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Management
Education

Activity Report 01/09/2012 - 31/08/2013

Kühne-Foundation Chair of Logistics and Services Management
The Kühne Institute for Logistics Management

Prof. Dr. Carl Marcus Wallenburg

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Preface

Change and starting new initiatives have shaped the recent past of WHU in general and the Chair of Logistics and Services Management in particular. The most notable being the opening of WHU's new Düsseldorf Campus in October 2012.

Soon after the start of the academic year Handelsblatt published its tri-annual ranking of German-speaking Professors. My top-position in the rankings (No. 51 out of 2,677 Management-Professors in terms of current research publications since 2008 and No. 32 of all Professors below the age of 40 in terms of lifetime publications) is a reflection of the high quality research conducted at my Chair. Being in the top 2% in current research publications is a reflection on how successful we have been in the past and an additional encouragement to continue this work in the future.

Besides this distinction, September was marked by the academic Kühne-network having its annual strategy meeting at Castell Son Claret on Mallorca, the start of the "lecture season" and by a visit to the USA and the CSCMP annual conference.

October saw the grand opening of the Düsseldorf Campus. It is the place where both, the part-time and the full-time MBA-programs, will be taught. Currently the Campus is undergoing a further expansion to hold more students and faculty.

November added another highlight to the year – the celebration of 25 years of collaboration between the Kühne-Foundation and WHU for which we welcomed Mr. and Mrs. Kühne and further representatives of the foundation as well as numerous alumni. Later in that month I was appointed as one of only two European representatives to the Education Strategies Committee of CSCMP.

In March 2013 my last doctoral student at TU Berlin defended his dissertation and in Vallendar we held the annual Campus for Supply Chain Management with well over 100 participants. It was already the 10th edition, a sign of its continued success.

May opened our yearly academic conference season. For the first time I was the Co-Chair of the European Research Seminar of CSCMP, which was held in Amsterdam.

June and July 2013 were especially research intensive. We had two Professors visiting: Professor Michael Knemeyer for a two week period in early June and Professor Thomas Goldsby for 10 days in early July.

As every year, late July and August were devoted to preparation for teaching as the first lecture of the new academic year will held on September 10th, 2013.

This short overview outlines a few highlights of the past year; the others being especially our continued success of publishing in renowned international academic journals. Six of our manuscripts were published, for example, in the Journal of Business Logistics and the Journal of Purchasing and Supply Management.

It is clear that the activities of my Chair are a team effort. With outstanding initiative and commitment, each individual member played an important role in making the past 12 months as successful as they have been. For that I am very thankful!

The whole team is deeply indebted to Prof. Dr. h.c. Klaus-Michael Kühne for his inspiration, and his personal foundation for the very generous financing of my Chair. In today's volatile world having such a long-term anchor to rely on provides us with the basis for continuously excelling in research, teaching, and transfer into practice. Continuing to do so also in future is our clear objective!

Vallendar, September 2013



Prof. Dr. Carl Marcus Wallenburg

Team

Our team presently consists of ten highly motivated colleagues (besides Professor Wallenburg and his Personal Assistant Mrs. Cappel, 4 Research Associates and 2 External Doctoral Candidates as well as 2 Student Assistants) with a broad mix of various competencies. With this the Chair is well positioned for successful work in research, teaching and education, and practice transfer.

New in our Team


- **Nik Frodermann**, M.Sc. joined the Chair of Logistics and Services Management in July 2013 as an External Doctorate Candidate. He received his Master of Science in Management degree from Goethe University in Frankfurt am Main in May 2010, where he specialized in Finance & Accounting. The last two and a half years Mr. Frodermann worked as a Consultant for Accenture Management Consulting with a focus on Operations. During his studies Mr. Frodermann accomplished national internships at OBI and Accenture Management Consulting as well as abroad with FedEx in Memphis, Volkswagen Group China in Beijing and Football Foundation of South Africa in Gansbaai.

Two Student Assistants, Philipp Treffer and Anna Hirth (both Hochschule Koblenz) support the team, especially in preparing the courses and in research-related projects.

New Alumni

The Chair's alumni network presently consists of five former PhD students from TU Berlin and two from WHU, which both finished their doctoral degree this year:

- **Dr. Lena Schneider**  defended her dissertation "Implementing Sustainable Sourcing: Concept, Usage, and Internal Coordination with Corporate and Functional Sustainability Efforts" in October 2012. She now works as a key account manager for Wacker Chemie in Munich and is responsible for operational and strategic support of dispersion customers in the German, Swiss, and Austrian market.

- **Thorsten Schäffler**  defended his dissertation "Role and outcome of performance measurement in horizontal alliances: An empirical examination" in July 2013. He now works as a strategy consultant at the Munich office of the Boston Consulting Group (BCG), focusing primarily on projects in the financial service sector.

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Partners

Research, teaching, and practice transfer benefit from close cooperation with people who contribute different perspectives and knowledge. Therefore, an essential part of our successful work is the result of the Chair's network with national and international partners in research and practice.

Supply Chain Management Group of WHU

The Chair is part of WHU's Supply Chain Management Group. The Group is very engaged in all fields of activity. Its research has lately been ranked as a Top 20 School worldwide and Top 5 School in Europe in terms of journal publications. In teaching, the Group facilitates that logistics and supply chain management is taught in all WHU programs, and in transfer from and into practice it offers a wide range from journal editorships to excellence awards.

The Kühne-Foundation Network

The Chair is actively engaged in the network of the Kühne-Foundation funded institutions. As part of their yearly strategy meetings, Professor Wallenburg met in September 2012 with the Kühne-Foundation and other institutions in Es Capdella to support the further development of the Kühne Logistics University and the Kühne-Foundation Network as a whole. As a result of this he is the work group leader for the project group on "Financial impact of logistics", in which also the Professors Accario, Albers, Hoberg from KLU and Wagner from (ETH Zürich) and Post-Doc researcher Wieland (TU Berlin) take part. The next strategy meeting will be held in September 2013 in Hamburg.



At the Kühne Logistics University, Professor Wallenburg is responsible for the foundational first semester course on Supply Chain Management for the "MSc in Management" program.

