

LOBMEYR: 200 YEARS OF RELEVANT DESIGN IN GLASS

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Lobmeyr: Mastering Dualities at Its 200th Anniversary



Lobmeyr's commemorative art to celebrate its 200th anniversary.

Just a few years after the end of the Congress of Vienna¹, in 1823, Josef Lobmeyr Senior (1792-1855) founded Lobmeyr, in Vienna. At that time the Austrian Empire was ruled by the Emperor of Austria, Francis I, who was also the King of Hungary, Croatia and Bohemia, and served as the first president of the German Confederation.

Many political orders down the road, six generations and 201 years later, the company still remained 100 per cent family-owned and private. To celebrate this achievement, and in recognition of its remarkable 200th anniversary, Lobmeyr festively joined the Henokiens² - the prestigious peer-network uniting bicentenary family-owned businesses.

At that time, in 2023, Lobmeyr was fully owned and managed by just three people - first-cousins of the 6th generation and direct descendants of Josef Lobmeyr Senior – Andreas, Leonid, and Johannes Rath. Each cousin was also a top executive in the company, and at the helm of one of the three distinctive areas of Lobmeyr's operations: (i) the flagship store located in the very heart of Vienna's first district, at Kaertner Strasse 26, (ii) the crystal and retail operations, and (iii) the chandeliers and projects division.

Even though Lobmeyr was an SME (small- to medium-sized enterprise) with just over 50 full-time employees, it managed to make a tremendous impact on the world's glass design and craftsmanship across all three traditional glass product

¹ The Congress of Vienna was held in the years 1814–1815, as a series of international meetings, with the goal to agree in a diplomatic way on the political and constitutional order of Europe, tackling on the issues arising from the French Revolution and the downfall of the French Emperor Napoleon Bonaparte.

² For further information on the Henokiens, visit <https://www.henokiens.com/content.php?id=4&lg=en>

segments: chandeliers, mirrors and glassware. Lobmeyr's legacy intertwined time-honored traditional manufacturing methods with modern and groundbreaking designs, including revolutionary innovations such as the first electric chandelier in 1883. Most importantly, however, each of Lobmeyr's products was considered a jewel, embodying a dedication to quality and elegance, traditional manual artisan handcraftsmanship, and a symbol of a refined luxury.

And this all would not be possible without the family behind the brand. The family made it possible to master various dualities, such as being an SME with a worldwide impact, ability to craft modern-design masterpieces in one of the oldest materials humanity invented some six thousand years ago - glass, and many more.

But despite the unique skills to master these dualities, Lobmeyr faced a number of challenges, which forced Andreas, Leonid, and Johannes to pause and reflect...

Enduring Elegance: Six Generations Behind Lobmeyr's Success

Throughout its two centuries of continuous business activity, Lobmeyr served as a driving force behind innovations in glass and lighting design, staying deeply intertwined with Austro-Hungarian Bohemian craftsmanship. The abilities to keep the balance between its timeless heritage and the inherent fragility of its main product – glass – contributed to Lobmeyr's rise to prominence.



The "Hofburg" service was created by Lobmeyr for the Imperial Court of Vienna in 1835.

The engine behind such tremendous success was the owning family, who had steered the business unbreakably for the past two centuries. Throughout the company's history and growth, each generation and its key family members contributed in distinctive ways to Lobmeyr's worldwide fame (refer to *Exhibit 1*). Andreas reflected on Lobmeyr's legacy, which enabled the company and the current generation at the helm

to celebrate over 200 years of the firm's existence:

It's a big gift that we have been given... It would not have been possible if not every generation had added a lot to the business.

When Josef Lobmeyr (1792-1855) established a glassware store in Vienna's Weihburggasse, he initially served as a sales representative for prominent Bohemian glass factories. However, Josef's ambition extended beyond retail activities, and about 20 years later, he initiated the production of glassware under his own name, and even more importantly -



- drawing upon his own designs! All in all, glass ran in the blood of the family. Already Josef's grandfather, Andreas Hoelzl, was a glassmaker master, and Josef was trained in this art by his very own uncle (refer to *Exhibit 1*).

Detail from the business card depicting Josef Lobmeyr store, before 1850.

The move from selling others' brands towards establishing Lobmeyr as a brand name itself, marked a pivotal shift, and laid the ground for Lobmeyr to become renowned for its own distinctive creations. In addition to a diverse range of Biedermeier³ glassware, lamps emerged as a significant segment of its production. Josef's entrepreneurial spirit led him to establish glass factories, mainly in Slavonia⁴, that initially produced more affordable glassware, a move that enabled the company to expand its markets beyond Europe, including Turkey.

By 1848, the company's growing reputation secured victory in a race against an English competitor for an order of chandeliers and wall candelabra for the Viceroy of Egypt's palace. But there were many more such victories to come.

³ The Biedermeier period was an era in European art and culture following the end of the Vienna Congress, and resulting from a drastic shift towards satisfying the tastes of the growing middle-class members, as opposed to tastes of monarchies and nobilities. This included also the so called "Biedermeier glassware", which combined the elements of romanticism and neo-classicism. Biedermeier glassware of Bohemia region was colorful, large, engraved, and of stark and strong shapes. It required the utmost finest technical craftsmanship to produce.

⁴ Slavonia is the historical region on the Pannonian Basin, largely bordered by the Danube, Drava, and Sava rivers, in Southern Europe, currently within Croatia.

A significant turning point occurred in 1850 when Lobmeyr entered a crucial business partnership and began sourcing most of its glass from Meyr's Neffe in South Bohemia, a company famous for its multiple glassworks. This strategic relationship was further cemented in 1851 when Josef's daughter, Louise, married Wilhelm Kralik von Meyerswalden (1807-1877), co-owner of Meyr's Neffe. This alliance secured a reliable and reputable supplier and fostered a very close collaboration within Lobmeyr's value chain. The culmination of this relationship was Lobmeyr's undisputable success at the Vienna World's Fair in 1873, where its products were displayed and gained enormous popularity.

