and Carl Johann Freudenberg, and their family members.

There was an additional factor: In the midst of the revolution, Carl Johann Freudenberg's son Friedrich Carl was born in Mannheim on November 28, 1848. They were setting the course for both their professional and personal future, just wanted to have their peace – and got upheaval instead.<sup>5</sup>

Take over a business, even if it is with a partner – in uncertain times like these? That requires not just the right character traits, but also the right companions, in equal measure, in a person's professional and personal life. Carl Johann Freudenberg was fortunate enough to be able to combine these ingredients. But this good fortune did not run in his family. These were turbulent times, people had much less money, but more children, than nowadays. They died younger, and their surviving relatives had to start from scratch over and over again.

In Freudenberg's case, everything culminated in the events of the revolution, which was not merely a catalyst for change in European politics. It was also a key contributing factor in changing the way business worked, which in turn would enable former apprentice Carl Johann Freudenberg to gradually become a joint owner and later also sole owner of his own company. This development demonstrates how even bad news can give rise to promising new beginnings. For Heintze & Sammet, the precursor company to Heintze & Freudenberg, which we will cover in more detail further on, this bad news was the collapse of the bank through which it was financed.<sup>6</sup>

But up to that point, many questions still remain open: Why did the real company history start off in Weinheim of all places, when Carl Johann Freudenberg's professional roots were in Mannheim? How did the young Carl Johann Freudenberg meet his wife, Sophie? And: What sort of company was Heintze &

Sammet anyway? Why was leather so important in the region in question? To find the answers to these questions, it is time to leave the exciting revolutionary turmoil behind again – and jump back in time, back to the history preceding the newly established firm of Heintze & Freudenberg.

## Why Weinheim?



**Fig. 4** Johann Baptist Sammet (no year)

The history of Freudenberg is closely connected to the city of Weinheim and its leather-making tradition, although the firm started off in Mannheim. Because it was right there in Mannheim that entrepreneurs Heinrich Christian Heintze and Johann Baptist Sammet (1798–1870) established their leather business on March 1, 1823, under the name Heintze & Sammet.<sup>7</sup> This business was officially registered with Mannheim’s business guild on August 4, 1823.<sup>8</sup>

Leather production, in its turn, held the “position of a key industry” in industrialization, because leather was comparable to iron in its significance as a “construction material”. Hence leather was an important material that could be used in many different areas because of its unique material properties. The reasons: The tanned hide was highly elastic, supple, heat insulating, tough, and impervious to moisture, heat and friction. It was used primarily to make clothing, particularly shoes, but also as saddle leather, as leather for drive belts, for gaskets, and furthermore as bookbinding and wallet leather as well.<sup>9</sup>

This means that Heintze and Sammet set up their leather business at a time when leather and the associated craft of tanning played a key role. Corresponding to this, the number of artisanal businesses in the leather-producing industry rose significantly up to 1850 in Germany.<sup>10</sup>

The success of Heintze & Sammet’s business far beyond the boundaries of Mannheim in the Grand Duchy of Baden was largely down to their trading network. For this reason, the entrepreneurs soon began to think about expansion,





Fig. 5 The beamhouse in the tannery in Müllheimer Tal (Müll plant), 1899

right up to producing their own leather. This would make the value chain deeper and they would gain better control over their own goods. These thoughts soon turned into actions: In 1828, and thus only five years after establishing the firm, they initially set up their own small boot-leg manufacturing company in Mannheim's characteristic grid of streets.<sup>11</sup> However, they continued to use bought-in leather for this. The desire not to merely process the leather, but also produce it themselves from then on, quickly raised the question of location. For what is needed to produce high-quality leather? The tanner's expertise and the raw materials: animal hides, good-quality running water and tanning agents – in this case, oak bark – in sufficient, meaning large, quantities.<sup>12</sup> None of these were available in Mannheim. There was no bark mill in Mannheim, which would have been necessary to process the tree bark into tannin. Likewise, there was no clean, running water available from a creek, and operating a tannery on Mannheim's rivers, the Rhine or the Neckar, was impossible because of the danger of flooding. Moreover, the odor-intensive leather production would have violated the police regulations that were in force at the time in the City of Mannheim, so this ruled out the establishment of tanneries in the city.<sup>13</sup>

For this reason, Messrs. Heintze and Sammet searched for a location for their tannery outside of Mannheim. However, this issue of location had to take additional factors into account as well: Production had to be easily accessible to Mannheim and if possible be situated within the Grand Duchy of Baden, so that

they would not have to pay tariffs for transporting the finished leather to the trading house in Mannheim, where the leathers were sold on.