In November 2012 a jubilee celebration was held for 25 Years of cooperation between the Kühne Foundation and WHU in Vallendar. Different speakers provided personal insight into the history of the Kühne-activities at WHU and expressed their

gratitude for the outstanding commitment of the Kühne-Foundation. Besides the two Directors of the Kühne-Institute of Logistics Management (Professors Spinler and Wallenburg) current chair members and a large number of alumni attended this celebration, which was rounded out by a gala dinner in the WHU chapel.



Prof. Kühne and his wife together with the WHU Dean at the jubilee celebration of 25 years of cooperation between the Kühne Foundation and WHU

The Kühne-Foundation Center for International Logistics Networks at TU Berlin

When Professor Wallenburg moved from TU Berlin to WHU in 2011, three research associates remained at the TU Berlin and were jointly guided in their research by the Professors Straube and Wallenburg. The last two corresponding dissertations were defended in November 2012.

Currently, joint work is primarily directed to the field of risk management in which Dr. Wieland and Professor Wallenburg collaborate.



International Universities

A further pillar is the cooperation with other renowned international universities. There are various cooperations, especially in the research fields of managing logistics service providers and of cooperation management, for example with the Ohio State University (Columbus, USA).

Entrepreneurial Practice/Cooperation

The last but not least important subject is the Chair's cooperation with practitioners. Considering the practical focus of teaching and research, we work closely together with various national and international companies in different branches. A special focus here lies on the cooperation with logistics service providers. In addition we cultivate close contacts to national and international logistics associations, for example, the Bundesvereinigung Logistik (BVL), which was a close partner in conducting and publishing the recent study on logistics controlling with performance indicators, and the Council for Supply Chain Management Professionals (CSCMP).

Research

The research conducted at the Chair is driven by the idea to focus on issues and problems that practice is currently facing or will face in the future when operating in modern supply chains.

In order to generate state-of-the-art findings, we cooperate with leading companies and international institutions. Depending on the respective addressee, our research findings are communicated via scientific journals as well as industry-oriented publications, in lectures, and in conference and company presentations.

Our excellence in research was underscored by the German newspaper "Handelsblatt" in mid-September 2012. In its tri-annual ranking of German-speaking Professors from the field of business administration, Professor Wallenburg was ranked 51st out of a total of 2,677 Professors in terms of current research publications since 2008 (i.e., the last 5 years). In terms of lifetime publications, he placed 32nd of all Professors below the age of 40 years. Being in the top 2% in current research publications is a reflection how successful the Chair has been in the past and an additional encouragement to continue like this in the future.

Our three core fields of research

The Chair focuses its research activities on three areas: Management of logistics services and logistics service providers, cooperation management, and logistics and supply chain controlling.

- **Logistics services and logistics service providers**

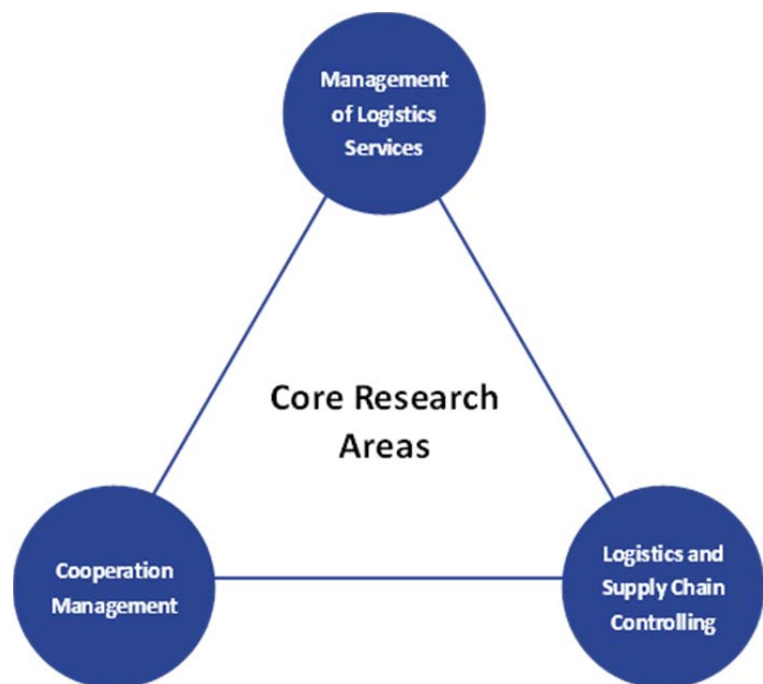
It is clear that logistics companies are of immanent importance in globally integrated economic systems. As the complexity of the corresponding logistics systems has risen, their challenges have grown considerably far beyond the traditional fields of transportation management.

Against this background new strategies and approaches have been developed continually by the Chair in order to optimize the management of logistics companies. Here, we mainly focus on a variety of fields, especially controlling, innovation

management, and information technology, as well as on strategic alliances and other forms of cooperation among logistics service providers (LSPs). Additionally, our research aims at providing insights on how LSPs' customers, like industry, retailing companies, or internet start-ups are able to best implement and continuously improve the external logistics services provided with.

During the current reporting year we worked on a total of six projects, of which three were completed.

The research project "LSP Service Innovation" viewed the topic of innovation management of logistics providers, aiming at identifying and developing concepts and success factors for an improved management of innovations. In the first stage, this project combined these objectives with the theme of horizontal cooperations of logistics businesses and examined the main features and the successful concepts of innovative companies in cooperative arrangements with service providers. The corresponding results were already published last year. The second stage dealt with customers', competitors', and logistics providers' external connections, which help logistics companies to generate ideas and concepts for innovation. Furthermore, almost 800 logistics and IT service companies were compared with respect to the role



of customer concentration and customer interaction to facilitate innovation and customer satisfaction. The research on this project was completed in the fourth quarter of 2012. Currently the findings are refined for final publication.

The research project "Partnering with Service Providers" focused on the performance-oriented conception and implementation of business partnerships between manufacturing companies and logistics service providers. It was based on a focused and very detailed examination of separate business relations using case studies and very comprehensive interviews. The first research-step applied a longitudinal action based approach which is rare and therefore very useful to get profound insights in the dynamics of business partnerships between industry and logistics firms. The second step used interviews with experienced LSP managers to grasp the LSP attitudes and underlying mindsets regarding their behavior in their business relationships. This research project was completed in the first quarter of 2013.