After Josef's death in 1855, his sons Josef (1828-1864) and Ludwig (1829-1917) inherited the company, marking the beginning of a new era under the name J. & L. Lobmeyr. The future company's success would not be, however, possible without



Drinking set no.4
design: Ludwig Lobmeyr, 1856

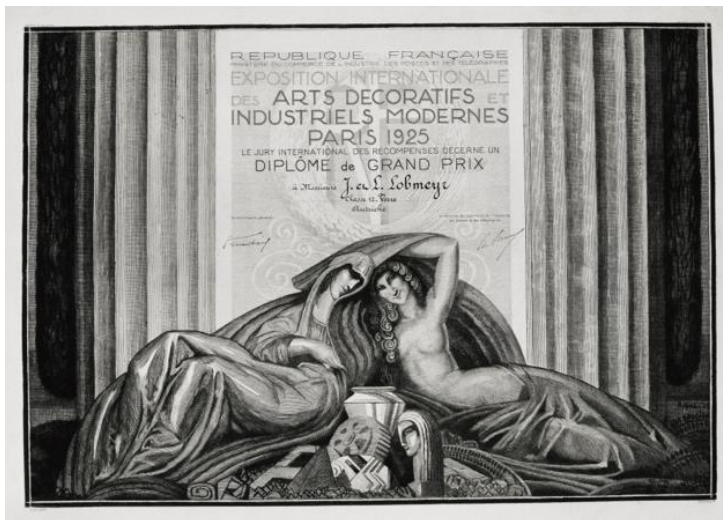
With its timeless appeal, the muslin glass set of 1856 is our most successful. It belongs to a body of about one hundred sets designed by Ludwig Lobmeyr himself. The clear shape and fine appearance make it a true classic. In its simplicity and functionality, the series is designated as the origin of the modern wine glass in museum collections and publications.

family's vision, groundbreaking bold designs, backed up by the mastery glass-making skills fostered by the key family members, and the family's inherent interest in art. The younger of the two brothers, Ludwig, took a leading role in presenting the company abroad during the first World Fairs in Paris, London and Vienna. Rooted in his background in drawing studies, he also introduced new designs for glass pieces and artworks. For example, "Drinking set no. 4", designed by

Ludwig in 1856, remained one of Lobmeyr's best-sellers throughout the next 170 years (refer to *Exhibit 2* and *Exhibit 3*). But this set was not only about design. Here Lobmeyr mastered and challenged glassmaking because it produced muslin glass for the first time in human history. Muslin glass was named after the finely woven

French fabric “muslin”, as its thickness ranged from merely 0.7 to 1.1 mm, providing a sublime feeling when in contact between the human and the object, and obviously requiring superior glass-blowing skills.⁵

The family’s devotion and love of art was encapsulated in 1864, when Ludwig became the co-founder of the Austrian Museum of Applied Arts (MAK)⁶, one of the most important museums of applied arts in the world. MAK had a curator devoted to glass, fostered a close friendship-like relationship with Lobmeyr, and had an impressive collection of Lobmeyr’s pieces, some of them displayed during the exclusive exhibitions⁷.



The third generation produced a new visionary leader, Stefan Rath (1876-1960), Josef’s and Ludwig’s nephew, and a son of their youngest sister - Mathilde Rath, née Lobmeyr (refer to *Exhibit 1*). Stefan began working at Lobmeyr’s shop as an assistant at the age of 18, mastered the art of

glassmaking, and finally took over the business after his uncles’ childless death. Stefan was the engine in leading the firm into the Modern Movement of the early 20th century. For its contributions, Lobmeyr was recognized with one of the most

Recognition awarded to Lobmeyr for the occasion of the 1925 International Exhibition of Modern Decorative and Industrial Arts, held in Paris.

prestigious awards, The Grand Prix of the 1925

International Exhibition of Modern Decorative and Industrial Arts. This cemented

⁵ For more on the mouth-blown muslin glass technique, visit <https://www.lobmeyr.at/stories/mouth-blown-muslin-glass/>

⁶ For more information on MAK, visit the museum’s official web page: <https://www.mak.at/en>

⁷ For further details on Lobmeyr’s relationship with the MAK, visit <https://www.stirpad.com/news/stir-news/mak-showcases-two-centuries-of-illustrious-glassware-legacy-by-j-l-lobmeyr/> for the coverage on the company’s exhibition that celebrates its 200 years.

Lobmeyr's place among the creators of the *Art Deco*⁸ movement, and opened up many opportunities to work with the most famous designers of all time. One of them, Adolf Loos, created the design for "Drinking set no. 248" (refer to *Exhibit 2* and



Drinking set no.248 - "Loos"

design: Adolf Loos, 1931

With his uncompromising concept of form, architect Adolf Loos was way ahead of his time. This tumbler service shows the characteristic diamond-cut at the base. Each line is cut by hand and carefully matt-polished. The series paved the way for modern glass design, a Lobmeyr classic since 1931.

Exhibit 3) with the diamond-cut base, which became a flagship example of the modern movement and a masterpiece to be included in all design history textbooks.

Throughout his life, Stefan fostered a close relationship with many members of the Wiener Werkstätte⁹ and the artists of the Vienna School of Arts and Crafts, which resulted in him co-founding the Österreichischer Werkbund (the Austrian Association of

Craftsmen) in 1912, another initiative that positioned Lobmeyr at the heart of applied art.

In the fortnight of the outbreak of the Second World War, Stefan's successor and his only son - Hans Harald Rath (1904-1968) – took over the leadership of the family firm. He faced a seemingly impossible mission: to guide the business throughout the war period. A task, which was made even more impossible by the mere fact that there was some Jewish blood running in the Rath's family. After the Anschluss¹⁰, he

⁸ Art Deco, short for the French "Arts décoratifs", which stands for decorative arts, was an art style in the visual arts, architecture and product design that flourished in Europe and the United States in early 20th century, especially between 1920s and 1930s.

