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Management  
Education

Activity Report 01/09/2011 – 31/08/2012

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

**Professor Dr. Carl Marcus Wallenburg**

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## Preface

Last year's activity report opened with the assessment that today's supply chains require flexible solutions and an increasing adaptability of all companies. The past 12 months have again proven this assessment to be right, implying also that for business schools nothing is more certain than change!

One big change for the Chair for Logistics and Services Management has been the founding of the Kühne Institute for Logistics Management as of March 1, 2012. The Kühne Institute, jointly headed by Professor Wallenburg and Professor Spinler, is one of only three WHU institutes and bundles all WHU activities in the field of logistics management.

Besides this, the past 12 months have been characterized by a few landmarks. In September 2011 I held my first regular lecture at WHU after rejoining a few months earlier and the Chair showed a very strong presence at the "LM 11" logistics conference in Bamberg. In November we hosted a practitioner day for over 100 logistics executives at WHU and shortly after that I attended the yearly strategy meeting of the Kühne-Foundation academic network in Schindellegi. In December the NetloP seminar of the Kühne-Foundation visited Vallendar gaining insights into new approaches to logistics management.

The start of the new year 2012 saw me teaching my first lectures at the Kühne Logistics University in Hamburg – a vibrant environment for any logistics activity. March was not only marked by founding the institute, but also by the annual Campus for Supply Chain Management here in Vallendar.

April opened the yearly conference season for the Chair, where we attended four international conferences over the next three months. At three of them, a research paper of the Chair was invited to the journal special issue of the conference.

May was the month the first doctoral dissertation of the Chair (written by Lena Schneider) was finished and submitted to the examination board. Further, in May and June the yearly strategy meetings of the Chair were held.

As every year, August was devoted to preparation for teaching as the first lecture will be held on September 5<sup>th</sup>, 2012.

This short overview outlines a few highlights of the year; the others being especially our continued success of publishing in renowned academic journals. Three of your manuscripts were published, for example, in the Journal of Supply Chain Management, and another three were accepted for publication in the near future.



*The founding team of the Kühne Institute in March 2012*

The team greatly contributed to the activities of the Chair. 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 Professor 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 aim!

Vallendar, September 2012

Professor Dr. Carl Marcus Wallenburg

# Team

Our team presently consists of ten highly motivated employees (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.

Plant Asset Management with the baggage handling system of the largest German airport as an application field.

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

## New in our Team

- **Maurizio Singh** Dipl.-Kfm. and M.A., joined the Chair of Logistics and Services Management in December 2011 as a Research Associate. Mr. Singh studied business administration at the Saarland University and the London Business School. He additionally received a Master's degree at the Ruprecht-Karls University of Heidelberg in the fields of education, political science and economics. During his studies he completed internships at Alliance, AEG-Electrolux, BASF and Rödl & Partner. After his studies he spent 8 months as a Research Fellow at the London Business School, at the Department of Entrepreneurship and Strategy.
- **Simon Braun**, Dipl.-Ing. (FH) and MBA, joined the Chair of Logistics and Services Management in May 2012 as a Research Associate. He studied information technology at the University of Applied Sciences Koblenz, the Technical University of Opole and the HAMK University Riihimäki. During his thesis work he built up a service center for technical devices used in logistics. As the engineering manager of a service center he gathered work experience in several international projects. Furthermore, he collaborated with a research institute dealing with the study of technical components and the integration of new solutions into warehouse logistics. While studying logistics management at a part-time MBA Program Simon Braun joined the Chair of Logistics and e-Business at the University of Applied Sciences Koblenz. There he gained teaching experience in information systems for business, especially logistics and e-business. In his Master-Thesis he designed a concept for



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# Partners

Research, teaching and practice transfer benefit from close cooperation with people who contribute different perspectives and knowledge. An essential part of our successful work is the result of the Chair's network with 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. In research it has been ranked as a Top 20 School worldwide 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 Kühne-Foundation funded institutions. As part of their yearly strategy meetings, Professor Wallenburg met in November 2011 with the Kühne-Foundation and other institutions in Schindellegi (Switzerland) to decide future options for collaboration. The next strategy meeting with the aim to support the further development of the Kühne Logistics University will be held beginning of September 2012 in Spain.

