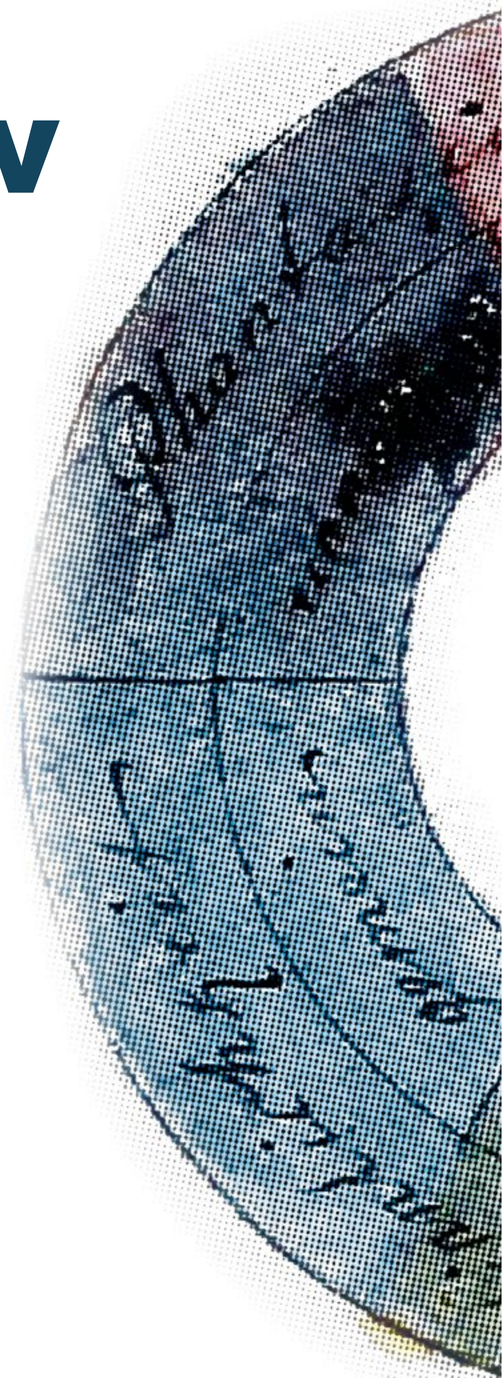
Summer 2015

St. Gallen Business Review

HARMONY



Ownership culture – the code for sustainable success

Joe Kaeser
President and CEO, Siemens AG

For a new kind of interaction between man and machine

Prof. Rupert Stadler
Chairman of the Board of Management of AUDI AG

Interview mit

Alexander Kudlich
Board Member, Group Managing Director der Rocket Internet SE;
ESPRIT / Student Business Review Alumnus

Beloved readers,

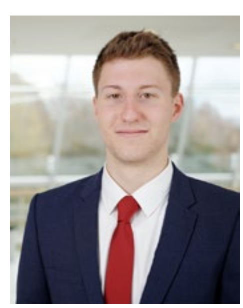
Every single one of us has our own distinct conception of harmony. Imagine if a dozen people were asked which experience best exemplifies harmony for them. Some might mention the beauty of a sunset and breathing in the smell of the sea, as the wind blows strands of hair into their faces. Others would remember themselves walking under the Musée D'Orsay's magnificent station clock, their eyes sliding from one impressionist masterpiece to another. Then again, some will perceive harmony in the syllables of the sentences that eventually string together to become their favorite book.

The point we are trying to make is that harmony is multi-faceted. As much as it is a concept we are all familiar with, the images it evokes are highly unique for each individual. Composers string single notes together to create melodies that fill our hearts with pleasure. Following this logic, the rhythm of society is fabricated by all the people who contribute their own visions, thoughts and actions to make our world a harmonic whole.

Bearing this in mind, the editorial team of the St Gallen Business Review has aimed to give leaders in various fields the platform to discuss issues that matter, in the hope that this communication will contribute to the building of more harmonic societies. We have collaborated with the CEOs of Siemens, RWE and Audi, the COO of Rocket Internet, a former German Secretary of State, leading figures in academia and many others to bring this magazine to life. In this way, we ourselves aspire to contribute to the global debate and to put our own unique stamp upon it.

Enjoy reading this magazine, it is the product of a great deal of energy, love and passion.

All the best,
Henry & Jonas
Editors-in-chief



Henry Gulis Jonas Partemio

Dr. Bernhard Günther
CFO, RWE AG

Energy regards us all

Chances and challenges on the way to a sustainable, reliable and affordable energy future

Energy regards us all – The oxygen of our economies

Our daily life is powered by energy. Smartphones, computers, public traffic, street lights, machines and factories, cashier systems – everything depends on energy supply. More specifically: electricity. If you ever had a low battery on your iPhone and no plug socket anywhere in sight, you know what I am talking about.

Electricity is the oxygen of our economy. Looking at emerging markets like China or Africa, they are striving to achieve a comprehensive electricity supply in order to stimulate growth, create value and thus, wealth for their country and their people. Historically, the electrification of Europe has given us a head start into an early industrialisation of our continent resulting in Europe being best-in-class in many fields for decades. Innovation, development, ideas – Europe was always ahead of the game.

Energy has been and still is a deciding factor in international competition. Currently, we see the shale gas boom in the USA shaking up not only energy markets around the world. The close connection of gas and oil prices and the need for oil as a base material for whole industries makes new businesses and breaks others. We see the economy of China skyrocketing and the prosperity of billions of Chinese people rise to levels nobody would have imagined. Electricity opens up new possibilities.

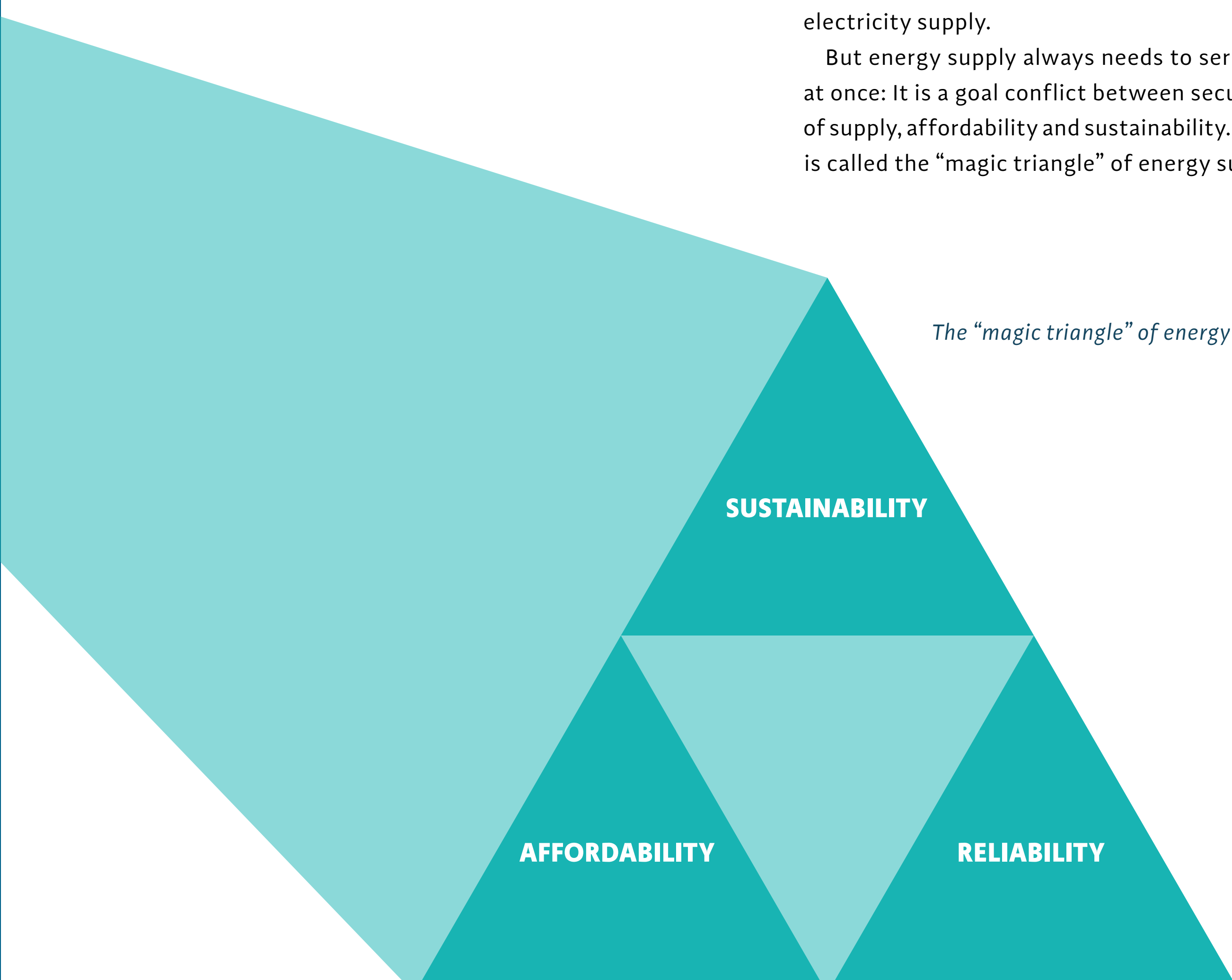
Electricity supply – Always a goal conflict

In Europe today, we are taking a stable electricity supply for granted. Power is no "design product" that we long for or swoon over in front of stylish department store windows. Power is just "there" – whenever we need it.

But power is a very delicate product. It cannot be stored (only in minor amounts) and thus needs to be produced exactly when needed. When you switch on the lights at home you expect them to burn bright that same split second. In economic terms, you would say: Demand needs to be met in real time. This problem often has been solved by installing monopolies for energy supply or making energy supply a state owned business. Many countries have followed this route in the past. In the EU, we have a liberalised market since 1998 promoting the competition of different generation technologies to ensure a stable and affordable electricity supply.

But energy supply always needs to serve three masters at once: It is a goal conflict between security or reliability of supply, affordability and sustainability. This goal conflict is called the "magic triangle" of energy supply.

The "magic triangle" of energy supply

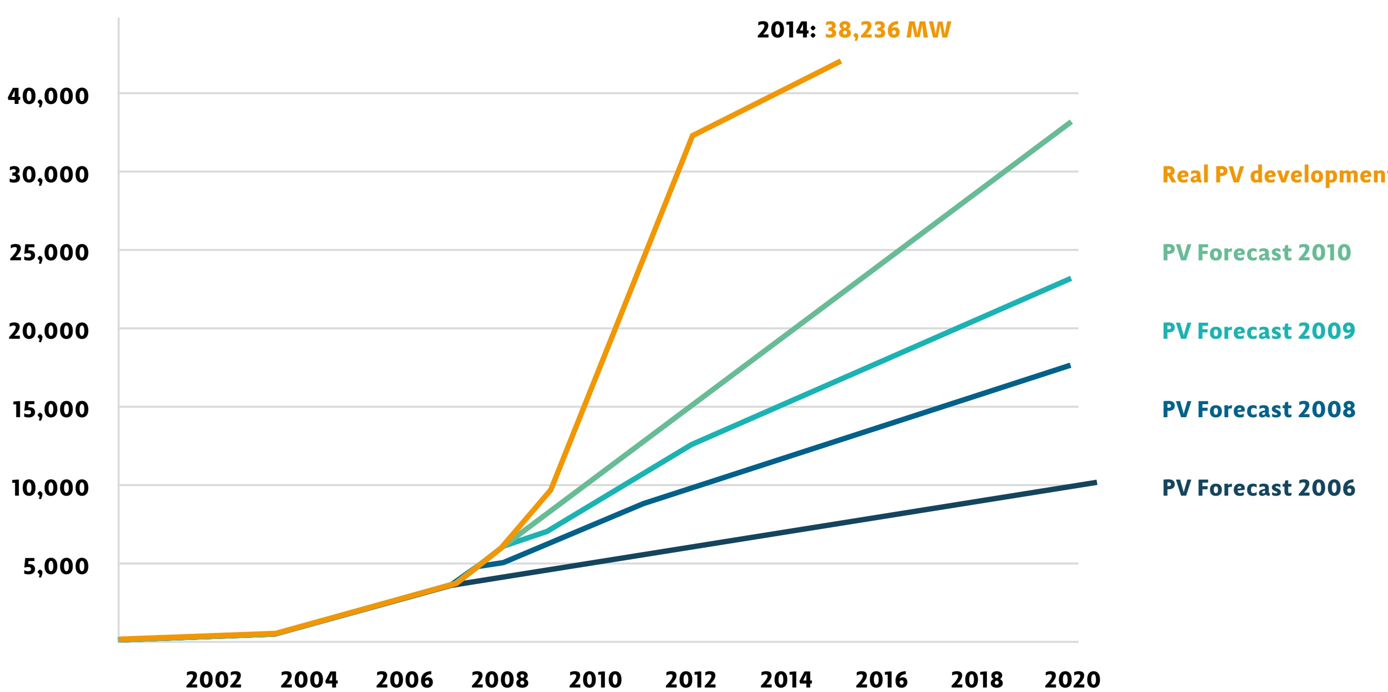


In emerging markets you can see that reliability of supply is the primary goal to ensure stable electricity supply for emerging economies. When the economy develops, you see the efforts shifting more to the angle of affordability to optimise production and increase private wealth. Sustainability is the last factor to enter the magic triangle in developing economies and comes with the will to create endurable and lasting structures beyond finite resources.

The most difficult task is to keep the three different "angles" of the triangle in a balance. If one aspect is over-emphasised, the other aspects will suffer. We can see this currently very clearly when looking at the European electricity market.

The "magic triangle" off-balance – Disruptive changes in the European market

During the last decade, there has been a lot of politically and socially driven promotion of renewable energies. Germany has got one of the most successful yet costly renewable promotion schemes. We have seen a tremendously rapid growth of installed capacity especially in photovoltaics. This development had not been foreseen by anyone, even the German government itself (who enacted the according laws) had not anticipated such an increase (see figure below).



Real development of PV compared to previous forecasts

Due to the European power market functioning by marginal costs per generation unit, renewable energies with marginal costs of zero have turned the European power market upside down. As the German renewables act EEG stipulates a feed-in priority for renewable energies, they have led to a dramatic drop of whole sale power prices in Europe. Many conventionally fired power plants – especially gas fired ones – are no longer economically viable. Mothballing or decommissioning of capacity has been the result.

Currently, this does not affect security of supply as there have been overcapacities in the market. But we need to take into account the nuclear phase out in Germany. Large capacities will be taken out of the market and pundits say that we are running the risk of shortages by 2022.

Security of supply is a public good and every economy needs to decide how much value it attributes to it. For industrialized countries like in Europe, security of supply is the basis of a prosperous industry. A prosperous industry is the basis for employment. And employment with competitive wages is the basis for consumption and national welfare.

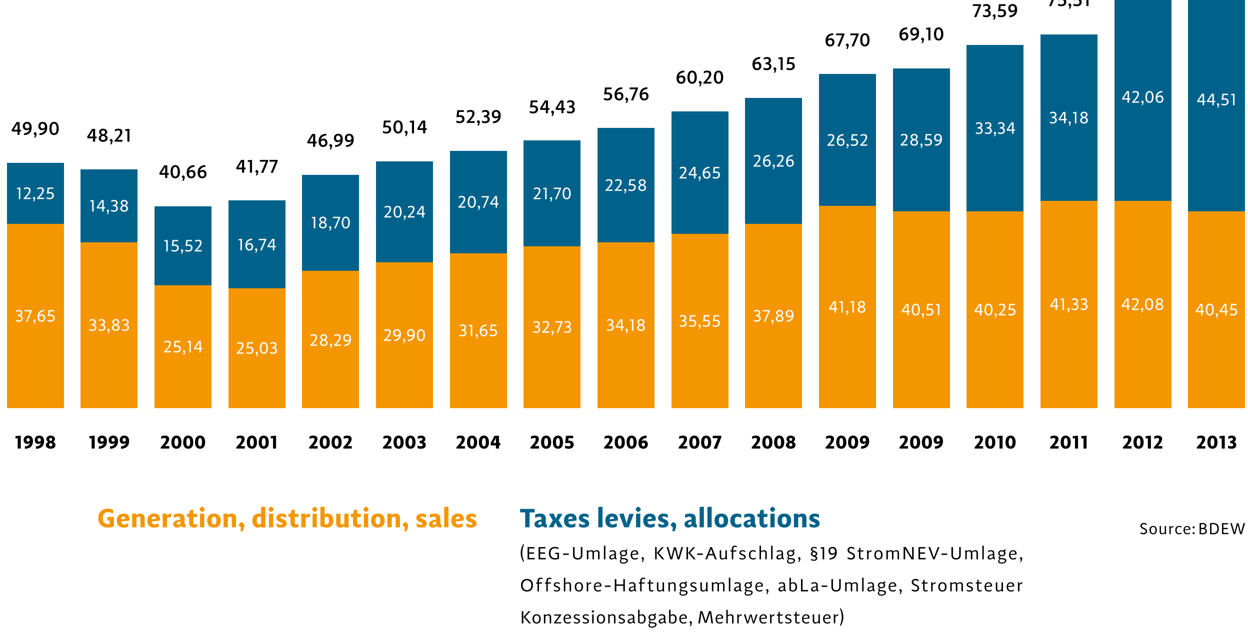
Industrialised countries have a need for security and affordability of energy which cannot be provided without conventionally fired power plants. With lignite, we have a subsidy-free, domestic primary energy source in Germany ensuring security and affordability at the same time. And with the European emissions trading system we have a tool in place to keep the balance with sustainability within the magic triangle. But also lignite-fired power plants are under heavy financial pressure, aggravating the situation even more.

Is there a cure for this sickness? Yes, there is. Many countries have already implemented so called capacity mechanisms. They work like an insurance. Power plants are paid for holding capacity available and jumping in when the wind is not blowing and the sun is not shining. There is a multitude of possibilities how to design such a mechanism. From a macro-economic point of view one should certainly avoid subsidies. But there are proposals based on market mechanisms. Firm capacity could be marketed in the same way as produced kilowatthours currently are. This has got nothing to do with life-sustaining measures for the methusalems of plant. The market will automatically favour the most efficient technologies. Thus, we kill three birds with one stone: Security of supply is ensured, costs are being held low and overcapacity is prevented. At the end of last year in the UK, the first capacity auction was successfully concluded at prices lower than expected by most.

The paradox: Historically low wholesale power prices – historically high end consumer prices

Paradoxically, with the historically low wholesale power prices all over Europe, end consumer prices especially in Germany have been increasing heavily. Is this the utility companies realising huge windfall profits? The short answer is: No. Only 48 per cent of the end consumer power price is defined by the utilities taking into account procurement, sales and transport. The larger part of the end consumer prices is politically induced with levies to pay renewable energies promotion, taxes and other allocations. Now, why is this a threat? The former EU Commissioner for Energy, Günther Oettinger put it short: "The high power prices in Germany have already initiated the de-industrialisation of the country."

Average monthly electricity bill (in Euro) of average German household (consumption 3,500 kWh p.a.)



Source: BDEW

Are we already at this point? Is a transformation of the energy landscape even possible under these circumstances? Are there any chances to hold on?

Chances: Energy regards us all – And we all can benefit

A new energy landscape does hold many chances. Firstly, we all agree that we need to protect our planet and carefully handle our natural resources to allow for further generations to live in health and prosperity. This means we have to take sustainability seriously. But how can we all benefit from that?

A major trend in the energy landscape is the decentralisation of production. Electricity production is no longer limited to large power plants operated by big companies. Photovoltaic panels enable every one of us to produce his or her own electricity. Especially for rural areas, this makes

+ 70%

+ 263%

+ 7%

Increase compared to 1998

a huge difference. Consumption and production in one hand create the "prosumer". This development shifts the value of generation towards the end user – one could call it a "democratization" of energy supply. Moreover, competition is increased and leads to a natural market clearing.

An important factor is the increasing electrification of areas formerly being driven by other "fuels". The spread of electronics and digitalization lead to higher power consumption. Also, the heat and the traffic market as well as public services and modern mega cities ask for more and more power. Global electricity consumption will increase by 93 per cent between 2010 and 2040 according to the US Energy information administration. This growth fosters innovation and the development of new business models. The famous US physicist Michio Kaku predicts that superconductivity at room temperature will pave the way into a completely different energy future. Currently, superconductivity is possible at high sub-zero temperatures. RWE is one of the pioneers in this technology having installed the longest superconductivity cable in the world in Essen.

But after all it all comes down to one thing: money. Investments into the energy sector are needed to stimulate innovation. To meet the growing electricity demand, roughly 17 trillion US dollars of investments are needed in electricity supply infrastructure in the next 20 years, estimates the International Energy Agency.

In order for this amount of money to be brought underway, returns on investments need to be absolutely clear. But currently, analysts declare large parts of the energy sector as "uninvestable".