The research project „Ko-LDL“ deals with the management of horizontal alliances of logistics service providers. After having collected data from 346 logistics firms in summer 2011 via a web-based survey and having conducted workshops with firm representatives at the end of 2011, the next project phase focused on data analysis and the publication of research results. The main research questions these publications deal with are the following: (1) How can performance measurement systems in horizontal alliances improve the overall alliance success? Here, major aspects are the role of partner integration, the different forms of information ex-change between the partners, and their impact on goal alignment within the respective alliances. (2) How can logistics service providers successfully manage conflicts between alliance partners? Here, the project team investigated how distinctive conflict management strategies can reduce inter-partner opportunism in alliances, and, therefore, improve alliance performance. The research project was completed in the third quarter of 2013 (i.e. addressing research question 1) and in the fourth quarter of 2012 (addressing research question 2) and set the basis for the next phase of "Ko-LDL".

This next phase concentrates on „Strategic decision making in horizontal LSP cooperations“. It deals with the management of existing cooperations and focuses on cooperations' execution

phase. It thus combines the two research areas of "management of logistics services" and "cooperation management". Based on qualitative case study research this project creates a deeper understanding of (1) the specific role of the central cooperation unit and the respective cooperation CEO in logistics cooperations and (2) the process how inter-organizational alliances in general and logistics cooperations in particular make strategic decisions. Data collection for this part of the research project took place in the first half of 2013. Currently the data are analyzed.

The aim of the project "IT Capabilities of LSPs", which is still in its initial phase, builds on the acclaimed notion of the "logistics IT gap". Hence, in a first step a conceptual model will be developed to structure and outline different elements of the increasing importance of information as part of value creation progress and the need for adequate information technology capabilities of LSPs. Furtheron, in the second and third step the antecedents and consequences of IT capabilities of LSPs will be investigated by capturing empirical data from logistics service providers via an online survey.

The research project "Online Retail Logistics" examines important success factors regarding the fulfillment of online retailers. During the last 10 years the number of start-up companies in the field of e-commerce has increased substantially. One of the largest challenges for young online retailers is to establish a good outbound logistics structure facing the customers. The fulfillment is part of the product in online retailing and the delivery is an essential part of customers' shopping experience. The research questions of this project are based on the life cycle of online retailers. First the foundation phase is considered to analyze how logistics structures of online retailers are planned. The focus is set on the role of business planning and the founders' previous knowledge and experience for establishing good logistics structures. Furthermore it is analyzed how young internet retailers modify their logistics structure due to growth or even crisis. Planning processes for changes regarding the logistics structure and outsourcing decisions are particularly examined. An interesting aspect is our focus on the founders' cooperation with logistics service providers. The data collection for this project is completed and the data analysis is currently ongoing.

- **Cooperation management**

Referring to this research area, it is our concern to address problems that might arise in internal and external cooperation across companies, but also between company departments.

Regarding cooperation within companies, our focus lies on the cooperation of the logistics, supply chain, or purchasing departments, especially with production and distribution functions. Regarding external relationships, in our research we focus on both cooperations along the value chain (vertical cooperation) as well as across the value chain (lateral und horizontal cooperation). Also different projects from the field of "logistics services and logistics service providers" entail a strong focus on cooperation management (especially with respect to horizontal cooperation), but are listed in the above section.

The research project "Implementing Sustainable Sourcing" focused on internal collaborations. It dealt with the organization of purchasing departments and the implementation of sustainable sourcing, which plays a major role in the implementation of company-wide sustainability strategy. In the context of economic, social and environmental sustainability ("triple bottom line"), the importance of internal collaboration and coordination for the purchasing department and their respective areas of activity were considered. The project was completed in the fourth quarter of 2012 and the results have been published or accepted for publication in a total of three articles.

The research project "Operating Successfully in China - Strategies to Cope with Uncertainty" dealt with the logistical success factors for the development and integration of a new production facility in emerging markets, especially with regard to the region-and country-specific characteristics and challenges of the Chinese market. Central roles play (1) the adaptation of internal processes and products / services to market-or customer-specific requirements, (2) the procedural integration with suppliers, customers, and logistics service providers, and (3) the skills needed for dealing with dynamism and complexity. In the course of the project, the experience of 248 German companies was evaluated, which opened or expanded production facilities in China over the past 15 years. The project was completed in the fourth quarter of 2012.

Another research project related to the area of vertical cooperation deals with risk management in industrial buyer – supplier relations. Here, we aim at quantifying the influence of social expectations and industry standards on purchasing managers risk perception and the use of risk identification methods, filtered by corporate culture and manager's personal characteristics. In close cooperation with researchers from the Ohio State University (USA) we will further analyze how such risk perception and characteristics of business relations to other supply chain members influence the distribution of risks and, ultimately, the company's performance. The data was collected in summer of 2013.

- **Logistics and Supply Chain-Controlling**

This research area covers the concepts and usage of methods relevant in performance measurement and controlling of logistics activities. Here, besides controlling processes our research focuses on selected instruments and performance measurement systems. In order to meet the increasing challenges cross-company supply chain management has to deal with, controlling in cooperations is also analyzed.

In the project "Logistics Controlling with Key Performance Indicators" central factors for the development and success of effective performance measurement systems in logistics are examined. Based on an empirical survey, which was conducted in cooperation with the Bundesvereinigung Logistik (BVL) and the Institute of Management Accounting and Control (IMC) at WHU in the period of July-October 2011, a detailed comparison of the logistics performance measurement and control is made between logistics companies and industrial and commercial enterprises. Based on the current state of performance measurement systems in logistics practice, success factors for logistics controlling including key performance indicators are identified and recommendations developed. The research project will be completed end of 2013.

The research project "target conflicts between production and logistics" deals with performance management and target conflicts of the two department production and logistics within manufacturing companies. In doing so, it builds on earlier work at the Kühne-Center for Logistics Management at WHU.