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

Since 2009, the Chair of International Logistics Networks existed at the Technische Universität Berlin and was funded by the Kühne-Foundation. It originated in the Kühne-Foundation Center for International Logistics Networks. When Professor Wallenburg moved from the TU Berlin to the WHU, three research associates remained at the TU Berlin and were jointly guided by Professor Straube and Professor Wallenburg. At TU Berlin, a team consisting of two researchers and one student assistants is currently concentrated on three research fields: Supply chain risk management, cooperation management of logistics service providers, and international logistics in

China. This team is responsible for the module "Global Logistics Management" (master's program) at the TU Berlin. They are also supervising bachelor's and master's theses. The dissertations of Jan Simon Raue, Daniel Rief, and Andreas Wieland were all submitted by the end of the third quarter of 2012.

## 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 companies and 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 companies. In addition we cultivate close contacts to national and international logistics associations, e.g. the BVL, which was a close partner in conducting and publishing the recent study on logistics controlling.

# Research

Our research focuses on current challenges that companies in global value networks are confronted with. 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 conference speeches.

## Our three core fields of research

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

- **Management of Logistics Services**

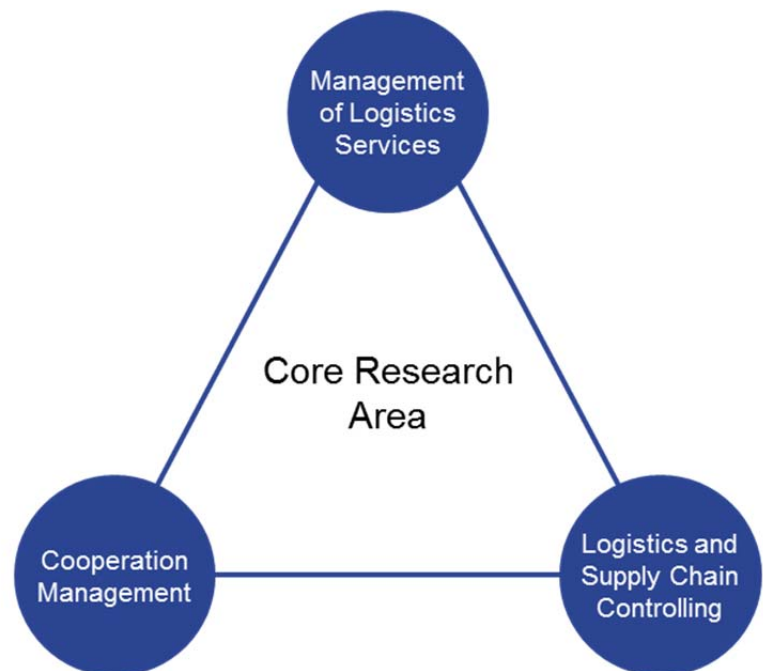
Logistics companies are of increasing importance in globally integrated economic systems. As the complexity of the corresponding logistics systems has risen, their challenges have grown considerably far beyond the traditional fields of transportation management.

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 the fields of controlling, innovation, and – management, as well as on strategic alliances and other forms of cooperation between logistics service providers (LSPs). Additionally, our research aims at providing insights on how LSPs' customers, like industry or retailing companies, are able to best implement and continuously improve the external logistics services provided with. On these aspects we develop and implement the following projects:

The research project “LSP Service Innovation” adopts 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 combines these objectives with

the theme of horizontal cooperations of logistics businesses and examines the main features and the successful concepts of innovative companies in cooperative arrangements with service providers. The second stage deals with customers', competitors', and logistics providers' external connections, which help logistics companies to generate ideas and concepts for innovation. Furthermore, more than 1000 surveyed companies are compared with regard to the innovation management of logistics service providers and other service providers coming from the IT and the financial sector.

The research project “Partnering with Service Providers” discusses the performance-oriented conception and implementation of business partnerships between industry and logistics service providers. It is based on a focused and very detailed examination of separate business relations using case studies and very



comprehensive interviews. The first research-step applies 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 uses interviews with experienced LSP managers to grasp the LSP attitudes and

underlying mindsets regarding their behavior in their business relationships.

