

# Complexity Management Journal 01/2009



Following New Paths –  
Manage Your Complexity and Win:  
in the Past, Present, and Future

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Complexity Management

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# Editorial

A new era of Complexity Management has begun sooner than many expected. Another bubble has burst, but it will certainly not be the last.

Now what? In order to succeed, we need a new paradigm of thought. The upcoming challenges cannot be met with trivial solutions. It is times like these when the virtues of Complexity Management become most apparent. This issue of Complexity Management Journal explains some of the hows and whys.

Have we piqued your interest? We will gladly discuss your ideas.



**Hans R. Tanner**  
CEO, Schuh Complexity Management, Inc.



**Stephan Krumm**  
CEO, Schuh Group



# Following New Paths – Manage Your Complexity and Win: in the Past, Present, and Future

Stephan Krumm, Nadine Creutz-Adams

The word “crisis” is most likely the buzz word of the year and at the same time receiving the most negative press. Rightly so. The media currently portrays the economic situation in a way that leaves the impression that there is no future. But, as we, at Schuh & Company, like to remind you: this is not the end either. Why should it be? Just because another bubble burst? Yes, right now a large wave of insolvencies and also an increase in unemployment is experienced, but this does not mean it is time to bury one’s head in the sand. Solutions are now as important as ever. Solutions that help us be successful in the future. We are proposing approaches that in our opinion are both important and forward looking.

Given the current economic state the principle “Cash is King” is ever more important. But not only fast measures are needed, also sustainable ones. You should never forget the interdependencies of all your actions. For that reason cybernetics and systemic thinking are rather popular right now. We have always advocated these ideas. Today it is obvious, that we were right much sooner than anyone would have liked. We recommend a holistic five point program for your company:

- 1. Product:** Clean up and rid yourself of liabilities. Now or never!
- 2. Process:** Finally reduce waste and critically question old habits!
- 3. Production:** Scale proportionately and adapt the right way. Use consequence and speed!

**4. Innovation:** Get ready for tomorrow and then hit the ground running!

**5. Personnel:** Identify partners and together prepare for the future!

## **1. Product: Clean Up and Rid Yourself of Liabilities. Now or Never!**

The time has come to critically assess your product portfolio. During a boom it is less important to address questions such as: “What really sells?” or “Where can new potential and markets be uncovered?”, because everything is supposedly working well. Identify and remove products that hold back your progress today and ensure your survival tomorrow.

- **Radically reduce inventory and sell off dead stock.**

A large amount of inventory is unnecessarily tied-up capital that is needed in other business areas now.

- **Stay sovereign when pricing.** The focus now is not on turnover but revenue. Often a price reduction is more harmful than a decrease in sales quantity. GM granted enormous discounts in comparison to Toyota in recent years and was never able to recover from it. In the end, the customers were so accustomed to the discounts that a GM car could no longer be sold at market price.

- **Streamline your product range.** Which of your products really sell and are profitable? Take a look at Porsche in the beginning of the 90s, for example. The company experienced a drastic decrease in profits, even though the product range was larger than ever. Porsche's success story only was written after the company dared to take a radical departure from the past.

- **Identify gaps in your product and service range and close them quickly.** Does the competition offer any services that the consumer favors? If so, you should react quickly! Your whole range of goods, including priced and free-of-charge services, should be reevaluated.

- **Bundle your services and packages.** Your customers will get the feeling of getting a good deal, while you increase sales at the same time. It's a win-win situation for both sides.

- **Offer survival packages for your customers.** Keep in mind that not only your company suffers from the struggling economy, but your customers are as well. To keep your customers loyal, think about your sales strategy. Are there any "smaller solutions", smarter financing options, ...?

- **View the aftermarket as an opportunity for growth.** If your customers already own your products, use it as a chance to further increase this trust and offer complementary support service.

- **Identify new applications and markets for your products and technologies.** General Electric recognized early on that emerging markets offer enormous potential. GE expects above average growth in these countries for the years to come. Thus, GE adapted its product and service portfolio to increase the im-



portance of its transportation, energy, water treatment and purification, and health care offerings. All of these are products and services that will continue to be popular in emerging markets.

## 2. Process: Finally Reduce Waste and Critically Question Old Habits!

When considering a starting point for evaluation, honestly consider these questions: What do your processes really look like? Where do you see possibilities for improvements? Where can you economize? And what is not absolutely necessary? This assessment will help you drastically increase your speed. You should discourage excuses and accelerate your production, logistics, and administrative processes.