At this time, the Grand Duchy of Baden was part of the German Confederation which had been established at the Congress of Vienna after the end of the Napoleonic Wars in 1815. As a member state of the Confederation of the Rhine, Baden had been on Napoleon's side in the coalition wars and had grown considerably through skillful maneuvering. The end of the Napoleonic era also heralded what became known as the era of restoration in Baden. However, the state also got a constitution in 1818, which was regarded as liberal in comparison to the other states in the German Confederation.<sup>14</sup>

Why did tariffs have to be considered? In the 19th century, today's Germany comprised several small territories. Because of this, choosing the right location was of decisive importance in view of the duty charged in each case in cross-border trade. That means: Business relations outside Baden at that time were considered foreign trade. From a modern perspective, that sounds unimaginable, but it also shows that large internal markets without customs frontiers cannot be taken for granted.<sup>15</sup>

In the case of Heintze & Sammet – and thus today's Freudenberg Group – and Weinheim, at least, the ingredients all came together at the time of the firm's establishment, because Weinheim was able to fulfill all these requirements: location in the Grand Duchy of Baden, proximity and good connections to Mannheim, expertise in tanning. Leather production had a centuries-old tradition in the city. In addition, there was high-quality running water there. And there was also the oak bark required for making leather, because the city is located close to the oak woods of the Odenwald forest.

Today, Weinheim is the largest city in the Rhine-Neckar Administrative District and the headquarters of the Freudenberg Group.<sup>16</sup>

#### **EXCURSUS: LEATHER PRODUCTION**

In Weinheim, particularly the craftsmen known as bark tanners (Lohgerber) had long used the waters of Weinheim's River Weschnitz and its tributary, the Grindelbach. The "tanners made leather for saddles and tack as well as sole and shoe leather using vegetable tanning with what is known as tanbark ("Lohe", mainly oak bark, but also spruce or beech bark)." Their working method can be divided into three phases: Firstly, there is the preparation of the hides in the beamhouse, then comes the actual tanning process, and finally the finishing of the tanned hides. This precise insight is important for understanding why access to high-quality water is of such paramount significance. "In an initial step,

the raw hides were soaked in running water, which is why medieval bark tanneries were always located by running waters – as is the case in Weinheim, where the Gerberbach [tanners' creek] runs through the traditional tanning quarter of the city and where individual tanneries were located by the Grindelbach as well. After being soaked, the hides were laid out on the hide-stretching or scraping frame and the flesh and fat residue removed with the sharp, straight flesher. To remove the hairs, the hides were usually placed into the slaked lime afterwards. This involved putting the hides into vats with burnt lime or potash. The liming dissolved the top epidermal layer, which contains the hair roots. That is why the hairs could simply be scraped off with the blunt, curved moon knife, also known as a fleshing knife. Subsequently, the hides were soaked again."<sup>17</sup>

Anyone who reads these lines and stops to think for a minute about the smells that this must have produced will become queasy even today just thinking about it. "The work in the beamhouse was [correspondingly] exhausting: [...] Initially the hides were placed or pushed into the tanning pits, which had been filled with fresh water and tanbark (oak bark that has been ground in the tan mill). The tanning pits, which were lined with oak boards, were either on the first floor or behind the workshop. At certain intervals, the hides in the tanning pits were rearranged to ensure even tanning of all the hides in the pits. After the months-long tanning process [which generally took between 15 and 18 months], the tanned hides were soaked in running water again. Afterwards, the hides were hung up to drip on frames or galleries and subsequently brought to the drying loft of the tannery. [...] After the drying process, the leathers finally entered the finishing process, where they were smoothed and shaved, meaning they were given a consistent thickness, whereby shaving leather with a skiving knife must be imagined like planing wood. Lastly, the leathers were ironed to make them shine. These process steps in leather production have remained the same up to the present day. Only the processes and the processing times have changed."<sup>18</sup>