In addition, 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 current project phase focuses 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 exchange 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 investigates how distinctive conflict management strategies can reduce inter-partner opportunism in alliances, and, therefore, improve alliance performance. The current project phase will be finished at the end of 2012 and sets the basis for the next phase of “Ko-LDL”.

The research project „Strategic decision making in horizontal LSP cooperations“ builds upon the research project “Ko-LDL”. 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 projects aims at creating a deeper understanding of (1) how horizontal LSP cooperations make strategic decisions and (2) how individual LSPs participate in cooperation decisions by analyzing influencing cooperation-level as well as firm-level factors. Data collection for this part of the research project is planned for the fourth quarter of 2012.

- **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, espec-

ially 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 and horizontal cooperation).

In supply chains the ubiquitous challenge of global network manifests itself. At the same time, the risks and threats of supply chains have changed resulting in the claims for research on concepts that address these challenges. The project “Resilience in Supply Chains” deals with an uncertain environment, as well as intense volume- and structure variations. On the basis of empirical data it was examined which procurement, manufacturing and distribution strategies are best suited for agility, in the sense of a rapid reaction capability, and for robustness, in the sense of reliable partners and conscious redundancies across the supply chain, in order to increase the overall resilience. This research project was completed in the first 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 manager’s 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 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 research project "Implementing Sustainable Sourcing" focuses on collaborations, too. 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 second quarter of 2012.

The research project "Operating Successfully in China - Strategies to Cope with Uncertainty" deals 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 third quarter of 2012.

- **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 corresponding results were issued in a joint study with the BVL in the first half of 2012.

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

## Conferences

During the reporting period a total of eight papers were presented by our Chair members at five international conferences and obtained very positive feedback.

- **Logistikmanagement 11 (LM11), September 2011, Bamberg (Germany)**

This Conference of the Association of professors in business administration (Verband der Hochschul-lehrer für Betriebswirtschaftslehre) takes place every two years.

Here, the Chair was giving presentations on a total of four research projects. Ms. Jankowski together with Mr. Rief laid out the current state of research on "The Role of Supply Chain Integration for Operating Successfully in Emerging Markets: A Contingency Approach Considering Dynamism and Complexity". Ms. Schneider held a presentation on "Organizing the Purchasing Function: Insights from a Literature Review". Professor Wallenburg and Mr. Bühler gave an overview on recent research on "Performance Measurement Systems in Logistics: Impact on Organizational Capabilities and Logistics Performance". The fourth presentation was provided by Mr. Schäffler together with Professor Wallenburg and dealt with „Integrating alliance partners into performance measurement”.

Additionally, Professor Wallenburg took part as a speaker in a panel discussion on the future of academic publishing.

- **21<sup>st</sup> Annual IPSERA Conference, April 2012, Naples (Italy)**

At this annual conference in the field of purchasing research Ms. Schneider presented two joint papers of herself and Professor Wallenburg. The first case-study-based paper "The Relevance of Internal Coordination for Implementing Corporate Sustainability" explores the importance of internal coordination and the appropriate mechanisms among departments that are responsible for the implementation of sustainability. The second paper "50 Years of Research on the Purchasing Function: Do We Need Any More", provides a broad overview on the research landscape for the organization of corporate purchasing. It was honored at the conference with a third place in the "Best Papers" competition and invited to a special issue of the Journal of Purchasing and Supply Management (JPSM).

- **8<sup>th</sup> European Research Seminar @ CSCMP 2012 Europe Conference, April 2012, Frankfurt (Germany)**

At this annual seminar, Professor Wallenburg presented the paper “The role of external relationships for LSP innovativeness: A contingency approach” to a very interested audience. This paper is currently as one of a total of two conference papers considered for publication in the Journal of Business Logistics. At next year’s ERS, which will be held at Amsterdam, Professor Wallenburg will serve as co-chair together with Professor Gammelgaard from Copenhagen Business School.

- **Nordic Logistics Research Network Conference (NOFOMA), June 2012, Turku (Finland)**

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

Professor Wallenburg presented the paper “The influence of relational competencies on supply chain resilience: A relational view”. It was very well received by the conference audience and is currently considered to the NOFOMA conference special issue of the International Journal of Physical Distribution & Logistics Management.