- **Develop a value stream orientation.** In this case we simply mean: learning to see. This principle needs to be applied across all departments. Also the administration should be required to display transparency and come out of hiding.

- **Accelerate the commercial launch of products.** The longer you wait to introduce a new product or service, the greater the time for your competition get established in the market.

- **Question interfaces and support organizations.**

Slow and inflexible processes are often the result of outdated structures. Question your interfaces, investigate your hierarchies, create more transparency, and clarify responsibilities at every level. An accepted and lived process model can work wonders.

- **Analyze your process drivers.** Process and complexity drivers control your cost structures. Many of them may prove to be unnecessary. This should be the starting point of your analysis. Examples to consider are: The amount of accounting processes in finance and bookkeeping, the amount of booked travel changed on short notice, the amount of suppliers with the same focus, the amount of dated and unused part numbers, the amount of unnecessary and inconclusive work sessions, etc. You probably can come up with some examples from within your organization right away.

- **Define your competitive position.** Focus on the basics, because you will only be able to succeed if you have a clear competitive strategy.

### 3. Production: Scale Proportionately and Adapt the Right Way. Use Consequence and Speed!

Examine your production with a healthy amount of realism and not just an attitude of wishful thinking. What really is your core competency and what is going to withstand the challenges of the future?

- **Reduce your capacities and identify your potential to streamline.** It is easy to forget that typically you can get away with less. The utilized capacity in most industries was already below 100% prior to the recession. You can generate additional liquidity through the sale of unnecessary assets.
- **Reassess your value adding structures and declutter your supply chain.** The question of “make or buy” has a very different meaning today than it did a couple of years ago. Utilize your capacities better; including those of your suppliers.
- **Scrutinize all of your investments.** Of course cash is king now, but that does not mean you should deprive yourself of a future. This is a favorable environment for healthy companies to strengthen themselves through targeted acquisitions. Now is the time that you can seek out the real bargains.

### 4. Innovation: Get Ready for Tomorrow and Then Hit the Ground Running!

Struggling companies often get caught up and miss innovative trends. You should avoid this at all costs. Check your positioning and decide what to concentrate on.

- **Develop a focused innovation push.** Without innovation you will not be able to create a future. But pay attention: It has to be a focused approach. Nobody can do everything on his own. Additionally, innovation management will send a positive signal to your employees. As a result you will create the much needed trust amongst your staff. Be sure to involve all of your employees in the process and openly request their contribution.

- **Consistently continue strategic innovation.** In the best case scenario you may be able to afford a temporary deferral, but you cannot abandon strategic innovation altogether. Companies that do not cut their R&D budget during times of economic contraction, often emerge as the winners shortly afterwards. Example: Apple Inc. During the last recession in 2001 Apple acted in contrast to general practice and increased its R&D spending. As a result, the Apple iTunes Software was released in 2003 and the following year the iPod Mini and iPod Photo were launched. Therefore, Apple now holds a market share of more than 70% of the MP3 market in the US.

- **Accelerate your innovation processes.** When under pressure, many things can be done faster. Now is the best time to demonstrate it.

- **Market pull and technology push is still the right attitude.** Surveys to gauge customer needs and understand the market are not enough; markets also want to be created. Paired together, innovation and technology

“Today’s problems cannot be solved with yesterday’s methods. The world is complex and thus needs Complexity Management.”

Stephan Krumm

management are the correct means to create those markets. Anyone caught off guard in current times was sound asleep.

## 5. Personnel: Identify Partners and Together Prepare for the Future!

Do you remember? This crisis will also end. Then it will be important to possess the right personnel with which your company can thrive again. If you are able to create loyalty amongst your employees now, it will go a long way.

- **Earn the Commitment of dedicated and capable employees.** Invest in advanced training and create new growth opportunities for them. Your company's success is increasingly dependent upon your employees' knowledge. This knowledge is a competence that is difficult for your competition to imitate. Should one of your key employees leave the company, a large gap is created that is hard and expensive to close.
- **Keep your eyes open for new talent.** Now that other companies are shutting down or laying off employees, you should start your search for new talent. Given the demographic trends, especially the mass-retirement of the baby boomer generation, the large pool of qualified job seekers should be seen as a rare opportunity.
- **Dismiss low performers.** No one looks forward to this task, but most likely you should have done this a long time ago.
- **Communicate openly, honestly and timely.** Let the professionals handle your communication. Engineers, economists, and lawyers are not always the best at it.

## Conclusion

As Confucius once said, "The real fault is to have faults and not to amend them."