For a long time, the industry continued to thrive in these structures in Weinheim: "From the oldest land register of the City of Weinheim of 1588 we were able to gather that the tanners' craft flourished during the entire 16th century and was able to sell its products not just in the city and the surrounding region, but also on foreign markets via trade routes."<sup>19</sup>



**Fig. 6-8** Depilating the skins, 1938 ■ Tanning pits in the tannery in Müllheimer Tal, 1899 ■ Finishing colored skins, 1899

## Application to acquire the tannery in 1828

When they chose Weinheim as a location, Heintze and Sammet also decided to set up their own leather production in the town in the Bergstrasse region. Anyone who peruses the contract of sale and the land register of the City of Weinheim will discover that Heintze and Sammet initially planned to set up their leather factory in the old tanners' quarter, which was strictly subject to the guild charter. They had chosen the tannery premises of treasurer Ferdinand Hock. This included: a two-story house, courtyard, barn and tannery.<sup>20</sup> In addition, they wanted to acquire his share of the upstream tan mill on the Weschnitz river. So far, so good. However, a problem arose immediately: "But first the two businessmen needed permission to manufacture leather goods in Weinheim."<sup>21</sup> So what were they to do? In this case, the responsible office was the district authority, which was in charge of the administration of all municipalities on behalf of the government. It constituted both the lowest police authority as well as the first level of jurisdiction in all civic legal matters.<sup>22</sup>

Thus, Heintze and Sammet wrote a detailed application to the district authority in Weinheim, in which they clearly emphasized the economic impor-



**Fig. 9-10** View of the tannery district in Weinheim, around 1890 ■ Current view of the buildings

tance of leather production. It is dated July 12, 1828.<sup>23</sup> It listed various reasons why their enterprise should be approved: the advance of industry, the monopoly of foreign companies<sup>24</sup> in the leather sector, the unemployment in their own state, while at the same time the state was also imminently capable itself of producing various leather goods which it had hitherto had to procure from abroad. They did not present unsubstantiated arguments, however, because after all they had experience from Mannheim, where they produced boot legs, which had previously come from Strasbourg to the region. That had gone well: apparently so well that Heintze and Sammet stated that they had completely ousted the foreign competition – and were also already achieving sizeable sales in various foreign cities themselves. To be able to expand further, they hoped to get the go-ahead for their own leather factory in Weinheim, the place with many location advantages. However, there was also a disadvantage: Unlike Mannheim, Weinheim was not “guild-free” for tanners – meaning free of guild control. Of course, the applicants were aware of this. That is why they attempted to pre-empt this by stating to the district authority in anticipatory obedience that they did not want to sell any leather in Weinheim.<sup>25</sup>

Hence the guilds called the shots in Weinheim. But what does (business) life under a guild charter<sup>26</sup> actually mean? “A guild is an association of craftsmen of the same profession who met regularly and shared not only interests but also joy and sorrow with one another.”<sup>27</sup> But the guilds were primarily economic special-purpose associations. Their aim: to protect the craft and each individual craftsman. They were, so to speak, the precursors of today’s employee and employer associations. Competition was regulated, which also meant that even within a guild they made sure that no master craftsman should be overly successful. Advertising was forbidden, apprentices often had a hard time, which is why journeymen’s associations (*Gesellenbruderschaften*) were formed as a coun-

terbalance, which also displeased the guilds.<sup>28</sup> Consequently, the guilds had good and bad times. Quality of craftsmanship was ensured, but the “rigid insistence on the traditional statutes also ultimately led to the demise of the guilds.”<sup>29</sup>

The craftsmen in these guilds did not have it easy, even at the best of times, because for one thing the guilds bore the brunt of the cities’ tax revenues. However, this critical role within the community was “crassly” disproportionate to the social standing the craftsmen held: The more important a city’s craft became, the more urgent and the louder the calls to have a say in decision-making and advising, and to contribute responsibly to the common good. Time and again in the history of guilds, this led to bloody guild clashes. There were also “free” cities with no guilds, for example Nuremberg, with only one short interruption. But it was the same story everywhere: Across the centuries, various armed conflicts and later the rise of the modern factory industry in particular wreaked hardship on the craftsmen and the guilds. “The craftsman’s trade was no longer a match for this competition.”<sup>30</sup>