*Professor Wallenburg at the NOFOMA conference*

- **6<sup>th</sup> International Scientific Symposium on Logistics, June 2012, Hamburg (Germany)**

The biannual scientific symposium of BVL was this year held in Hamburg and organized by BVL together the Kühne Logistics University. At this symposium Professor Wallenburg presented newest results from the Ko-LDL project focusing on joint performance measurement in horizontal cooperations of LSPs.



*Professor Wallenburg as speaker at ISSL 2012*

- **17<sup>th</sup> IFPSM Summer School, July 2012, Salzburg (Austria)**

In the course of this one week international seminar, Kathrin Jankowski presented her working paper “Influencing factors on purchasing manager’s risk perception: An institutional perspective”. Thereby, she focused on one conceptual model and the underlying constructs her research project is based on.

Additionally, she took part in workshops and discussions with researchers and practitioners coming from Europe, America, and North Africa.



*Kathrin Jankowski at the IFPSM Summer School*

Further presentations of the research of this Chair were made at other conferences by co-authors of the corresponding papers. For example, Dr. Wieland presented the joint research of himself and Professor Wallenburg at the 4th Production & Operations Management World Conference 2012 in Amsterdam.

## Scientific Publications in Academic Journals

During the reporting period different articles in international scientific journals were published.

**Schneider, Lena; Wallenburg, Carl Marcus** (2012): Implementing Sustainable Sourcing – Does Purchasing Need to Change? *Journal of Purchasing and Supply Management (JPSM)*, available online since April 21.

This conceptual 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 stakeholders 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 which may be undetected at a first glance.



**Steinicke, S.; Wallenburg, Carl Marcus, Schmolzti, C.** (2012): Governing for innovation in horizontal service cooperations *Journal of Service Management (JSM)*, 23(2), 279-302.

This empirical article on innovation in horizontal service cooperations focuses on the role of governance in fostering innovation in horizontal service cooperations. The authors view both operational and structural governance as

mechanisms that interact and jointly can help the service providers engaged in such co-operations to be innovative despite their (potential) competitive relations. The basic mechanisms for this are improved coordination and reduced exchange hazards (especially opportunism). Further, it is shown that innovativeness of a service cooperation increases its performance. The empirical results are based on data from 225 companies in the logistics services industry.



**Schmolzti, C.; Wallenburg, Carl Marcus** (2012): Operational Governance in Horizontal Cooperations of Logistics Service Providers: Performance Effects and the Moderating Role of Cooperation Complexity, *Journal of Supply Chain Management (JSCM)*, 48(2), 53-74.

Various market challenges have led logistics service providers (LSPs) to engage in horizontal cooperations with each other, while maintaining their general legal independence. As an idiosyncrasy, horizontal cooperations entail the opposing forces of competition and cooperation, also referred to as “co-opetition”.

This constellation facilitates the development of opportunism and conflicts, which raise the risk of relationship failure. Adequate governance mechanisms provide a basis to avoid failure and drive cooperation success.

This paper focuses on the post-formation cooperation management phase and identifies the specific effects that operational governance has on cooperation commitment and cooperation effectiveness. Based on survey data from LSP cooperations, it is shown that both, formal and social governance mechanisms have a

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substantial performance effect. In this regard, the results differ fundamentally from studies on vertical buyer-supplier relationships. With respect to the specific setup of the cooperation, a differentiated view is provided. Results indicate that two types of cooperation complexity are of relevance: Organizational complexity and strategic complexity. The former drives the relevance of formal control; the latter increases the relevance of both formal and social control for cooperation success.

## Awards

The research conducted by the Chair members was awarded twice in the reporting period: First, the paper “Strategies to Cope with Uncertainty” by Dr. Wieland and Professor Wallenburg received the Harry Boer Highly Commended Student Paper Award 2012 for Doctoral Candidates at the 4th Production & Operations Management World Conference in Amsterdam.



Dr. Wieland receiving the Harry Boer Award

Further the article “Dealing with Supply Chain Risks. Linking risk management practices and strategies to performance” by Dr. Wieland and Professor Wallenburg was chosen as the “Most exciting paper published in 2012” by the editors of the International Journal of Physical Distribution & Logistics Management (IJPDLM).