In general the employees of the single functions have their own function-specific targets that tend to

lead to silo-acting within one company. Those specific targets for the employees might be the optimum targets for the success of the single function whereas joint targets for the employees might lead to a better outcome overall. Furthermore the specific targets might result in target conflicts between the two departments. The main research objective is to understand why it is so complex to install a target system which is free of target conflicts as well as which factors enable or hinder a target concurrence. First data collection for this research project is planned at the end of the year 2013.

Further, the project “Ko-LDL”, mentioned in the first research field also addresses questions of logistics and supply chain controlling to a considerable degree.

Awards

The article “Dealing with Supply Chain Risks: Linking risk management practices and strategies to performance” written by Dr. Wieland and Professor Wallenburg was awarded the Emerald Literati Network 2013 Award for Excellence. This award is given to the most outstanding papers of the year and the award winners were chosen by the editors of the International Journal of Physical Distribution & Logistics Management (IJPDLM).



Lena Wessling and Sophia Wessling were both nominated for the BVL Thesis Award 2013 and the Koblenzer Hochschulpreis 2013 for their Bachelor thesis written on Strategic Alliance Management at the Chair.

Conferences

This reporting period was rather “conference light” as most research projects were either getting finished or were in their very early stages. In the next academic year this will be different. Already now the first three presentations are prepared for the Logistikmanagement 2013 to be held in Bremen mid-September.

- **CSCMP Annual Global Conference, October 2012, Atlanta (USA)**

Professor Wallenburg attended this conference primarily in his role as European Editor of Journal of Business Logistics. He had several meetings related to the Journal and its future development.

- **9th European Research Seminar @ CSCMP 2013 Europe Conference, May 2013, Amsterdam (Netherlands)**

At this annual research seminar, which was held at VU University in Amsterdam, Professor Wallenburg served as co-chair of this conference together with Professor Gammelgaard from Copenhagen Business School. In this function, they were responsible for the whole academic side of the conference including the reviewing process.

The 10th edition of this academic conference will take place at WHU on the Düsseldorf Campus (April 28th and 29th, 2014).

- **Nordic Logistics Research Network Conference (NOFOMA), June 2013, Gothenburg (Sweden)**

This year’s NOFOMA again provided an excellent platform for extensive discussions on current and future research directions.

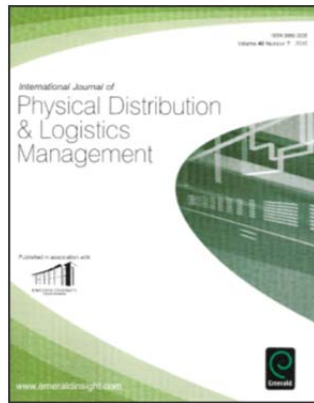
Prof. Wallenburg presented the paper “Performance Measurement Systems in Logistics Practice: Patterns and Outcomes”, co-authored by him and Andreas Bühler. It was well received by the conference audience and is currently finalized for submission to an international journal.

Scientific Publications in Academic Journals

As noted before, the numerous past publications of Professor Wallenburg led to an excellent ranking by the Handelsblatt in September 2012. The Chair managed to continue its publication success and in the last 12 months got six articles published in leading international scientific journals.

Wieland, Andreas; **Wallenburg, Carl Marcus** (2012): Dealing with supply chain risks: Linking risk management practices and strategies to performance, *International Journal of Physical Distribution & Logistics Management (IJPDLM)*, 42(10), 887-905.

This article was awarded with the Outstanding Paper award of Emerald in 2013. Its starting point was that the effects of supply chain risk management (SCRM) on supply chain performance were unexplored. This research shows that SCRM helps supply chains to cope with vulnerabilities both proactively by supporting robustness and reactively by supporting agility and that both dimensions influence the supply chain's customer value and business performance. The corresponding hypotheses were tested based on survey data and the findings were further scrutinized by the means of case studies. The paper finds SCRM to be important for agility and robustness of a company, which in turn improve performance. While agility has a strong positive effect only on the supply chain's customer value, but not on business performance, robustness has a strong positive effect on both performance dimensions. This important finding directs the strategic attention from agility-centered supply chains to ones that are both robust and agile. The case studies provide the insights that robustness can be considered a basic prerequisite to deal with supplier-side risks, while agility is necessary to deal with customer-side risks. Since volatility has increasingly become a prevalent state of supply



chains, companies need to consider robustness to be of primary importance to withstand everyday risks and exceptions.

Schneider, Lena; Wallenburg, Carl Marcus (2012): Implementing Sustainable Sourcing – Does Purchasing Need to Change? *Journal of Purchasing and Supply Management (JPSM)*, 18(4), 243-257.



This theory-building article is reflective on the current zeitgeist and the growing importance of corporate sustainability and with that also of sustainability in the field of sourcing. It was published in a special issue on sustainable procurement. This

article in a first step contributes to the conceptualization and operationalization of sustainability in purchasing, the so-called „sustainable sourcing“. The second step analyzes which stakeholders are able to influence the purchasing department to take into account sustainability in purchasing, and in what form these stakeholder assert claims and requirements. Finally, the consequences that can arise leading to the purchasing department to take into account sustainability are described. Both, an intensified dialogue with the guarantee to be classified as relevant stakeholders, and the implementation of sustainability in procurement require closer coordination with other departments such as marketing or sales. Overall, by using a variety of practical examples, the article shows how to make purchasing face the challenges associated with the implementation of sustainable sourcing may be undetected at a first glance.

Springinklee, Martin; **Wallenburg, Carl Marcus** (2012): Improving Distribution Service Performance Through Effective Production and Logistics Integration, *Journal of Business Logistics (JBL)*, 33(4), 309-323.

Empirical research on logistics' relationships with other departments has mostly neglected the interface with production. This empirical study uses 387 responses from manufacturing companies to address a corresponding research gap. By taking a resource-based perspective, the authors show that the integration achieved between the production and logistics functions drives distribution service performance and serves as a pivotal capability element in the resource-capability-value chain. Further, this study finds effective working relationships to be a strong driver of achieved integration and this effect to be amplified via formalized performance measurement systems.