⁹ The Wiener Werkstätte was a community of artists and producers that marked Vienna's craftsmanship style in the beginning of the 20th century. For more details of its relationship with Lobmeyr, visit <https://www.lobmeyr.at/stories/lobmeyr-and-the-wiener-werkstaette/>

¹⁰ Anschluss, or Annexation of Austria, was the annexation of Austria into Nazi Germany by Adolf Hitler, on 12 March 1938, to form so called Greater Germany. The aftermath was a series of Hitler's claims for other European regions that had German-speaking population, such as parts of Czechoslovakia (including the Bohemia region), western Poland, or part of Lithuania, that took place between March 1938 and 1. September 1939, when Nazi Germany invaded Poland, a date that marks the beginning of the Second World War.

grappled with uncertainty and fear as it was crystal clear to him that it was unfeasible to run the firm in the very heart of Vienna, under the Nazi regime and Nazi occupation. Having considered fleeing to Switzerland in the first place, he decided to stay in Austria and moved the family and the business to Wattens, Tyrol, in the eastern part of Austria, accepting the helping hand of another Austrian glass cutter and glass maker, one of a Bohemian origin – Daniel Swarovski¹¹.



Drinking set no.267 "Alpha" - colours
design: Hans Harald Roth, 1952

Hans Harald Roth designed the "Alpha" set in 1952. Thanks to their compact, balanced features the glasses lie beautifully in the hand. The shape was inspired by a Baroque copper cup from the collections of the MAK Vienna, itself influenced by Islamic works.

Reflecting the lifestyle of the 50ies, the glasses are fully stackable. Finest muslin glass, mouth-blown into wooden forms, provides for their elegance.

In 1964 the series was awarded the German National Design Prize "Gute Form". Today some of the shapes are available in six light colours, garnet red and black.

After the end of the war, Hans Harald could finally stretch his visionary wings. In the 1950s, he designed the first Lobmeyr chandelier using Swarovski strass, which marked the beginning of a new avenue for him and for the business.

Further chandelier's projects (refer to *Exhibit 4*) were fully made in house, and Hans Harald made his name as the one who fully embraced radical innovation in design and thus revolutionized chandeliers. For example, in collaboration with

architect Erich Boltenstern, in 1955, he designed the iconic piece still illuminating the Vienna State Opera.

But a design which would become the best seller for Lobmeyr for decades to follow was only about to come. In 1966, alongside architect Wallace Harrison, Hans Harald

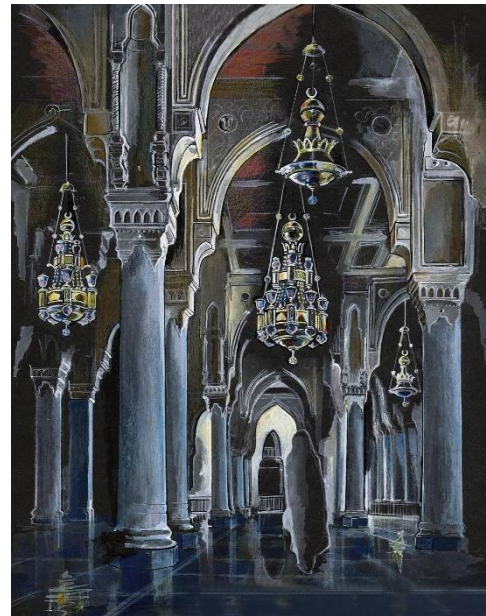
¹¹ Daniel Swarovski was a founder of Swarovski (established in 1895). Swarovski is a company known of its crystal jewelry and fashion products in a mass B2B market.



designed the acclaimed chandeliers of the Metropolitan Opera in New York City,^{12,13} which also served as a formal gift from the Republic of Austria to the United States.¹⁴

Metropolitan Opera in New York illuminated by the chandelier from Lobmeyr.

With that move, the international waters became more than navigable for Lobmeyr, a journey that the three sons of Hans Harald continued actively. Born to an English mother (refer to *Exhibit 1*), Harald, Peter and Hans Stefan, who went by the name Stefan Junior, brought the renowned Lobmeyr chandeliers to the Japanese and Arab markets. In fact, Lobmeyr was the first in the world to create a chandelier with Islamic motifs, and also had a privilege to create one which adorned the holiest place for all Muslims in the world: Al-Masjid-al-Haram Mosque in Mecca. The fifth generation of Lobmeyr family leaders curated also the family archives that had a collection of several hundred artefacts dating back to the very beginning of the business, experimented with art workshops, entered partnerships with top-end pottery and silverware producers to sell their products in their flagship store in Vienna, or started to buy back the very old Lobmeyr products, which in the meantime became antiques, either directly from individuals directly or at various auctions.



A sketch depicting the Mosque in Mecca with Lobmeyr chandeliers

¹² For further details on the Metropolitan Opera project by Lobmeyr, visit <https://www.lobmeyr.at/stories/the-metropolitan-opera/> and <https://www.nytimes.com/slideshow/2016/05/13/t-magazine/metropolitan-opera-chandeliers.html>

¹³ For a glimpse of the production process of the Metropolitan chandelier, watch the video on <https://www.youtube.com/watch?v=rHID3PHM2No>

¹⁴ The Metropolitan Opera Starbust Chandeliers were gifted from the Republic of Austria to the United States as a signal of gratitude for the ERP program after the World War II. For further details, visit <https://www.lobmeyr.at/stories/the-metropolitan-opera/>



From right to left: Andreas, Leonid and Johannes Rath, the sixth generation direct-cousins, top executives and owners of Lobmeyr.

