



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

(Gerhard Wohland)

Modern controlling is “two-handed”

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



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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 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 silo thinking and isolated objectives.

“The successful thinking traditions for sluggish markets today are not the solution, but the problem” (Gerhard Wohland). This also applies to the controllers, of course. Experience has shown that the dynamically robust world for controllers is most evident in reporting. Here, there is often a tension between flexibility and governance. The departments need constantly changing data and information for their management. IT focuses on a single source of truth and data consistency and insists on certain procedures and rules. Thus, controllers who act as business partners who are responsible for business departments often find them-

selves in a dilemma. Because both business departments and IT are right from their respective perspectives. Most of the time, the subject of reporting does not remain with just three parties. Because controller departments are becoming more and more specialized, for example in the direction of data science, and because software providers often have to be involved, four to five departments are often involved in generating information. Controllers would be well advised to stop trying to achieve their goals with a standard process. In order to take into account the dynamics that have arisen, controllers in their role as business partners should (be allowed to) put together interdisciplinary teams that work together for a limited time to meet the requirements of the departments while following certain principles.

The solution can always be quite different. Even the solution that has just been found could become obsolete after just a few months and needs to be adapted. The essential achievement for two-handed controllers is therefore to be able to distinguish where standardized processes make sense and where a flexible approach adapted to the dynamics is needed. The latter still has to be learned by many controllers and approved within the company. ■

IGC anniversary meeting online

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 IMA and CIMA as IGC members was also a first. IMA President Jeff Thompson gave the closing talk from the United States.

At the online anniversary meeting, the re-election of the Management Board took place for the next five years.

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 Eiselmayer, ICV board member, CA Akademie AG, Wörthsee, Germany, Prof. Dr. Ronald Gleich, head of the ICV think tank “Ideenwerkstatt”, Frankfurt School of Finance & Management, Frankfurt am Main, Germany (from August 2020), and Prof. Dr. Klaus Möller, University of St. Gallen, Switzerland. ■



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