In case of additional questions regarding our suggested approaches, we would be happy to discuss them with you.

## Contact

### **Stephan Krumm, Ph.D.**

Phone: +49 (0)2405 459 02

[stephan.krumm@schuh-group.com](mailto:stephan.krumm@schuh-group.com)

### **Nadine Creutz-Adams**

Phone: +1 678 810 0885

[nadine.creutz-adams@schuh-group.com](mailto:nadine.creutz-adams@schuh-group.com)

# “Let’s Do it Right the First Time!”

Stephan Krumm (Schuh & Company) and Peter Fischer (fgi) discuss efficiency networks, complexity consulting, learning respect and the struggle to find the optimum solution.



Stephan Krumm, Peter Fischer

## Peter, why did you choose to work together specifically with Schuh & Company?

**Fischer:** Because we have so much in common. Starting with the simple fact that our companies are approximately the same size, which is a basic requirement for successful cooperation. We also espouse the same business philosophy, one centering on quality and high methodological standards. Plus, we both take a systemic approach to our customers that assumes they are competent at what they do. We believe that our customers are experts in many fields and know many things, but are unable to optimally bring these skills and knowledge to bear in certain projects, processes and situations.

## The opposite of a know-it-all approach.

**Fischer:** That’s right. I respect my clients’ abilities and achievements and assume that there must be a specific reason why they need us. Discovering what this reason is

together with Stephan Krumm of Schuh & Company is an exciting process, as we must both manage to preserve the differences in our areas of specialist knowledge and corporate cultures. fgi has a social science background while Schuh & Company has a classic, engineering-centered technical and business management background. As such, we have different types of people and cultures. The trick is to bring these two together in a respectful, productive cooperation.

## Stephan, why do you work together with fgi?

**Krumm:** Because it became evident to me that our approach alone cannot cover everything, especially in the case of large-scale change processes, and thus does not have sufficient impact. In order to convince people, company owners and managers of major changes, I need another perspective – a feel for cultural, behavior-related changes and similar dimensions in addition to a technical, operational perspective. We work together with fgi because we ourselves are open to and see the need for another perspective – and meanwhile because we have learned to respect each other as well.

## With so much in common, will you work separately at all in the future?

**Krumm:** Naturally we will continue to have “purebred” consulting topics and projects. When companies inquire about complexity costs and variant management, Schuh & Company will naturally offer appropriate studies and similar services. We don’t need fgi for that.

**Fischer:** And when we are asked about a mentoring project or the introduction of 360° feedback, then we don’t need Schuh & Company. But both perspectives will be required in the future for all large-scale projects dealing with both technical operations and corporate culture.

## Please tell us a little bit more about these two perspectives, briefly outlining your consulting approach.

**Krumm:** To put it in a nutshell using adjectives in random order, Schuh & Company is: content-focused, methodological, implementation-oriented. And another key adjective: holistic. Structures, activities and behavior must be in harmony with one another – that is the philosophy of the St. Gallen School of Business from which many of us at Schuh & Company come. We always think in terms of cause and effect and values such as cost drivers, process resources etc. We are less interested in whether or not five managers really function well together as a team. We notice if they do or don't in the efficiency network, but ...

... that is now of no consequence to you. Because that is where fgi comes in?

**Krumm:** Exactly. That is finally of no concern to me anymore. Because that is a separate discipline. And it should be handled by those who are best at it.

What is key to the fgi consulting approach?

**Fischer:** Holism is a buzzword and a value for us as well. As a company with a systemic consulting philosophy, a wide variety of facets are important to us (structural, strategic, contextual, behavioral and cultural). We can only view a company as a “whole”. In addition, we take a resource-oriented approach. And we don't automatically declare ourselves to be experts. We don't always know how to solve a problem. But we do know exactly how to shape a process.

What can you offer your customers together that you couldn't offer them alone? What is new and different about this joint offer?

**Fischer:** Reflection from two standpoints. We, fgi and Schuh & Company together, are living proof that hard factors (i.e. things that can be specifically altered like structures and processes) and soft factors (such as cultural characteristics, attitudes, inner mindsets and behaviors) must be given equal consideration and be addressed at the same time. The basic rule is thus to stop thinking in separate, successive terms and start thinking in simultaneous ones. Forget structural consulting and then a quick management personality coaching session or two for good measure. Only when both aspects (structural and cultural) are addressed from the start do things get done right.

**Krumm:** And we prefer to do things right the first time.

“We work together on developing a blueprint for change that neither one of us alone could have drawn up in such a comprehensive manner.”