At the turn of the millennium, the sixth-generation cousins entered the company. Andreas - the only son of Harald, Leonid - the only son of Peter, and Johannes - the only son of Stefan junior (refer to *Exhibit 1*). They maintained the full family ownership and created a structure that gave each of them enough independence to run the distinctive areas of

Lobmeyr's operations: Andreas, the oldest of the three cousins, was at the helm of the flagship Lobmeyr store, located just a few steps away from where his great-great-great-grandfather opened the very first Lobmeyr store; Leonid, the middle cousin, chaired the crystal and retail operations; and Johannes, the youngest of the three, was responsible for the chandeliers and projects division.

Their leadership was, however, to be challenged by tremendous trends and changes that swamped the whole world - a significant shift towards mass consumption and mass production, often at the expense of quality. Their life task remained to ensure that the heritage rooted in craftsmanship, quality, and tradition continued to guide the business. At the same time, they had to steer Lobmeyr towards future business models and product innovations... Some of the tasks had successfully been completed, such as fruitful collaborations with a new generation of designers (refer to *Exhibit 2* and *Exhibit 3*). Some were still to be managed...

Crafting Legacy: Three Pillars of Lobmeyr's Business Model

Lobmeyr's business model centered on three interconnected pillars: first, high-quality artisanal production; second, a client-focused approach; and third, a deep connection to the art world.

Lobmeyr's historical commitment to craftsmanship had surrounded its entire operations, from manufactory production at a small workshop in the middle of Vienna, up until retail. Products were handcrafted by skilled artisans, employing traditional techniques that required a long training and a precision, and were passed down through generations, from one master to another master. Remarkably, many family members were also trained in glass cutting, glass engraving or artistic metalwork. Despite the fact that Lobmeyr's remarkable products stood out from the mass-produced goods that began to flood the market from the 1980s on, its production costs were relatively high and, obviously, production rates were relatively slow. Most importantly, however, the number of customers who valued the uniqueness of its offerings shrunk substantially...

The least affected stayed the chandelier's division, which was able to adopt an utmost tailor-made approach, meticulously adapting its designs to meet individual client needs. From consultations and site visits, via creating visualizations, to offering after-sales assistance and restoration services, Lobmeyr ensured that customers received exactly what they had envisioned. Or... even more. Lobmeyr was famous for its ability to harmonize with the venues where the chandeliers were to be



Lobmeyr's revolutionary innovation – the world's first electric chandelier from 1883

installed; of creating singular artworks of symbiotic alliance between the piece, the owner, and the space itself. "*A chandelier is the art piece of the air*", explained Peter Rath, the fifth-generation family member, and the past executive in the family firm, who wrote a book about chandeliers with an intriguing title of "*Furniture in the Air*"¹⁵.

¹⁵ Peter Rath's book was published in 2020 in English and German. The German version title is "*Möbel der Lüfte*"



Candy dishes

design: Oswald Haerdtl, 1925

Oswald Haerdtl was not only an architect and teacher, but also an ingenious designer. These exceptional yet simple candy dishes are made from delicate, mouth-blown muslin glass, captivating the user with their lightness and elegance. They were first presented at the Paris "Exposition des Arts Décoratifs" in 1925.

And it was exactly the art, which had run in the blood of Lobmeyr family, generation after generation. Many family members were the designers themselves but all fostered collaborations with renowned artists and designers, including icons such as Theophil von Hansen or Josef Hoffmann as well as the contemporary figures like Ted Muehling or Sebastian Menschhorn. These collaborations, driven by a passion for pushing the boundaries of glassmaking, had resulted in innovative designs that captured the essence of their times

while adhering to timeless aesthetic principles. The best testimony of Lobmeyr's artistic spirit was its global omnipresence in prestigious art venues, museums, and cultural heritage places, where art enthusiasts could build the subtle intrinsic connection with Lobmeyr's glass masterpieces.

The three pillars of Lobmeyr's business model were constantly fueled by a delicate balance between internal expertise and external collaborations. The company leveraged its family-internal resources, with each generation of family members contributing to its commitment to glass, remaining true to its core values, legacy of craftsmanship, and at the same time fostering innovation and continuous evolution of the business. But Lobmeyr would not become Lobmeyr the way it was known at its 200th anniversary, without the abilities to embrace family-external collaborations and partnerships with suppliers, designers, and even competitors, together creating unique artworks and pieces that enriched the world's glass product offerings and propositions.

Lasting Impressions: Seeping Luxury at a Global Reach

Lobmeyr's business model, blended with the family-internal resources and family-external expertise-based collaborations, translated into a unique image transposed in the customers' eyes into global, elite and sustainably lasting.

Lobmeyr's positioning as a global player began in 1823 with its glassware and chandeliers continuously finding new homes around the globe. As early as 1862 J. & L. Lobmeyr showcased its products at the London World's Fair, where its exquisite craftsmanship garnered considerable attention of the international most reputable crowd. This commitment to international presence continued throughout the 20th and 21st century, leading to Lobmeyr's 300 sales points worldwide at its 200th anniversary.

Lobmeyr's image and products deeply resonated with ultra-high-end consumers who valued its authenticity and craftsmanship. These aspects cultivated a tone of exclusivity due to its emphasis on artisanal manufacturing methods, and the long-



Corporate collection designed for Campari in 1986 by Matteo Thun and produced by Lobmeyr, having been awarded design of the year at the time.