## Research Colloquia

The 16th ELA (European Logistics Association) doctorate workshop funded by the Kühne-Foundation took place in Schindellegi, Switzerland in June 2012. Under the supervision of Professor Zuidwijk 17 doctoral students from different European universities presented and discussed their research, which covered a broad range of

logistics topics. On this occasion Mr. Fabel held a presentation on his research project “Managing Horizontal LSP Cooperations: Strategic Decision Making, Alliance Management Capability and the Impact of Co-opetition”. Besides intense discussion on current logistics research the workshop provided an opportunity to connect with fellow researchers in an international setting.



Sebastian Fabel at the ELA workshop

## Editorship

Since July 2011, Professor Wallenburg is acting as 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 is one of the ten academic management journals with the strongest impact worldwide. 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.

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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.

## **Review Activity**

An essential pillar in research is the peer-review assessment of activities and manuscripts by other scientists.

In this context, Professor Wallenburg was particularly involved in evaluating manuscripts for many international journals as well as for various international conferences. He also serves on multiple program committees of international conferences and is a member of the Editorial Review Board of the Journal of Supply Chain Management.

# Teaching Activities

In line with the respective programs, the Chair offers several lectures, seminars, and theses for students. The main focus lies on 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 not only to 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 past reporting period the Chair has offered courses in the BSc, MSc, MBA, part-time MBA, and PhD program of WHU, as well as at the Kühne Logistics University (KLU) in Hamburg.

- **BSc program**

The lecture „Logistics and Supply Chain Management“, first held in fall 2011, 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 159 3rd semester WHU students plus 15 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 an 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 concepts to practical problems. To further support the application to hands-on management issues, two guest speakers (Dr. Thorsten Rudolph from Rudolph Logistics and Jörg Rotthowe from the international freight forwarding company Zufall) provided insights on how logistics service providers deal with the mentioned challenges.

Further, a Seminar in Supply Chain Management was offered addressing 3rd semester bachelor students as well. 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 was dealt with in form of a term paper and a presentation of results. The related topics stemmed from the research area of cooperation management, specifically dealing with horizontal cooperations of logistics service providers, sustainable sourcing, and risk management in cooperations. Based on 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 Program’s 2nd semester students. The seminar provided an overview over relevant current and future topics and discussions in SCM. 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 topics, like horizontal cooperations of logistics service providers, sustainable sourcing, or mega trends in logistics. Due to the intense 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” as part of the program’s second year. It shows logistics to

go far beyond its former pure functional character focusing on transportation or warehousing. Instead, it is introduced as an enabler of global value networks. The major importance of logistics service providers is discussed in this context, as companies increasingly outsource their logistics tasks – starting from transportation and warehousing up to the management of whole supply chains.

Thus, the course 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. The theoretical concepts are applied to concrete problems by means of several case studies and in-class discussions.

A corresponding lecture was also offered as compulsory course in the new part-time MBA-program in Düsseldorf by Professor Wallenburg. Starting the next academic year, this course will be taught at the new WHU Düsseldorf Campus.

#### • 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 is 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 take 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 March the colloquium was held at TU Berlin. In May it took place off campus in Lindlar near Cologne. 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.

#### • KLU

In the fifth trimester of the “MSc in Global Logistics” offered by the Kühne Logistics University (KLU), Professor Wallenburg held lectures in the courses “Logistics strategies & business models” and “Green logistics”, which both belong to the module “Strategic Supply Chain Management”. 24 master students took part in the final exam of this module.

The course “Logistics strategies & business models” focuses on helping students to understand different business models of logistics service providers and to assess the role of LSPs and logistics outsourcing in value creation and for internationalization strategies of firms. Furthermore students learn to evaluate pros, cons and limitations connected to logistics outsourcing as well as key theories applicable for logistics outsourcing and frequently used in academia.

The course “Green logistics” pays tribute to the rising importance of sustainability and resource scarcity, which also heavily impact logistics. This course provides students with an understanding of all three sustainability dimensions and how they influence logistics as well as stakeholder theory, which helps to identify drivers of sustainability needs. In addition the concept of closed-loop and reverse logistics as means to cater for greener solutions through planning and management is introduced.

### Examination Performances

#### • Master-/MBA-Programm

Professor Wallenburg was advisor to one MBA thesis on Online retailing in Germany and two Master theses at TU Berlin.