If we succeed in creating political frameworks allowing for robust and viable business models, we have the historical chance to give our global economy a sustainable footing and thus increasing prosperity and opportunities for people around the world.

Dr. Bernhard Günther, CFO, RWE AG

Dr. Bernhard Günther *was born on 8 January 1967 in Leverkusen, Germany. He took his Master's degree in Economics in St. Gallen. While working as a Management Consultant at McKinsey & Company, he completed his doctorate in economics. Bernhard joined RWE in 1999 where he held various managerial positions before becoming Managing Director and Chief Financial Officer of RWE's Gas Supply and Trading business in 2007. In July 2012, Bernhard became a Member of the Board of Directors at RWE AG and was instated as Chief Financial Officer of RWE AG in January 2013.*

Nikil Mukerji & Julian Nida-Rümelin
Ludwig-Maximilians-Universität München

Economic rationality and the optimization trap

The theme of this issue of the St. Gallen Business Review is "Harmony". For this reason, we would like to discuss whether two aspects of our lifeworld are in harmony, namely economic optimization and morality. What is the relation between them? According to a widely shared view, which is one aspect of the doctrine of "mainstream economics", the functioning of an economic system does not require moral behaviour on the part of the individual economic agent. In what follows, we will try to convince you that this is false. If all economic agents – managers, employees, bankers, consumers and so on – were purely self-interested, as mainstream economics assumes, our economic practice would fail. There are various reasons for this. Here we will focus on one of them, namely the pivotal role of interpersonal communication.

Economic success depends on successful communication

It is fairly obvious that our economic system depends on effective communicative structures and processes between individuals. There are multiple reasons for this. One reason is the division of labour that is involved in economic production. Various different individuals produce the parts that are then assembled into a product. In order to coordinate the activities between them effective communication processes are required. A further reason is trade. Our economic system is based on the idea that goods and services are exchanged between individuals for mutual benefit. This exchange process requires that the individual parties agree on the terms of the trade and this, in turn, requires an effective system of communication between them. It is thus obvious that effective communication is a prerequisite of a functioning economic system. Though true, this fact is rather easy to overlook because, as a well-known platitude has it, you never know what you have until you lose it. Most of us seem to take communication for granted as its value only ever reveals itself when it becomes dysfunctional. Nevertheless, we have, as economic agents, an interest in suring up the basis of our communication with one another. But how is this possible? In order to understand this we need to dig a little deeper.

Communication is inherently moral

What is necessary for successful interpersonal communication? We would like to illustrate our answer to this question by dissecting a typical communicative situation and laying bare its microstructure. Suppose two persons, call them Emily and Susie, discuss a more or less sophisticated issue, such as the question whether taxes should be lowered in order to stimulate the economy. Emily argues that lower taxes will stimulate growth because it will increase consumption. Susie objects that tax breaks are unlikely to result in increased consumption because they will mainly benefit the rich who spend a relatively smaller fraction of their income on consumer goods. The precise shape of the discussion shall not concern us here. What we are interested in is to spell out the conditions for successful communication between Emily and Susie. It is clear that Emily's and Susie's conversation will involve a large number of individual utterances through which they express their opinions. These utterances need to satisfy certain conditions if the communicative exchange between them is to be successful. What are these conditions?

It is clear that Emily expects Susie to be honest in her utterances (and vice versa). She expects her to say what she really believes. If Emily thought that Susie did not really mean what she said, if she thought, say, that Susie merely wants to mess with her, Emily would presumably refuse to engage in the discussion with Susie. Their communication would fail. Honesty is, hence, one of the conditions of successful communication. It is not the only one, however. Honesty and truthfulness have to be separated. Susie's opinions may be entirely untrue, even if she expresses them honestly. If Emily had reason to believe that most of what Susie says does not correspond with reality, Susie would not seem to be a reliable communication partner. Reliability, i.e. the (likely) correspondence of a person's beliefs with objective reality, is thus a further condition for successful communication. Finally, successful communication depends on trust between communication partners. This trust has two aspects: a subjective and an objective one. Emily should believe that Susie says what she subjectively holds to be true and that it is, in all likelihood, objectively true (and vice versa). Even if Susie is honest and reliable, the communication between her and Emily would still fail if Emily did not trust her.

This précis of an interpersonal communicative situation makes clear that successful communication depends on conditions that are inherently moral. In order to make communication work each communication partner needs to follow certain rules. They need to be honest, reliable and trusting. Following these rules is not, however, in the immediate self-interest of either of them. Rather, it is for the sake of a cooperative communicative practice – a practice that benefits all.

Unrestrained economic optimization undermines our economic practice

At this point, it may be objected that, our aforementioned reasoning notwithstanding, purely self-interested individuals (or homines oeconomici, as they are referred to in economics) would be able to communicate successfully. After all, successful communication is in everybody's self-interest. And is their self-interest not what they are after?

This reasoning involves a misstep in logic. Of course, self-interested individuals are motivated by their own self-interest. They will do what is best for them. This much is true by definition. But it does not mean that in a society of self-interested individuals each will do, individually, what is best for all. This is not a new insight. The political philosopher Thomas Hobbes famously expounded it in his book Leviathan already back in the 17th century. And some decades ago economic game theory has begun to analyse scenarios in which the pursuit of individual self-interest is socially destructive. A famous illustration is the so called prisoners' dilemma game, in which two prisoners, call them A and B, who have jointly committed a crime, are faced with the choice between ratting out their partner or keeping silent. The situation is such that it is always advantageous, from both prisoners' perspective, to rat the other out. If A rats out B and B keeps silent, A will go free and B will be put in jail for life. The same goes vice versa. If, on the other hand, both rat each other out they both get 10 years in prison as opposed to the one year that both get if they both keep silent. In this situation, it would be best from A's and B's perspective if they both kept silent. This solution is, in the lingo of economists, Pareto optimal. However, it is individually advantageous, both from A's and B's perspective, to rat the other out – no matter what the other guy does. If, recall, A rats out B, A goes free if B keeps silent and gets 10 years of imprisonment if B rats him out, too. This is (individually) better than not ratting B out, which gets A one year of imprisonment in the first case and life in prison in the second. Hence, if A and B both act from their own personal self-interest, if they optimize their individual advantage, this will land them in an optimization trap.

As it turns out, then, the fact that successful communication is to everyone's advantage does not imply that self-interested individuals will communicate successfully. They will adhere to the constitutive rules of successful communication only when this is in their own personal self-interest. They will, e.g., be dishonest only when it pays and this will gradually erode communication between them. If, as we have argued above, economic practice relies on successful communication, then purely self-interested individuals will not be able to sustain it. They will be trapped in optimization – just like the two prisoners.

A plea for interdisciplinary thinking

Our conclusion contradicts economic common sense. Nevertheless, we hope we have been able to make it plausible that unrestrained economic optimization would destroy our economic practice and land us all in an optimization trap. But even if we were not successful in doing that, we hope that we were at least able to raise your awareness for issues that transcend the boundaries of the economic domain. We hope that we were able to convince you that there are philosophical issues to do with our economic practice that are important and worthy of your attention. In our view, the economics profession and society as a whole would benefit enormously if its practitioners would devote more attention to the philosophical foundations of their discipline. One obvious place where this idea could be implemented is the education system. Many economics and business curricula eschew philosophical topics – even at elite universities. And even the ones which do go into them usually do not train students in the kind of interdisciplinary thinking that is necessary in order to mediate the various aspects of our lifeworld. At Ludwig-Maximilians-Universität München, where both of us are based, we try to resist this trend. Following the famous PPE model (which stands for philosophy, politics and economics), which was first implemented at the University of Oxford in the 1920's, we set up an executive degree programme called Philosophie, Politik, Wirtschaft (PPW) in 2005. The programme addresses itself to business executives as well as to leaders in political and non-governmental organizations. It aims to reflect economic theory and practice in light of philosophical considerations and with an eye towards policy implications. In the ten years since its inception the programme has been able to stimulate integrative discourse between the disciplines and has proven extremely successful in shaping and sharpening its graduates' ability to make responsible, reasoned decisions in complex environments. This example shows that it is both possible and tremendously worthwhile to transcend the narrow bounds of mainstream economics and to try to bring economic theory and practice into harmony with its own foundations.◆

__LMU Munich__
__Ludwig-Maximilians-Universität München was founded in 1472 and is one of the leading research universities in Europe. It encompasses 18 faculties, which cover the whole range of contemporary scholarship, including humanities and cultural studies, law, economics and social sciences, medicine and the natural sciences. Its philosophy faculty covers all areas of philosophy. It offers various degree programmes and specializations, including an extra-occupational degree programme in philosophy, politics and economics (Philosophie, Politik, Wirtschaft).__

Nikil Mukerji, Academic Director, Ludwig-Maximilians-Universität München

Nikil Mukerji is a researcher at the Chair of Political Theory and Philosophy at Ludwig-Maximilians-Universität München and currently serves as academic director of the executive master's degree programme Philosophie, Politik, Wirtschaft (PPW) also at LMU. He has authored one monograph on societal justice ("Das Differenzprinzip von John Rawls und seine Realisierungsbedingungen" [2009], in German) and various papers in economics, philosophy and particularly ethics. Mukerji is also the co-editor of two ethics volumes ("Rethinking Responsibility in Science and Technology" [2014] and "Order Ethics – An Ethical Framework for the Social Market Economy"). As a self-employed trainer, coach and consultant with the Institut für Argumentation (Munich) he furthermore specializes in the application of philosophical ideas in the business world and everyday life.

Websites:
www.ppw.philosophie.uni-muenchen.de/ueber_uns/leitung
www.institut-fuer-argumentation.de/nikil-mukerji

Julian Nida-Rümelin, Ludwig-Maximilians-Universität München

Julian Nida-Rümelin is Professor of Political Theory and Philosophy at Ludwig-Maximilians-Universität München and served as State minister for culture and media from 2001-2002 in Gerhard Schröder's first cabinet. From 2008-2011 he was president of the German Society for Philosophy (DGPhil) whose triennial congress he hosted at LMU Munich in 2011. Nida-Rümelin has authored numerous academic books and articles in philosophy, ethics and political theory. As a public intellectual, he regularly comments on philosophical, ethical and political matters that concern the public at large. Der Akademisierungswahn *(2014, German),* Philosophie einer humanen Bildung *(2013, German) and* Die Optimierungsfalle *(2011, German) are among his most recent publications. Since 2008 Nida-Rümelin has also served as speaker of the executive master's degree programme Philosophie, Politik, Wirtschaft (PPW) at LMU.*

Websites:
www.julian.nida-ruemelin.de
www.philosophie.uni-muenchen.de/lehreinheiten/philosophie_4

Joe Kaeser
President and CEO, Siemens AG

Ownership culture – the code for sustainable success

Breakfast is a managing board meeting. The supervisory board meets at lunch. And the shareholders get together for dinner.

That's how family-owned enterprises work. Family members are simultaneously co-owners, managers and employees. Their focus is always on the company. They identify with it and work to ensure its sustainable success. Every member gives his or her best because the family's livelihood and reputation are at stake. Every member wants to hand over the company to the next generation in better shape than it was when they took over.

Siemens, too, began as a family enterprise. In 1847, Werner von Siemens founded our company by setting up a small shop in Berlin in order to manufacture pointer telegraphs. His brothers soon joined, and together they built a highly innovative company operating around the globe. Today we like to say that Siemens was born in Germany, raised in Europe and is at home in the world.

The company has long since outgrown its roots as a startup in the middle of the 19th century. Today, 340,000 people work for Siemens in 200 countries and in a broad range of business fields.

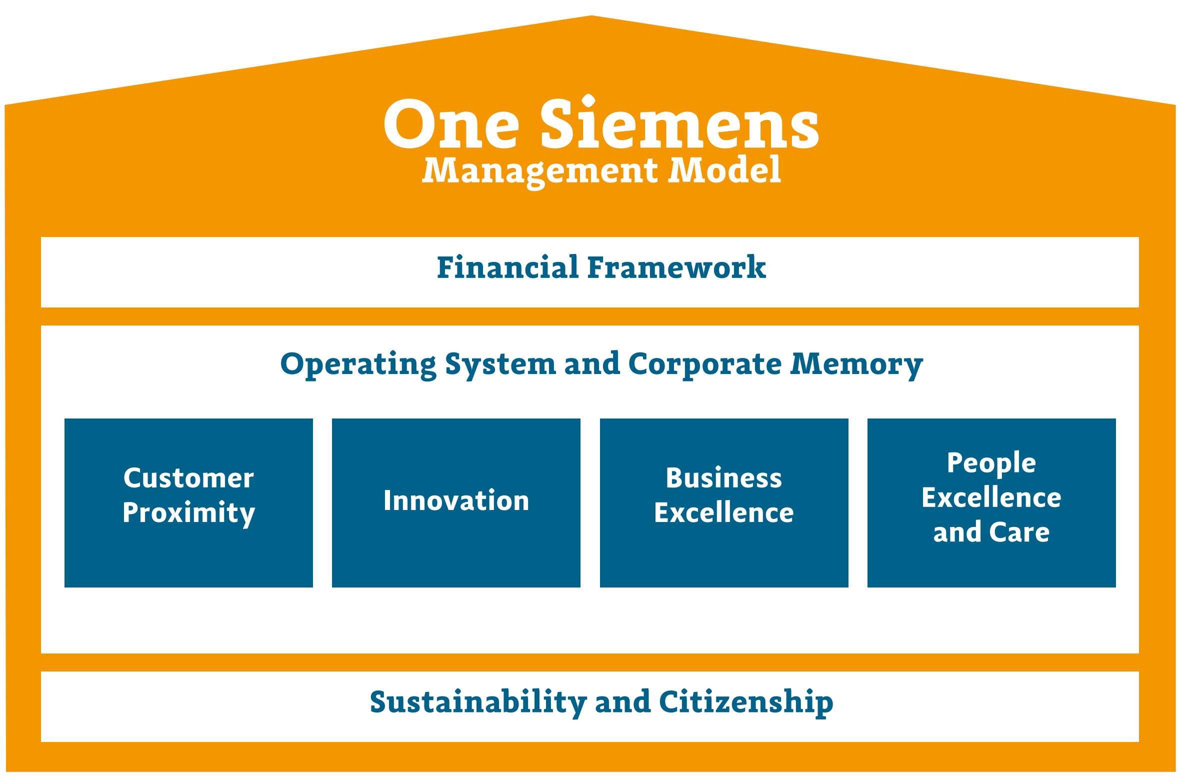
How can the virtues of a family enterprise be applied to a multinational company like Siemens AG? How can comparable principles be used to lead a large organization? What does the company stand for? And what holds it together? How can leaders inspire employees to perform at their best?

These were some of the questions we focused on when we defined the new direction for Siemens. With Vision 2020, which we introduced in May 2014, we presented an entrepreneurial concept aimed at strengthening Siemens and achieving profitable growth in the long term. But even more importantly: We initiated a fundamental culture change that supports this concept and that shapes our management model at all levels.

Mainly two developments prompted the biggest company reorganization in the last 25 years. First, Siemens has not lived up to its economic potential in recent years. The most important competitors are growing faster and achieving higher profit margins.

Second, the paradigm shifter digitalization is fundamentally transforming the economy and society, and thus Siemens as well. The smart phones we carry in our pockets and purses today have processors that are over 2,000 times faster than the most powerful Siemens mainframe computer in the mid-80s. A computer, incidentally, that completely filled an open-plan office.

Digitalization is affecting all aspects of our lives and all industries; it's turning business models upside down. We at Siemens are facing forays into our domain by software companies like SAP, Microsoft, IBM – as well as players like Google and Apple. These new competitors are venturing into areas such as manufacturing and building technologies, for example. Our answer to that is Vision 2020. Siemens covers the entire value chain of electrification, automation and digitalization and is focusing its resources on selected growth fields. From the very beginning, Siemens has been an electrification company. Today, we are the world leader in automation. If we want to be successful in the future, we must master digitalization and use it to create value for customers.



"One Siemens" is the management model for implementing the Vision 2020 concept

Ownership culture as the basis

How are we making Vision 2020 real? I believe that a culture change must accompany that – a change toward a true ownership culture, the kind of culture typical of well-run family businesses.

This means, first, a modern understanding of leadership. We expect managers to think long-term, to act like entrepreneurs, and to inspire and motivate employees.

Second, it means employee orientation. That entails communicating management decisions transparently, encouraging employees to ask questions, promoting an open dialogue, and standing by employees with the promise "We care." The message is: In good times and in bad, no one will be left alone at Siemens. Our maxim is: "You never walk alone."

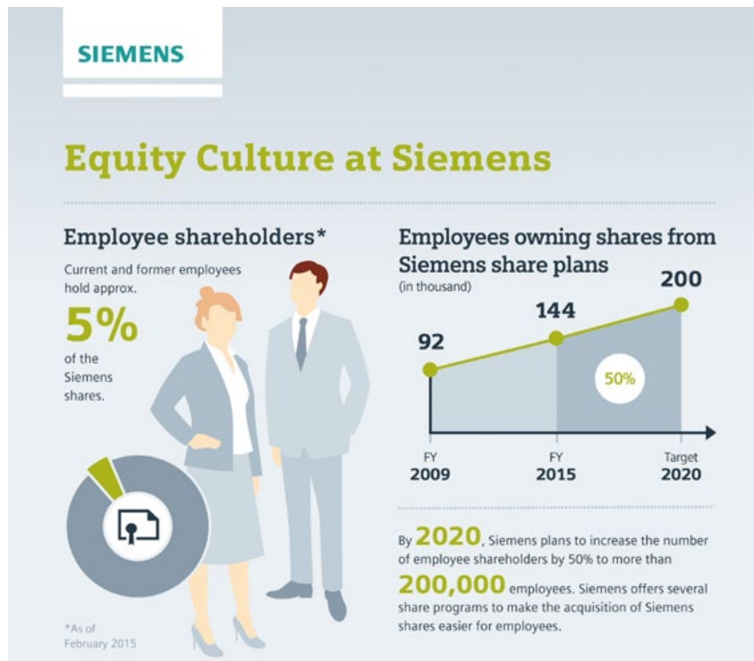
Third, our employee stock ownership program is turning Siemens employees into Siemens shareholders – not only in Germany, but in over 60 countries worldwide. That enables them to profit from the company's success. At present, 144,000 Siemens employees are shareholders. By 2020, we want to increase this number by at least 50 percent to over 200,000. I'm convinced that employee shareholders are more motivated and perform better because they work for "their" company.

Fourth, our values. "Responsible, excellent, innovative" –ownership culture is also based on our company's values. Only those who assume responsibility can produce excellent results and be innovative.

And fifth: Our overarching goal is to promote the behavior found in family enterprises. Our maxim is therefore: "Always act as if it were your own company." In short: Think and act as an entrepreneur in your own area of responsibility; seek opportunities and seize them rather than being content to stay in your comfort zone. And in doing so, always focus on what creates value for customers and society.

But culture change is a marathon, not a sprint. We've now put the first few kilometers behind us. The basis for the implementation of our concept is our management model "One Siemens," which comprises a financial framework, an operating system for daily business, as well as sustainability and corporate citizenship.

Let's first take a look at the financial framework. As in family enterprises, Siemens gives financial solidity priority over short-term profit. That is reflected by financial targets



oriented toward the creation of sustainable value, and it's also evident in our compensation system: management remuneration is based on the fulfillment of the company's financial targets and the success of Vision 2020. Our employee stock ownership program enables employees to benefit from the company's sustainable development.

Werner von Siemens had financial sustainability in mind when he said: "I will not sacrifice the future for short-term gain." We at Siemens follow that principle to this day.

Now let's look at the "operating system." First, the model of a family-run business shapes our customer relationships. We nurture close and trusted partnerships with customers, often over generations. At Siemens, we want to be close to our customers. That's why we eliminated some organizational layers in 2013. And that's why we want our sales employees, wherever they work around the globe, to devote 30 percent more time to customers. Customer proximity also means reducing bureaucracy and paperwork. Customers expect us to meet their requirements, and that's good because that motivates us to constantly improve and to dare to innovate.

Second, our operating system includes an innovation strategy that proactively meets the challenges customers face. Today, many of these challenges arise from digitalization. How can businesses process data in such a way that it creates value for customers? How do we get from data to business? That's the key question today. I don't think Silicon Valley is the only place where groundbreaking inventions and innovative business models are being developed; Siemens and other European companies are capable of doing that as well.

Here, too, ownership culture plays a central role. Family enterprises develop innovations based on their tradition: They analyze their specific strengths. They seek out business fields of the future in which they have a head start. And they allocate resources to these fields. That's exactly what we're doing at Siemens. We've identified eight growth fields within our core business.

One of these growth fields is industrial digitalization, or "Industrie 4.0", the Fourth Industrial Revolution. The Siemens Electronics Plant in Amberg, Bavaria, already provides a view of the future of manufacturing. We produce about 15 million Simatic industrial controllers a year there – that's roughly one product every second. The quality rate is 99.9989 percent or just one defect every two days. That's unmatched worldwide. And that's exactly the aspiration of family entrepreneurs: Always be the best in your line of business.