Goldsby, Thomas J.; Michael Knemeyer, A.; Miller, Jason W.; **Wallenburg, Carl Marcus** (2013): Measurement and Moderation: Finding the Boundary Conditions in Logistics and Supply Chain Research, *Journal of Business Logistics (JBL)*, 34(2), 109-116.

The paper explains, how the mathematics of moderation can be used in logistics and supply chain research. It contributes to the methodical literature of the discipline with the aim, to increase the precision of theorizing.

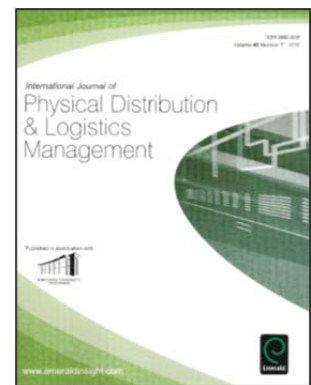


A moderator is any variable that affects the strength of a relationship between a predictor and an outcome variable. While simple in concept, the application of moderation analysis can yield profound

implications to research conducted in logistics and SCM. Moderation analysis illuminates boundary conditions to purported relationships, providing a deeper perspective on what may, to date, represent generalizable findings and commonly held beliefs in the field. Such findings prove interesting and enrich our theories. Further, moderation relies on precise measurement of theoretical constructs in order to avoid attenuation of statistical tests and detect interaction effects. This thought leadership piece seeks to: (1) assert the value of moderation analysis and encourage a more prominent place in our survey-based research projects, (2) provide best practice approaches for using this type of analysis in pursuit of greater depth and clarity in our research, and (3) provide seeds for potential research projects that could benefit from the use of this type of analysis. Guidance is also provided for reviewers who assess manuscripts featuring moderation.

Wieland, Andreas; **Wallenburg, Carl Marcus** (2013): The influence of relational competencies on supply chain resilience: a relational view, *International Journal of Physical Distribution & Logistics Management (IJPDLM)*, 43(4), 300-320.

This article was selected as one out of three from Nofoma 2012 for the conference best paper special issue. This research explores resilience as an important domain of supply chain risk management that gained attention in the wake of recent natural disasters like the Eyjafjallajökull volcano eruption or the Fukushima earthquake and tsunami. The authors investigate the effects relational competencies have for resilience and the effect resilience, in turn, has on a supply chain's customer value. Using 270 responses of manufacturing firms, the study finds communicative and cooperative relationships to have a positive effect on resilience, while integration only has a limited role in enhancing resilience. Further, it shows that by investing in agility and robustness firms can improve their resilience and ultimately enhance the supply chain's customer value.



Jan Simon Raue; **Wallenburg, Carl Marcus** (2013): Alike or not? Partner similarity and its outcome in horizontal cooperations between logistics service providers, *Logistics Research*.

Little research has been conducted on the optimal set up and management of horizontal cooperations between logistics service providers (LSPs). As their performance depends strongly on the fit between cooperating LSPs, this research focuses on the impact of partner similarity on horizontal LSP cooperations. Transaction cost economics is combined with a conceptual framework based on the two opposing forces inherent in horizontal cooperations, (1) competition and (2) common understanding and compatibility. A theoretically derived model is examined based on data from 220 LSP cooperations. Different similarity dimensions (competences, geographic markets, and corporate cultures) are shown to vary in their influence on the two intermediate outcomes (cooperation innovativeness and cooperation commitment) and the ultimate outcome of LSP cooperations (overall cooperation performance). The strength of these influences depends on the scope of the cooperation, i.e., the breath of business functions involved into cooperation activities. The findings help managers of LSPs in choosing partners and achieving horizontal LSP cooperations among more adequately fitting LSPs.



Schneider, Lena; Wallenburg, Carl Marcus (2013): 50 Years of Research on Organizing the Purchasing Function: Do We Need Any More? *Journal of Purchasing and Supply Management (JPSM)*, 19(3), 144-164.

This literature review examines organizational aspects of the purchasing function. It was published in the special issue of the IPSERA 2012 conference. Research on organizing the purchasing function

has seen the rise and fall of different topics, for example the buying centre. And although the increasingly strategic role of purchasing still possesses practical challenges to its effective organizational setup, one has to question whether, after 50



years, there really is a need for more research in this specific domain. As starting point to answer the question, 212 articles published since 1962 are reviewed to provide a comprehensive overview of existing insights. Via content analysis, we inductively establish 12 specific research areas dealing with distinct aspects of purchasing organization. Then the need for further research is assessed by combining those findings with relevant business trends that induce practical challenges in each research area and, consequently, also the need for future research. We conclude that almost all research areas will remain relevant in the future, but need an adjustment of their focus.

Research Colloquia

In order to build an international network in the research community and strengthen existing relations with other professors in the logistics and SCM area, the Chair regularly invites guest professors for stays at WHU. In the reporting period, two guest professors visited the Chair and held public research colloquia

- **A. Michael Knemeyer, Ph.D., Associate Professor of Logistics, Fisher College of Business, Ohio State University, June 2013**

In June 2013, Professor Knemeyer visited WHU for a two week period. During his stay he held a research colloquium on “The Influence of Environmental Uncertainty on Logistics Outsourcing Strategy: A Resource Dependence Perspective” as part of a guest visit at the Chair. This study investigates the effects of three dimensions of environmental uncertainty - munificence, dynamism, and complexity – on the logistics outsourcing strategies pursued by US manufacturers. The talk was well

attended and resulted in insightful and intense discussions.



Professor Goldsby at the WHU research colloquium

- **Thomas J. Goldsby, Ph.D., Professor of Logistics, Fisher College of Business, Ohio State University, July 2013**

In July 2013 Professor Goldsby visited WHU for 10 days. During this time he held a research colloquium on "Getting Squeezed in the Middle: Supply Chain Integration among Middle Market Firms". This research investigates internal and external integration mechanisms that middle market manufacturers employ to achieve operational performance and related supply chain outcomes. In particular, the strength of supply chain integration to minimize disruption frequency and severity in supply chain operations are examined as well as differences among middle market firms relative to existing beliefs among large companies discovered.

Editorship

Since 2011 Professor Wallenburg is European Editor of the Journal of Business Logistics (JBL).