Stephan Krumm

**Fischer:** As a result, we naturally trigger learning processes, both external and internal. fgi must learn that even soft factors must be made hard, i.e. measurable. Vice versa, Schuh & Company must practice viewing factors that appear to be entirely hard from a softer perspective, because there are human beings behind those numbers. When Schuh & Company works with a number now, they have stopped treating it as hard. Instead, they examine the process with which it was obtained. We think entirely alike here, because what I have learned and what I know is that the battle of numbers which so many companies wage has less to do with numbers than it does with power, hierarchies and relationships ...

**Krumm:** Which brings us to the subject of Complexity Management. Complexity Management means taking a closer look at efficiency networks and interactions, taking background dynamics into account. No one today can predict how companies, sectors and corporations will develop and how competitive parameters will change etc. ... By the way, that is why I always advise caution in using benchmarking. I automatically hear alarm bells ringing when someone demands a key figure. For example, the head of personnel who wants to manage 1,000 people with ten HR experts because he has heard that five are too few and 30 are too many. That is a hard number, but it is worthless when it bears no relation to the company's current situation. After all, I have to understand the complex nature of the business and be able to react to its special needs.

So without context and without interpretation of this context, numbers are ...

**Krumm:** Worthless. Yes.

“I need a precise, functional view of how the production processes in the organization actually work.”

Peter Fischer

#### What is the most important factor in change processes – as you now approach them together?

**Krumm:** Let's look at an example. A new management board has been installed and a new product is currently being launched.

If fgi were supporting the change alone, it would probably first organize a big event, bring the employees together, have the head of the company send out highly credible communication and create an atmosphere of new beginning. However, fgi wouldn't analyze if this large-scale project required seven or perhaps just three sub-projects, whether or not Production and Supply Management needed to be merged, if Innovation Management was required to network employees across departments etc. If working alone, Schuh & Company would concentrate on precisely these factors. We would of course implement elements to mobilize and integrate the workforce, but we would never be able to orchestrate a highly professional motivational event for 400 people.

#### Because you are unable to?

**Krumm:** No – because in my experience this leads to the danger of too much complexity. We seek to reduce complexity and focus on set, specialist issues such as modeling Development Management as a separate topic.

#### So you view production – but not corporate culture – from a holistic technical perspective?

**Krumm:** Exactly. And that is where fgi comes in. In order to bring together both innovation and development as well as communication and motivation in the interest of implementing effective change, both Schuh & Company and fgi now realize that we need intervention points. We must jointly familiarize the employees with the new leader's messages and harness everyone's joint competence in order to inspire one another. This can best be accomplished with an event featuring a special design and a special dramaturgy. We then focus on

considerations such as the need for four hard sub-projects linked together in one dramatic arc. fgi meanwhile focuses its consideration on motivational, atmospheric and psychological aspects which must be changed such as attitudes, inner mindsets, behaviours etc.

We then work together on developing a blueprint for change that neither one of us alone could have drawn up in such a comprehensive or targeted manner because we lack the necessary experience and training. Now we can search for the optimum solution using both our internal team resources and interdisciplinary ones. Not deal with the structure first and then the culture later. That wouldn't be “lean” as we understand it. After all, one of the key principles of lean management is of great importance to us – not wasting any time!

**Fischer:** De facto, we would have to forgo half of the intervention possibilities in an organization without our joint cooperation with Schuh & Company. A company can no longer afford to depend exclusively on its own internal resources. It is always a good idea to intervene at the right place in an organization in the right manner.

#### Should Schuh & Company and fgi have gotten together much sooner?

**Krumm:** Perhaps they should have. But I am 46. It couldn't have happened any earlier for me. Maybe the business world wasn't ready yet.

**Fischer:** I wouldn't want to approach a large-scale change project without seeing things through the lens of Schuh & Company anymore. Because I don't want to view the world with just one eye. I need the second eye, the reality eye. I need a precise, functional view of how the production processes in the organization actually work. Are they still appropriate for modern times? Cooperating with Schuh & Company is therefore enjoyable to me and highly efficient, effective and constructive for the company.

#### Is sustainability possible in a change process? How can it be achieved?

**Krumm:** Through reliability and endurance. Definitely not through one-day wonders. It is impossible to implement change in three days, which is also why we have no interest in being cost-killers. We want to continue designing processes and companies. That is what we use our intelligence for – not for bringing about one-day wonders and ad-hoc changes.