The Siemens Electronics Plant in Amberg, Bavaria, produces products with an unmatched 99.9989-percent degree of quality.

The third element in our operating system is business excellence. For us, this means that benchmarking is mandatory. Every three years, each of our businesses analyzes in detail its performance in comparison with the competition. It then takes measures to either catch up with the best or to maintain its top position. Business excellence relies on constant learning and improvement and on utilizing what has already been learned. The prerequisite for that is what we call "Corporate Memory." "If Siemens only knew what Siemens knows…" is a common expression in our company. Since its founding, Siemens has collected an immense pool of know-how and experience. An institutionalized corporate memory bundles this know-how, systematically makes it available for use in new projects, and provides information that is invaluable in weighing opportunities and risks.

One example of ownership culture in practice is the construction of the world's biggest metro line in Riyadh, Saudi Arabia. Siemens won the 1.6-billion-euro order to deliver a turnkey rail system for two driverless metro lines. Already in the bidding phase, we employed a cross-regional and cross-Divisional team to avoid project risks. Then, in the planning phase, we utilized our experience with large-scale projects in other business fields in Saudi Arabia and our knowledge of the conditions specific to the region. Likewise, the knowledge we gain in the Metro Riyadh project will be stored in our Corporate Memory and systematically made available to help us with future large-scale projects – not only in the rail business.

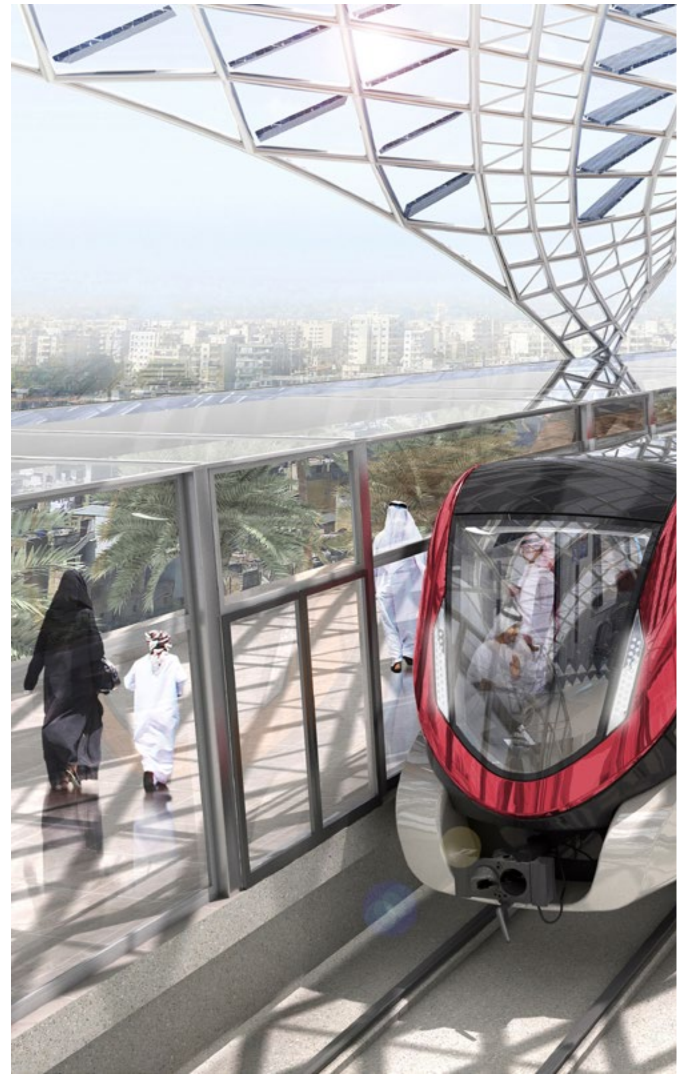
Finally, for us, business excellence means constant improvement. Our Wind Power and Renewables Division, for example, launched a program called "Zero-Defect Culture." Its goal is to avoid faults in production, installation and maintenance. Its four core principles are: We deliver as promised. We don't accept defective products. We strive to do things right the first time. We spot weaknesses before they lead to defects.

This program and other, similar programs are underway in a number of Siemens businesses and regions. The broad variety is intentional; it shows that employees are acting as entrepreneurs and contributing and implementing ideas. We know that a company culture can be promoted but not imposed from the top. It has to develop – and be put into practice.

Let me turn now to the fourth and last area of our operating system. "People excellence and care" means that employees should have challenging tasks and feel supported, as in a family enterprise.

We need excellent entrepreneurial skills and abilities, especially in these days of rapid change, and that comes only from motivated employees who identify with their company.

The generation just entering the working population, "Generation Y," drives that home. Today's 25- to 35-year-olds seek work that is meaningful, work they can be proud of. And you can be proud of a company only if it creates real value for society.



Siemens will build two driverless metro lines in Riyadh, Saudi Arabia's capital.

Nobel Prize laureate Milton Friedman once said: "The business of business is business." But I believe the business of business is more than business. The „more" here is assuming responsibility for society and for the generations that follow. The prerequisite for that is obviously healthy profitability – because only those who have (profit) can give (to society).

Some months ago we asked our employees what word they would use to describe ownership culture. Around 15,000 responded with words like "family, passion, freedom, authority, commitment." But the by far most often mentioned word was "responsibility." We posed the identical question to our 500 top managers as well. Here, too, "responsibility" ranked far above all other words. This shows that both the leadership and the rank and file at Siemens have understood what it's all about: responsibility and personal engagement for the good of "their" company. And that is ownership culture. ◆

Joe Kaeser
President and CEO of Siemens AG

Joe Kaeser is President and Chief Executive Officer of Siemens AG. He has over 30 years of experience at Siemens, where he has held a variety of top management positions in finance and strategy both inside and outside Germany. Joe Kaeser began his career at Siemens in 1980 in the field of components and semiconductors. In 1999, he joined the Corporate Finance department. In 2001, he was appointed Chief Financial Officer of the Information and Communication Mobile Group. From 2004 to 2006, he served as Siemens' Chief Strategy Officer. Prior to his appointment as CEO in August 2013, he was the company's Chief Financial Officer for seven years.

Patrick Dupoux
The Boston Consulting Group

Winning in Africa: from trading posts to ecosystems

Embracing Africa

Mostly ignored since the 1980s, Africa is now gaining attention and investment from multinational companies. Growth rates on the continent are rising, some long-running wars and conflicts are progressively giving way to democracy and bureaucratic competence, and infrastructure and connectivity are improving. With competition for growth in Southeast Asia and Latin America intensifying, companies are setting their sights on Africa as the next frontier market.

But awareness of the Africa opportunity is one thing. Winning in Africa is another. Many companies that have operated there for decades have learned the hard lessons that await newcomers, who do not necessarily know how much to expect, where to start, or how to succeed. Implementing the right plan now to build their Africa capabilities by 2020 will help companies achieve success on the continent.

Economic Africa

In the 1980s and 1990s—the "lost decades" during which political and economic circumstances turned Africa into a marginal player in the global economy—multinationals that did not withdraw entirely from the continent treated it as a "trading post," extracting metals, minerals, and natural resources and shipping finished goods to its large coastal cities. Their involvement with Africa was limited.

Even before the lost decades, Africa was a distant outpost that often did not receive adequate management attention, investment, or organizational support.

Africa has been on a steep growth trajectory since about 2000, however, with at least four factors besides rising commodity prices contributing to its success.

Capital is returning to the continent. During the lost decades, about 1 percent of Africa's GDP left Africa, but now about 11 percent of GDP flows into it, aided by improvements in the economic and political climate as well as the 1996 debt-relief plan for poor nations instituted by the International Monetary Fund and World Bank. Since 2007, annual inflows of foreign direct investment have reached at least $45 billion annually, up from less than $10 billion annually during 1980s and 1990s. And in 2010 African savings exceeded $170 billion, up from $109 billion in 2000.

A demographic dividend is supplying Africa with a youthful, better-educated, and increasingly available workforce in a transition similar to that in Asia in the early 1980s. Shortly after 2030, more than 60 percent of Africans will be of working age. By 2040, Africa will have a larger working-age population than China or India, and by 2060 it will have a larger percentage of people of working age than any other continent.

Patrick Dupoux *is a partner in the Casablanca office of The Boston Consulting Group and a regional leader of the firm's Global Advantage practice. He is also the BCG topic leader for Africa Insights and Frontier Markets. Since 2009 he has led the firm's development in North and West Africa and the 2010 opening of the Casablanca office, and has helped several multinational and North African companies win on the African continent. He is an active author of BCG's Globalization thought leadership, heading up the report ,'Winning in Africa: From Trading Posts to Ecosystems.' Before joining the firm, Patrick worked three years for Suez Lyonnaise des Eaux in Argentina. He also worked as a financial analyst within BNP in France and the U.K. and spent a year within the Africa infrastructure division of The World Bank. Patrick holds a master of engineering from the leading French engineering school École Nationale des Ponts et Chaussées and an MBA from INSEAD.*

Improvements in physical and digital infrastructure are easing the challenges of doing business in Africa and helping to modernize national economies. Unshackled by legacy infrastructure or embedded commercial interests, these economies are leapfrogging their developed-market counterparts by taking advantage of the latest innovations, leveraging technology to address their most urgent development needs. Africa is the fastest-growing mobile phone market in the world. Internet usage is growing too, though more slowly. Plus, African transportation and utility networks are improving. Private-sector infrastructure investments nearly tripled between 2000 and 2010.

Africa is the fastest-growing mobile phone market in the world.

In general, and despite several exceptions, political stability and governance have improved dramatically. Africa is a less risky and more predictable place to do business as more governments become more democratic, more competent, and more oriented toward the private sector.

Collectively, these developments have helped create not only higher demand and more diversified economies but also an emerging class of African consumers with discretionary income to spend.

Bring Africa into the boardroom

Ninety percent of CEOs in the companies BCG surveyed visited Africa in 2013, as opposed to less than 10 percent before 2008. Africa is the final frontier—the last sizable area of untapped growth in the global economy. There are no other large emerging markets left to enter. To realize Africa's potential, companies will need to ensure that their senior executives, board members, and headquarters staff are committed to the continent. They must create explicit, ambitious goals for their Africa business, or senior leaders will not pay attention, investments will not flow, top talent will not join, and local governments will not support them. A multinational's Africa teams need active, sustained, and public support from the company's senior leaders to ensure the attention a complex set of emerging markets requires.

Africa is the final frontier—the last sizable area of untapped growth in the global economy.

Address Africa's diversity

To succeed in the new Africa, companies will need to actively engage with and commit to the continent by building ecosystems of suppliers, partners, communities, and public and private stakeholders. The continent is a collection of different markets. This raises challenging organizational and business-model questions. Companies cannot simply import a structure and way of doing business that work in other markets. They will need to create and empower local organizations close to the market and establish a regional structure that takes advantage of scale and provides consistency. In particular, companies will need to do the following.

Companies need to create and empower local organizations close to the market.

- Prioritize their African markets, focusing on those that offer the best combination of attractiveness and competitive advantage for their specific sector. For instance, though Nigeria's large population and natural resources puts it onto lists of priority African markets, an active used-vehicle market makes the number of new car sales there relatively small. For this reason automakers have prioritized Algeria, which has more auto sales than its population or per capita GDP would suggest, over Nigeria.
- Organize for many Africas, leveraging hubs or regional clusters of countries. Many companies divide the continent into two or more regions in order to deal with its size and take advantage of linguistic, cultural, economic, and cultural linkages.
- Adjust their business model when the realities of Africa require different approaches.

Build 2020 Africa capabilities now

Africa is a demanding place to do business, asking more of companies than other markets. Talent, market knowledge, and risk are bottlenecks. To build 2020 Africa capabilities now, companies must invest aggressively in local African talent and human resources as well as in market intelligence, and they must embed risk management in the organization. Risk management extends beyond the geopolitical sphere to the infrastructure and services companies in other markets take for granted – for example, steady electrical service, smooth port operations, and reliable delivery options.

Meet the new African customer

Africa's growing economies and urbanization are increasing the number of Africans with discretionary income. BCG's 2013 Africa Consumer Sentiment Survey shows a growing African consumer class. Along with a set of thriving African companies, it is starting to reach critical mass. To meet the needs of the new African customer, companies need to do the following.

- Create an African offering, balancing local preferences against the need to achieve scale and consistency. For instance, Bajaj Auto's motorcycle, adapted to local uses and weather conditions, became the market leader in Nigeria in two years. It was priced 30 percent higher than Chinese models but below similar Japanese vehicles. Samsung's appliances for the African market frequently have built-in surge protection. Its refrigerators often have extra insulation and its washing machines are energy efficient.

- Build and leverage their brands. Brands appear to be more important to African consumers than to consumers elsewhere. The challenge is to figure out how to strengthen brands in ways that are economical and measurable. The continent's diversity will require companies to deploy several channels and platforms.

Brands appear to be more important to African consumers than to consumers elsewhere.

- Control distribution so as not to cede oversight of pricing, branding, channel management, and inventory. Distribution can be delegated, but it must be done right. This often will require novel approaches. In 2011 Nestlé doubled its number of sales outlets in South Africa by relying on a small army of distributors who travel by foot, bicycle, and car. Vodacom has created more than 100,000 points of sale in Africa through wholesalers and independent contractors.

Commit to Africa

An ambitious development agenda exists for Africa.

An ambitious development agenda exists for Africa. African leaders are diligently working to improve the economic and social infrastructure of their nations. Consequently, companies should determine how they can help African countries achieve their development goals while also making a profit. This means that they must commit to Africa, which will require that they do the following.

- Pursue "Made in Africa" by establishing or investing in manufacturing facilities there, sourcing locally, or taking advantage of the U.S. African Growth and Opportunity Act, which allows Sub-Saharan nations to export certain goods into the U.S. duty-free if they can show progress in opening their economies, protecting human rights, and reducing corruption.
- Engage with their local stakeholders, working with governments, NGOs, and others that hold power or influence public opinion.
- Pursue business opportunities that align with Africa's development agenda in support of local or regional manufacturing, job growth, and skills transfer. By helping governments achieve their development goals, companies will find it easier to do business and attain their own objectives.

Building an African ecosystem for winning

To succeed in Africa, companies must evaluate their performance and priorities on the continent, and executives should ask themselves and their organizations if they are ready to win there by moving quickly and building an ecosystem, rather than relying on the trading posts of the past. ◆

Read more about BCG's viewpoint on the African opportunity at www.bcgperspectives.com

Dr. Christian P. Illek

Vorsitzender der Geschäftsführung von Microsoft Deutschland

Keine Angst vor Kontrollverlust

Dr. Christian P. Illek *war bis Mitte Februar 2015 Vorsitz der Geschäftsführung von Microsoft Deutschland. Davor verantwortete Christian Illek als Geschäftsführer Marketing der Telekom Deutschland GmbH alle Marketingaktivitäten für Privat- und Geschäftskunden in Deutschland sowie die internationale Produktentwicklung für Festnetz, IPTV, konvergente und Geschäftskunden-Angebote der Deutschen Telekom AG. Vor seiner Berufung als Geschäftsführer Marketing T-Mobile im Mai 2009 und zum Bereichsvorstand T-Home Anfang 2007 arbeite er in verschiedenen Führungspositionen bei den Firmen Bain & Company und Dell sowohl in Deutschland als auch in der Schweiz. Christian P. Illek studierte Chemie und Betriebswirtschaftslehre in Düsseldorf und München und begann seine berufliche Laufbahn 1989 an der Münchner Universität. Ende Februar 2015 übernahm Illek den Posten des Personalvorstandes bei der Deutschen Telekom AG.*

Flexible Arbeitsmodelle erfüllen den Wunsch vieler Mitarbeiter nach Selbstbestimmung und einer individuellen Work-Life-Balance. Gleichzeitig machen sie Unternehmen innovativer, agiler und produktiver. Doch das Neue Arbeiten erfordert auch eine neue, von Vertrauen und Ergebnisverantwortung geprägte Unternehmenskultur.

Die digitale Transformation führt zu tiefgreifenden Veränderungen entlang der gesamten Wertschöpfungskette. 94 Prozent der deutschen Unternehmen aller Wirtschaftszweige sagen schon heute, dass die Digitalisierung ihre Geschäfts- und Arbeitsprozesse beeinflusst. Mobile und Cloud-Technologien, Big Data und Social Communications sind die Basis für innovative Produkte, Services und Geschäftsmodelle, die die tradierten Spielregeln in allen Wirtschaftszweigen grundlegend verändern. Mithilfe digitaler Technologien können grosse Unternehmen heute so nah an ihren Kunden sein wie kleine. Und kleine Unternehmen können so effizient arbeiten wie grosse, weil sie sich IT-Kapazitäten leisten können, die bisher Konzernen vorbehalten waren. Mittelständler können in Märkte vordringen, die ihnen bisher mangels technischer Möglichkeiten verschlossen waren. Und junge Firmen können in einer Liga mit etablierten Playern spielen, ohne gefährliche finanzielle Risiken einzugehen.

Kreative Wissensarbeiter brauchen Freiraum und Flexibilität

Dank neuer Technologien können wir heute Dinge tun, die früher nicht einmal denkbar waren: Die Analyse grosser Datenmengen in kürzester Zeit. Das parallele Arbeiten auf unterschiedlichen Geräten und Plattformen. Die produktive Zusammenarbeit in wechselnden Teams über Zeit-, Hierarchie-, Unternehmens- und Ländergrenzen hinweg. Die neue Mobilität verschafft uns mehr Beweglichkeit und Bewegungsfreiheit. Diese Chance müssen Unternehmen nutzen um in einer sehr beweglichen Welt nachhaltig erfolgreich zu sein. Denn der wachsende Innovationsdruck und der scharfe internationale Wettbewerb erfordern ein hohes Mass an Flexibilität und Agilität. Wer erfolgreich sein will, muss in der Lage sein, schnell zu handeln: Mit neuen Produkten, einem besseren Service oder einer schnelleren Reaktionszeit als die Wettbewerber.

Gleichzeitig geht es in der digitalen Wirtschaftswelt von morgen immer weniger um die die Herstellung von Massenware und immer mehr um die Konzeption komplexer Systemlösungen. In einer solchen Welt sind das Wissen, die Motivation, die Beteiligung und die Eigenverantwortung von Mitarbeitern entscheidende Faktoren für den Unternehmenserfolg. Die Innovationskraft von Unternehmen hängt mehr und mehr am Selbstmanagement kreativer Mitarbeiter und an deren Fähigkeit zu vernetztem Denken. Doch der neue Typus des hoch qualifizierten Wissensarbeiters, den alle Unternehmen jetzt so dringend brauchen, kann sich in starren Hierarchien und einer traditionellen Befehls-Gehorsam-Kultur nicht frei entfalten. Kreative Köpfe brauchen Freiräume und Flexibilität, um sich optimal einbringen zu können. Unternehmen müssen umdenken: Weg von klassischen Arbeitsstrukturen mit festen Arbeitsplätzen und starren Arbeitszeiten, hin zu mehr Flexibilität und zu neuen Formen der vernetzten, orts- und zeitunabhängigen Zusammenarbeit.

Junge Talente wollen früh eigene Entscheidungen treffen

Das ist umso wichtiger, da hoch qualifizierte Mitarbeiter ein knappes Gut sind. In Deutschland fehlen beispielsweise schon heute mehr als 41.000 IT-Experten. Im globalen «War for Talents» müssen Arbeitgeber daher neue Wege gehen, um Mitarbeiter zu gewinnen und langfristig an das Unternehmen zu binden. Gerade junge Talente aus den Generationen Y und Z wollen heute möglichst frühzeitig eigene Entscheidungen treffen und ihre Arbeit individuell gestalten. Flexible Arbeitsmodelle bieten Freiraum und erfüllen den Wunsch nach mehr Selbstbestimmung und einer individuelleren Work-Life-Balance. Gleichzeitig machen sie Unternehmen innovativer, agiler und produktiver. Nach einer Studie des «Economist» sind Unternehmen mit flexiblen Arbeitsformen bis zu dreimal profitabler als ihre Wettbewerber. Und das Kieler Institut für Weltwirtschaft (IfW) hat festgestellt, dass Unternehmen, die auf zeit- und ortsunabhängige Arbeitsmodelle setzen, bis zu vierzehn Prozent mehr neue oder verbesserte Produkte auf den Markt bringen als Unternehmen, die ihre Mitarbeiter mit starren Arbeitszeitregelungen an der kurzen Leine halten.

Unternehmen mit flexiblen Arbeitsformen sind bis zu dreimal profitabler als ihre Wettbewerber.