The Journal of Business Logistics is a scientific journal that has been published for more than 30 years. It is considered one of the most prestigious journals in the field of "Logistics and Supply Chain Management" and the second highest impact in field. JBL has an interdisciplinary focus on the further development of the management of value creation processes and networks. It publishes contributions from the leading researchers in the fields of supply chain management, operations management, logistics and procurement.

As part of this commitment Professor Wallenburg, is acting as co-chair of the European Research Seminar organized by the CSCMP in cooperation with the JBL. This year's seminar was held in Amsterdam in May 2013. Together with Professor Gammelgaard of Copenhagen Business School he leads the program committee. They serve as joint Editors-in-Charge for all submissions to the Research Seminar.

Editorial Boards

Since long Professor Wallenburg has been a member of the Editorial Review Board of the Journal of Supply Chain Management. End of 2012 he was appointed to the Editorial Advisory Board of the International Journal of Physical Distribution & Logistics Management. Additionally, mid-2013 he was chosen to join the Editorial Board of the Journal of Management Control. Further, he served on the program committees of the conferences Logistikmanagement 2013 and the 6th scientific symposium of the BME.

Review Activities

Professor Wallenburg served as reviewer for the following journals: International Journal of Operations and Production Management, International Journal of Physical Distribution and Logistics Management, Journal of Business Logistics, Journal of Supply Chain Management.

Additionally, Professor Wallenburg reviewed papers for the conferences Logistikmanagement 2013 and the 6th scientific symposium of the BME.

Teaching Activities

The Chair takes an active part in WHU's teaching activities and offers several lectures and seminars for students in all different programs. The main focus lies on foundational and advanced elements of logistics and supply chain management.

All of our courses combine a profound theoretical foundation with a practical approach, including case studies and guest lectures. Next to a solid introduction to scientific methodology, the discussion of the applied concepts with our students forms an essential part of our teaching activities. Our goal is to not only provide our students with the knowledge to pass their exams, but to enable them to sustainably comprehend the use as well as the interrelation of differing concepts and levers relevant in a supply chain context.

Courses

During the reporting period the Chair offered courses in the BSc, MSc, MBA, part-time MBA, and PhD program of WHU, as well as at MSc program of the Kühne Logistics University (KLU) in Hamburg.

- **BSc program**

The lecture „Logistics and Supply Chain Management“ addressed the 3rd semester BSc students.

The lecture is compulsory to all bachelor students, ensuring that WHU students are familiar with the basic concepts and levers of logistics and supply chain management. Accordingly, all 177 3rd semester WHU students plus 21 exchange students participated in the lecture.

The course gives an overview over relevant (future) topics and basic concepts in supply chain management. Thus, how to efficiently design a supply chain and a distribution network was taught as well as different concepts of choosing inventory and transportation strategies. A special focus lies on future challenges that logistics increasingly will have to cope with: Starting with increased customer focus and localization of products, as well as shorter product life cycles and growing vulnerability of supply chains, up to a stronger consideration of sustainability aspects. By analyzing two case studies students were able to transfer the learned con-

cepts to practical problems. To further support the application to hands-on management issues, two guest speakers (Kai Peters from Kühne + Nagel and Heinrich Heimbrock from DB Schenker) provided insights on how logistics service providers deal with the mentioned challenges.

Further, a Seminar in Supply Chain Management was offered addressed to 3rd semester bachelor students. To give them first insights into scientific work in the field of SCM, ethical aspects like transparency as well as detailed work on specific supply chain topics were dealt with in form of a term paper and a presentation of results. The related topics stemmed from the research area online retail logistics, information technology in supply chain and sustainable sourcing, and risk management in purchasing. With intense topic-related and methodological support from the Chair the students wrote their first scientific paper, critically discussing supply chain related concepts.

- **MSc program**

The seminar “Current Topics in Supply Chain Management” was held as part of the curriculum of the Master of Sciences programs of 2nd semester students. The seminar provided an overview over relevant current and future topics and discussions in SCM with a specific focus on online retailing and multichannel retailing. The students had the opportunity to get extended insights into scientific work in the field of SCM and had to prepare a term paper and a presentation about a selected topic, like “Reasons for outsourcing: Comparison between multichannel retailers and internet retailers” or “Fulfillment and customer satisfaction”. With topic-related and methodical support by the teaching team the students wrote individual scientific papers and gained experience in academic research.

- **MBA and part-time MBA program**

The WHU full-time MBA program aims at qualifying participants for strategic leadership positions in companies. Part of that qualification is the lecture “Logistics and Supply Chain Management” in the second year of the program. It shows logistics to go far beyond its former pure functional character focusing on transportation or warehousing. In-

stead, it is introduced as an enabler of global value networks. As logistics focusses on fulfilling demand – demand of intermediaries and of consumers – a major role is played by the question of stock and inventory.

Thus, the course first introduces the students to the basic concepts in logistics and supply chain management and provides them with levers used to design and manage an appropriate logistics strategy. Subsequently, student's awareness of the role of inventory and inventory management is sharpened. The theoretical concepts are applied to concrete problems by means of several case studies and in class discussions. The practical reference is given by an excursion to Amazon's fulfillment center in Koblenz during the class.

A corresponding lecture was also offered as a compulsory course in the part-time MBA-program in Düsseldorf by Professor Wallenburg. During three presence days at the new WHU Düsseldorf Campus the course imparted knowledge about the role of logistics and supply chain management for value creation, LSPs and outsourcing as a strategic option and gave insights into fundamental concepts that underlie supply chain management.



Excursion of MBA students to Amazon in Koblenz

- **PhD program**

As part of the WHU PhD program, the seminar „Theories in Supply Chain Management“ was offered by Professor Wallenburg. The course presents and facilitates discussion of theoretical concepts relevant in supply chain related research. Next to the introduction to several relevant theories, their application in different research designs was an essential part of this seminar.

A further important element in the education of doctoral students is the monthly doctoral colloquium of the Chair, in which all internal and external

doctoral students of the Chair at WHU and those doctoral students still active at TU Berlin took part. It offers the opportunity to present and discuss potential new research areas as well as concrete problems and results related to ongoing research projects.