#### • Doctoral Program

Professor Wallenburg is advisor to seven doctoral students at WHU in their research projects:

- Simon Braun: Topic still to be decided
- 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

- Kathrin Jankowski:  
Identifying impacts on buyer's risk identification and perception: Bridging micro and macro approaches
- Thorsten Schäffler:  
Formal control and performance measurement in horizontal service cooperations
- Lena Schneider:  
Implementing Sustainable Sourcing: Concept, Usage, and Internal Coordination with Corporate and Functional Sustainability Efforts
- 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 is advisor to four doctoral students in their research projects:

- Jan Simon Raue:  
Management of Horizontal Cooperations between Logistics Service Providers
- Daniel Rief:  
Markteintritt in China: Flexibilität und Integration als Erfolgsfaktoren in einer dynamischen und komplexen Marktumgebung
- Silvia Steinicke:  
Innovation Management of Logistics Service Providers: The role of Business Relations in Facilitating Innovativeness
- Uwe Zybell:  
Partner Management – Managing Service Partnerships in the Supply Chain – a Systemic Perspective

Furthermore he is co-advisor of the following seven 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 Endowed 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
- Alexander König (Kühne-Foundation Endowed 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

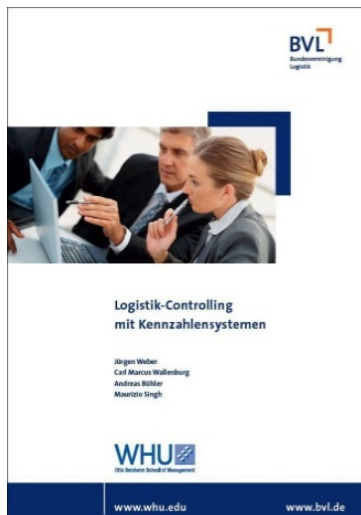
## Publications

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.

In June 2012 the new WHU study on "Logistics controlling with performance measurement systems" was released. It was provided as hardcopy to all participants of the study as well as to all company members of BVL – all in all, more than 2400 copies. Further, a free download of the study is available at the webpage of the Chair ([www.whu.edu/lsm](http://www.whu.edu/lsm)).

This study launched in cooperation with Bundesvereinigung

Logistik (BVL) deals with the relevance of logistics indicators as control instruments. 431 companies answered the survey and provided in-depth insights into the actual status of logistics indicators and performance measurement systems.



LSPs and logistics functions of manufacturing and trading companies were examined regarding their use of logistics measurement systems. The study reveals that design and usage of logistics indicators and performance measurement systems should be enhanced by many companies.

High cost pressure and the increasing strategic importance of logistics make logistics controlling, an important area of interest. Logistics managers are asked not only to monitor financial results but also to continuously identify relevant levers for process improvement. At the same time, they are expected to recognize opportunities and risks in markets early and derive appropriate decisions.

The study presents a well substantiated overview of the current use of logistics indicators in German

companies and compares KPI systems of LSPs with those of logistics organizations of industrial and retail companies.

The performance measurement systems often show substantial shortcomings in reflecting relationships to other business-partners. Furthermore an exchange of key figures between business-partners is often not possible due to different indicators used by each business-partner.

Additionally, there is a clear need to catch up regarding risk management. Although companies are aware of the risks originating from supply chains, risk indicators are comparatively scarcely used. At the same time the study demonstrates that companies applying risk indicators to a large extent feel better prepared for risks. There remains room for improvement for logistics companies and logistics organizations in industrial and retail companies, which can be implemented relatively easily.

Overall, the study's results show that regarding controlling, LSPs, despite being considered specialists, are not at all better set up than industrial companies and retail companies. They are thus not the expected experts that could act as role models for others. Instead, both groups of companies are at eye level whereas some areas are very well developed and other areas show clear room for improvement. The study provides well founded findings and various impulses for further developing logistics controlling in companies.

In connection to the release of the study report the first virtual press conference of WHU was held.



Professor Wallenburg, Professor Weber and Mr. Fontius (BVL) at WHU's first virtual press conference.