In Kombination mit intelligenten «Mobile Devices» ermöglicht die Cloud neue Formen der vernetzten, orts- und zeitunabhängigen Zusammenarbeit. Es genügt jedoch nicht, jedem Mitarbeiter ein Smartphone zur Verfügung zu stellen und einen modernen Arbeitsplatz im Home Office einzurichten. Solange Führungskräfte den Kontrollverlust fürchten und den Kollegen nicht vertrauen, wird der Übergang in eine neue Arbeitswelt nicht gelingen. Flexible, mobile und virtuelle Arbeitsmodelle benötigen neue, aufgabenorientierte Führungsmodelle. «Neues Arbeiten» erfordert eine neue, von Vertrauen, Kollaboration und Ergebnisverantwortung geprägte Unternehmenskultur. Bei Microsoft Deutschland nutzen bereits 90 Prozent der Mitarbeiter flexible Arbeitsmodelle und entscheiden selbst, wann und wo sie arbeiten. Leistungen werden nicht an Anwesenheitszeiten gemessen, sondern an individuell vereinbarten Zielen und tatsächlichen Ergebnissen. Verbindliche Betriebsvereinbarungen zu Vertrauensarbeitszeit und Vertrauensarbeitsort sowie eine offene und mitarbeiterorientierte Unternehmenskultur sind die Basis für den Erfolg dieses Modells. ◆

Flexible, mobile und virtuelle Arbeitsmodelle benötigen neue, aufgabenorientierte Führungsmodelle.

Prof. Dr. Dr. Franz Josef Radermacher
German economist and mathematician

Global economy in 2050:

What is necessary for efficient markets in consideration of sustainable development?

The world in 2015 is in a difficult situation and the outlook for 2050 is mixed at best. Globalisation means that the world's economic system operates primarily under supranational agreements and rulings, insufficient for a sustainable development. The situation is being exacerbated by the rapid growth in the global population towards 10 billion, and the hundreds of millions of people who are working hard to join those already pursuing resource-intensive lifestyles.

Sustainable solutions for the foreseeable challenges need to address the question of limiting the consumption of non-renewable resources and reducing the environmental impact while seeking a parallel solution to the global climate and energy problems from a worldwide perspective, as well as tackling the social aspect in its global form. The last point particularly concerns overcoming absolute poverty and hunger. Although technical progress alone may reduce substantially the environmental impact per unit produced (dematerialization/increased eco-efficiency) and help to increase prosperity in absolute terms, the well-known "boomerang effect" (so-called rebound) means that it often leads to a greater overall impact on ecological systems and more, not less, inequality. In particular, always more "intelligent" computer systems, "BIG DATA" and analytics may obsolete hundreds of millions well paid jobs, based on high intellectual achievements and a good education. We find ourselves, therefore, in the same predicament as the sorcerer's apprentice, lamenting: "The spirits I have cited my commands ignore".

Taking this situation as our starting point, a look forward towards 2050 presents us, from the point of view of the Club of Rome, with three potential scenarios. Two are extremely threatening and cannot be reconciled with the principles of sustainability, namely ecological collapse or alternatively the emergence of a two-tier global society. The only way to achieve sustainable development and a balanced world would appear to be tight-knit international cooperation with the aims of prosperity for all and sustainability in the form of a global ecosocial market economy (e. g. green and inclusive global markets) as a viable alternative to today's turbo and casino capitalism.

One key question is how likely it is that such a balance can be achieved. Are there hopeful signs? Certainly! For example, take the wide-ranging social progress that has been made since the Second World War, primarily in the developed world, but very much also elsewhere. Or the surprising closing of ranks among the OECD and G20 member states against aggressive tax planning and tax havens in the wake of the latest financial crisis. Hope is also provided by consumers and investors, who are increasingly reflecting global developments, focusing on more than just financial benefit and applying ethical standards in evaluating economic activity (so-called "mor alisation of markets"). The latter development is closely linked to the serious efforts undertaken by many companies in the area of corporate social responsibility (CSR).

The main difficulty, however, is satisfying all of the demands that are emerging around the world within the existing global regulatory framework (the "rules of the game", so to speak). This will require strong global growth over a number of decades – but, as we know already, this growth must be green and inclusive. In other words, growth that does not involve a further rise in the consumption of critical resources, that allows the 2°C climate limit to be upheld while enabling a move towards global social balance rather than a two-tier society.

Although this is a complex objective, the situation is far from hopeless. The goal is a challenging one, but one that we can still attain. However, this requires harnessing the best past experience in terms of what innovative technology and organisation can achieve. We need dramatic technical progress to produce better solutions, particularly in the area of green technology. More specifically, we need to increase the availability of energy throughout the world while using fewer resources, and in particular while significantly reducing the use of fossil fuels – and we need to achieve this at a reasonable cost in order to facilitate social inclusion globally. This is the key task in terms of technical innovation. However, the realisation of this programme requires the right price signals within the markets. None of this can be achieved if, all around the world, it pays to act in a manner that is incompatible with sustainability. Consequently, it should not be possible for companies to earn good money by contributing to the destruction of the environment at home or in other countries, by exacerbating the climate problem, by tolerating child slave labour at suppliers within their value chains, by circumventing the ILO's social standards in this way, or by using globalisation as a means for aggressively reducing their tax bill. Many international corporations have done this with great success, with national budgets and the SME sector suffering further as a result – an entirely counterproductive development. Starting to make a difference in this area, i.e. by introducing innovations in global governance, is a difficult task – but certainly not a hopeless one. And it is successful companies in particular that can, and should, take up a position and go on the offensive.

The starting point for commitment on the part of companies is the wholly unsatisfactory situation in terms of the global development of sustainability. This situation means that companies are subject to growing pressure to make a major contribution to the development of sustainability in their own right. This is shaped by the main theorem of business ethics: “the systematic place of morality in a market economy is the framework”, and of corporate ethics: “in the case of deficits in the framework, responsibility for legitimation falls upon the companies”. As a result, companies are coming under ever-greater pressure. Their “licence to operate” is put under question. Something needs to happen. There is undeniable pressure on them to act.

As a result of these developments, companies are responding to market conditions by intensifying their commitment to sustainability. In some cases, their actions are also driven by an inherent motivation or because of what their owners want. This applies in particular to brand companies and many family-owned enterprises. Among other things, this is due to the name recognition and intrinsic value of brand companies and the corresponding expectations of customers and lenders, employees and suppliers, NGOs and the public – but self-motivation is often also a reason. Consumer behaviour is also directly noticeable. One particularly important consumer group in this respect is “LOHAS”, which describes a group of the population that is committed to a “lifestyle of health and sustainability”. Members of this group are generally well-educated, economically well-positioned people who like to consume but seek to avoid causing damage through their consumption. They want to be part of the solution, not part of the problem. Where problems are not resolved at a political level, they expect companies to step in (as per the main theorem of business ethics cited above).

All of this explains why companies are increasingly becoming involved in sustainability, whether as part of the UN Global Compact, the Global Reporting Initiative or their own CSR strategies. Companies around the world are becoming active in the fight against poverty and for environmental protection, reducing and reporting on their carbon footprint, and striving to make a varied contribution to protecting the climate and the environment.

This is, however, not enough. Still, competition puts limits on voluntary actions by companies, when regulation is insufficient. Competition does not help in this respect, because primarily, it focuses on efficiency. But the issue is effectiveness, in our case effectiveness in reaching sustainability, overcoming poverty and staying within the 2°C-target. Here, the situation is like in sport: competition takes care of performance, but whether the game is soccer or rugby or basketball is an issue of rules, not of competition.

At the ceremony for the 2013 German Sustainability Award, Björn Stigson, formerly President of the World Business Council for Sustainable Development, had some words to say on the matter: "We do what we can to promote sustainability, but we have reached a limit. We are reaching a point where the regulatory conditions will need to improve in order for us to continue – which is something that is urgently required. Without structural change, there will be little room for further improvement on the part of companies."

Companies and citizens, particularly good educated people and high income customers have a role in this – as catalysts for better politics. Not forget, sustainability is worthwhile already today - at least to a certain degree. For brand companies, it is not only worthwhile, but necessary to perform successfully in the market and retain the "licence to operate".

Going above and beyond this requirement is a different matter, and one that depends on the adequacy of the company's business model and the long-term nature of their approach. Of course, companies cannot be expected to do everything that observers and other stakeholders might wish them to do in order to secure sustainability for the world. But there is a great deal they can do – and they always more often are acknowledging their responsibility and doing exactly that. Taking again the comparison to sports. While "playing" under competition the game as it is, companies have to join civil society and politics to ask for the right rules for global markets that is they have to contribute to changing the rules. Good global governance and adequate economic and financial rulings are at the core of a sustainable future.

Prof. Dr. Dr.
Franz Josef Radermacher (Dr. h.c.)

Prof. Dr. Dr. Franz Josef Radermacher (Dr. h.c.) *holds a faculty position for "Data Bases / Artificial Intelligence" at the University of Ulm and, at the same time, is the Director of FAW/n (Research Institute for Applied Knowledge Processing/n), Ulm (Germany).*
Member of the Club of Rome and of several national and international advisory boards as well as President of the Senat der Wirtschaft e. V. (Senate of the Economy), Bonn, President of the Global Economic Network (GEN), Vienna, and Vice President of the Ecosocial Forum Europe, Vienna.

EIN KAHLER RAUM
SEIT TAGEN KEIN SCHLAF
MÜDE
KURZ VORM EINSCHLAFEN
EIN SCHLAG INS GESICHT
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BIS DU WAS DAGEGEN TUST.
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Interview mit *Alexander Kudlich*

Board Member, Group Managing Director der Rocket Internet SE
ESPRIT / Student Business Review Alumnus

Alexander Kudlich *was born in Bonn, Germany in 1980. He studied business administration with a specialization in finance and accounting at the University of St. Gallen in Switzerland from 1999 to 2004 and graduated as Lic.oec. (HSG). In 2005, Alexander received a Master of Arts degree in philosophy from the University College London in the United Kingdom. He also holds a Master of Business Administration from the European School of Management and Technology. In 2005, upon graduation from the University College London, Alexander joined Axel Springer AG as the Assistant of the Chairman and CEO (Dr. Mathias Döpfner). From 2008 to 2011, he worked in various managerial positions in a group company of Axel Springer AG – the zanox.de AG, including as Regional Managing Director for Asia Pacific and Central and Eastern Europe. In 2011, Alexander joined Rocket Internet. As Group Managing Director, he is responsible for operations, product development, technology and resources.*

Herr Kudlich, wie würden Sie das Geschäftsmodell von Rocket Internet erklären? Warum ist dieses einmalig?

VW oder Toyota bauen Autos, wir bauen Internetfirmen. Wir sind insofern einmalig, als dass wir den Aufbau von neuen Unternehmen industrialisieren. Die übergreifende Ansatz für jedes unserer Unternehmen ist gleich: wir identifizieren bereits bewährte Geschäftsmodelle, rollen diese in verschiedenen Märkten auf der ganzen Welt aus und skalieren sie mit dem klaren Ziel, Marktführer zu werden.

Die Rocket-Plattform erlaubt es uns das sehr prozessorientiert, schneller und risikoärmer zu machen als ein unabhängiger Gründer das könnte. Wir konzentrieren uns auf vier Verticals (Retail, Fintech, Marketplaces und Travel) und sind auf fünf Kontinenten in 100 Ländern aktiv, mit mehr als 25.000 Leuten.

Nach welchen Kriterien werden die Ideen für ein neues Unternehmen ausgewählt? Worauf kommt es an?

Wir identifizieren und bewerten neue Geschäftsmodelle in einem sehr standardisierten Prozess und profitieren stark von unserem globalen Netzwerk. Obwohl sich unser Research Team kontinuierlich mit neuen Geschäftsideen beschäftigt, können wir aufgrund unseres globalen Netzwerks an Entrepreneuren sicher sein, alle guten Modelle auf dem Radar zu haben.

Die Schlüsselfragen für jede neue Business Entscheidung sind grob: Ist es ein bewährtes Geschäftsmodell?, Ist jetzt schon - oder immer noch – der richtige Zeitpunkt für dieses Modell? Ist es ein Geschäftsmodell, bei dem Rocket seine Stärken ausspielen kann?

Durch diesen Filter gehen jedes Jahr sehr viele Modelle, wovon wir jedes Jahr einige wenige umsetzen. Für diese verbleibenden Modelle rechnen wir einen detaillierten Business Case, der den Investitionsbedarf sowie alle wesentlichen Treiber, Unit Economics etc, beinhaltet. Erweist sich das Geschäftsmodell weiterhin als attraktiv für Rocket, identifizieren wir Regionen, Länder und Städte in denen das Modell ausgerollt werden kann. In einem letzten Schritt fällt das Investment Komitee die finale Entscheidung und am selben Tag legen wir los. Das alles geht bei uns sehr schnell.

Haben Sie sich auf die Umsetzung einer neuen Geschäftsidee geeinigt, was sind die nächsten Schritte?

Die Grundlage für den Erfolg unserer Unternehmen legen wir in den ersten 200 Tagen. 100 Tage von der Idee zum Launch. Und 100 Tage vom Launch zur operativen Unabhängigkeit des neuen Ventures. In dieser Zeit wird das Team zusammengestellt, das Produkt gebaut und operative Prozesse etabliert. Um länderspezifische Besonderheiten zu berücksichtigen, wird jedes Gründerteam von unseren regionalen Groups in Lateinamerika, Afrika, Asien sowie Nahen Osten unterstützt. Unser Ziel ist es, dass Rocket-Unternehmen mit Ablauf dieser Zeit operativ unabhängig sind und auf eigenen Beinen stehen. Doch auch danach wird jedes Unternehmen eng von Rocket und seinen 450 funktionalen Experten begleitet.

Auf ihrer Website unterscheiden Sie Ihre Portfolio-Unternehmen in «Emerging Stars» und «Proven Winners». Wie ist diese Abgrenzung zu verstehen?

In erster Linie geht es bei dieser Unterscheidung darum aufzuzeigen, in welcher Entwicklungsphase sich unsere Unternehmen befinden. Die Abgrenzung in «Concepts», «Emerging Stars» und «Proven Winners» nehmen wir auf Basis von drei Kriterien vor: Höhe der letzten Finanzierungsrunde, Wachstum und Umsatz. Diese Information macht es in erster Linie für Investoren und Analysten einfacher, die Kennzahlen unserer Unternehmen einordnen und besser bewerten zu können.

Wie kann sichergestellt werden, dass sich die Rocket Internet Unternehmen am Markt durchsetzen und Imitationen des Geschäftsmodells erschwert werden?

Rocket hat die Möglichkeit, Geschäftsmodelle umzusetzen, die eine komplexe Technologie, aufwendige Prozesse und schnelle Internationalisierung erfordern. Dabei sind wir in der Lage, die Hauptrisiken beim Aufbau von Firmen besser zu beherrschen als andere. Im Kern kommt es auf vier Dinge an: Geschäftsmodell, Team, Zugang zu Kapital und «Execution». Mit dem falschen Geschäftsmodell läuft man trotz tollem Team und guter Execution in die falsche Richtung. Wenn einem das Team auseinanderfällt ist es trotz gutem Modell und genug Finanzierung schwierig zu gewinnen. Immer wieder gibt es Firmen mit gutem Team und guter Execution, die keinen Zugang zu Kapital finden usw.

Ich würde behaupten, dass wir auf alle vier Bereiche mehr Fokus legen als der Durchschnitt im Markt. Das muss aber natürlich für jede neue Firma von neuem gelten. Jede einzelne muss sich von neuem auf dem Markt beherrschen.

Rocket Internet unterhält ein weit verzweigtes Netz aus direkten und indirekten Beteiligungen weltweit. Was sind die Herausforderungen, die sicher hieraus ergeben und wie geht man damit um?

Wichtig sind hierfür zwei Sachen. Einerseits die richtige Organisationsform, andererseits stark datengetriebene Entscheidungen.

Wir blicken nicht nur von oben nach unten auf die Beteiligungen, sondern sehr stark quer durch alle Funktionen. Die Tatsache, dass wir die Firmen aufgrund einer sehr guten und tagesaktuellen Datenbasis entlang aller wichtigen funktionalen KPIs (also in Online Marketing, Operations, Tech usw.) benchmarken können, erleichtert vieles.

Der Schwerpunkt der Rocket Internet Aktivitäten liegt in den Emerging Markets, welche oft stark schwankenden Wechselkursen gegenüberstehen. Wie geht man damit um?

Natürlich sind Emerging Markets einerseits so spannend, weil ein grösserer Teil des Wachstums noch vor einem liegt. Andererseits sind sie natürlich weniger einfach und ungemütlicher. Wir reden intern oft von dem Gesetz der Komplexität. Je komplexer ein Markt, desto weniger Wettbewerb, desto höher der Marktanteil und langfristig die Margen in dem Markt. Das kann man in anderen Branchen die schon weiter sind wie zB Mobilfunk auch beobachten.

Menschen bezeichnen Sie oft als das wichtigste Kapitel von Rocket Internet. Wie stellen Sie sicher, dass sich auch die besten Leute für Rocket Internet entscheiden?

Ich wüsste keinen anderen Ort, an dem man in kürzerer Zeit mehr lernen kann, mehr Verantwortung übernehmen kann, mehr Spass hat und gleichzeitig die ganze Welt kennenlernen kann. Unser GVD (Global Venture Development) Programm für Absolventen z.B. erlaubt es, Internet und Entrepreneurship zu lernen und gleichzeitig die ganze Welt kennenzulernen: 3 Monate Sydney, dann 3 Monate in Mexico, dann 3 Monate in Berlin und dann 3 Monate in Jakarta. Das hätte ich als Absolvent sofort gemacht. Sowas gab es aber leider damals noch nicht.

Die meisten unserer Leser stehen kurz vor dem Berufseinstieg. Welchen Tipp würden Sie Ihnen mit auf den Weg geben?

Je länger man wartet, desto unwahrscheinlicher wird es, den Schritt in Richtung Unternehmertum zu machen. Also los!

Herzlichen Dank für das interessante Gespräch!

Hans-Olaf Henkel

German politician and publicizer

Euro and its €onsequences

Although the United States and United Kingdom have been back on the road to economic growth from some time, and enjoy low rates of unemployment, this is not the case of the eurozone. As Eurostat estimates, in 2014 the GDP rose in the eurozone by 0.9%, and unemployment was above 11%, and the rates in Southern Europe were much higher, in case of Greece and Spain the unemployment was way above 20%. Europe has been experiencing a lost decade, and the newest economic forecasts do not leave much doubt that the nearest future will bring any significant improvement of this situation. One could ask how is it possible that the eurozone is still copying with the economic crisis? The answer is very simple, this all happens because of a complete denial of the main source of the economic and social tragedy of Southern Europe. It is high time for European officials to admit that the single currency is responsible for the trap in which Europe found itself. The euro is too strong for southern Europe, and too weak for northern Europe. Italian, Spanish and even French companies are suffering greatly because their export is being damaged by an overvalued currency. The rapid pace of deindustrialization of southern Europe is also a direct consequence of the euro. The European Monetary Union's "one-size-fits-all" monetary policy turned out to be an utter failure; the Spanish central bank was helpless when the real-estate bubble was bursting, as it couldn't raise the interest rates.

Today, Southern European countries are struggling with a serious economic crisis, and cannot devalue to restore their lost competitiveness. After the introduction of the euro, a rapid increase in unit labour costs happened in Southern Europe which had not been accompanied by appropriate gains in productivity. As a result, the euro has been a strongly overvalued currency for Southern Europe. At the same time, the German surplus in 2014 was at historic heights and was equal to 7.5% of GDP, as informs the Ifo Institute. How is this possible? Well, the answer is again quite simple, the euro is a strongly undervalued currency for Germany which significantly boosts German exports.

Although the conventional wisdom holds that Germany benefits enormously because of this situation, it does not take into consideration the long-term effects of an undervalued currency. The other side of the coin is weakening the incentives for German companies to be more innovative and productive. And what is absolutely crucial in the long perspective is precisely productivity and the ability to innovate. The technological revolution is underway, and Germany which managed to achieve the status of the global industrial superpower in the times of the Second Industrial Revolution also thanks to the great achievements in science, is doing now a lot to lose its competitive advantage in the field of technology. Whereas the German government is pre-occupied with managing the EMU from crisis to crisis, the German educational system remains underinvested, as well as the whole public infrastructure.

The situation of Greece shows very well the tragic costs of the euro rescue policy. The unemployment figures are absolutely crushing, it is estimated that the employment in Greece is at 25%, and in the case of Greek youth the situation is even worse, as half of them are unemployed. The public debt at the level of 175% of GDP cannot be considered to be sustainable. If we add a dramatic fall in industrial output since the crisis in Greece started, then we have a clear picture of the Greek tragedy. The policy of austerity imposed on the Greeks never made sense and ended how it had to. It is a complete disaster because of a very simple reason, Greece as a member of the European Monetary Union cannot devalue. The fact the reflection in Europe focuses on the subjects of public debt and austerity, and does not address the real source of the problem, the euro, shows how deeply out of touch with reality is the mindset of European policy-makers.