Thus, we can state that guilds everywhere had long been under considerable pressure when Messrs. Heintze and Sammet dared to venture into Weinheim. “In France, the Revolution had brought about the liquidation of the old guilds from 1789 onwards, and thus freedom of trade, which was also introduced into the French-occupied areas later. Prussia followed in 1810 with the introduction of free trade and only decreed the restriction of individual trades for health or security policy reasons. [...] The Trade Act enacted in 1825 in Bavaria under King Max I heralded the transition from the concession system to free trade.”<sup>31</sup> This law applied to Bavaria, whereas in the Grand Duchy of Baden, on the other hand, the “[...] Weinheim tanning masters” were “[...] incorporated into the tanners’ guild right up to the 1860s. [...] Trade in leather was regulated for local tanners and for foreigners, who were only allowed to offer their leather for sale at certain times on the Weinheim fairs.”<sup>32</sup>

Others turned the signs of the times to account: These included the Mannheim-based trading company Heintze & Sammet.

What happened next with the Heintze & Sammet application is a master class in how to deal with bureaucracy in an administrative state which was now functioning quite well and which increasingly regarded the old guild rules as repugnant.<sup>33</sup> First of all, the district authority wanted to question the municipal council of the City of Weinheim, but it apparently regarded the whole thing as a hot potato and initially did not react at all. Then, on August 1, 1828, the Grand Duchy’s district authority threatened to fine the municipal council 1 thaler.<sup>34</sup> This was the equivalent of about one month’s pay for a simple soldier in the southern German region.<sup>35</sup> Based on this, it was an appreciable monetary

punishment for the tanners in Weinheim. The mayor of Weinheim decided to summon his tanners' guild and the guild – not surprisingly – delivered an unfavorable statement: They did not want the rich people from Mannheim, they said, because all they wanted was to get even richer in Weinheim anyway, at the expense of the local tanners. The factory was unnecessary, as leather sales were bad already, they added, and that could be seen from the fact that the number of master tanners was already declining at that time. Their friendly alternative suggestion: Neckargemünd, Heidelberg or Wiesloch. There was simply more space there – and there were tanners there too, they said.<sup>36</sup> These statements were one thing above all: an expression of the local tanning craftsmen's fear of competition from industrial leather production.

And a look at the dispute at that time between the entrepreneurs from Mannheim, who were considering a resettlement, and the Weinheim guilds, who were adhering to the old traditions, is relevant from today's perspective too: Because the question of when it makes sense to give new things a chance arises at all times. Even in the very early years, Freudenberg's foundation story provides answers to this question that are still valid today. Inescapable change, fueled by technological advances, cannot be halted by regulation anyway, but at best only steered. And good ideas that displace the old order can turn into a huge benefit for everyone later – if one is just open enough to this change. That applied in the middle of the 19th century. And it still applies today.

## Acquisition of the tannery in 1829 and Carl Johann Freudenberg joins the firm in 1833

Hence, the tanners' struggle turned out to be futile in this case too. On August 13, 1828, district authority official Becker approved the request of applicants Heintze and Sammet.<sup>37</sup> Of course, the Weinheim guild tanners did not want to give up just yet. There was still considerable toing and froing, because the Weinheim tanners' guild in its turn submitted a pleading against this resolution. They had sought assistance from a lawyer from Mannheim, whose key argument against the approval was that ultimately Heintze & Sammet would not adhere to the ban on selling leather in Weinheim.<sup>38</sup>

But the tanners did not prevail in this either: On March 7, 1829, the Grand Duchy's Ministry of the Interior also approved the application. Thus, Heinrich Christian Heintze and Johann Baptist Sammet were permitted to set up a leather factory in Weinheim. The only thing they were forbidden to do was conduct in-

dividual sales in Weinheim itself, which they themselves had previously offered anyway. And this was how the history of the first Weinheim leather factory began on March 7, 1829.<sup>39</sup>

Four years later, Carl Johann Freudenberg would start an apprenticeship with the company which had won this victory. In those days, kinship relationships were frequently essential for survival. Young people became independent very quickly, had to prove themselves, but were able and permitted to do this too, certainly in the case of Carl Johann Freudenberg. He was only nine years old when his father died, and his father had not had an easy life either. His father's early death necessitated that Carl Johann had to stand on his own feet when he was just a young teenager. In his case, it was with the help of an apprenticeship with his uncle, and thus in the Heintze & Sammet leather business in Mannheim.<sup>40</sup>

