

“Let’s Do it Right the First Time!”

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



Stephan Krumm, Peter Fischer

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

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

The opposite of a know-it-all approach.

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

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

Stephan, why do you work together with fgi?

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

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

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

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

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

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

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

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

What is key to the fgi consulting approach?

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

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

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

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

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

Stephan Krumm

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

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

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

Krumm: Worthless. Yes.

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

Peter Fischer

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

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

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

Because you are unable to?

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

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

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

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

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

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

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

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

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

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

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

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

Can changes be measured? How?

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

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

Process-related measurements ...

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

Are you an initiator of change, Peter?

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

Who or what do you want to change, Stephan?

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



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

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

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

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