Although the main attention of the world is devoted to Greece, the fate of the euro will be likely in the hands of French politicians. Paris needs to face up the same problems as the rest of Southern Europe, rapidly rising public debt, currently above 95% of GDP, combined with almost non-existent economic growth at 0,4 % of GDP in 2014, create a serious reason for concern. Brigitte Granville, the head of the Center for Globalization at the University of London, argues that France desperately needs deep structural reforms in order to improve the competitiveness of the French economy and reforming the French model will be impossible as long France stays in the European Monetary Union.

The symbol of the euro rescue policy has become the German government, as its main architect, and this created an anti-German backlash among the unemployed in Rome, Athens and Lisbon protesting against austerity. Even, the Franco-German relations have strongly deteriorated. In this way, the euro is tearing apart our European house. The continuous crisis paves the way to power for radical left parties for whom anti-globalization is at the heart of their identity. Globalization gets blamed for the sin of misalignment of the exchange rates within the eurozone; moreover, when the specter of radical anti-capitalist ideologies is again haunting the Old Continent proposing the old known failed prescriptions, India has a government which considers free-market reforms as a top priority for its agenda. In all likelihood, Europe will have to face up to competition on global markets with a country which population is more than twice of its own. And what is doing Europe to increase its competitiveness? Close to nothing.

It is commonly believed that the current problems are resulting from the lack of fiscal union, and the logic of defending the euro at all cost requires that this mistake should be now 'fixed'. Yet, fiscal transfers have only a limited impact on improving competitiveness, so there are completely unable to solve the economic misery of southern Europe. Italy is the best example in this case. What is absolutely important as well, any transfer union poses a moral hazard, because it would mean more governmental irresponsibility in the eurozone, and, in all likelihood, would result in more debt and lower standard of living.

In this case, should France, Greece, Italy, Portugal and Spain leave the eurozone? Although this solution seems to be rational and desirable, it involves a serious risk of banking panic and the domino effect in southern Europe. However, at some point these countries might be forced to take the risk, if the only alternative would be a prolonging status quo. A far safer option for Southern Europe would be if the northern countries left the eurozone first. The exit of Austria, Finland, Germany and the Netherlands would weaken the euro for the countries which stayed, and such a weaker currency would help them to restore their competitiveness. The northern countries could then form a new currency, much better reflecting the economic realities. A new European central bank for this currency would have to be established, modeled after Bundesbank.

The whole operation would require debt reduction in some of the southern countries, and stabilization of banks at national level. Therefore, this strategy would be an expression of real solidarity among European nations, contrary to the current situation in which the German taxpayers are being asked to act as deep pockets of Europe, and the consecutive bailouts only uphold the illusions concerning the failed experiment of the currency union, and instead of helping Greeks only sentence them for longer suffering.

The euro has been a great mistake, but one which can be fixed. In order to escape from the trap of low growth, high public debt and massive unemployment in Europe, the euro needs to be dismantled. Western Europe's economic decline, up to a big point, is a result of a self-imposed policy, and is at odds with the sound economic policy which laid down the foundations of its post-war success. With every day, the bill for the euro rescue policy is getting higher and higher. It is high time for European leaders to confront the facts.

Hans-Olaf Henkel

Hans-Olaf Henkel *legte nach seinem Eintritt in die Partei „Alternative für Deutschland" (AfD) sämtliche Mandate nieder, die im Konflikt mit seiner politischen Tätigkeit stehen könnten. Henkel war Mitglied von Aufsichtsräten, u.a. Bayer AG, Ringier AG, Brambles, Orange SA, Daimler Luft- und Raumfahrtholding. Sein Mandat bei der Continental AG lief im April 2014 aus. Henkel ist Ehrendoktor der TU Dresden. Seit 2001 ist er Honorarprofessor an der Universität Mannheim. Von 2006 bis 2014 war er Vorsitzender des Vorstandes des „Konvents für Deutschland". Seit 1996 ist er Mitglied bei Amnesty International.*

Dr. Michael Kemmer & Dr. Uwe Gaumert
Association of German Banks

Bank stress testing – magic bullet or placebo?

Stress testing plays a major role in banks' risk management. It is seen as a valuable complement to regular bank portfolio risk measurement in a normal environment. "Regular" portfolio risk measurement, e.g. in the area of lending, is based on, among other things, internal ratings and valuations of collateral. The growing importance of stress testing during the financial crisis reflects, on the one hand, the trouble regular tools had capturing risks adequately in some cases and, on the other, the crisis conditions themselves, demonstrated by, for example, the slump in GDP in 2009.

Stress testing definition

Stress testing is designed to identify environmental conditions that may cause heavy losses in the bank portfolios it looks at. It simulates the impact of hypothetical events on a bank portfolio of, for example, SME loans. So it answers the question "What would happen if …?" How badly would, for instance, a sharp economic slump affect SMEs' credit standing and thus their rating? Stress testing hence does not deliver a forecast about a normal, anticipated development. It does not say whether the simulated situations will ever occur, when they could occur or with what (usually very low) degree of probability they could occur.

The methodology used in stress testing often involves scenario analyses. Scenario analyses with a limited number of scenarios distinguish between best case, base case, adverse case and worst case. Best case (most favourable development) and base case (expected development, planning) are obviously not stress-type scenarios. Base case developments are often used as reference scenarios to obtain an idea of the severity of a stress test's impact through a deviation analysis geared to the loss in a stress scenario. The worst case scenario, i.e. the scenario that would generate the heaviest possible loss, is not a suitable stress testing scenario either. No bank can take precautions against the worst case – a bank run, for instance – on the strength of stress testing results if it wants to continue operating successfully in the marketplace. In other words, if the sky falls down on us, it is "game over" anyway. The possibility of disaster scenarios occurring has to be dealt with differently – in the event of a bank run, through deposit insurance, for example. More important is reverse stress testing. In contrast to "normal" stress testing, reverse stress testing takes a business failure outcome as its starting point and asks how great the stress in a scenario has to be for failure to actually occur. The crucial question here is whether the estimated distance to default is so big that a bank can relax or whether – as with all other stress testing results – corrective measures are necessary.

Being creative enough to find scenarios that can hit a bank hard and identify the relevant risk factors (e.g. changes in interest rates and exchange rates) is vital. This is closely linked to the question of who defines the scenarios – banks themselves or banking supervisors (internal versus supervisory stress testing)?

Supervisory stress testing

Internal stress testing is "tailored" to the portfolios examined and their risk drivers. As a result, it is able to identify risk hot spots. Supervisors are quite familiar with such stress testing, which gives them insight into vulnerabilities at individual banks.

Supervisory stress testing has further objectives: for one thing, allowing a comparison of banks' resilience and, for another, analysing the impact on the banking sector as a whole, with the focus on the stability of the financial system. This objective call, at least to some extent, for a standardised approach because only then can individual results be aggregated usefully. However, this means that the parameters cannot be tailored as well to the different bank portfolios. From an internal bank perspective, the "right" scenarios may not be fully simulated with the right "severity" in some portfolios, even though an economic slump, for instance, will affect every bank. This consequently limits the ability of supervisory stress testing to identify vulnerabilities at individual banks. So, despite supervisory stress testing's general effectiveness, its significance should not be overrated.

2014 stress test

Unlike its forerunners, the 2014 stress test was embedded in the comprehensive assessment (CA), where it built on and complemented the asset quality review (AQR). The AQR's task was to assess the prudential reliability of asset valuations in bank balance sheets and to make adjustments where necessary. These adjustments led to a reduction in banks' capital resources. The CA had a number of sensible objectives intended to protect the European Central Bank (ECB) against taking over supervision of banks with troubled legacy assets accumulated while these banks were being supervised by national supervisors.

The 2014 stress test also adopted the scenario approach. Besides a baseline scenario, an adverse scenario – a stress scenario based on a general economic downturn – was simulated. Under this scenario, changes in the inflation rate and unemployment rate consistent with adverse conditions were assumed. In addition, country-specific assumptions regarding the trend in real-estate prices were made.

The adverse scenario had to be transformed by banks into the impact on the CET1 ratio (measurement of a bank's core equity capital compared with its risk-weighted assets (RWAs)). The adverse scenario has a negative effect on the quality of a bank's loan portfolio and results in poorer internal ratings with higher probabilities of default (PDs). This, in turn, increases RWAs, since higher PDs raise the capital requirements

The 2014 stress test also adopted the scenario approach. Besides a baseline scenario, an adverse scenario – a stress scenario based on a general economic downturn – was simulated.

under the internal ratings-based approach (IRBA) and thus the CET1 ratio denominator. Moreover, a poorer loan portfolio leads to further loan losses and write-downs which reduce capital and hence also the CET1 ratio numerator. With securities marked to market, e.g. bonds, market risk factors such as the interest rate level were stressed in such a way that this led to lower market values and consequently to losses that were, as a rule, transformed into increases in RWAs using internal models. So a feature of the EU-wide stress test is that supervisors based it on internal models which, after being carefully vetted, could be used to calculate capital requirements.

In addition, the methodology used included the very strict but unrealistic assumption of a static balance sheet over the three-year stress test time horizon. This assumption led to the stress scenario's negative impact being overestimated because corrective risk management measures to reduce risks that would have been taken if such stress had occurred in reality were ignored.

Many banks undertook capital increases where they assumed that their "buffer" would not be sufficient for them to reach hurdle level.

To pass the test, the participating banks had to meet certain minimum CET1 ratios after applying both scenarios. These were 8% in the baseline scenario and 5.5% in the stress scenario. This means that, before applying the stress scenario, banks had to have a much higher CET1 ratio to be able to clear these hurdles. In the run-up to the launch of the comprehensive assessment, many banks therefore undertook capital increases where they assumed that their "buffer" would not be sufficient for them to reach hurdle level. This effect led to a significant improvement in the participating banks' capital position ahead of the stress test.

The hurdles were much higher than the statutory minimum requirements. Being extremely conservative, freely estimated thresholds, clearing or failing to clear them was thus an arbitrary result. The very tough parameters outlined above, which went well beyond those for the previous stress test, not surprisingly led to a number of banks tripping over the hurdles and requiring more capital to jump them. More important than clearing the hurdles or not is an analysis of how many percentage points the CET1 ratios dropped by. This analysis illustrates banks' different risk exposures best. The severity of the stress test was reflected in a significant reduction in CET1 ratios by 3.4 percentage points on average.

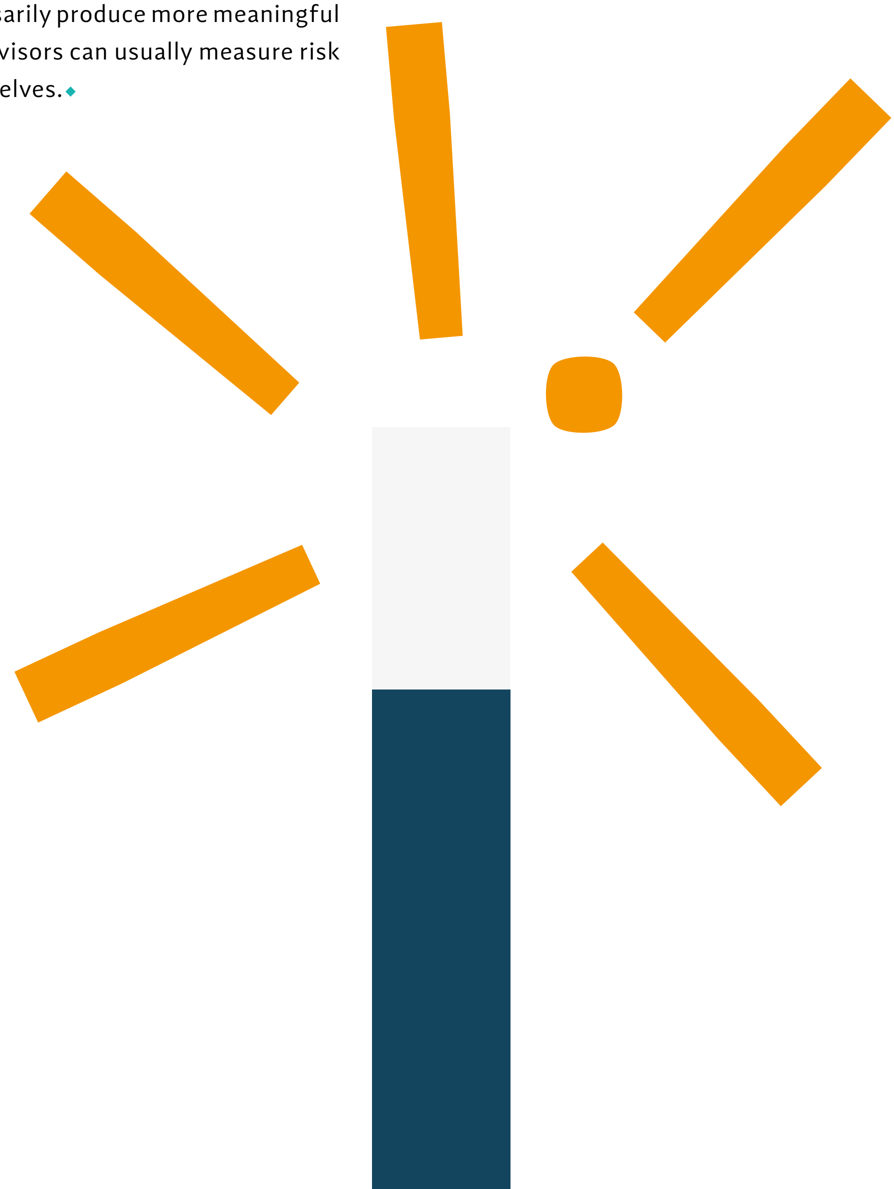
Even banks that require additional capital may have a sustainable business model and need not be about to fail. Conversely, the limited usefulness of standardised analysis and the fact that it only delivers a snapshot of the risk exposure at a given moment means that banks which pass the stress test may nevertheless run into difficulties after a while. This is not an argument against such analysis but only for bearing in mind the test's limits.

It is along these lines that the question posed in the title of this article should be answered: stress testing is no magic bullet – yet, despite its limitations, it makes a significant contribution to ensuring the viability of individual banks and the banking system as a whole. It is far from being a medicine without any beneficial effect on the solvency of European banks. Only if this were the case, would we be reliant on the placebo effect. Instead, there is evidence that stress testing has a distinctly positive impact on European banks' resilience.

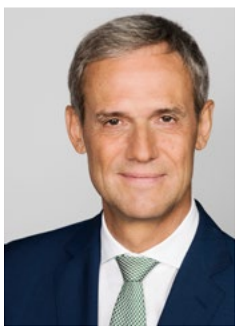
There is evidence that stress testing has a distinctly positive impact on European banks' resilience.

Future of supervisory stress testing

There is always a next stress test around the corner: so even if no stress test is planned for 2015, further regular tests are expected afterwards. The methodology is also under discussion and improvements, albeit no fundamental ones, are still possible. Instead of banks' internal models, stress testing could be based on supervisors' own risk calculations. This is currently being debated. Such a fundamentally different approach does not necessarily produce more meaningful results, however. We believe that supervisors can usually measure risk much less accurately than banks themselves.



Dr. Michael Kemmer, General Manager and Member of the Board of Directors, Association of German Banks, Berlin



Michael Kemmer, born in 1957, has been General Manager and Member of the Board of Directors of the Association of German Banks (German name: Bundesverband deutscher Banken) since October 2010. The association represents the common interests of the German private banks at regional, national and international level. It draws up common positions for its members and plays a part in the political opinion-forming process. From mid-2006 to the end of 2009, Michael Kemmer served on the Board of Management of BayernLB, first as Chief Financial Officer and then as Chairman. Prior to that, he was Chief Risk Officer and member of the Board of Management at HypoVereinsbank. Kemmer has a doctorate in business administration and is a certified tax accountant.

Dr. Uwe Gaumert, Director, Association of German Banks, Berlin

Uwe Gaumert, born in 1961, has been employed since October 2000 at the Association of German Banks, where he handles banking supervision and market risk/credit risk management. Prior to this, following a spell as an Assistant Professor at the Technical University of Berlin (TU Berlin), he worked for several years (1996-2000) in the Internal VaR Models Review Group at Germany's banking supervisor, BaFin. He is a member of BaFin's Technical Committees on Credit and Trading Activities and the author of several publications dealing with risk management and regulatory issues. He holds a Master's Degree in Business Administration and a Doctorate in Economic Sciences.

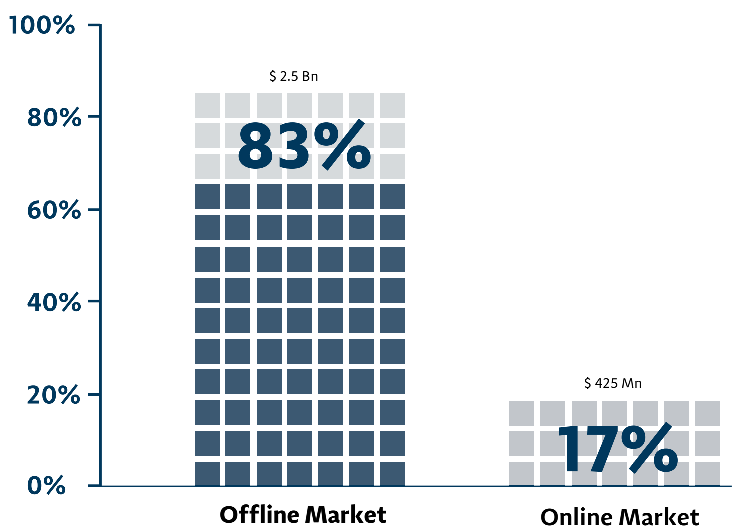
Christopher von Hallwyl
Shave-Lab

Competition demonstrates identity: the key characteristics in e-commerce

Development of individuality and identity: A future challenge for successful start-ups.

**Business ideas often occur at the same time in the digital economy. And that is not a coincidence. Even if you start with comparable conceptual designs – when in competition, companies tend to differ:
through strategy, values and identity.**

Marketsize for Razor Blades EU



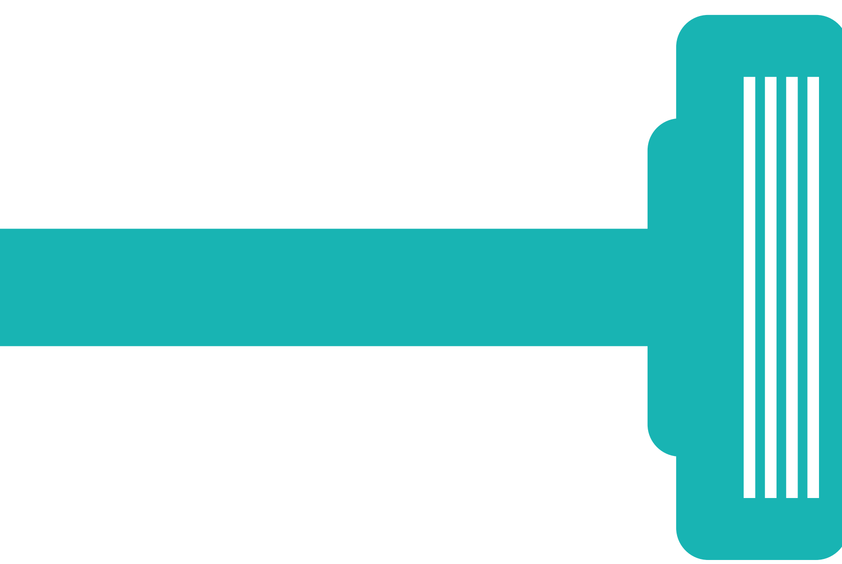
It is hard to believe, but changeable razorblades are one of the most stolen items in drugstores and supermarkets. The demand is high, changeable razorblades are expensive: depending on the number of the built-in sharpened steel plates, they cost between 2.50 and 6 Euros per item. This price range has been stable for decades – and this despite production costs being around the cent mark.

The razor market follows own traditions and rules. It is dominated by the market leaders Gillette and Wilkinson. Both together hold around 85 percent of the turnover achieved with wet shave razors. In 2013 this amounted to 13 billion US Dollars worldwide, whilst Europe's share amounted to 2.5 billions, and Germany 950 million Dollars.

A huge market volume, few competition, solidified structures: this attracts founders. After Shave-Lab, which started in autumn 2011, another dozen start-ups appeared in Europe and in the USA, which were built on the same business model: the online sale of changeable razor blades with matching handles.

Now, three or four international companies have managed to establish themselves in addition to Shave-Lab, such as Big Moustache in France and Razwar in Belgium. In the USA, Dollar Shave Club and Harry's are also pursuing the same conceptual design. Harry's in New York - the last one founded in the online industry in 2013 - received a lot of attention in 2014, when it bought the 94-year-old producer Feintechnik in Thuringia for around 100 million Dollars with the help of financers. Investors also regard the razor-market as lucrative, to the extent that they are financing start-ups by investing hundreds of millions.