How this came about can be read in the memoirs of his son Friedrich Carl, who wrote this down much later, at the age of 90, in 1938: Carl Johann's father, Georg Wilhelm Freudenberg (1786–1829), had to take on responsibility at only 20 years of age himself after his own father's similarly early death. His inheritance was the "Zum Löwen" tavern in Hachenburg, which he ran from then on. But this was the era of pauperism, early industrial underemployment and the poverty crisis, and the economic situation in the country was correspondingly bad. The tavern had to be sold in early 1829 for financial reasons. A radical job change was necessary: Georg Wilhelm Freudenberg was put in charge of the customs station in Weilburg an der Lahn. He died there on March 9, 1829. Only his son Carl Johann, whom he had taken with him from Hachenburg, was living with him. It was an equally hard blow for Carl Johann's mother. She had not just lost her husband; she also had to fight for her family's economic survival now. Destitute, Catharina Elisabeth Freudenberg, née Reinhardt (1789–1843), moved with her six children to Neuwied am Rhein, because there were relatives there who would ensure the family's survival.<sup>41</sup> In a situation like this, a child could not simply remain a child for long. Carl Johann Freudenberg started his apprenticeship at 14 years of age. This remained common practice for a long time based on the Protestant background of Carl Johann Freudenberg's family: because after making their confirmation at the age of 14, young people were considered to be fully-fledged members of the congregation – and were accordingly treated as young adults. This also generally meant the end of their schooldays and leaving their family home. Anyone unable to enter higher education, which in this case was reserved for Carl Johann's elder brother, Wilhelm (1817–1901), began an apprenticeship or had to go into domestic service. Wherever possible, the young adults were apprenticed to a relative.<sup>42</sup> In this case, this was Catharina Elisabeth Freudenberg's sister, Anna Sammet. She was the wife of Johann Baptist Sammet.



With her help, Carl Johann Freudenberg got a placement in the business run by his uncle, leather merchant Sammet, in Mannheim. From all the accounts that are available, the young Freudenberg made a very good showing, because he gained not just Sammet's trust, but also that of his shareholder, Heinrich Heintze. Later, in 1844, which was also the year of his marriage to Sophie Martenstein, Freudenberg even became a silent partner in the company right at the beginning of the year. Freudenberg had already earned some money himself which he could put into the business and was thus able to acquire 20 percent of the shares in Heintze & Sammet.

## Career success, starting a family - and rescue from insolvency

It was a momentous Sunday in the spring of 1843 in Mannheim when Carl Johann Freudenberg was to meet his future wife, Sophie Martenstein.<sup>43</sup> The best sources describing what happened back then are Sophie's own memoirs, in which she describes her family home, her childhood – and also that first meeting. Freudenberg, meanwhile, had made an impression and proven his skills during his apprenticeship and in the time thereafter – and had earned a good deal of money. So it was during this time that he met Sophie:

“My parents lived in Worms, my father was a powerfully built man, strong, industrious and reliable, he was highly regarded, he was a businessman who ran a spice business prudently and successfully, my mother was born in Worms, her parents had a pewter business [...]. I did not have much pleasure in my youth, my mother was often gravely ill, my brother could give me nothing, I was frequently permitted to travel to Wiesbaden, and also to Mannheim, for relaxation and recuperation after caring for my dear mother [...]. In Mannheim I was sometimes allowed to pay visits, there was a family by the name of Krauss, Mrs. Krauss was the niece of a close friend of my parents, and she often came to visit her uncle. Once I was there for a few weeks in the spring too, there was a choral society recital which I was brought along to, and by chance we ended up sitting beside the Sammet and Reinhardt family. That was where I got to know Father [Carl Johann Freudenberg], the party left together, and we walked quite a lot of the way home together. Another day, on a Sunday, my father [Friedrich Carl Martenstein] and my mother came to collect me, and in the afternoon the young Freudenberg unexpectedly turned up, I was surprised, but was given the explanation that he often came to visit the Krauss family, it was an extremely animated

conversation and I could apprehend that he would not bid farewell very soon, he had heard that my parents had granted me permission, I was allowed to come back again in the summer, he had noted that, and when I did indeed come in June, he turned up too, my mother was with me for 2 days and we were able to see where things were leading. Mother left me there, and then I got to know Father [Carl Johann Freudenberg], because he often turned up in the evenings, after being there for a lengthy period it became clear to me that I loved him, and when he declared himself, I said yes, if my parents consent to it.”<sup>44</sup>