**Fischer:** Through holism. Only when change processes are successfully implemented on all levels and a joint understanding of the targeted changes has been established in all phases can the right steps be taken. It is absolutely crucial that many psychological variables such as fear, uncertainty and the distribution of power be taken into account in the process. Moving backward is otherwise almost inevitable.

### Can changes be measured? How?

**Krumm:** Changes can be measured in an overall context, yes. But one must be familiar with the network of causal relationships. If not, there is no chance of measuring change.

**Fischer:** That is difficult in our traditional sphere of activity – cultural changes and the changing of attitudes and behaviors. When approaching the topic of leadership, I can request 360° feedback and calculate indices. But the numbers then require just as much interpretation as the “hard” numbers that Schuh & Company arrives at. I am convinced that we must focus much more strongly on measurability and that measurable criteria must be developed for “leadership” and for “diversity” in order to generate enough power in the change process. That is something that has been neglected far too long in our sector.

### Process-related measurements ...

**Fischer:** ... Yes. Performance indicators: Which variables can I use to quantitatively determine if a development is going in the right direction or not?

### Are you an initiator of change, Peter?

**Fischer:** It looks that way. At least that is what people say. I believe that my entrepreneurial spirit doesn't really leave me any choice in the matter. I find it difficult to accept that something can't be done.

### Who or what do you want to change, Stephan?

**Krumm:** How about competitive ability and society's attitude towards it? I would definitely like to change the first and to change the latter at least a little.



Peter Fischer is founder and Managing Partner of fgi – Fischer Group International. fgi is an international consulting firm with headquarters in Hamburg and satellites or partner companies in Boston, Singapore, Tokyo and Vienna. They help top executives and global corporations – including 20 of the 30 DAX companies in Germany – to handle the entire range of management topics within the scope of leadership development, mergers and acquisitions as well as far-reaching cultural changes.

As “Management Consultants for Individual and Organizational Development”, fgi focuses on the people and the company. fgi is interested in the possibilities for individual employees to position themselves within a company and supports their development with a wide range of services. fgi is also concerned with the central question of which organizational and cultural boundary conditions a company needs to create in order to be successful.

In this way – which always involves an interdisciplinary approach – fgi links people with organizations.

### Contact

**Stephan Krumm, Ph.D.**

Phone: +49 (0)2405 459 02

stephan.krumm@schuh-group.com

# Our Passion: 20 Years of Complexity Management

Christian Neubaur

Complexity is a term most frequently hear when explaining undesirable events and results. But what do we actually mean when we talk about complexity? Even though the term is widely used and has relevance in today's world, it does not come easy trying to define complexity in a universally accepted way. Neither does it become easier when trying to define it with the modern concept of management in mind. But it is essential to take a closer look at complexity in order to deduce possible next actions for an organization.

Examining scholarly theory, the study of Management Cybernetics at the University of St. Gallen, Switzerland, is likely the most comprehensive assessment of complex phenomena in management praxis. Using cybernetics and especially system theory, companies are understood as complex social systems. These systems morph into entities that are difficult to predict because of the interactions between their elements (e.g. employees, clients, process, and products). In this context, complexity is caused by the multitude of system elements and their relations, as well as the ability of the overall system to adopt different states over a given time period.

Observing pragmatically, company management experiences complexity when it becomes increasingly challenging and strenuous to initiate change within a company and to steer these change efforts in the right direction.

## Complexity – A Problem?

In order to influence the complexity of a system constructively, the recognition of structures, functional contexts, and patterns are a precondition. Adequate tools are needed and the scope of the observation has to live up to the problem.

Having said this, companies are especially complex systems. Management needs to have an overview of the whole range of possible solutions, reduce them to a comprehensible amount, make decisions and maximize the company's success by choosing the right measures. This task can be described through Complexity Management.

Inherently, the human being can only grasp a limited amount of influencing factors and their relations cognitively. Reducing system elements and purposefully omitting immaterial facts, allows for an initial comprehension of complex situations.

In nature, different strategies of simplification have proved to be successful. Their purpose is to remain capable of continuing effective decision making. Our comprehensive approach of Complexity Management contributes to:

- Employing company resources in a focused manner while not losing focus along the way
- Separating the essential from the non-essential and the important from the urgent
- Reaching distinct decisions with the overall company goals in mind
- Offering orientation for the coordination of individual measures
- Thinking of alternatives in order to react appropriately when making complex decisions
- Having an overview of the basic methods of Complexity Management

In corporate practice, decision making processes are considered complex when the prognosis of the impact of planned measures causes a large amount of insecurity,

even if they were prepared most diligently. Today this is the case with most corporate decisions.