There are three theses in regards to the razor market, which I would like to elaborate on:

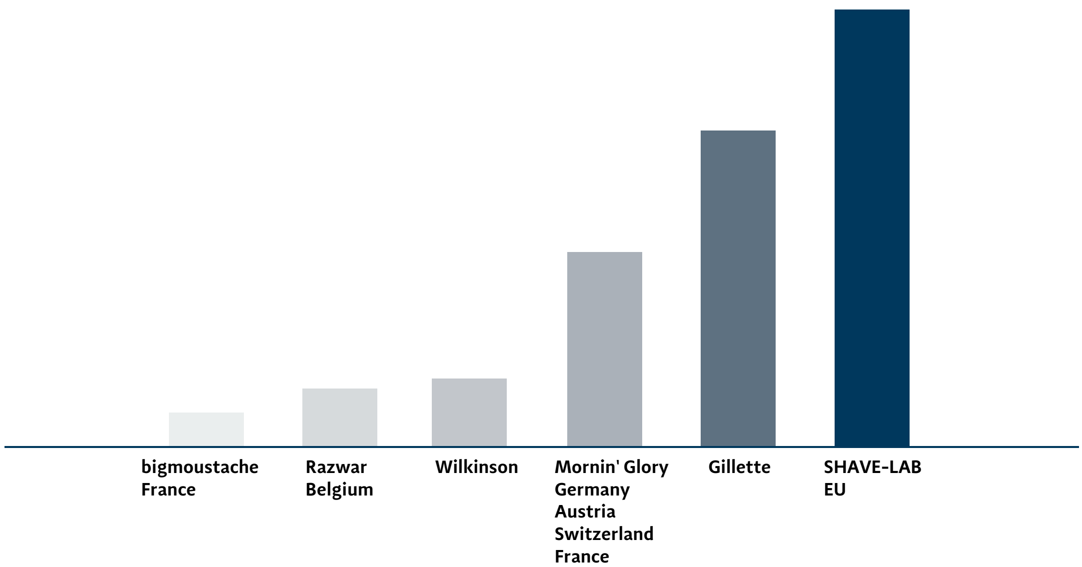


Creativity and genius are underestimated in regards to founding: (business) ideas are the result of market analyses and not flashes of wit.

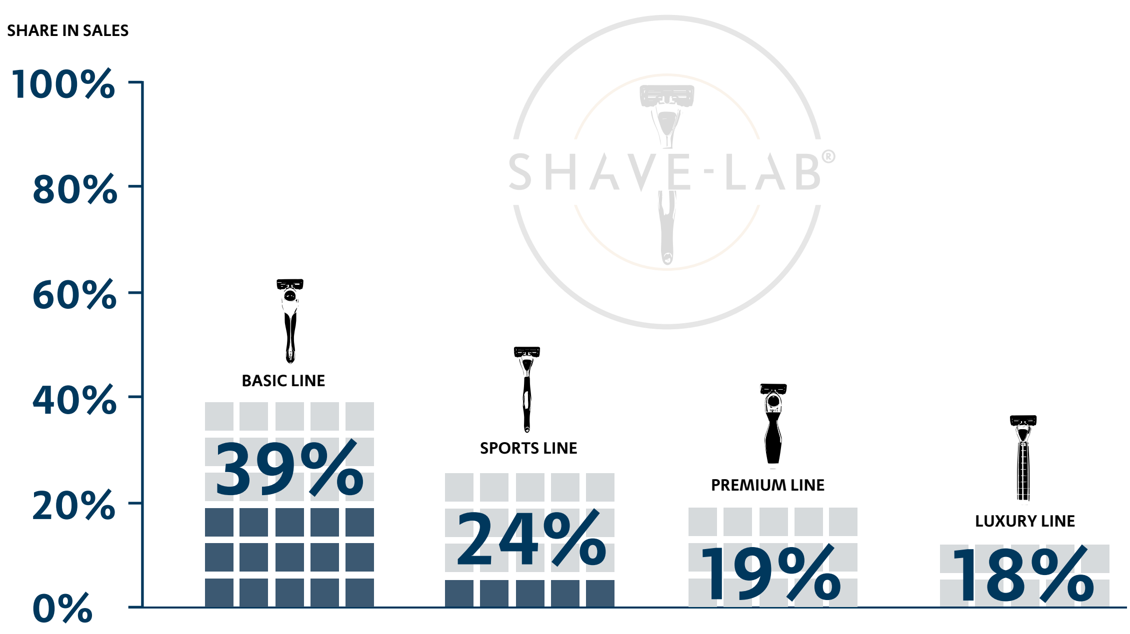
There are no "equal" businesses. Even our copycats are different from the original: because they were founded by other personalities, their aims are influenced by this, which in turn develops an autarkic identity.

Innovation should be a part of all company areas, but is often only linked to offers.

EU Online Market Players for Razorblades



Product-Portfolio Strategy SHAVE-LAB



Business ideas need to ripen

When it comes to art, Pablo Picasso is regarded as an undoubted genius. When looking at his work, one can see that the genius of his work actually consists of exercise and an analytic feel for presence and art. Picasso was able to depict a bull in a few lines, as he had drawn the same motive dozens, if not hundreds of times. The idea to portrait a person, such as "Dora Maar" from two perspectives, was not a flash of wit, but stemmed from his focus on abstraction, as well as on works by Georges Braque, Paul Klee and others.

Economy business ideas also do not come to life over night, even the disruptive ones. Just as with art, they reflect current demand. Conceptual designs continue to develop throughout their realisation. And this requires persistence, but also the willingness to question experience and to quickly adjust strategies to customer demand and markets.

Jeff Bezos did not invent e-commerce, but extended the online sale of books by additional products and therefore created a successive market, which offers technical services to sellers. Larry Page and Sergeij Brin reduced the advertisement-sponsored search concepts of Yahoo, Altavista or Lycos and managed to create a different advertisement format whilst searching for sources of income; advertisements next to search results. Uber combines mobile technology with the willingness to share and consequently constructs applications for city and supplier traffic.

The digital economy is limitless and draws on the acceleration of information and communication. New business regularly pop up at the same time. One example for this is the online sale of wet shave razors: even though we at Shave-Lab are able to claim the first mover title and were the first to offer such services – many of our competitors followed within a few months, so they must have worked on it at the same time. We are the agitator – we created the movement in this specific industry.

I suspect that many innovative foundations are being inspired by Nespresso these days. Nespresso is one of the case studies for innovation often quoted at universities and during consultations, as it demonstrates how a re-thinking of habits can reform a market and enable new business: the idea to offer coffee in capsules or portion units was first developed in the 1970s. It is only through a collaboration with producers, such as Krups, Miele, DeLonghi and others, that a system was developed, which has been on sale since the 1990s and which completely changed the coffee tradition.

Market signals for change

Business ideas are also developed as a direct result of the frustrations and experiences of the founders. But most of them stem from systematic analyses of the functioning of markets, clients and their requirements. In order to find their Nespresso, the founders looked for industries with a low level of competition, finished products and high prices. The razor market offered such signals. I found it in 2004 and spent several years changing an everyday product into a lifestyle item. These indicators were encouraging:

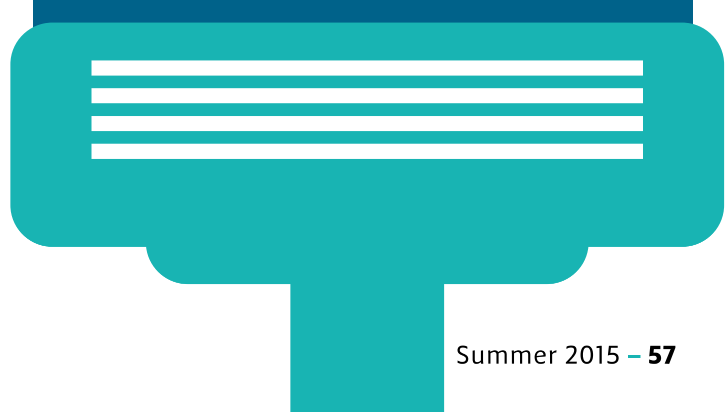
A specialised market consisting of producers and traders.

Product innovations are introduced under high advertisement pressure. Gillette released the "fusion" razor with five blades in 2006 and booked a 90 second transmission during the Super Bowl for its release – one of the most expensive advertisement environments of the world – and is thought to have paid 7.5 million Dollars for this.

The product has been greatly developed. Replacement blades consist of sharp steel plates, which are surrounded with rubber in a plastic case. Innovations are limited to sharpness technology and the addition of blades, but they require a high level of development effort. This degree of maturity in regards to the production makes it difficult for new parties to enter the market.

Little competition: Next to the market leaders, a handful of competitors produce no name blades, mostly on behalf of trade enterprises and drugstore chains.

Solidified distribution structures: Drugstores and supermarkets are not tied to one supplier and offer all brands in little presentation space, as well as being able to earn a high margin with the products – this also enables them to offer cheaper own brands.



From the analysis to the plan

Sharper, more moveable and less harsh on the skin: these were the criteria for Gillette's and Wilkinson's innovative efforts and advertisements. Customer demand is obviously also a focus, but engineering art and know-how took precedence. The producers proudly advertise their high-tech products and the essential research that is being carried out for this purpose. No competitor would be able to challenge this – unless they invest millions.

The distribution, on the other hand, was different, as the producers did not appear to develop it any further, as they were relying on their partners. But the growing reach of the internet and the increasing level of connections between machines allowed for new distribution channels, new chances for production and a broad experimental field for innovations, which needed to be claimed. Especially when considering that the usual distribution channels – stationary trade – are no longer reliable and that market shares are moving over to e-commerce. The gaps left by the producers in regards to dealing with the internet, are currently being filled by start-ups. They saw an opportunity in the area of wet shave razors

to vertically expand a market, which had been specialised so far,

to develop new forms of distribution, such as subscriptions for razorblades or new product packages,

to involve customers in the production and offer design through mass-customisation or personalisation and

to reach customers in a new and more personal manner, and to deal with criticism directly and openly. It is nothing else than changing product attributes + dealing with customers.

Of the dozen companies, which started in 2012, those remained, who were able to adjust the idea and the implementation plan to the reality of the business, and who were able to develop their own identity. Being attacked by the Lilliputians very much affected the people of Goliath. Of the 2.5 billion US dollars of turnover, which is achieved in Europe with changeable razor blades, 17 percent or 425 million Dollars were already earned through online sales in 2014. Gillette is currently trying to open their own distribution channel via a mobile online ordering system in order to strengthen their network.

Differences developed through strategies

Even though we are all building on a similar business, the websites already show differences: most of our competitors are appealing to men, and not to women at all. Shave-Lab, on the other hand, has developed an offer for both men and women in the meantime. From an optical and content point of view, Harry's is aiming at urban lifestyle enthusiasts or adventurers, Big Moustache or Razwar are targeting their offers towards trendy, but also price-sensitive young men. Shave-Lab focuses on culture and style in connection with attractive prices – and without discounting in regards to communication – and on top offers a choice of six unisex holders in different colours, as well as blades and beauty products.

On second glance, the conceptual designs differ in regards to their vertical approach degree. After purchasing Feintechnik, Harry's holds a complete value. Today, the New York start-up employs more than 400 workers and also produces blades for stationary trade customers, as well as the Harry's blades. The vertical approach degree at Shave-Lab is around 80 percent: the blades are developed together with a partner and are being produced exclusively. For the handles and accessories, we have invested in machines and have established a production line with our partners in China. This allows us to produce our own designs and to meet our high quality expectations. The other competitors purchase handles and blades from different partners, which are not being manufactured on an exclusive basis and which may also be traded by other brands.

The list of differences could be continued, the US companies were financed with two or three figure million sums, the Europeans had to make do with lesser amounts. These examples alone show: it is the targets and the strategies, which make business incomparable. With the help of investors, which have financed more than 200 million Dollars, as well as the additional purchase since 2013, Harry's is competing against the duopoly Gillette and Wilkinson. The chance of the new against what has already been established lies in the linkage of the internet competencies, which are still being developed by Gillette and Wilkinson, as well as in bought, technical blade know-how. Dollar Shave Club in the USA are aiming at the price leadership, whilst offering the comfort of a subscription for an everyday product at the same time. The Europeans and Mornin' Glory – another German follower - are pursuing a similar strategy. But the Berlin start-up did not consider their German customers: they do not like to commit to subscriptions, even if it offers comfort and cheaper prices. Mornin' Gory now also focuses on the development of a beauty brand in addition to the razor business, and aims to introduce them for stationary trade.

Development of Average Basket Size SHAVE-LAB

Values provide companies with a face

More so than the strategy, the founders' signatures help to ensure an autarkic appearance. Identity is developed through their values, wishes and perspectives. The development of Shave-Lab is characterised by the desire to develop a uniform brand and business, which is able to compete and grow. We aim to achieve a high two figure million sum in regards to turnover until 2018 and would like to employ 20 to 30 employees. In order to realise this plan, we not only sell razors, but also stile, design and joie de vivre.

This can be seen in all of our offerings: blades and grips are being present in specifically designed carton packaging. Customers can create the grips according to their taste. Similar to Hennes & Mauritz, Mercedes or magazine publishers, we offer our products in different price ranges and series. H&M is the best example: good design at democratic prices. If you like to treat yourself to a little bit of luxury, you can find purist elegant designs at Shave-Lab, and if you are more of a pragmatic thinker, you can access the colourful, cost-effective basic line. But irrespective of what the customers are buying, they will stay in the same shop and will be able to experience one brand. We are offering a uniform customer journey without "discrimination." The name Shave-Lab will not be diluted through the extension of product series.

Judging by our expectations, we will never be the cheapest on the market, but that is also not what we want: price design has an ethical component. Our blade prices will continue to be far below those of Gillette or Wilkinson, but we will not give up organically grown partnerships in exchange for saving a few pennies, or reduce salaries in order to be more efficient. "Repeat purchases" by loyal customers are not solely made on a price basis. It depends on the overall market experience. Such expectations did not appeal to venture capital lenders, as they only look at figures and demand quick growth, no matter at what price. We were able to raise 3 million Dollars from own funds and with the help of an entrepreneur financer in order to develop Shave-Lab. The investors are also looking at the figures, but they also advise us in many matters – they are thinking long-term. Exit drivers often are not sustainable. The whole "founder industry" is suffering from exactly this illness. Shave-Lab has managed to achieve profitability in regards to its operational business, today we are delivering to 22 countries and continue to expand via licensing and franchising partners. By distribution to business clients in the hotel & airline industry, Shave-Lab was able to open another distribution channel.

It never goes to plan

It can be assumed that competitors have made similar experiences: some ideas had to be adjusted to reality in retrospect. Before starting, we developed 16 products in one year, but we achieved the sales targets much later than planned. The development of tight processes and the outsourcing of tasks were not deemed to be efficient for some areas: online traders should develop own competencies in regards to shop design, search engine optimisation and marketing. But the last years have shown that the internet has created a new market for wet shave razors, which may grow, and which has cost the duopoly market shares. Founders are benefiting from this, but most importantly, customers also benefit: they have more choice, and the purchase is more fun. But whether this will reduce the theft rate of razors at drugstores remains to be seen. ◆

International Online Players in Contrast

SHAVE-LAB® (Luxury Shaving – Low Prices)	DOLLAR SHAVE CLUB (Shave Time. Shave Money.)	HARRY'S
Headquarter: Munich/ Germany	Headquarter: California	Headquarter: New York/Eisfeld
Team Size:12	Team Size: 60	Team Size: 450
$ Financing Volume: 2,8 Mn	$ Financing Volume: 72 Mn	$ Financing Volume: 211 Mn
Private Investors & Family Office	Business Angels, Venture Capital	Venture Capital, Private Equity, Semi-Institutional
Vertical with partially own production	Platform for selling white label razors, B2C	Vertical with own production
Online Sales, B2C & B2B	Pure white label business	B2C Sales, Development of own retail stores, B2B-Business as white label supplier
Mission: Brand Development, Unisex Razor Brand	Scaling market share has highest priority, Communication solely upon price	Developing own brand for razorsm blades & care products
Strong Price/ Value Ratio, Homogenious Brand Experience for all target audiences		
D, A, CH, UK, FR, ES, IT, SLO, CZ, PL, DK, NL	USA, CA, AUT	USA, CA, AUT

Christopher von Hallwyl, Shave-Lab

Christopher von Hallwyl *studied business management with a focus on marketing in St. Gallen and other universities. After several employments in the consumer industry and consulting brand companies, he founded the e-commerce vertical start-up Shave-Lab.com in 2010. Since 2013, the beauty start-up ikoo-brush.com completes the current offerings which makes Christopher a serial entrepreneur.*

Prof. Dr. Dr. h.c. mult. Péter Horváth

University of Stuttgart; Horváth & Partners

The family firm: an exercise in harmonization

The overwhelming majority of companies in the world are family firms. Family firms are those in which a family exercises significant influence over equity, control and management. Commonly, these are often erroneously called "mom and pop" businesses. Far from it! Many global companies like BMW or Swatch are family firms. The economic importance of family firms is enormous all around the world, yet right up to the present day family firms lead a shadowy existence in economic literature. Most textbooks focus explicitly or implicitly on public companies and their problems, while the specifics of family firms are barely touched upon in mainstream economics and business administration.

The four dimensions of a family business

The family and its company are – even if they are not large – complex entities, and to understand them better we differentiate between four "dimensions" which are associated with specific decisions, governance requirements and information needs.

First, we have the family itself. It can consist of an individual married couple, while for "older" companies it can comprise a family group of several hundred members.

The second dimension is corporate management. The family's involvement in running the company can take very different forms ranging from management exclusively by family members to management exclusively by non-family executives.

The third dimension is the family's assets. Here, the company – or several companies – can constitute a part of the family's assets or the only family asset.

The company itself represents the fourth and final dimension. It is tied into the overall system of family and family assets.

Is harmony possible in a family business?

These four dimensions signalize that there is a great need for coordination in and around the family firm. Here, we talk about four systems, each with its own "control system":

The main issues in the family are affiliation and personal relationships.

The main focus of the family assets as a whole lies on sustainable growth and deployment, on questions of reinvestment, investment and distribution, and on the legal issues associated with these things.

The company is governed by the principle of economic efficiency. When it comes to managerial positions, the decisive factor is not family membership but – as a rule – individual performance.

There are two perspectives to managing the business: Management must run the company with a view to profitability and sustainability, but it must also preserve family interests and family values.

Is it possible to harmonize these four fields with clearly different objectives and rules of engagement to ensure that the system as a whole survives?

There are authors, such as Arist von Schlippe, who talk about "paradoxes" here, i.e. the mutual exclusivity of objectives. For example: Try to be a loving, caring member of the family and at the same time a rational entrepreneur who focuses on profitability! In general, paradoxes cannot be "resolved".

We, on the other hand, believe that harmonization is possible in real life if we agree on objectives, priorities and "rules of engagement" as a whole in the family. We can provide a plethora of successful examples from "old" family businesses with over one hundred family members from different branches of the family (for example the family networks of C&A Brenninkmeijer, Haniel or Henkel). They have succeeded in harmonizing the different "rationalities" of family and firm or assets.

Harmonization in a family business

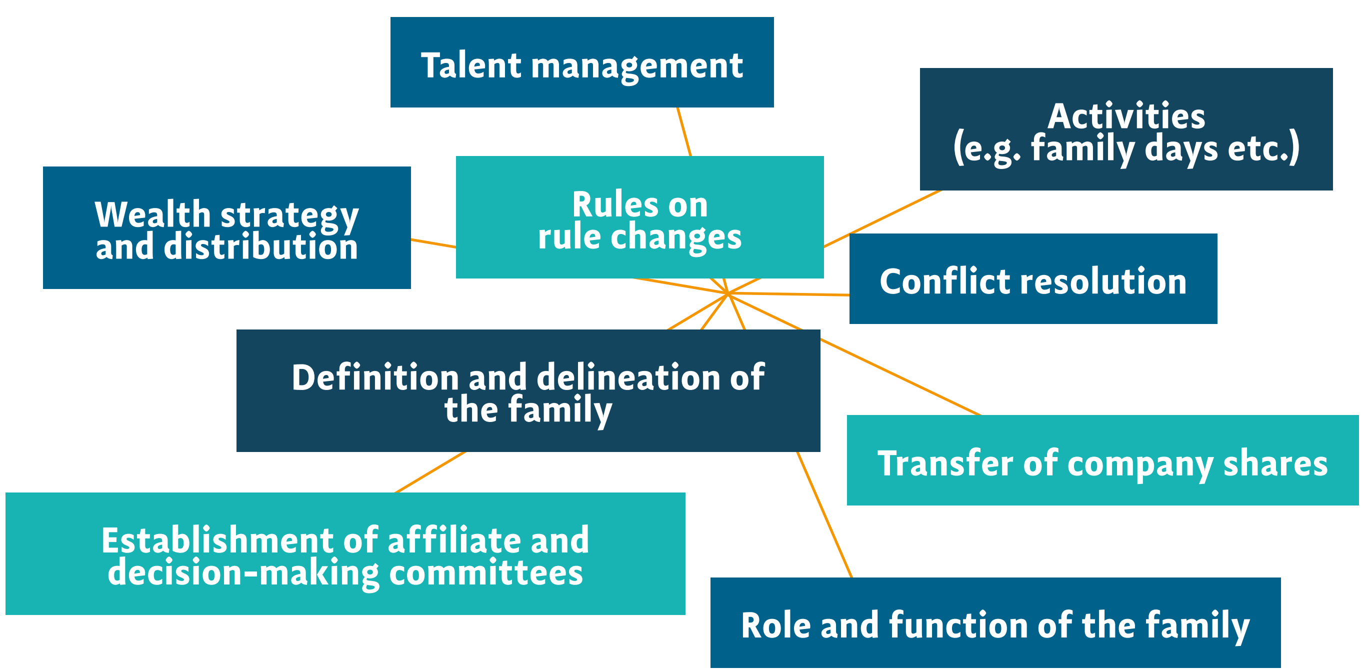
Over the years, a toolset has been developed in business administration which identifies, describes, coordinates, makes transparent and communicates financial and non-financial objectives and target priorities in the form of a target middle hierarchy. It is possible to coordinate and synchronize family and business objectives while preserving family values (such as social responsibility). Here is an example:

The family firm Ritter Sport has supported Nicaraguan smallholders in the sustainable farming of cocoa since 1990. This started from the Ritter family's commitment to social and ecological responsibility as a family value and corporate objective.