If her parents consented to it – this did not just mean examining heart and character, or even appearance, but rather it was a question of economic facts, both about personal financial situation as well as career success. Sophie wrote this: “The conviction of getting a good, hardworking son-in-law, who had after all earned 5,000 guilders, prompted my father to entrust his only daughter to him.” And then the wedding could be celebrated: “The engagement up to Feb. 27, 1844, was not a long one, every two weeks Father [Carl Johann Freudenberg] came to Worms, but it was a good and happy time. We celebrated a lovely big wedding, many guests were invited, relatives from Worms, my bosom friends, many of Father’s [Carl Johann Freudenberg’s] relatives in Mannheim, his brother, who was also engaged, Heintze, and others too.”<sup>45</sup>



**Fig. 11-12** Carl Johann Freudenberg, around 1860 ■ Sophie Freudenberg née Martenstein, 1875

Years followed in which a young family grew. Initially two daughters were born: Elise (1845–1891), and Luise, who died young, however (1846–1847). By the time the son, Friedrich Carl (1848–1942), was born, the revolution had already broken out – the country was experiencing turmoil, in which even the bank through which the business was financed using bills of exchange collapsed.<sup>46</sup> Fortunately, Freudenberg's father-in-law Friedrich Carl Martenstein was at hand in this situation. It was also Martenstein's familial support that enabled his son-in-law to take advantage of the crisis as an opportunity for himself. Friedrich Carl Freudenberg, who was born in that revolutionary year, wrote this about it 90 years later in his memoirs:

“As a result of political turbulence, the firm of Heintze & Sammet had got into financial difficulties and had to liquidate in 1848. [...] Since the liquidation necessitated the separation of the two company owners, Father could choose between the two shareholders. His choice fell to Mr. Heintze. This is how the firm of Heintze & Freudenberg, which had taken over the small calf-leather tannery since 1849, came about in Weinheim [...]. Mr. Heintze and his son Leopold, who was about 10 years younger than my father, moved to Weinheim in 1848, my parents in February 1849. We initially lived on the market square of the little town, which numbered fewer than 5,000 souls at the time [...].”<sup>47</sup>

Sophie Martenstein also vividly remembers this time, which obviously caused her great emotional strain at a very early stage of her marriage. She depicts in great detail the agreements that were made at the time to rescue and take over parts of the business from insolvency:

“After long consultations with several old business associates and a lot of difficulty with the creditors, an arrangement finally came about in which it was stipulated that all the many creditors (which also included my father and my brother) shall receive their entire capital if they are willing to wait 3 years for the return of same without interest, the companies on the other hand received 60 florins [Baden guilders] instead of 100 florins and then received their money in a shorter time, in this way the hides that had been started and were included in the tannery could be prepared, the old business gradually ceased operations entirely and became defunct on liquidation. [...] Thanks to the gentlemen's considerateness, my husband received the 10,000 florins I had provided out of the liquidation assets, Mr. Heintze had to wait several years until everything was sorted, before he could get his assets back out of the previous business. Then my father was so kind that, once he saw that everything was in order, he then put me on an equal footing with my brother in his fortune, i. e., he gave me up to 30,000

florins in capital, and this formed the stock of the current business, because there was no mention of credit back then, and Father [Friedrich Carl Martenstein] still had to provide advances often for many years, which of course he rightly got back every time with interest.<sup>48</sup>

Let us just take out the calculator now to get a better idea of the amount of capital invested in the company: Regarding the amounts that have been passed down to us, we can say that the total assets of Carl Johann and Sophie Freudenberg came to 15,000 guilders in 1844, of which 12,000 guilders were invested in the company. Based on today's purchasing power, this would incidentally be equivalent to 275,000 euros and 220,000 euros respectively. From Carl Johann Freudenberg's capital account in the 1848 general ledger, we can determine the capital that was actually invested in the firm of Heintze & Sammet. We can read in the ledger: Investments from Carl Johann Freudenberg (November 1848): 4,300 guilders; investment from Sophie Freudenberg (November 1848): 10,000 guilders. This adds up to equity capital of 14,300 guilders in the company (without shares in the profits).<sup>49</sup>