The complexity of decisions lies in the interaction between strategic factors influencing the competition as well as company specific factors. Being permanently successful is therefore mostly dependent on the ability to successfully handle the complexity of the decision making process. Thereby, the long-term competitive position of a company is determined (Fig. 1).

### Managing Complexity – More Important Than Ever

Schuh & Company understands the term Complexity Management as the systematic exposure of organizations to diversity and dynamics that surround them in order to have sustained economic success. Over the past 20 years we have developed a systematic approach of dealing with complex decisions (Fig. 2). The decisive requirements to successfully handle complexity are a holistic approach to find solutions and the attempt to realize an overall optimum.

In the first step, an overview of all influences on a company has to be generated in order to identify the relevant factors influencing its complexity. Without an extensive analysis of these factors the quality of any derived decision suffers and with that the company's success.

Initially the multitude of influencing factors is collected and a deliberate decision about which of these factors to include is made. During this selection an equal amount of judgment, experience and knowledge is needed.

### Complexity Management - A Trade, not an Art

In a company a decision is necessary when dealing with specific customer requirements and having to decide whether or not a new, customized solution for each individual client (products as well as services) should be offered. In the context of these decisions, relying on the identification of allocated costs of a variant rich product mix only leads to reliable results when unique and reoccurring process costs can be estimated in addition to factoring the classic the classic overhead calculation. Superficially identified savings in cost of materials, when generating a new variant, are often overcompensated for by additional expenditures during the involved process.

To improve the quality of decisions, a budget increase is more important than an inflated effort to determine a single cost element.

In a second step, the factors influencing the interdependencies and their basic relationship should be considered when coming to a decision.

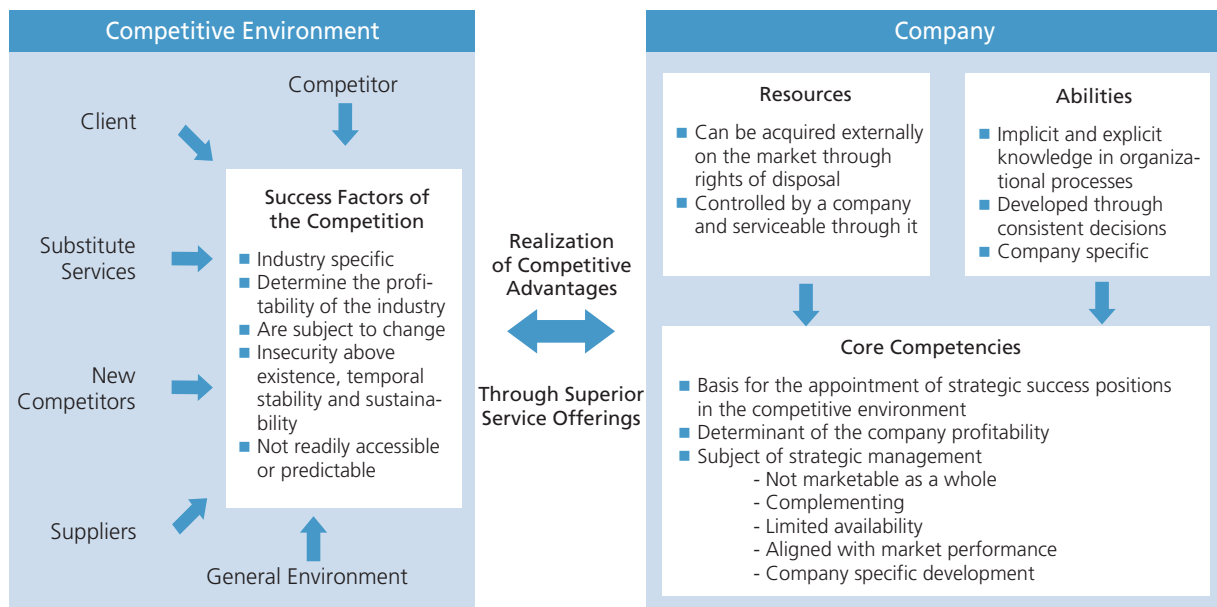


Figure 1: Description of Competitive Advantages

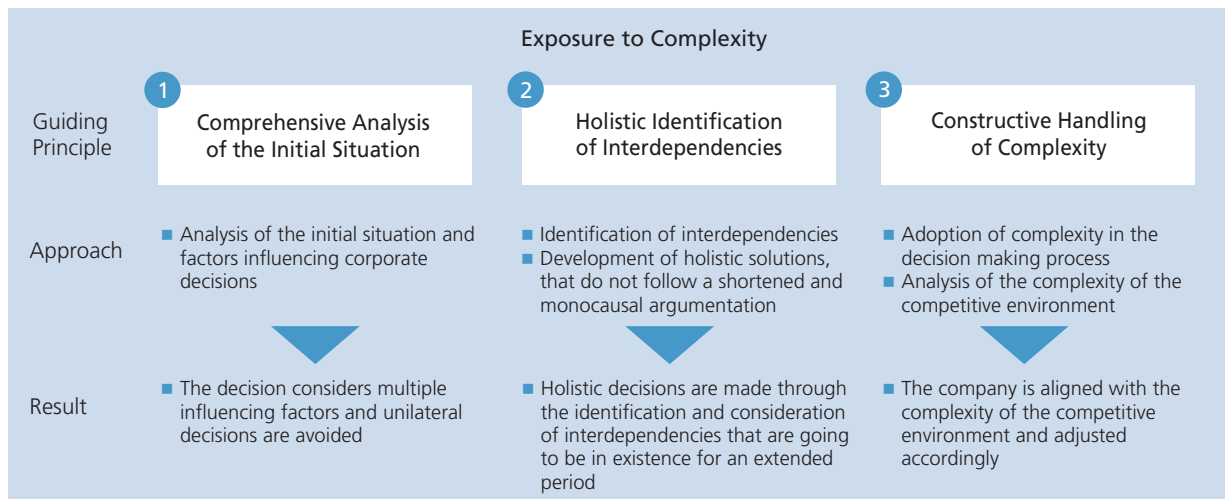


Figure 2: Our Strategies for Dealing with Complexity

Without employing tools to visualize system elements, it is often hard to recognize interdependencies. For technical applications, an example would be the interdependence between optional performance features (e.g. heating of side mirrors on cars) and the increase in product varieties (e.g. from 42 to 62 varieties of mirrors) cannot be intuitively assumed.

The multitude of factors and their reciprocal influence can be mastered when applying appropriate methods. The tools aim to adjust the barrier of controllable complexity and thus keep it manageable.

Because of the temporal dynamics complicated issues change into complex issues. Complexity can in most cases only be marginally eliminated. In many cases, only mastering the complexity will produce competitive advantages. The key to this success lies in adequately adapting the processes and structures to fit the challenges of the competitive environment.

#### Lessons Learned after 20 Years

Summarizing what we have learned during two decades of dealing with complex issues and Complexity Management, it can be stated that the following four lessons should be emphasized:

1. A company has to periodically scrutinize its products and services and rid itself of unnecessary or unprofitable ones. If this step is not performed, the

value proposition of the product or variant is sooner or later going to shrink. At the same time the costs necessary to manage the complexity, which are also difficult to reduce, increase at an above average rate.

2. The direct and indirect processes of a company are to be reassessed constantly with regards to their value-adding contributions. New potential structures or technologies have to be implemented.
3. Innovation that is rewarded by the customers has to be facilitated and new ideas need to be implemented quickly. If a lot of capital is invested into innovation, the courage to go all the way should be displayed as well. Courage does not mean being naïve.
4. In the best case the company is a functioning social system that is able to survive in a complex environment. The necessary transformation demands the participation of all. A company wanting a future has to face the ever-changing competitive environment and needs to handle it in a professional manner.

#### Complexity Management – Not Only a Task for Engineers and Business People

We support our clients in finding solutions to complex situations by providing our experience, competence in methods, and knowledge of state-of-the-art developments.

