



## The law of the jungle

I am sure that you know of "The Jungle Book" by Rudyard Kipling. Back then, he already described the challenges and dangers of the jungle. Impenetrable undergrowth, treacherous lianas and snares, dangerous animals, as well as giant trees with perpetual shadows make the jungle a place that is not the most simple of environments for us to survive in. And it is similar for us and our company in today's business world. The systems available are often not easily comprehensible because of their complexity and the connections of our extensive networks are difficult to control. The detailed knowledge required can often tempt us into over-specialisation and tunnel vision – along the lines of "not being able to see the wood for the trees". The jungle has us completely in its hold!

But it's particularly the current state of affairs that forces us to break out and develop new strategies. The continuing weakness of the US\$ is becoming more and more the primary challenge for European companies. Manufacturing industry in particular is faced with a difficult struggle against the exchange rate risk. The drop of the US\$ against the Euro in export business is eating ever more into the effects of increased productivity in manufacturing and logistics. Key target markets in the Dollar area, as well as products that are dealt and paid for in US\$ exacerbate the situation.

So what countermeasures can be undertaken? The planning and organisation of production and logistics networks – including all suppliers – can (and must) be tightened. Keywords here are natural hedging, local partnering, and global sourcing. On top of that, the respective value added chains must be optimised. Here, the keywords are supply chain planning & management in logistics. It is of central importance here that not only individual processes are optimised, since this only produces effects that are isolated and limited locally. Simply taking a holistic view will increase the full potential in terms of costs and synergies. By means of cross-functional examination and interdisciplinary thinking, production and logistics can be comprehensively optimised.

I admit that this approach additionally increases the complexity, yet there is really no way of avoiding it. We can successfully face this with a clear culture of networked thinking, the idea of seamless organisation as well as sophisticated complexity management – possibly by means of also enlisting external support. In this way, we can avoid the law of the jungle being enforced and being unwantedly eaten alive by its dark forces.

Yours  
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