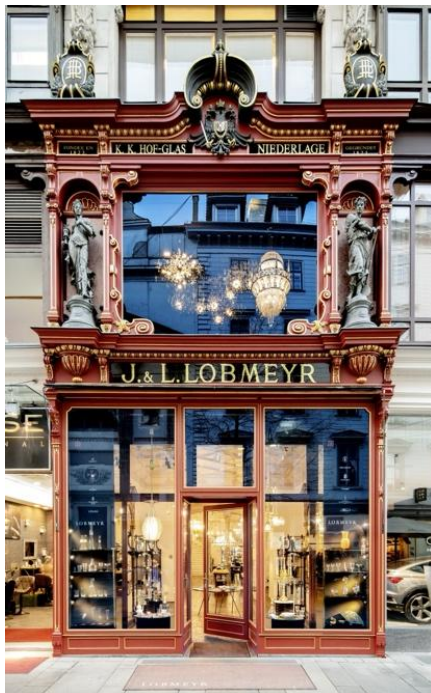
standing cultivation of heritage. And the customers had traditionally been the elite of the elite. In 1885, on the birthday of Leopold II, King of the Belgians', Rudolf, Crown Prince of Austria, wrote in a letter to his brother-in-law, in which he stated:

I have taken great care in choosing a gift for our father-in-law's 50th birthday, and I came to the conclusion that beautiful glass objects from the Lobmeyr factory would be the most suitable. This is an Austrian specialty and a true ornament to our industry.

Wien 18/Januar 1885
 Lieber Kaiser:
 In der Angelegenheit der
 Kasse eines Gefenkens vom
 59. Geburtsfest unseres
 Königsruhrs, habe ich mir
 mit Ihnen gegeben und
 für die Abrechnung
 gehalten, das schöne Glas,
 geschnitten aus der Arbeit
 Lobmeyrs von geeigneten
 Stein. Es ist eine
 sehr schöne Arbeit aus
 einer sehr feinen
 Substanz; gefaltet sind alle
 Dinge der Kunstwerke in
 großen Apartments sehr
 schön zu verwenden.
 Ich habe mit Lobmeyr
 beschlossen drei große Schüsseln
 die aus der besten feinsten
 Kunstschmelze aufgetragen
 sind zu stellen, damit werden
 die schönsten Muster, wie
 Glasurwerke, Schüsseln,
 Teller, etc. etc. hergestellt.
 Auf dem einen Platte
 wird das Topographische
 auf dem anderen das
 Bild, das auffällt, der auf
 feinsten, feinsten
 feinsten, feinsten, auf dem
 großen Schüsseln dürfen
 auch die Teller, etc. etc.
 Sie von dem neuen, die
 Gabe repräsentieren
 Ich bitte Sie, mir die
 Linsen und die Schüsseln
 mit der feinsten
 und mit der besten
 mit dem besten
 von dem neuen
 Sie sind Louis
 ist Louis von Lobmeyr

Rudolf

The letter written by the Rudolf, Crown Prince of Austria, in which he writes about "beautiful glass objects from the Lobmeyr factory" as a gift for the Leopold II's, King of the Belgians.



Two centuries later, Lobmeyr's products were still sold in its flagship store in Vienna, in the utmost exclusive and exquisite, almost museum-like aura. The sales process started already before entering the shop, as explained by Jürgen Kastl, head of sales at Lobmeyr:

It starts with our door at the shop. A door that has a door handle... Customers have to dare to press it down and go inside.

Lobmeyr flagship store on Kaertner Strasse 26, in Vienna, Austria.

Sustainability at Lobmeyr was encapsulated inherently in its products' lasting durability, timeless design, and enduring aesthetics. For example, Lobmeyr glassware was often viewed not only as prestigious glass artwork pieces, but also as investments that transcended generations. As Leonid explained:

We are still producing glass sets which were designed some 150 years ago. And we keep all design specifications and the molding forms for all products Lobmeyr ever produced. It's because we want people to be able to restock even after 100 years from the moment of the purchase. Our philosophy of sustainable consumption is to consume less but of a better quality.



Lobmeyr hand-made glass engraving detail

The same philosophy applied also for the chandeliers, which were indeed timeless treasures- created to be durable, and designed to be valued for centuries to come. As a standard service for its chandeliers, Lobmeyr offered the professional restoration services. “The first service usually comes only after 50 years”, explained Johannes, “For example, Metropolitan Opera House chandelier restoration commission took place in the late 2000s”¹⁶, he added. But the restoration services were available also for other product lines, including the glassware. Andreas commented:

We offer all the kinds of restoration services for the products we produce. This is a manifestation of a true sustainability for us.

¹⁶ For further information on the Metropolitan Opera Starburst chandeliers' restoration, visit <https://www.nytimes.com/2008/07/18/nyregion/18chandelier.html>

Continuing Heritage in the Modern Age: The Market Trends and Succession

Over the past 200 years, Lobmeyr stayed true to its value proposition, its business model and core competencies. But it became increasingly clearer for Andreas, Leonid and Johannes that this strategy was also becoming a double-sword for the business.

On the one hand, it was perfect to retain existing customers and to potentially find a few, new ones, who would value niche ultra-top-end exquisite products. On the other hand, it did not fuel the growth of the business, which found itself to be operating in a modern market dominated by mass production and passing trends. Growth in general, was a difficult subject, and there was a lack of alignment among the three cousins on how to view it.

Leonid commented:

My father often said that growth is not on our agenda but we don't want to shrink and then disappear neither.

Johannes elaborated:

We don't grow towards the outside. The company has the right size. But we grow internally: in capabilities, skills, and knowledge.

Andreas explained:

We don't enjoy the constant revenue stream like other

companies- our products are exclusive, they are not everyday purchase. This is especially true for the chandeliers. And people have changed their buying patterns a lot: a few decades ago, we would sell the porcelain sets of our



Lobmeyr lollipops workshop was an installation for the occasion of Vienna Design week in 2013 in order to imprint decors of cut Lobmeyr glass into sugar lollipops with the vision to give the audience an opportunity to experience the fineness of Lobmeyr's craftsmanship and... also to make the audience laugh.

suppliers daily... We may again need another product line to ensure the constant revenue flow and to balance the revenues peaks.

Lobmeyr's unique selling proposition – values of craftsmanship, client focus, and artistic integrity – was also cruelly challenged by some megatrends such as automation and robotization of production, which resulted in an extreme shortage of skilled employees. Andreas explained:

People are not interested in becoming a master glass cutter or an artisanal blacksmith any more. They chose very different career paths now. We lobbied for acknowledgement of the artisanal master titles to be recognized on par with academic master diplomas. Successfully!