In September 2012 the colloquium was held at Castell Son Claret in Mallorca upon invitation by the Kühne-Foundation, in May 2013 at the new WHU Campus in Düsseldorf, and in July 2013 off-campus in Riol near Trier. Next to intense discussions on research projects and joint teambuilding activities, the program also included feedback meetings between all participants. Those one-on-one talks aimed at further improving the already existing culture of open communication at the Chair and at giving hints enabling ongoing personal and work-related development of the participants.



PhD students at Castell Son Claret

- **KLU**

In the autumn of 2012, Professor Wallenburg was responsible for a course Supply Chain Management in the “MSc in Management”, offered by the Kühne Logistics University (KLU). The course helped the 19 attending students to understand fundamental concepts and strategies in the logistics and supply chain management context. Furthermore, students learned to design and optimize production and distribution networks in order to conceive efficient logistics structures.

The structure of the lecture was properly balanced between lectures, discussion parts, and exercise sessions. Integrated guest lectures held by practitioners from companies like Camelot, Bayer or LGI as well as a visit to the OHL Group, a logistics

service provider based near to Hamburg, gave the complementing practical insights.

Examination Performances

- **BSc-Program**

The Chair was supervisor for the below listed six bachelor theses at the WHU. Here Professor Wallenburg served as first supervisor and the Chair's research associates as second supervisor. Due to its high quality the thesis of Lena Wessling and Sophia Wessling was nominated for the BVL thesis award 2013 and the Koblenzer Hochschulpreis 2013.

- Thilo Bohm: 3D-Printing: An Examination of the Opportunities for Logistics Service Providers
- Philippa-Luisa Harhoff: Reasons for Logistics Service Providers not to Cooperate: An Investigation of Patterns and Company Types
- Philipp Krause: The impact of cooperation between newly founded Internet retailers and Logistic Service Providers: An empirical analysis of the development of relationships between Start-Ups and LSP's with regards to external influences
- Leonard Riehle: Changes in logistics processes in an Internet Retailing start-up: An empirical analysis of variations from the original conception.
- Lena Wessling & Sophia Wessling (joint thesis): The Central Alliance Function – an Examination of its Role and Requirements

- **Master-/MBA-Programm**

Professor Wallenburg was advisor to one MBA thesis on online retailing in Germany:

- Moritz Eichhöfer: Consequences of Current Developments in Retailing for Logistics Services Providers: "Online Grocery Logistics in Germany"

- **Doctoral Program**

During the reporting period Professor Wallenburg was advisor to the following eight doctoral students

at WHU in their research projects of which two were completed:

- Simon Braun: Information technology capabilities of logistics service providers: A conceptual development and analysis of antecedents and consequences
- Andreas Bühler: Performance Measurement Systems in Logistics: Design, Usage, and Impact on Organizational Capabilities and Logistics
- Sebastian Fabel: Managing Horizontal LSP Cooperations: Strategic Decision Making, Alliance Management Capability, and the Impact of Co-opetition
- Nik Frodermann: Target conflicts between production and logistics
- Kathrin Jankowski: Identifying impacts on buyer's risk identification and perception: Bridging micro and macro approaches
- Thorsten Schäffler: Role and outcome of performance measurement in horizontal alliances: An empirical examination (defended in July 2013)
- Lena Schneider: Implementing Sustainable Sourcing: Concept, Usage, and Internal Coordination with Corporate and Functional Sustainability Efforts (defended in October 2012)
- Maurizio Singh: The logistics organization of young Internet retailers – an examination of its development in the early stages of the company

At TU Berlin, he was advisor to four doctoral students in their research projects, all of which were completed in the reporting period:

- Jan Simon Raue: Management of Horizontal Cooperations between Logistics Service Providers (defended in November 2012)
- Daniel Rief: Markteintritt in China: Flexibilität und Integration als Erfolgsfaktoren in einer dynamischen und komplexen Marktumgebung (defended in November 2012)

- Silvia Steinicke:
Innovation Management of Logistics Service Providers: The role of Business Relations in Facilitating Innovativeness (defended in November 2012)
- Uwe Zybell:
Partner Management – Managing Service Partnerships in the Supply Chain – a Systemic Perspective (defended in March 2013)

Furthermore he is co-advisor of the following eight doctoral students at WHU:

- Robert Janke (Institute of Management Accounting and Control): The change of management control systems – an investigation of determinants and consequences
- Silke Malina (Kühne-Foundation Chair of Logistics Management): Management of Supply Chain Complexity: A Study in the Drive & Control Industry
- Sebastian Schmidt (Institute of Management Accounting and Control): Influence of top managements' characteristics on the design and use of management control systems
- Barbara Wichmann (Chair of International Business & Supply Management): Determinants of cross-functional commitment for environmental projects within a social network context
- Daniel Jeschonowski (Institute of Management Accounting and Control): Ausgestaltung des Kostenmanagements im organisationsübergreifenden Kontext: Eine empirische Analyse
- Alexander König (Kühne-Foundation Chair of Logistics Management): Supply Chain Risk Management of Logistics Service Providers.
- Johan Rauer (Chair of International Business & Supply Management): Multinational Enterprises' Corporate Social Responsibility in an International Business Context.
- Jens Woloszczak (Institute of Management Accounting and Control): The influence of top managers' personality on the design and use of management control systems.

Practice Transfer

Publications

Practice-oriented publications serve to easily implement the results of our research and derive concrete recommendations for action in practice and to communicate these concerns to a broad public.

As one of the hallmark publications, currently the book *Logistik- und Supply Chain Controlling* is updated to be published in its seventh edition during 2014.

Education

- **Education Strategies Committee of CSCMP**

In November 2012 Professor Wallenburg was appointed to serve for a two-year term on the Education Strategies Committee of the Council of Supply Chain Management Professionals (CSCMP). This Committee headed by Professors Stanley Griffis and Walter Zinn is responsible for devising the educational strategy of this globally active association and additionally organizes the academic sessions at CSCMP's annual conference.