We can no longer determine how high Carl Johann Freudenberg's personal assets were, apart from this amount. However, perusal of the capital account in the 1849 general ledger shows that he must have had some personal assets. Up



**Fig. 13-14** The first apartment of the Carl Freudenberg family was in the house in Obertorstrasse 1 off Weinheim market square. View from around 1945 ■ Current view

to April 1849, Carl Johann Freudenberg invests a further 3,000 guilders of equity capital into the newly established company Heintze & Freudenberg as contributions in cash. Up to July, a further 3,576.44 guilders of equity capital follow from profit shares. Thus, at the end of July 1849, Carl Johann Freudenberg holds equity of 20,876.44 guilders (which converts to around 495,000 euros) in the company.<sup>50</sup> This is how the course was set for a global company in the midst of the revolution.

Sophie certainly followed the commercial development of her husband's company, but she was also a caring mother. Later in her life, the two aspects would merge in a fascinating way, when she ensured that her daughters' families would also continue to retain a financial share in the company's success (see digression on donation to daughters). For the family was growing fast. Sophie Freudenberg wrote about it herself as follows: "On May 26, 1850, Auguste was born, she was the 3<sup>rd</sup> surviving child, on March 8, 1853, Emilie was born [...]. On July 15, 1854, Wilhelm was born. Shortly beforehand, in the spring, Father's sister Emilie came to help me in the house, our household in the new residence with the large courtyard and garden was bigger, I also had to go to Worms to care for my mother, so I needed someone reliable. On March 18, 1856, Hermann was born, it was a lovely time that we spent with the children [...]."<sup>51</sup>



**Fig. 15** Hand-colored family photo, 1857, f.l.t.r.: Emilie, Hermann Ernst, Elise, Carl Johann, Sophie, Auguste, Wilhelm and Friedrich Carl Freudenberg

Hermann Ernst (1856–1923) in particular will become vitally important as the history of the company progresses. In 1863, Sophie Freudenberg, who lived until 1938, was the eighth child to be born.

## New beginning on February 9, 1849 - The foundation of Heintze & Freudenberg

Thus, on February 9, 1849, the new leather factory could get going at last. The crisis caused by the failure of the bank in 1848 had turned into an opportunity. The foundation of the Heintze & Freudenberg tannery, which employed around 50 workers, was the real start of the company's history.<sup>52</sup> However, they did not turn their back on their old roots, and business relations between Heintze & Freudenberg on the one side and Johann Baptist Sammet on the other side continued even after the split. It is documented that Sammet's leather business in Mannheim was supplied with leather from the Heintze & Freudenberg tannery between 1849 and 1867.<sup>53</sup>

From a modern perspective, it is almost impossible to imagine the turbulent times in which Carl Johann Freudenberg and his partner Heinrich Christian Heintze had to keep their newly reorganized business going. More stability in politics and society would have been welcome. That is likely another reason why there was little sympathy for the revolutionary rebels, as is evident from Sophie's writings: "Heintze and bookkeeper Mansfeld, who were very unpopular with them [the rebels – ed.], fled to the Odenwald in Hesse, and also wanted to take Father [Carl Johann Freudenberg] with them. But he refused to leave the business and his family. Admittedly, it almost came to a situation where he was imprisoned like other citizens of Weinheim. It was only the intercession of butcher Odenwälder that saved him from that."<sup>54</sup> For a misunderstanding could easily become a substantial problem there, and this is one example of that, which cannot be connected to Carl Johann Freudenberg, however: A democratic association had formed in Weinheim which championed the republic. Reputable Weinheim citizens were involved in this association. An attack occurred on the railways, and as a result, a large number of people were indicted, including 33 from Weinheim.<sup>55</sup>

In this context, it is necessary to know that the revolution remained more disruptive in Baden right up to the end than in other places. "In May 1849, the republican forces called for a public assembly to convene in Offenburg in Baden. Among the forty thousand who followed the call, there were many soldiers: