Modern controlling is “two-handed”

Only the endeavor for standard processes AND the successful handling of dynamics can lead to success.

The essential success factor for dealing with dynamics is the realization that we can no longer force every task into clearly defined process steps, work instructions and organizational responsibilities. Rather, we need a commonly supported target state that is worked towards. By doing so, the employees follow principles that become guidelines that make their own scope for decision-making comprehensible. When solving problems, tools are applied in a variety of ways or even combined, and specific predefined solution methods are not used. And finally, work is more project-like in interdisciplinary teams than in functionally organized departments that pursue allo thinking and isolated objectives.

“The successful thinking traditions for sluggish markets today are not the solution, but the problem.”

(Gerhard Wohland)

For decades, business processes have been optimized, assigned key figures, and managed towards goals. In the foreground was the idea of efficiency. The aim was to achieve high quality at the lowest possible cost. This pattern is of course still valid today. But no longer exclusively.

And this does not only refer to the consequences of the coronavirus crisis, which created enormous challenges for many companies. Beyond Covid, it is about increasing uncertainty in the context of global competition, more complex supply chains, and rapidly changing environmental conditions. Ambidextrous or “two-handed” companies have recognized that the increasing dynamics of the VUCA world (VUCA stands for volatility, uncertainty, complexity and ambiguity) cannot be handled in standardized processes alone. In addition, they need to deal with dynamics. Dr. Gerhard Wohland (www.dynamik-robust.com) describes companies that are prepared for the challenges of the future as dynamically robust.

The robust part is based on knowledge and experience, which are integrated into processes via rules and methods. If the processes are no longer running efficiently, they are analyzed for vulnerabilities. A process improvement is then usually based on benchmarks, best practice examples or internal initiatives. This is based on the assumption that the environment that determines the process is at least almost completely recorded and understood and that a new target process can be defined. The problem, however, is that in our volatile and complex world, the speed of change has increased rapidly, partly due to digitalization. The result is that target processes that have just been defined no longer come to rest. Permanent adjustments and adaptations have to be made, which often leads to chaos.

In reality, this is an attempt to force increasing dynamics into standard processes. Exactly this leads to the fact that the company neither has efficient processes nor can deal with dynamics.

The solution can always be quite different. Even the solution that has just been found for sluggish markets today is not the solution, but the problem. “The successful thinking traditions for sluggish markets today are not the solution, but the problem.”

(Gerhard Wohland)

The International Group of Controlling (IGC) celebrated its 25th anniversary in May. As a result of the coronavirus crisis the general assembly took place virtually for the first time; originally a meeting was planned in Amsterdam. The participation of IMI and CIMA as IGC members was also a first. IMA President Jeff Thompson gave the closing talk from the United States.

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IGC anniversary meeting online

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ICV Chairman Prof. Dr. Heimo Losbichler was re-elected as IGC Chairman. Dr. Rita Niedermayr-Kruse, Controller Institute, Vienna, Austria, is Deputy Chairman of the IGC. The other board members are: Dr. Klaus Eiselmayr, IVC board member, CA Akademie AG, Wörthsee, Germany; Prof. Dr. Ronald Göschl, head of the IVC think tank “Ideenwerkstatt”, Frankfurt School of Finance & Management, Frankfurt am Main, Germany (from August 2020), and Prof. Dr. Klaus Möller, University of St. Callen, Switzerland.

The solution is thus not the solution, but the problem. "The successful thinking traditions for sluggish markets today are not the solution, but the problem.” (Gerhard Wohland)