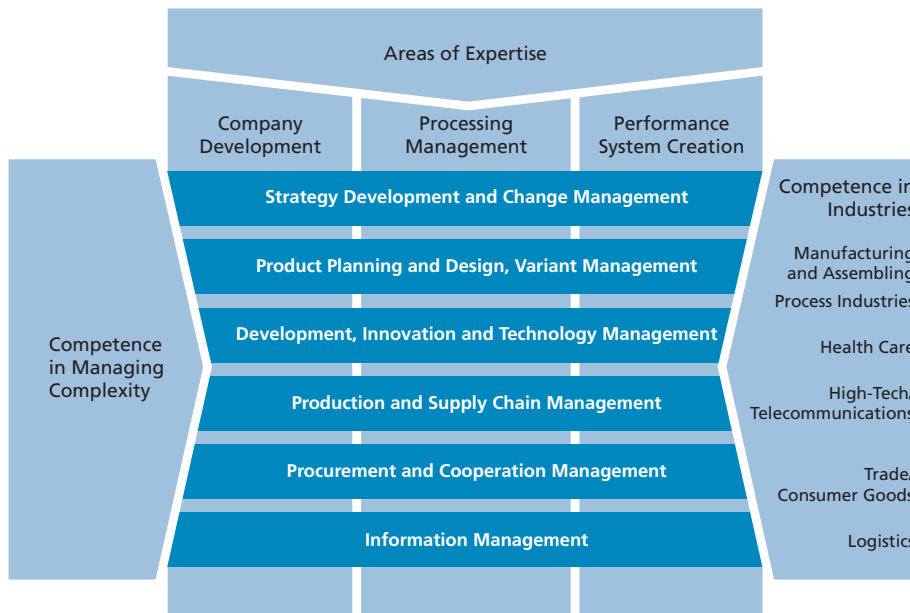


Figure 3: Consulting in Complexity Management Requires a Wide Scope in Competencies

Our systemic and holistic approach follows our conviction that in order to gain a true understanding of the interrelation between context, structures, and company performance, certain preconditions have to be met. Only if multifaceted dependencies, temporal dynamics, structural alternatives, and the criteria for results merge to form an overall assessment of the situation is it possible to reach an optimum level of performance.

Since 1989, Schuh & Company has established itself as a mid-size consulting firm with emphasis on Complexity Management. Our main focus lies in company development, process management, and structuring the product mix; all of which developed along the original topic of product complexity and were necessary to ensure the sustained success of our customers (Fig. 3).

We support our customers in managing their complexity successfully as well as accompanying an active implementation. The focus on the topic Complexity Management paired with the great experience of our consultants guarantees our clients a high conception quality and implementation strength. At the same time, we maintain an intensive cooperation with the Universities in Aachen, Germany and St. Gallen, Switzerland. We can thus offer our own experience in addition to a constantly updated knowledge base that touches all relevant economical questions. This will help our clients in finding solutions to their challenges.

Because of growth and internationalization seen in many companies, the soft factors of complexity have gained considerably more importance. The management of social complexity today is critical to optimizing product and process complexity. When both hard and soft skills are necessary, we work with Fischer Group International (fgi), a consultancy on leadership development and cultural change. In such situations we can successfully cover all aspects of change management projects.

In our projects we follow a participative approach, integrating all persons involved when designing concept and context, thus ensuring a successful implementation. Client and process orientation are the focal point of organic company development.

The success of our clients is the benchmark of our work.

#### Contact

**Christian Neubaur, Ph.D.**

Phone: +41 (0)71 243 60 00

[christian.neubaur@schuh-group.com](mailto:christian.neubaur@schuh-group.com)

## Company

Schuh & Company focuses on providing solutions and methods for managing the ever-increasing complexity of today's enterprises products and processes. With this approach the company established itself as implementation-oriented problem solver in the industry. Today the company consists of about 40 people committed to ensure your company's success through their work as strategy and organizational consultants, as well as management coaches.

Schuh & Company is headquartered in Aachen, Germany, with subsidiaries in St. Gallen, Switzerland (since 1991), and Atlanta, GA, USA (since 1998).

In 1999 Schuh & Company started the Complexity Academy initiative. The program provides valuable hands-on knowledge through its conferences and workshop events.

## Offices

### **Schuh Complexity Management, Inc.**

1645 Cheshire Court  
Lawrenceville, GA 30043, USA  
Phone: +1 678 810 0885  
E-Mail: [info@schuh-group.com](mailto:info@schuh-group.com)

### **Schuh & Co. GmbH**

Monnetstraße 9  
52146 Wuerselen, Germany  
Phone: +49 (0)2405 459 02  
Fax: +49 (0)2405 459 300  
E-Mail: [info@schuh-group.com](mailto:info@schuh-group.com)

### **Schuh & Co. Komplexitätsmanagement AG**

Langgasse 13  
9008 St. Gallen, Switzerland  
Phone: +41 (0)71 243 60 00  
Fax: +41 (0)71 243 60 01  
E-Mail: [info@schuh-group.com](mailto:info@schuh-group.com)

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### **Schuh Complexity Management, Inc.**

1645 Cheshire Court  
Lawrenceville, GA 30043, USA

Phone: +1 678 810 0885  
E-Mail: [info@schuh-group.com](mailto:info@schuh-group.com)  
Internet: [www.schuh-group.com](http://www.schuh-group.com)

### **Editorial Board:**

Bettina Driessen

### **Layout:**

Kezban Ergin

### **Photos:**

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