Another trend – customers' desire for authentic, handmade products – constituted both an opportunity and a threat, according to Johannes:

Authentic things that have a history and a soul and that are hand-crafted are in demand now. This is great for us. But this is also dangerous. As soon as it becomes a general trend, people start looking for company like ours, and other companies will start mimicking us...



Drinking set no.287 "Ident"
design: mischertraxler studio, 2024

Identical shape, identical height - five individual glasses.
In mouth-blown glass production, the goblet is blown into a predetermined wooden mould, while the stem is shaped freely. The design by mischertraxler studio plays with this human influence. All the glasses are blown into the same wooden mould and cut off at the same height after the different lengths of stem have been attached. This results in five different glasses that form a harmonious ensemble.

Another major challenge for Lobmeyr that urgently needed to be orchestrated was the family succession. Andreas, Leonid and Johannes became acutely aware of the fact that the past history of successions could not be repeated in the future. In its 200th years history, the firm had always been passed from one generation to another generation, down to the hands of blood-related family members, all direct descendants of the firm

founder, Josef Lobmeyr Senior. Except with only one case, in which well over 100 years ago it was a nephew, who became the successor¹⁷, all other five successions involved a classic father-to-son management successions, along with the classic inheritance-based ownership transfers. Leonid reflected on what triggered his interests into the family business:

My father, Peter, was fully submerged into Lobmeyr - he was not able to speak about anything else. So, I grew up at Lobmeyr and with Lobmeyr, hearing a lot of stories about it all the time. Thus, it was a very natural decision for me to join.

On the other hand, Johannes, the only child of Stefan Junior, shared a very different story:

My father always encouraged me to get a “real” job outside of the firm. He knew exactly what it means to run a business with the family. But, very early on, in my teenage years, I decided I want to succeed him in managing the lighting operations. Since then, for me, there was no question whatsoever if I shall join. Lobmeyr is my life. I grew up here, in the very same building where our workshop is, and I still live here.

For the first time in Lobmeyr's history the family constellation challenged the “known ways” of intergenerational successions (refer to *Exhibit 1*). Andreas, the oldest of the three cousins, had one child - a daughter. Johannes, the youngest of the three cousins, remained unmarried and with no children.



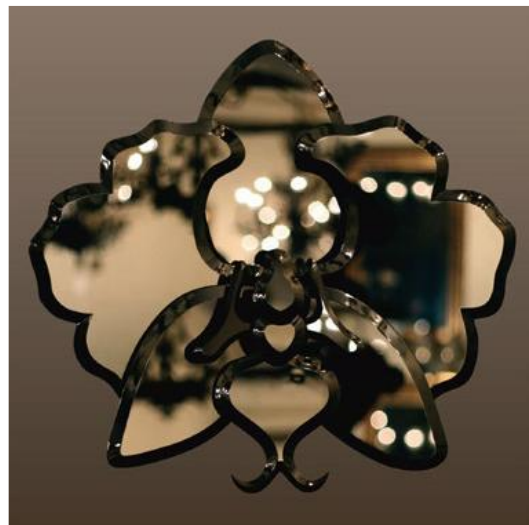
Entrance to the flagship Lobmeyr shop with the writing engraved in glass: “J. & L. Lobmeyr, glass shop, founded in 1823”.

¹⁷ Refer to chapter titled “Enduring Elegance: Six Generations Behind Lobmeyr’s Success” for more detailed story of family succession, and the description on how and when the nephew, Stefan Rath, became a successor.

Even for Leonid, the middle cousin, engineering his own succession constituted a challenge:

I have four children, three boys and a girl. But...they don't show too much interest in the business. It may be my own fault: I involve them little because I know how hard running the family business is for me. Also, I try to create a distance between them and Lobmeyr ... because I don't want to make four young people hungry for becoming the successor and then disappoint three of them...

As the first steps to prepare for the upcoming succession, the two older cousins initiated the work on family governance, and in particular on family constitution, with the goal to formalize ownership transfers, family leadership renewal, define family values, outline guidelines for decision-making by the family owners, as well as set up the process for potential conflict resolutions. Andreas commented on the process of discussing the elements of the family constitution:



Orchid mirrors, designed by the jewelry artist Florian Ladstätter, is made of six decorative elements in black crystal glass to underscore the exotic and evocative character of the orchid flower.

It is an opportunity to solidify values, define the family boundaries within the firm, and to ensure the long-term sustainability of Lobmeyr. But, it's not easy to achieve consensus among family members- our interests are different; so are our commitments!

Leonid added:

Setting the rules is important, but we have to acknowledge that too strict rules can be counterproductive. We have to take into account our current situation, and consider all possible options such as potential inheritance outside of the blood-related family or partial sale of the business.

Interestingly, the family had already made experiences in inter-family ownership transactions, i.e. in cutting the family tree before. Last time, in the 5th generation, where the youngest brother, Gottfried, was bought out by the three other brothers (refer to *Exhibit 1*), the fathers of Andreas, Leonid and Johannes. Still, at the time of its 200th birthday, Lobmeyr was fully owned by the three cousins, who managed it on the partnership basis, and controlled it through the holding company, in which every of them had an equal stake. That was a well-suited structure that reflected the level of complexity of the firm. Andreas explained:



Lobmeyr's modern vase collection "Glacier series", designed by Sebastian Menschorn in 2004

When our fathers were at the helm, and in the preparation for their own succession, they gave the company a more professional governance and changed its legal form to AG.¹⁸

Johannes added:

The supervisory board was created and was composed of six people: three family members, one from each family branch, and three non-family members: two lawyers and a tax accountant. And we met every quarter for half a day.

Leonid continued:

We realized that there are many legal and formal requirements such as quarterly reporting for the organizations that are AGs. These became more of a burden than a help. So, shortly after the turn of the Millennium, we changed the legal form again to suit better the size of the company of ours.