In the words of Alfred Ritter, "… in particular as a manufacturer of chocolate, it is our responsibility to improve the social and economic conditions in cocoa farming." In 2012 Ritter bought 2,000 hectares of land in Nicaragua which, after considerable investment, much of it in the social infrastructure of the region, should cover 30% of his demand for cocoa mass from 2017.

The balanced scorecard (Kaplan and Norton 1996) is a globally recognized system which has proven itself thousands of times over: It enables companies to clarify and break strategies down into cause-and-effect chains, it creates transparent feedback and communication processes based on key performance indicators, and it links strategies and measures of strategy implementation.

The main benefit of the balanced scorecard is the "alignment" of the entire organization with corporate strategy. Values and strategy are defined by the family ("owner strategy"). Specific family issues are laid down in a family constitution:

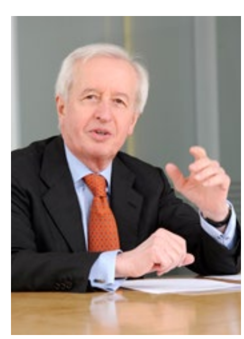


Tasks relating to decision-making, performance management and control, especially at the interfaces between the four areas, must be defined by a governance system:

Values:
What is important for us?
Strategy:
How do we want to secure our existence in the long term?
Strategy implementation:
Which measures using which target values do we want to initiate to implement our strategy?
Organization and decision-making structures and work dimensions:
Who takes what decisions based on whose authority in which committee or body?
Processes:
What are the time frames and deadlines for decision-making and information flows?
Information and its communication:
Who should receive what information, when and from whom?
Control mechanisms and compliance:
Which controls should ensure compliance with internal rules and legal regulations to enable the company early on to identify risks and malicious acts?

Harmony overcomes paradox

This is our message: The complex relations between family and company can be brought into rational harmony with a set of business tools. The most important issues are to formulate a system of target setting (e.g. with the help of the balanced scorecard) and to design a governance system which in particular ensures coordination, performance management and communication between family and firm. This enables us to find a pragmatic resolution to the paradox between the two worlds of family and firm and to create harmony.◆



Prof. Dr. Dr. h.c. mult. Péter Horváth *is Professor Emeritus for Controlling at the University of Stuttgart in Germany. He is the founder und current Deputy Chairman of the Supervisory Board of the management consultants Horváth & Partners.*

Prof. Rupert Stadler
Chairman of the Board of Managment of AUDI AG

For a new kind of interaction between man and machine

It's a given that the automobile industry is currently undergoing the biggest change in its history – and the pace of change is actually accelerating: Social trends such as the shift to more urbanized living and technological advances such as seamless connectivity or self-driving cars are changing the game and are re-defining our mobility concepts for the future. While all this change is happening, one steady demand will always remain: individual mobility as a basic need of mankind.

Corresponding to this magazine's overall topic, it is worth while pointing out the aspect of "harmony" as core principle of automotive engineering. Harmony in a car is the preliminary condition for system effectiveness and efficiency. An engine is the heart of every automobile. For the classical combustion engine the highly harmonious principle is its four-phase movement (see picture): The piston sucks a mixture of fuel and air from the carburetor into the cylinder and compresses it. Then a spark from the spark plug ignites the gaseous mixture, which burns in an explosion. In the next phase, the piston is pushed down as the expanding gas forces the piston to perform work. Finally, the piston expels the burnt gas out of the cylinder again.

The engine is a good symbol for the core values of our industry on the one hand and for our current phase of radical change on the other. Because the ecological, social and political framework is developing so rapidly in the automotive sector, more than ever before, we have to reinvent ourselves and ask ourselves: Which new possibilities can be enabled by technology? And above all: What will be the new needs of our customers tomorrow? It's not about merely switching to electric engines. It's about matching the various needs with the right solutions.

This article showcases three major trends of our time – all of them involve a new **kind of interaction between man and machine** and – if you like – thus in a way a **new kind of harmony**.

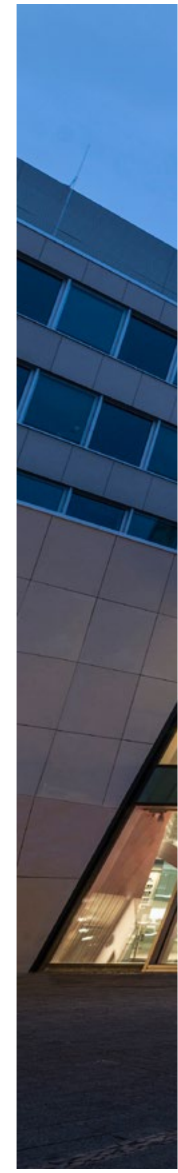
1. Sustainability and electric mobility
2. Digitalization and connectivity
3. Piloted driving as a key technology

1. Sustainability and electric mobility

The original idea behind the automobile was to travel faster and more conveniently from A to B. But in some megacities people start to experience how the car could be transformed from an object of mobility into an object of standstill: There, traffic jams keep people in their cars for up to one month per year. The search for parking space accounts for another week we lose every single year. Plus the impact of mobility on our planet: We can only afford individual mobility in the future if we make it **sustainable**.

At Audi, we have anchored the principle of sustainability for products and processes in our strategy. Audi ultra is the formula for our entire value chain. This is our most important race. It's about every single liter of water we use less in our factories, every kilowatt of electric energy we save in our whole organization, every kilometer and every mile we shorten ways in logistics, every pound we reduce in light-weight construction, and every gram of CO_2 we avoid in our latest high-tech engines on the road to CO_2-neutral mobility. It's all about finding new efficiency formulas:

Audi City in Berlin



using space, time and other resources as intelligently as possible. As regards our products, this will help to reinvent individual mobility in a way that cars will remain objects of desire.

In 2010, we launched the **Audi Urban Future Initiative**. We were the first car brand to enter into a holistic dialog with various key players. Together with urban planners, architects, politicians and businesspeople, we discuss questions of future mobility and support innovative projects for the city of the future. At the same time, this initiative gives us stimulus for our daily work. Every other year, we present the Audi Urban Future Award. The winner in 2014 was a team from Mexico City with the idea of creating an **operating system for urban mobility**. In this system, transportation users voluntarily provide mobility data with which computers calculate a model of urban traffic. As a result, car drivers can flexibly adapt their routes to the current traffic situation and combine various means of transport. And cities can use the data to manage their long-term transport planning in accordance with actual needs.

Especially in big cities, more and more people use new forms of mobility. They share cars or they change to electric ones. Others have stopped using a car and experience the limits of public transportation when they have to carry home larger purchases or when they want to leave the city over the weekend. People are ready to change their mobility habits. But they are not ready to change their lives. When someone opts for electric mobility, he or she expects the same level of convenience as in conventional driving – in terms of performance, range and cost. We respond to this demand with our **e-tron models** so that for Audi customers, electric mobility doesn't mean making sacrifices. At present, we see hybrid drive as the stage of electrification with the biggest market potential. The next logical step is the fully electric car which has to have sufficient performance features as demonstrated in our first electric series of the Audi R8 e-tron super-sportscar.

Electric mobility is changing the very heart of the automobile – its engine. The **e-tron** versions of two important Audi models, A3 and Q7, have the intriguing advantage of two hearts. With their electric motor, you can experience a special "sound of silence" and travel city distances without any emissions at all; for many people this is sufficient for the daily commute. Its second heart is the highly efficient TFSI engine. With an overall range of more than 1,400 kilometers, the Q7 e-tron is also a master of long distances. And even the compact car A3 e-tron provides a range of 900 kilometers thanks to its plug-in-hybrid principle.

2. Digitalization and connectivity

Today, people want to always stay connected. They want to take their digital device – smartphones, tablets, smartwatches or other wearables – into their car and seamlessly continue their digital life while being on the road. By **connecting the car with the driver**, we enhance convenience and comfort and make people's lives easier. In the next decade, we will reach a digitalization of an average of five Inter-

net-capable devices per capita. Already today, nine out of ten people are never more than one meter away from their mobile phone. So a smartphone is the mobile device in our day-to-day lives. But will it still be the one and only mobile device by 2025? In the age of Web 3.0, the car might take over that role in an Internet of connected things. Audi was the first car brand to fully integrate high-speed LTE into the car and to offer a whole array of connect services. In the future, people will control their life onboard while the car takes control of driving itself, if the driver agrees.

We have an app for drivers of the **Audi A3 e-tron** for example, that shows you whether the car's battery is fully charged or not. It is also possible to evaluate the data of the last journey: "What was my average speed?" or "How much electricity did I use?" You can display the remaining range possible under electric power and decide whether it's early enough to leave the restaurant. And of course, you can also exactly program the desired time of departure. That is, you go to bed in the evening and set the timer to heat your electric car in time – at home while still plugged in – so that you don't have to waste valuable power for this purpose while being on the road. So shortly before seven, the car is fully charged, at a pleasant temperature and "ready for departure."

In addition to new possibilities for automotive technology, digitalization also opens up **new sales channels**. New sales formats are supplementing the tried-and-tested ones. **Audi City** is our digital showroom in the center of the metropolis, in locations where space is limited. We kicked off with this format in London in 2012. Meanwhile, there are

Audi Cities also in Beijing and Berlin, and more cities will follow. In Audi City, there are only a few real cars in the showroom: the full rest of the product portfolio gets presented digitally – that saves space and investment for the car dealer and creates new experiences for the customers. With slight gestures and moves of the body, they can configure their new dream car. Oversize screens display the selected car in the selected colors with the selected equipment. After the proof of concept, such digital Audi City technologies will be rolled out to the Audi dealership worldwide. In 2014, we piloted modules from Audi City in 16 dealerships across the globe. And we established new digital processes such as the iPad configurator at 500 dealerships. The general rollout of the Audi City technologies starts this year. This means that practically the entire retail organization will be going online in a few years' time.

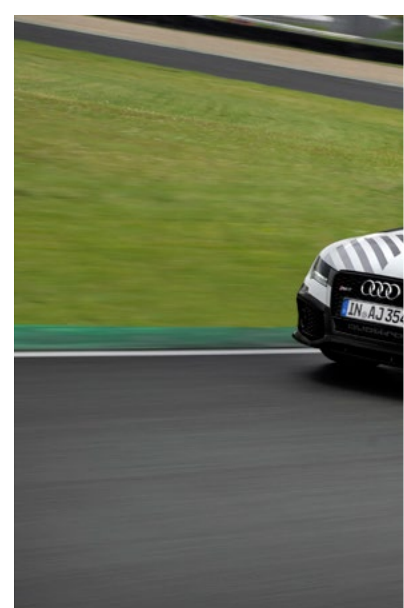
Early 2015, we presented another innovation at the Detroit Motor Show: our new **Audi virtual reality experience**. For the first time, Audi dealers can show our entire model range conveniently wherever customers want – even in the living room of the customer. You can look at the specific car you want to buy from the inside and the outside. In the virtual world, only seconds after configuring your dream car you find yourself on the driver's seat or have a look in the trunk. And you can choose from each model's extremely extensive range of options for individualization: colors, types of leather and trim, as well as infotainment systems. For the Audi A3 alone, there are more than 30 million renderings across all model versions and derivatives. In other words, the dealer equips his sales experts with a "dealership in a pocket."

3. Piloted driving as a key technology

Digitalization is a prerequisite for the intelligent, fully connected car. The Audi RS 7 piloted driving concept – its engineers affectionately called it "Bobby" – is such a car. In a legendary drive at the Hockenheim racetrack in October 2014, this technology test-bed lapped around the grand prix course at racing speed – and without a driver. And early in 2015, Bobby's brother "Jack" – the Audi A7 piloted driving concept – drove in piloted mode approximately 900 kilometers through the US, heading from Silicon Valley to the Consumer Electronics Show in Las Vegas.

Piloted driving is one of the key technologies for the car in this decade. It will raise driving comfort, make the driver gain an additional 25th hour a day and increase CO2 efficiency. And above all, piloted driving will help to make our streets significantly safer. 90 percent of accidents are caused by human error. Technology may optionally take over in situations when human beings fail. Some more examples for **intelligent car-to-car-communication and car-to-X-communication**: Imagine electronic traffic controllers that are constantly calculating whether two cars are on a collision course, and can independently initiate an evasive maneuver. Imagine that cars will issue warnings of upcoming traffic jams, icy road conditions and obstacles on the road. For this purpose, the cars will create ad-hoc networks resulting in "swarm intelligence," – which by the way is a very harmonious way of life in the animal kingdom, and not only there...

Audi piloted driving

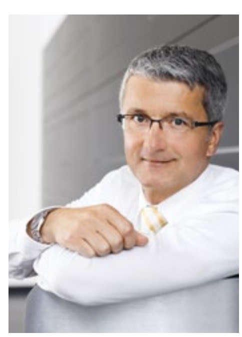


Also with regard to lighting technology, car-to-X can further enhance **safety** in road traffic while reducing fuel consumption. In the future, for example, cars will be able to share the illumination of the road with each other so that less energy will be consumed in total. And being dazzled by the headlights of an oncoming car will no longer be an issue. These are exciting prospects – also with regard to a new form of interaction between man and machine: **"machine learning"**. In the field of lighting technology, this means that the headlight control units themselves will use the collected data to further improve the light distribution. The intelligence they require for that task can be hosted onboard or in the cloud.

Concluding remarks

Digitalization will create challenges and opportunities as well. I am convinced that the new possibilities by far outweigh the threats. At the same time, I am aware that some people are afraid of new technologies. It is the industry's task to allay those fears. Just think of "Jack." This piloted driving concept car accomplished its mission featuring the most advanced human-machine interface ever seen. This gives us cause to look forward to a new mode of interaction between humans and machines – and thereby to a new kind of harmony that has the great potential to provide us with more convenience, comfort, safety and efficiency. ◆

Prof. Rupert Stadler, Chairman of the Management Board, AUDI AG



__Rupert Stadler__ was born in 1963. After graduating in business administration, he started his career at Phillips Communications Industrie AG in Nuremburg. Stadler joined AUDI AG in Ingolstadt in 1990, where he assumed various controlling tasks in sales and marketing. In 1994, Stadler assumed the role of commercial director for Volkswagen/Audi España SA, Barcelona. From 1997 onward, he served as the head of the board of management's office for the Volkswagen Group, and additionally as the head of group product planning in 2002. In 2003, Stadler became a member of the AUDI AG board of management. In 2007, he was appointed chairman of the board of management of AUDI AG and in this capacity joined the board of management of Volkswagen AG.

Dr. Georg Römpp
Philosopher and publicizer

Why harmony isn't a useful idea

A philosophical point of view

__Dr. Georg Römpp__ studied Economics, Political Science and Philosophy. After earning a doctor's degree in philosophy and publishing numerous articles in philosophical journals in Germany and the U.S. he started a career as a freelance writer. Among his most recent books are "Das Anti-Glücksbuch" (2012), "Nietzsche leicht gemacht" (2013), "Wozu die Kunst?" (2014), and "Jürgen Habermas leicht gemacht" (forthcoming - autumn 2015).

See www.georgroempp.de for further details.

1. Harmony: unity, multiplicity, conflict

A standard reply to someone full of praise for harmony in the social and economic world might simply go like this: "What exactly do you mean by 'harmony'?" There is a standard reply to that standard question: harmony means an interplay of different persons to the effect that the result is a unity out of multiplicity. Unfortunately, this definition fits perfectly to a platoon of soldiers marching in perfect unison. Again, a standard reply to this objection is ready at hand: in harmony the participants shouldn't give up their individual contributions but the result should originate in the combined efforts of each and every person concerned, and these persons should work together not in conflict but… what? – in harmony? To cut a long discussion short: the standard definition amounts to this: harmony is a state of cooperation without conflict by creating unity out of multiplicity. What's wrong with that? To find that out let us take advice from a very old resource and shed some new light upon it.

2. The father of all things

The Greek philosopher Heraklitus once wrote: "pólemos pánton patér". Prussian generals found a rather peculiar translation for this dictum: "War is the father of all things." Never mind Prussian generals when it comes to translating ancient Greek. The German philosopher Martin Heidegger went to great lengths in making better sense out of Heraklitus' statement. According to his interpretation we have to understand "pólemos" in the sense of "differentiation" or "difference" or even "analysis" (for German readers: he wrote "Auseinandersetzung" which is to be taken in a literal sense, not simply as "conflict" but as "separating", "breaking up" or "dividing" and "distinguishing").

Again, we cut a long discussion short: "pólemos" means nothing else but the emergence of varying, distinct and individual things out of a – real or imagined - state of unity. In the social world, "pólemos" accordingly is the origin of the existence of individual persons out of a social body as a unity. Individuality here means: persons have different interests, wishes, ideas and thoughts about what is good and bad, right and wrong, true and false, and why should unity be better than multiplicity?

Why should unity be better than multiplicity?

Now we are very close to understanding why "pólemos" of all things is said to be the "father of all things". The original emerging of distinctions is the father of language (if the ideas and thoughts in our brains would be identical between different persons there would be no basis for talking to each other – why communicating if we already know what other persons think?) and therefore of culture, of society, and of the state with its institutions that enable different persons to live together. The original emerging of distinctions is the father of the principle of economy, too, which begins with the exchange of goods and services, which process, again, presupposes that different persons value the same things in a different way making it useful to barter one for another in a way that both persons experience a higher state of satisfaction.

In short, all we think, believe and know today, together with the way we live together and cooperate in society, in the state, and in the economy, is the result of a development based on individual persons with conflicting opinions as well as with conflicting interests, desires and wishes. We talk to each other, we negotiate, we discuss, we have arguments and compromise for the better or for the worse but usually in a viable way. Thus Heraklitus' dictum amounts to this: the state of conflict is the natural state among human beings, and it suggests a good reason for this: because we are persons exactly by differing from each other regarding desires, thoughts, feelings, views, in short, regarding the vantage points from which we take different perspectives on the world.

The original emerging of distinctions is the father of all things.

The state of conflict is the natural state among human beings.

3. From harmony to politeness

In contrast to what Heraklitus called the "father of all things" the addicts to harmony look at competing and cooperating with a suspicious eye. This suspicion stems from a double-bind situation: on the one hand the addict knows about persons as individuals with their own desires, thoughts and views, on the other hand he feels obliged to view this truth as something that ought not to exist.

Must we linger in this situation? I'd like to suggest another way of managing cooperation and competition without giving up the idea of distinctions – between persons, ideas, wishes and desires - in society and economy. There is a very old concept regarding our behavior in society that might show us the way how to avoid the delusive idea of harmony and come to terms with conflict without such a mirage. It is hidden in the well-known idea of politeness or of how to behave in a civil manner. This idea is not limited to a certain culture or religion or nation or language. However, here I have to add a caveat for my German readers: please do not translate these terms with the misleading words 'Höflichkeit' or 'höflich', because they imply negative connotations with mere formal rules of behavior. Please read on to see why the English terms are far better suited to express what I mean.

The terms 'to be polite' and 'to be civil' stem from the Greek and the Roman way of describing the appropriate behavior for persons living as citizens in a society and in a state of free men and women – as a 'cives' in a 'polis', to mix the Roman and the Greek terms. There is no harmony

We live in a world of conflict because we are individuals and shouldn't be ashamed of it.

Harmony is a trick to bring a fake unity instead of multiplicity in through the back door.

included in these ideas. They rather express the necessity of respecting and esteeming other persons as of equal worth and therefore as possessing the same rights for participating in politics and for living unharmed and in freedom – until proven otherwise on the basis of laws given by the people and for the people.