## Education

- **NetloP**

Both, the Kuehne-Foundation Endowed Chair of Logistics Management of Professor Spinler and our Chair, participated in the NetloP-Seminar with the topic 'Uncertainty in Supply Chains'. The question how companies deal practically with short and medium-term changes in value and supply chains is of central interest. In addition, the subjects of key figures and indicator systems in logistics are discussed and the concept of the balanced scorecard was introduced to the participants.

The advanced seminar took place in Vallendar from 1<sup>st</sup> to 2<sup>nd</sup> of December 2011 and included a company excursion to BASF.

- **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 eight years ago and currently managed by him solely, has been significantly expanded in the last years. Today it consists of 30 representatives of LSPs ranging from medium size (e.g., Zufall, Hüttemann, Elsen) to large LSPs (e.g., DHL, Kuehne + Nagel, DB Schenker), who meet twice per year in order to discuss contemporary topics.

The meeting in September 2011 was held at SSI Schäfer's innovation center in Giebelstadt near Würzburg. It was focused around different aspects of "Green Logistics".

The meeting in April 2012 was hosted by "Hamburger Hafen und Logistik AG" (HHLA) in Hamburg and dealt with the issue of "standardization vs. individualization and its combinations in contract logistics". Stimulated by guest speakers, group presentations, and moderated workshops the focus group members intensely discussed the pros and cons of

standardization and ways to manage the balance. A tour on the container terminal Altenwerder rounded off this event. The next focus group meeting will take place in November 2012 at Fiege's facility in Worms.



*Fully automated container terminal Altenwerder in Hamburg.*

- **Campus for Supply Chain Management**

The Kühne-Foundation Chair of Logistics and Services Management supported the congress Campus for Supply Chain Management that is organized by students and is aimed on students and practitioners as participants. On March 23<sup>rd</sup> and 24<sup>th</sup>, 2012 the congress took place for the 9th time on the WHU Campus in Vallendar.

With this year's topic "Managing Risk in a Global 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 risk management and reduce exposure to risk in their supply chains.

Well known corporate and academic speakers attended both days of the CSCM 2012 and gave valuable insights in the state-of-the-art of risk management.

The congress provided an exciting variety of presentations by practitioners and researchers, panel discussions and interactive workshops. Dr. Andreas Mayer (Dachser Intelligent Logistics) was this year's inspirational keynote speaker. The industrial view of risk management in the supply chain was presented by Dr. Michael Krings (Douglas). The organizers were very pleased about the high attendance and the participants used the opportunities to learn and to network very intensely.

- **Logistics event at the Tongji University in Shanghai**

On October 27<sup>th</sup>, 2011, a workshop as part of the WHU–TU Berlin research project “Operating Successfully in China” took place at the Chinese-German Postgraduate School (CDHK) at Tongji University in Shanghai. The event, which was jointly conducted with Professor Sidong Zhang, hosted more than 30 participants of German manufacturing companies located in China. During the workshop, results of the survey were presented and different aspects of how to successfully enter foreign markets were discussed. In addition to the workshop, two company presentations from practitioners provided further insights on operating successfully in China. The event was a good opportunity to exchange ideas between practitioners, as well as between academia and practice.



*Mr. Rief at the logistics event in Shanghai*

- **Logistics symposium at WHU in Vallendar**

In November 2011, the Chair hosted the logistics symposium at the WHU. The event brought together over 110 participants, ranging from owners and managers of medium sized freight forwarders to logistics managers of large industrial companies.



*Opening session of the WHU Logistics Symposium*

Along with his team, Professor Wallenburg organized the event as a recurring forum for the knowledge exchange between academia and practice. The focus of this year's event was on innovations management in logistics, logistics service provider cooperations as well as controlling and performance measurement systems in logistics.

Besides workshops, in which all participants could take part and exchange experiences and best practices, expert lectures



across all focus topics were offered.

In addition, the results of this year's empirical studies were presented.

- **Practice-oriented presentations**

Besides the organization of their own activities, the Chair also participates in other events by means of various presentations referring to our research fields.

- **DB Schenker European Innovation Panel**

In January Professor Wallenburg served as one of only three external members on the European Innovation panel of DB Schenker. The other two industry experts came from Volvo and from Procter & Gamble.

The Innovation Panel reviewed over 20 European innovations of DB Schenker and was part of the evaluation process for the DB Schenker Innovation Award 2012.

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