¹⁸ AG stands for Aktiengesellschaft in German. According to Austrian civil code laws, AG is a legal form of a company, which gives it a legal personality, and which is owned by the shareholders who contribute to the company's share capital. Despite being a stock corporation, an AG can remain unlisted corporation.

Holding Up a Mirror

Thanks to the evolving corporate governance set-up, initial discussions on family governance, and solid experiences of five intra-family succession over the past 200 years, Lobmeyr had gained a lot of experiences and built up unique skills of fostering dualities and longevity.

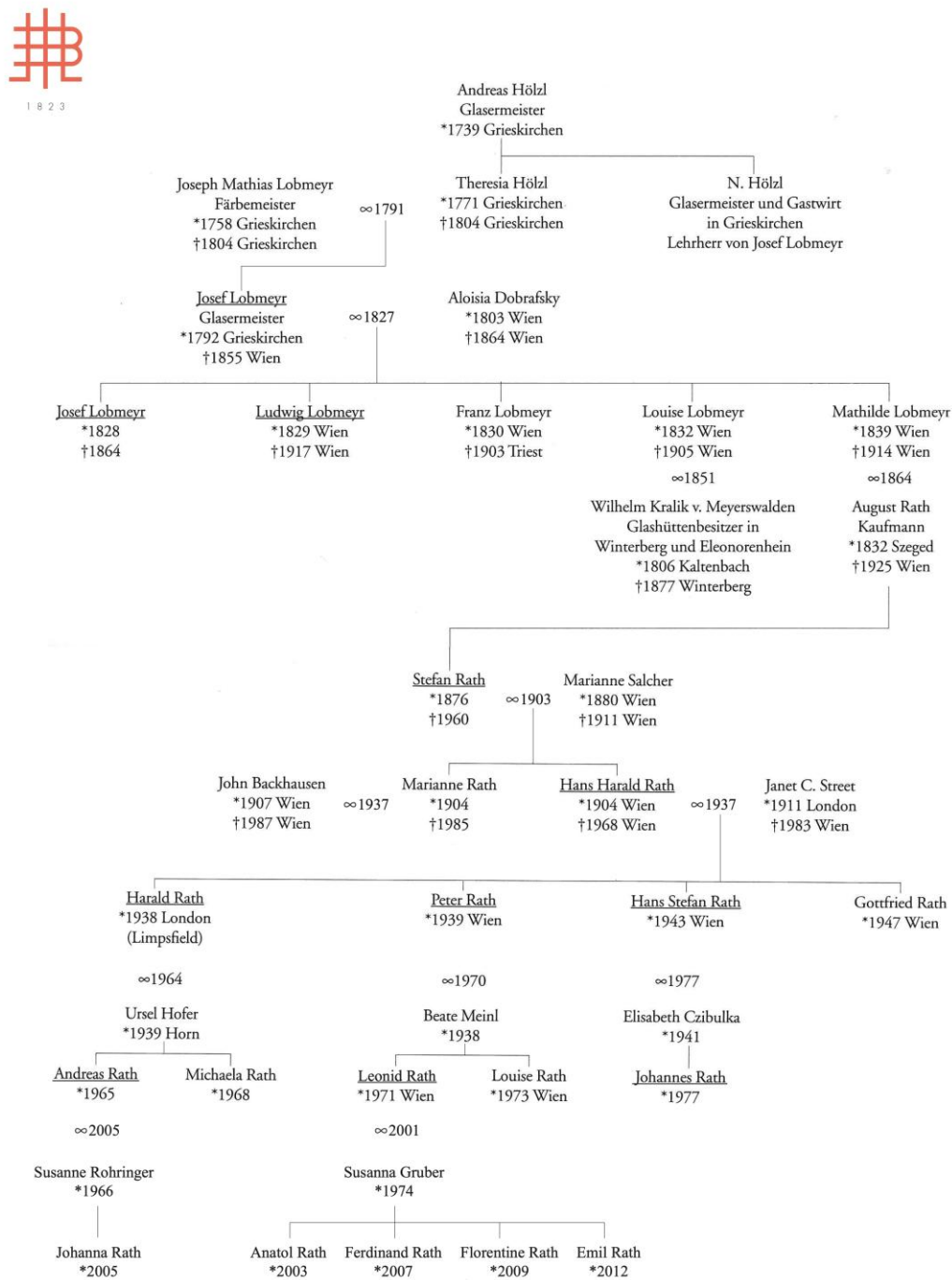
But despite these unique skills, Andreas, Leonid, and Johannes felt the uneasiness when they thought about Lobmeyr's future.

First, Lobmeyr's business model centered on three interconnected pillars – high-quality artisanal production, a client-focused approach; and a deep connection to the art world – seemed like coming to its boundaries to serve the ever-changing modern customer.

And second, Lobmeyr in fact was on a trajectory to become an emotionally precious pearl in the vast sea of activities of the broader family, whose members would decide to work as medical doctors, engineers, teachers, or historians in order to make their living...

There were many things on the business side, and on the family side, for Andreas, Leonid, and Johannes to work on...