Karl Ulrich Garnadt, CEO - Lufthansa Cargo, presenting at the NetloP seminar about "Vorsprung durch Logistik"

- **NetloP-Seminar of the Kühne-Foundation**

The Chair contributed to the Executive Training of the Kühne-Foundation in a twofold way. In November 2012 an advanced module was hosted at WHU and Professor Wallenburg designed a full day on logistics and supply chain controlling that included both group work and a presentation from a company representative. In April 2013, a half-day session was taught at the NetloP base-seminar in Schindellegi (Switzerland). In both cases the

around 30 participants were very pleased with the new insights they gained.

- **Diploma in Logistics Management**

Professor Wallenburg is participating in the training program Logistics Management at the Technical University of Dortmund and the University of St. Gallen. Here Professor Wallenburg is co-responsible for the module "Controlling and Finance".

Events

- **Focus Group**

The focus group „Contract logistics of the future“, co-founded by Professor Wallenburg nine years ago and currently managed solely by him, has been significantly expanded in the last years. Today it consists of nearly 30 representatives of logistics companies ranging from medium size (e.g., Zufall, LGI and Hüttemann) to large companies (e.g., DHL, Kuehne + Nagel, DB Schenker, Hellmann, Schnellecke). This group meets twice a year in order to discuss contemporary topics in the field of contract logistics.

The meeting in November 2012 was hosted by Felix Fiege at Fiege's international distribution center in Worms. It focused on mega trends in contract logistics and on scenario planning to anticipate and prepare for the future. Additionally, the site operated for the outbound distribution of Bosch power tools was presented.

The meeting in May 2013 was hosted by Andreas Wagner at the Wolfsburg site of Schnellecke Logistics and dealt with the application of lean management methods in contract logistics. The meeting was initiated with stimulating group presentations and followed-up by intense hands-on workshops in which the group members experienced and applied lean management methods themselves. The focus group members intensely discussed the pros and cons of lean management in contract logistics and especially ways to effectively implement lean management. A tour of Schnellecke's facilities and the Lean & Learn Factory rounded off this event. The next focus group

meeting is planned to place in November 2013 at a contract logistics site of LGI.



Fiege international distribution center for Bosch in Worms

The organizers were very pleased about the high attendance and the participants used the opportunities to learn and to network very intensely.

- **Campus for Supply Chain Management**

Professor Wallenburg is the Academic Director of Campus for Supply Chain Management, which is organized by the WHU students and is aimed at both students and practitioners. On March 22nd and 23rd 2013 the congress took place for the 10th time on the WHU Campus in Vallendar.

With this year's topic "Communication and Collaboration shaping future supply chain" the congress gave an excellent opportunity for participants with very different backgrounds to discuss the different approaches companies have taken in order to improve collaboration and utilize communication to the best benefit for their supply chains.

Well known corporate and academic speakers attended both days of the Campus conference and gave valuable insights in the state-of-the-art of communication and collaboration in the supply chain.

The congress provided an exciting variety of presentations by practitioners and researchers, panel discussions and interactive workshops. The industrial view of Communication and Collaboration in the supply chain was presented by Dr. Michael Rolle (DHL), Matthias Naumann (EADS) and Thilo Koch (Schenker AG).

Prof. Dr. Stefan Spinler held a workshop on Common Corporate Supplier Code of Conduct, which was supported by Doctoral Student Maurizio Singh. Here, the success factors of partnerships in the supply chain were discussed based on a case study. The workshop was attended by over 20 company representatives

Complete Publication List

Wieland, Andreas; **Wallenburg, Carl Marcus** (2012): Dealing with supply chain risks: Linking risk management practices and strategies to performance, *International Journal of Physical Distribution & Logistics Management (IJPDLM)*, 42(10), 887-905.

Schneider, Lena; Wallenburg, Carl Marcus (2012): Implementing Sustainable Sourcing – Does Purchasing Need to Change? *Journal of Purchasing and Supply Management (JPSM)*, 18(4), 243-257.

Springinklee, Martin; **Wallenburg, Carl Marcus** (2012): Improving Distribution Service Performance Through Effective Production and Logistics Integration, *Journal of Business Logistics (JBL)*, 33(4), 309-323.

Goldsby, Thomas J.; Michael Knemeyer, A.; Miller, Jason W.; **Wallenburg, Carl Marcus** (2013): Measurement and Moderation: Finding the Boundary Conditions in Logistics and Supply Chain Research, *Journal of Business Logistics (JBL)*, 34(2), 109-116.

Wieland, Andreas; **Wallenburg, Carl Marcus** (2013): The influence of relational competencies on supply chain resilience: a relational view, *International Journal of Physical Distribution & Logistics Management (IJPDLM)*, 43(4), 300-320.

Jan Simon Raue; **Wallenburg, Carl Marcus** (2013): Alike or not? Partner similarity and its outcome in horizontal cooperations between logistics service providers, *Logistics Research*.

Schneider, Lena; Wallenburg, Carl Marcus (2013): 50 Years of Research on Organizing the Purchasing Function: Do We Need Any More? *Journal of Purchasing and Supply Management (JPSM)*, 19(3), 144-164.

Voss, P.; **Wallenburg, Carl Marcus**; Weber, J. (2013): Logistik- und Supply-Chain-Controlling – Herausforderungen und Instrumente. Schneider, C. (Ed.) *Controlling für Logistikdienstleister*, 52-68.

In bold letters: Current or former members of the Kühne-Foundation Chair of Logistics and Services Management

Reporting on Sustainability

In our daily work, the Chair aims to reduce the use of natural resources in many ways, for example, by minimizing printing volume. Further, our teaching activities are designed to develop a resource-conscious behavior of the students, which in turn drives sustainability as the students hence become resource-conscious managers in the future.

In addition, we conduct research with the aim to foster sustainability. The research project "Implementing Sustainable Sourcing" focused on internal collaborations. It deals with the organization of purchasing departments and the implementation of sustainable sourcing, which plays a major role in the implementation of company-wide sustainability strategy. In the context of economic, social and environmental sustainability ("triple bottom line"), the importance of internal collaboration and coordination for the purchasing department and their respective areas of activity were considered. The project was completed in the fourth quarter of 2012 and the results have been published or accepted for publication in a total of three articles.

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