Obviously this is a rough sketch of the foundations of the republican as well as the democratic political system. But there is something more to it than just the political dimension. Being polite (behave and act as a member of a ‘polis’) and being civil (behave and act as a citizen) are ideas that are at the same time describing the appropriate behavior in situations of conflict. But they don’t imply any idea of harmony. Likewise, they don’t come as a revival of an ideal of unity instead of multiplicity coming back in through the back door.

4. The principle of politeness

Maybe we should have a closer look at politeness as an appropriate way of living with conflicts. This perspective was introduced about 200 years ago by the German playwright Friedrich Schiller with his law of politeness (though he used the expression ‘the good tone’). The First Law of politeness is: “Spare other persons’ freedom!”, to put it differently: “Be easy on other persons’ freedom!”.

We can very easily connect a modern sociological and/or psychological concept of politeness to this idea of a philosopher and playwright. It is called the ‘face-saving’-perspective. Seen from this perspective saving one’s own face and allowing other persons to do so accordingly is a condition for successful acting in a communicative way. It means avoiding face-threatening acts whereever possible – even in conflict situations. A good if very general description of such a principle might be the following by R. Lakoff: “Don’t impose. Give options. Make A feel good.” The long and the short of this principle is: “Act in conflict situations in a way that your competitors and collaborators don’t lose face!”

Making sure that other persons don`t lose face in handling conflict situations is a social concept. It is a social concept (1) because it refers to situations of cooperating and competing, and (2) because it concerns a person’s reputation and standing in society. But since the ways other persons regard and esteem us are at least a vital part of our self-esteem and of the way we are aware of ourselves, this social concept includes the individual as a social self as well. The advantage over the concept of harmony is in its ability to give way to protecting individuality and multiplicity whereas harmony focuses on unity without multiplicity thereby denying and even destroying individuality as well.

5. Stop seeking harmony and learn how to handle conflicts

Emphasizing the concept of harmony generally is nothing else but a trick to lure us into denying or ignoring the natural state of difference between persons. Disregarding this difference is tantamount to paying no attention to a person's individuality. This trick mainly consists of pretending the difference could be resolved by living and working together like the different voices in an orchestra, in other words: the trick is to use a wrong metaphor. In emphasizing harmony in human life and cooperation this false analogy is being exploited to deny the individuality of a person, its being rightfully distinct from other persons, and the natural state of conflict among cooperating and competing persons. The concept of harmony is fundamentally wrong because it allows the strive for unity to come back through the back door in spite of our knowledge about the precedence of multiplicity in human life.

Economy is all about scarce resources and about exchanging goods and services between different persons without a universal harmony determining how they ought value the things they want to exchange in order to get other things they want. In economy there is no preordained superstructure like the composer in the false analogy between human cooperation and musical harmony. We shouldn't view this as a cause for lamentation and grievance. It is the basis of our freedom as individual persons. We shouldn't complain about the existence of conflict, rather we should be worried about the non-existence of appropriate methods of living with conflicts. Living in a state of conflict is simply another expression for living with other human beings whose very essence is living as individuals in a society with other individuals.

What really matters in cooperating among persons with different interests, feelings, thoughts, and different world-views, is the ability to handle conflict situations without resolving those differences in a fake unity. The concept of harmony usually is an instrument for giving persons the illusion of preserving the individual in unity whereas in reality in the name of harmony multiplicity and individuality are destroyed and only a thin façade of both is kept to maintain the mirage. This leads us away from a civilised and polite way of handling conflict situations without threatening another person's face.

What we need is not the strive for harmony but the acceptance of conflict and the capability of resolving, tolerating and in many cases enduring conflict situations. ◆

Harmony is a trick to bring a fake unity instead of multiplicity in through the back door.

Don't pretend to be a voice in an orchestra but act in cooperating and competing like a citizen.

Civil and polite behavior allows us to live as individuals without the fake unity of harmony.

Adrian Kollegger
Agents & Personal Lines Distribution; Zurich Schweiz

Starke Unternehmer für neue Herausforderungen

Zurich Schweiz startete vor Jahren mit einem der wegweisendsten Change-Prozesse ihrer jüngeren Geschichte: dem strategischen Umbau vom Angestellten- zum Unternehmermodell im Aussendienst. Seit rund vier Jahren sind die Unternehmer-Generalagenten von Zurich in allen Regionen der Schweiz selbständig und verfügen über unternehmerische Verantwortung. Ein Prozess, der sich gerade auch deshalb zur Erfolgsgeschichte entwickelt hat, weil er nicht immer nur harmonisch verlief. Und noch ist der Wandel auf dem Weg zu einer damit einhergehenden, erfolgreicheren Kunden- und Dienstleistungskultur nicht abgeschlossen.

Zurich Schweiz zeigte im ersten Jahrzehnt des neuen Jahrtausends Merkmale, die aus vielen erfolgreichen Unternehmen bekannt sind: Die Kundenorientierung drohte aufgrund der Fokussierung auf interne Effizienzprogramme in den Hintergrund zu rücken. Trotz solidem Neugeschäft stagnierte die Kundenbasis, man lief Gefahr, Marktanteile zu verlieren. Es galt also, das Ruder herumzureissen und sich rechtzeitig auf die neuen Herausforderungen vorzubereiten. Marktanalysen ergaben, dass tiefgreifende Änderungen erforderlich waren. Im Mittelpunkt stand insbesondere ein grundlegender kultureller Wandel.

Lokale Verankerung und Beratung auf Augenhöhe

Der Wandel wurde mit einem wegweisenden Entscheid im Aussendienst eingeläutet: Anstelle des Angestelltenmodells trat das Unternehmertum. Die Generalagenten sollten künftig nicht mehr als Arbeitnehmer tätig sein, sondern als selbständige Unternehmer und Arbeitgeber für ihre Kundenberater und den Innendienst sowie für das Budget und das Erreichen der Jahresziele verantwortlich sein. Grund: Mit diesem unternehmerischen Spielraum stärken die Unternehmer-Generalagenten ihre lokale Verankerung. Sie richten die Marktbearbeitung gezielt auf die Besonderheiten ihrer Region aus und können so die Bedürfnisse ihrer Kunden noch besser bedienen.

Gestützt wurde dieser Entscheid auch von der Erkenntnis, dass Firmenkunden heute eine Beratung auf Augenhöhe fordern – von Unternehmern für Unternehmer. Für diese anspruchsvolle Aufgabe sollten die Generalagenten von Zurich die richtige Adresse sein. Als Arbeitgeber würden sie fortan fachkundige Teams führen – als Unternehmer würden sie sich engagiert für ihre «Firma» einsetzen und Prioritäten setzen. Kurzum: Chancen nutzen und Risiken tragen – so, wie es ihre Firmenkunden täglich tun.

Doch der Mensch ist ein «Gewohnheitstier» und ein Wandel ruft meist Unsicherheit hervor. Will man alle Beteiligten ins Boot holen, muss man den Wandel offen thematisieren und aktiv begleiten. Ein Prozess, der bei der Überführung des Vertriebs ins Unternehmertum gerade auch deshalb zur Erfolgsgeschichte wurde, weil er zwar «disruptiv» und «disharmonisch» begann – nach und nach aber immer mehr «harmonische» Elemente aufwies.

Barrieren überwinden – Chancen packen

Es wurde in einem ersten Schritt flächendeckend für die Schweiz eine neue Mustergrösse von Generalagenturen definiert, die nebst dem Generalagenten aus einer bestimmten Anzahl von Kundenberatern und Innendienstmitarbeitenden bestehen sollten. Zu diesem Zweck wurden auch bestehende, grössere Strukturen in kleinere Einheiten aufgeteilt. Die bisherigen Agenturleiter erhielten hiermit die Chance, ab Jahresbeginn 2011 ihre Aufgaben weiterhin wahrzunehmen: jedoch als selbständige Unternehmer.

Ein bestehendes und bekanntes Muster – das Regiemodell – wurde somit aufgebrochen, ein «disruptiver» Moment. Die Reaktionen waren erwartungsgemäss unterschiedlich, von vorsichtiger Zustimmung über Zurückhaltung bis hin zu Ablehnung. Ein intensiver Dialog begann: um die Veränderungen zu verstehen, zu akzeptieren und mit unternehmerischem Elan mitzutragen. Das Gros der Agenturleiter konnte die anfänglichen Barrieren überwinden und die Chancen packen.

Gemeinsame Lösungen für neue Herausforderungen

Die Theorie zeigte eine Idealzahl von rund 160 selbständigen Generalagenturen. Das war eine erste Hürde, denn es galt, innert kürzester Zeit innerhalb und ausserhalb des Unternehmens neue Generalagenten zu rekrutieren. Angesichts der Anforderungen an diese Funktion und des Fachkräftemangels in der Versicherungsbranche stellte dies eine anspruchsvolle Aufgabe dar. Zudem waren es die Agenturleiter bis anhin gewohnt, sich vor allem auf die Beratung und Betreuung ihrer Kunden zu konzentrieren. Als Generalagenten übernahmen sie neu Tätigkeiten, die zu einem selbständigen Unternehmen gehören, wie zum Beispiel die finanzielle Steuerung der Agentur, das Führen der Lohnbuchhaltung oder das Erstellen eines mehrjährigen Geschäftsplans. Schliesslich sollten sie auch in der lokalen Marktbearbeitung eine klarere und vor allem deutlich sichtbarere Rolle übernehmen, um sich entsprechend bei den Kunden, in der Gesellschaft und bei den übrigen Stakeholdern zu positionieren.

Aufgrund dieser geänderten Situation nahmen die Anforderungen an den Aussendienst zu und stellte gleichzeitig auch Zurich vor neue Herausforderungen – standen sich doch nun selbständige Unternehmen mit entsprechenden Erwartungen an die Gegenseite gegenüber. In allen Bereichen der Zusammenarbeit wurde nun das Unternehmertum spürbar. Die Generalagenten konzentrierten sich auf die Übernahme und Ausübung ihrer unternehmerischen Aufgaben und suchten gleichzeitig Unterstützung in jenen Bereichen, in denen sie die entsprechende Erfahrung bisher noch nicht sammeln konnten. Diese Unterstützung holten sie sich teilweise aus den eigenen Reihen, sprich im Austausch von Erfahrungen und Best Practices mit den anderen Generalagenten. Gleichzeitig konnten sie auf die Unterstützung von dedizierten Zurich-Teams rund um die verschiedenen Themen wie zum Beispiel Marktbearbeitung oder Buchhaltungsführung zurückgreifen. Man setzte alles daran, die Generalagenten, Kundenberater und Innendienstexperten «abzuholen» und sie intensiv zu coachen. Wichtig waren die zahlreichen persönlichen Gespräche direkt vor Ort, um gemeinsame Lösungen für die neuen Herausforderungen zu finden.

Die bestehenden Kundenbedürfnisse und die regionalen sowie lokalen Ausprägungen führten dazu, dass sich die Zahl der Generalagenturen sodann auf 110 reduzierte. Es sind dies Agenturen mit unterschiedlichen Ausprägungen in Bezug auf Grösse und Zusammensetzung. Wichtig ist, dass jedes einzelne dieser selbständigen Unternehmen die lokalen Bedürfnisse im Markt abdecken und das Geschäft bzw. die Positionierung von Zurich weiterentwickeln kann.

Von grosser Bedeutung ist auch, dass die Agentur unter einer professionellen Leitung steht, eine klare Strategie hat und sich durch ihre erfolgreiche Tätigkeit nachhaltig etablieren kann. Diese Strukturbereinigung war es denn auch, die die «harmonischere» Phase einläutete, was sich schon bald in den ersten Erfolgen zeigte: Die Produktivität begann effektiv zu steigen – die Kundenbasis und Kundenzufriedenheit wuchsen wieder. Allmählich fand man wieder zu Ruhe. Nach dem tiefgreifenden Wandel ist das auch notwendig, will man wieder in die Zukunft schauen und sich voll und ganz auf die Kunden konzentrieren.

Probleme partnerschaftlich lösen

Der strategische Umbau vom Angestellten- zum Unternehmermodell war anspruchsvoll, im Grundsatz aber notwendig. Die Veränderung wird heute positiv wahrgenommen – Stabilität und Selbstsicherheit sind zurückgekehrt, die Freude an der Arbeit ist wieder greifbar und der Kunde steht mit seinen individuellen Bedürfnissen im Zentrum.

Der Prozess hat gezeigt, wie wichtig der offene und direkte Austausch ist. Dieser Dialog steht noch heute im Mittelpunkt der Zusammenarbeit zwischen Zurich und den selbständigen Generalagenturen. Eine klare, transparente Kommunikation und das partnerschaftliche Lösen von Problemen sind die Basis für gegenseitiges Vertrauen. Die Basis dazu bilden gemeinsame Werte:

Freude an der Arbeit und Stolz, Teil eines traditionsreichen Schweizer Unternehmens mit internationaler Strahlkraft zu sein.

Gegenseitiges Vertrauen, Respekt und Anerkennung. Die wahre Stärke liegt in der Leistung des Teams.

Empowerment: Das Ziel wird gemeinsam bestimmt – den Weg dorthin soll jeder eigenverantwortlich beschreiten.

Resultate – in Form von Zahlen, Daten, Fakten – als Massstab zur Bewertung der Leistung.

Die Fähigkeit, ausgetretene Pfade zu verlassen und das Neue zu wagen, Veränderung positiv als Chance wahrzunehmen.

Noch ist der Wandel hin zu einem noch besseren Kundenservice nicht abgeschlossen. Es gibt noch viel zu tun, um den grösstmöglichen Mehrwert für die Kunden zu schaffen. Zum Beispiel durch den Einsatz digitaler Kanäle oder im Rahmen der gesamtheitlichen Beratung des Kunden. Der Erfolg eines Unternehmens steht und fällt mit der Zufriedenheit seiner Kunden – ihre Bedürfnisse sind die treibende Kraft hinter jedem Wandel. Disharmonische Klänge oder gar Dissonanzen gehören dazu. Sie schärfen die Aufmerksamkeit und bringen neue Impulse. Und neue Impulse sind fundamental, wenn es darum geht, bessere Lösungen zu finden, um die Kunden optimal zu beraten und zu betreuen. ◆

***Adrian Kollegger** ist Leiter Agents & Personal Lines Distribution sowie Mitglied der Geschäftsleitung von Zurich Schweiz. Zuvor war er Leiter des Geschäftsbereichs Commercial Business & Brokers. Seit seinem Eintritt bei Zurich 2001 hatte Adrian Kollegger verschiedene Funktionen inne, unter anderem war er als strategischer Assistent des CEO Continental Europe sowie anschliessend von 2003 bis 2010 als Leiter International Program Business und Leiter Customer & Distribution Global Corporate in Spanien tätig. Adrian Kollegger studierte an der Universität St. Gallen Betriebswirtschaft mit besonderer Vertiefung in Risikomanagement und Versicherungen.*

EVA N.

BEI GUTER TAT ERTAPPT

Wir suchen Lebensretter! Eva N. hat sich gemeldet und als Blutstammzellspenderin registriert. Damit schenkt sie Menschen mit einer lebensbedrohlichen Blutkrankheit wie Leukämie Hoffnung. Für viele ist die Transplantation von Blutstammzellen die einzige Chance auf Heilung. Die Suche nach dem passenden Spender ist aber sehr schwierig. Deshalb braucht es Sie. Sie könnten ein Leben retten.

JETZT REGISTRIEREN UNTER: **LEBENSRETTER-GESUCHT.CH**

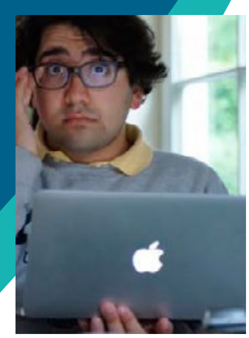
BLUTSPENDE SRK SCHWEIZ
TRANSFUSION CRS SUISSE
TRASFUSIONE CRS SVIZZERA

SWISS BLOOD STEM CELLS
BLUTSTAMMZELLEN
CELLULES SOUCHES DU SANG
CELLULE STAMINALI DEL SANGUE

Manouchehr Shamrizi

Hamburger Geistes- und Gesellschaftswissenschaftler

Harmonie: Ein Fragebogen



Vom Hamburger Geistes- und Gesellschaftswissenschaftler ***Manouchehr Shamsrizi****, der als «among the most publicly prominent voices of Germany's younger generation» (Washington Post) gilt, jüngster Global Justice Fellow der Yale University sowie jüngster Sprecher beim Belleuve Forum des Bundespräsidenten war und zum Fellow of the Royal Society of Arts, Handelsblatt Fellow und Global Shaper des Weltwirtschaftsforums gewählt wurde, kommt diese kolumnistische Adaption von Max Frischs Fragebogen (1966). Als «Leader of Tomorrow» des 41th und 43th St. Gallen Symposiums ist Manouchehr der HSG, als regelmässiger Leser unserem Magazin verbunden.*

I. *Bist Du sicher, dass Dich die Herbeiführung und die Erhaltung eines Zustands von Harmonie, von dem weder Du noch einer Deiner Bekannten betroffen ist, wirklich interessiert?*

II. *Wozu?*

III. *Wie viel an Harmonie, die Du hättest herbeiführen können, ist durch Deinen Willen nicht in die Welt getreten?*

IV. *Zu wem hättest Du in Deiner Vergangenheit, gegenwärtig oder zukünftig lieber keine harmonische Beziehung?*

V. *Weisst Du dich einer Person, Organisation oder Idee gegenüber Deinerseits für Disharmonie verantwortlich, und hasst Du eher Dich selbst oder die Person / Organisation / Idee dafür?*

VI. *Möchtest Du die absolute Harmonie, zu jeder Zeit und in jeder Situation?*

VII. *Wie heisst der Politiker / Unternehmer / Wissenschaftler / Künstler, dessen Leben mit grossen Disharmonien die Du nicht zu verantworten hättest Dich mit Hoffnung erfüllen könnte? Oder wünscht Du jedem ab und an Harmonien?*

VIII. *Hälst Du eine andere Nation / Kultur / Zeit / Kirche / Partei / Branche für harmoniefähiger als Deine? Und welche?*

IX. *Ist das ein organisationaler Vor- oder Nachteil?*

X. *Wenn Du die Macht hättest zu befehlen, was Dir heute geeignet scheint im Kleinen oder im grossen zu Harmonie zu führen, würdest Du es befehlen, gegen den Widerspruch der Mehrheit in deiner Familie / Organisation / Gesellschaft? Ja oder Nein.*

XI. *Warum nicht, wenn es Dir richtig und Harmonie doch erstrebenswert scheint?*

XII. *Erzeugst, erträgst und / oder nutzt Du Disharmonien lieber gegenüber einer Organisation, Idee, Partei oder Marke oder gegenüber einer bestimmten Person?*

XIII. *Erzeugst, erträgst und / oder nutzt Du Disharmonien lieber allein oder im Kollektiv? Offline oder Online? Emotional oder durchdacht?*

XIV. *Wann hast Du aufgehört zu meinen, dass Du harmonie(un)bedürftiger wirst?*

XV. *Überzeugt Dich deine Einstellung zu Harmonie? Und deine Lebensrealität?*

XVI. *Was, meinst Du, wäre ein berechtigter Grund mit einer allgemein als harmonisch empfundenen Situation zu brechen? Was war ein unberechtigter Grund, aus dem heraus jemand eine von dir als harmonisch empfundene Situation verändert hat? Wenn es nicht derselbe Grund ist: wer von Euch hat / sollte um Verzeihung bitten?*

XVII. *Wenn Du Dir beiläufig vorstellst, das Internet wäre nicht entwickelt worden: beunruhigt Dich diese Vorstellung? Und im Hinblick auf die Harmonie in deinem Leben / für die Menschheit?*

XVIII. *Lebst du in Harmonie? Und woraus schliesst Du das?*

XIX. *Gesetzt den Fall, Du hast noch nie einen Menschen umgebracht, wie erklärst Du es Dir, dass es dazu nie gekommen ist?*

XX. *Was fehlt Deinen Eltern / Deiner Facebook-Gruppe / Deinem Studiengang / Deinem Praktikumsgeber / Deiner WG zur Harmonie?*

XXI. *Für welche harmonische Situation, unabhängig ob Du zu ihr beigetragen hast, bist du dankbar?*

XXII. *Möchtest Du lieber in Deiner technologisch wie demokratisch fortschrittlichen Zivilisation in Disharmonie leben, oder ein harmonisches Leben in einer analogen Stammesgesellschaft / einer virtuellen Realität führen? In welcher?* ◆

Imprint

Contact: St Gallen Business Review
Guisanstrasse 19
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Telefon: +41 (0) 71 220 14 01
Fax: +41 (0) 71 220 14 04
Email: sgbr@espritsg.ch

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Main Editorial Office: Henry Galis
Jonas Gartenmeier

Editorial Office: Florian Bötsch
Maximilian Kreß
Johanna Appel

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