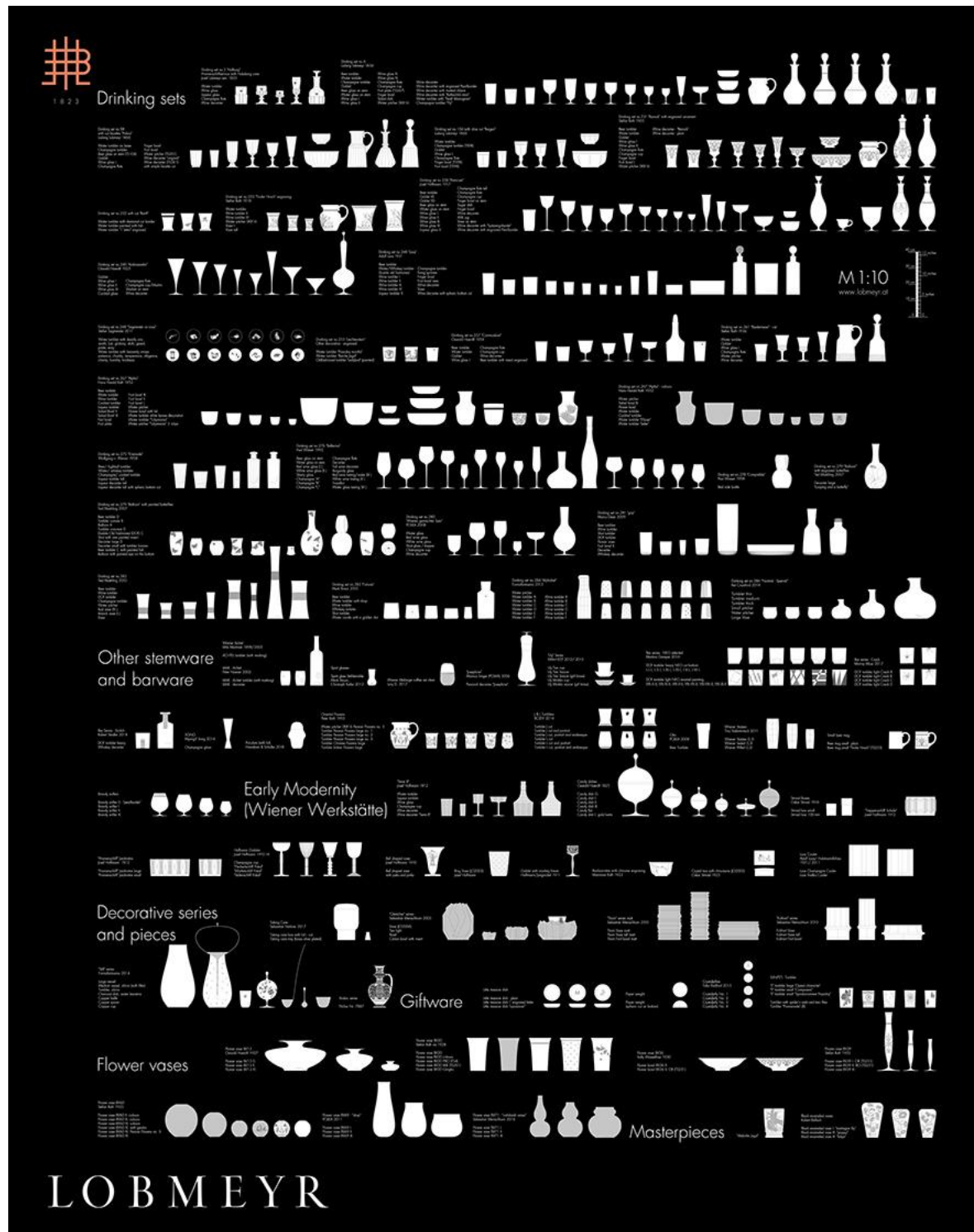
Exhibit 1: Lobmeyr Family Tree



LOBMEYR

Source: Lobmeyr

Exhibit 2: Lobmeyr Drinking Sets “Family Tree”



Source: Lobmeyr

Exhibit 3: Lobmeyr Flagship Drinking Sets



Source: Lobmeyr

Exhibit 4: Lobmeyr Flagship Chandeliers



Source: Lobmeyr

About the Authors

Marta Widz (Dr.)



Dr. Marta Widz is a family business and family office professor, researcher and trusted advisor, specializing in family business and family wealth, with a focus on governance, sustainability, philanthropy, purposeful ownership, and family wealth.

Family Capital has recognized her as Top 100 Family Influencers, and as Top 20 Family Business Advisors and “those nominating Widz say she has made a significant impact in family enterprise across Europe, America and Asia...”. Marta has also been included in the Family Business Hall of Fame by the Family Business United.

Marta is a Professor of Practice at SDA Bocconi School of Management, Milan, Italy, with a focus on family business and family wealth. She is also the founder and CEO of the Family Silver Institute- a boutique advisory for family businesses and family offices. She serves as Affiliated Faculty at the Family Business Institute at the Grossman Business School of the University of Vermont, USA; Director in Residence at the INSEAD’s Wendel International Centre for Family Enterprise; Affiliated Faculty at the Stewardship Asia Center in Singapore. She is also a Regional Governance Partner at the International Board Foundation and is a member of Female Board Pool.

Marta obtained her Ph.D. at the Centre for Family Business at the University of St. Gallen, Switzerland, was the Research Fellow at IMD Business School, Lausanne, Switzerland, and the leading contributor to the research and the Global-Asia Family Office Circle at the Wealth Management Institute (WMI), Singapore.

A true global citizen, Marta is a citizen of Poland and Switzerland, and the alumna of the London School of Economics and Political Science (LSE), the UK; the Global Alliance in Management Education (CEMS); the Warsaw School of Economics (SGH), Poland; and IMD Business School, Switzerland. Born in the communistic Poland, she strongly believes in the power of education, especially girls’ education, as a pathway to advance the world.

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João Pedro Bastos Castilho, a Brazilian national, holds a Master of Science in Economic and Social Sciences from Università Commerciale Luigi Bocconi, Italy and a Bachelor of Science in Economics from the Federal University of Rio de Janeiro, Brazil.

He began his career in the financial sector, and worked at the Brazilian Development Bank (BNDES), the Brazilian Banking Association (ABBC), and at Intesa Sanpaolo.

João is an Academic Fellow at SDA Bocconi School of Management, Milan Italy, and specializes in corporate governance, family business and entrepreneurship.

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João also teaches Entrepreneurship and Management at Università Commerciale Luigi Bocconi, Milan Italy, and SDA Bocconi Asia Center, Mumbai, India, where he serves as a lecturer.