PI Starts "Maximum On-Time Delivery" Initiative to Expand Capacities, Strengthen Supply Chains and Improve Long Term Planning

PRESS CONTACT

Markus Wiederspahn

Phone +49 721 4846-1819

Laura Früh

Phone: +49 721 4846-1215  
presse@pi.de

Physik Instrumente (PI)   
GmbH & Co. KG  
Auf der Roemerstrasse 1  
76228 Karlsruhe, Germany  
[www.pi.ws](http://www.pi.ws)

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**With a comprehensive initiative, the PI Group is responding to the tight global supply situation. This is currently affecting their main markets, namely Semiconductor, Photonics, Industrial Automation and Life Sciences. The initiative includes investments of more than 53 million euros to increase productivity, expand production capacities, and optimize the whole supply chain. As a rapidly effective measure, together with customers, PI are developing long-term plans regarding specific delivery quantities and dates. Additionally, PI intends to hire a further 240 employees. In 2021, PI created more than 170 new jobs.**

"The pandemic has rapidly accelerated growth in our innovation-driven markets", explained Markus Spanner, CEO of the PI Group. "Developments that usually would have taken ten or more years, have now taken just two years." The result is unexpectedly strong growth, throughout all the market segments covered by PI. "We are doing everything we can to fulfill our customers’ wishes regarding planning security and on-time delivery, even in the short term", emphasized the CEO. "For this reason, last year PI already increased production of positioning systems and piezoceramic components by 30 percent compared with the previous year." "However, this is still not enough considering that incoming orders are growing even faster.” "With our different measures, we are trying everything to alleviate shortages in the short term, and, in the mid-term, provide considerably higher capacities."

**Inner-Company Investments of 53 Million Euros**

With their considerable investments, PI are following two goals: Optimizing existing capacities and creating new ones. For this, the planned budget for 2021 and 2022 is altogether more than 53 million euros. The company can afford to invest this amount from their own resources. Following the growth in production in 2021 of more than 30 percent, in the current year, capacity will again increase by 30 percent. This should mainly be possible through digitalization, for example, by rolling out Industry 4.0 principles. From 2023, further production lines will be added. The company will expand all the German production sites in Karlsruhe, Eschbach, Rosenheim and Lederhose. PI will also create additional production capacities in the USA.

**Vertical Supply Chain Integration**

Moreover, PI has strengthened their Supply Chain Management. The focus is on identifying and setting up regional supply chains. The company is also setting up an ePortal for suppliers. This enables considerably faster and better communication with suppliers, and, therefore, vertical integration of the supply chain to sustainably increase capacity.

**Long-Term Planning Secures Actual Demand**

To take the pressure off the delivery situation in the short term, PI are developing long-term plans together with numerous customers, where the actual need determines the delivery dates and quantities. This enables a more forward-thinking manufacturing planning. „With this, our customers benefit from both just-in-time advantages and, at the same time, from the reassurance of being provided with PI's components and systems." emphasized Markus Spanner. „Thanks to our customers, suppliers, dedicated employees, and our investments in developing our capacities, we have come up with a comprehensive range of measures to improve on-time delivery."

**PI in Brief**

Physik Instrumente (PI) with headquarters in Karlsruhe, Germany is the market and technology leader for high-precision positioning technology, and piezo applications in the market segments: Industrial Automation, Semiconductor Industry, Photonics, and Microscopy and Life Sciences. In close cooperation with international customers, PI's approximately 1,400 specialists have been continuously pushing the boundaries of what is technically possible for more than 50 years and developing both standardized and customized solutions. More than 400 granted and pending patents underline the company's claim to its leadership. PI operates on a global scale, with nine production sites in Europe, North America and Asia, and 16 sales and service subsidiaries.

For more information, refer to:

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