Crisis - what's that?
How Hidden Champions get through crises untouched

1. **What is usually wrong if companies are suffering a crisis ?**

Unfortunately, well established companies are only ready to follow a new path when they get under serious pressure (for example are suffering a crisis) ...Both at a managerial level and also in politics nothing happens but reactions. If something goes wrong, it is always somebody else who is responsible for it. Whatever is possible will be cheaply transferred and/or sold via supply chains. **The „time lag" is enormous** when it comes to necessary socio ecological and technological innovations which might guarantee a healthy survival on our planet.

The reason for a lack of innovative ideas is mostly the fact that conflicts are swept under the rug and everybody stays in their comfort zone. The law oft the jungle applies. **The whole system is geared to excessive profits and volume growth.** And, above all, many of those who act like this forget about the code of values and don't have any guilty conscience when they „bamboozle the customer (the citizen)" and thus trigger a (regional/global) crisis.

2. **What role do managers play in this context ?**

More and more people refuse to take on responsibility for their behaviour, they live their own private life of egoism and possibly fall for Fake News and/or conspiration theories. The **sociocultural further education** of all age groups within the company becomes therefore even more important – also on grounds of the progressing digitalization.

Leadership is always a social task. Being a role model, she/he understands the wider context and **digitally/analog connects the „right minds" in a cross-cutting way.** She/he is able to trust these people. This is the only way to solve problems across all sectors because people tend to show a better performance if they are not hindered to do so by any type of hierachies.

3. **What concrete actions can managers take in order to encourage a problem- solving way of thinking in their employees ?**

EGO Shooters are definitely out. Part-time-leadership is in, up to the topmost level, above all if it is a question of project management, (digital) networking of players/employees and processing areas. The individual teams, also the supervisory board/advisory board and/or the executive management assume responsibility for a project –for a limited period. If we want to achieve quicker working results, the work process **must be more intelligent and better networked.**

Employees are not just allowed free working hours for own projects during which they are able to develop new ideas but also budgeted, digitalized and visual support for an informal cooperation – both internally and externally, in order to generate and realise new findings or respectively mega trends with selected customers, partners and competitors. **However, cybersecurity must be ensured.**

Each member of the team (including the boss) must be well aware what part he/she is playing. A condition for this is an open and honest error and feedback culture. In order to ensure this, the compliance with exacting standards, rules of conduct and competencies must be **thoroughly scrutinized** on a bi-quarterly basis.

> „My leadership team cooperates in promoting the team spirit (the sense of belonging) and permanently evaluates the potential and competences of the players..." (Hans-Dieter Flick, Head Coach FC Bayern München, after the triple victory on 23/08/2020).

4. **What will be the effects of the digitalization ?**

Digitalization and changes in the working world have an effect on each company – sooner or later. Digitalized, up-to-date solutions like the „three-dimensional printing" of complete components, can turn the the whole business model of producers, logistic enterprises, suppliers and craft enterprises among others upside down over night.

However, to reduce digitalization to mere technology is wrong. The main point is **to establish an analog-digital corporate culture** and to also live it. The biggest difficulty thereby is to provide and realise the impetus for this hybrid-cultural transformation because old thinking and working habits must be changed.

<u>New Work</u> suddenly means: to network with others in an interdisciplinary way, to share human values + knowledge + skills + learning.

Thus, digital platforms serve to control, simulate and transform interconnected, cross-regional ideas/developments and value-added chains. Artifically intelligent assistents may considerably facilitate work processes and be of game-deciding importance.

> At Infineon, in I-Communities – I stands for Innovation -, for example, experts/partner/service providers from all disciplines of the value-added chain are working online on an **IoT platform** on future topics – and this in addition to the regular business of the day.

5.   **Thinking of enterprises which are outstandingly creative: What are their distinctive characteristics ?**

These enterprises, being above average pioneers, are characterized by recognizing and solving problematic changes more quickly and creating a so-called DNA resilience by using an early warning system (prevention is not a foreign concept for these enterprises). **They invest by far more into innovation and knowledge management than competitors do**.

To get the best ideas. For this goal established processes and rules, having been agreed upon and being observed by the participating parties, are applied in innovation labratories. Through **networking of teams** of experts, customers, suppliers, start-ups, universities, investors and possible competitors the pace in search of environmentally and humane-friendly solutions will be essentially increased.

In certain intervals they reflect upon the question what they can do to not only improve things for their customers and the environment but how they could increase, by applying their ideas, **the benefit of their products/services by an essential <u>factor X</u> (not by percentage points**).

> Eric Schmidt, Chairman of the Board of Directors of Alphabet Inc.(Google), USA, goes even much further: „Our goal is to improve the development of our products and services by the **factor 10** – **not just by 10 percent – as this is usual in Germany and other countries...**

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Prof. Dr. Joel Luc Cachelin, Futurologist at the „Knowledge Factory" at the University of St. Gallen/Switzerland states: The ability to anticipate the future includes the chance for the leaders to create new forms of the working world. In this regard the book of Professor Günther H. Schust represents a further development of the value-orientated leadership as presented by Prof. Dr. Rolf Wunderer, the „Leadership Pope" of the University of St. Gallen / Switzerland, whom the author was allowed to accompany for some years.

PREFACE

Everywhere at the top levels one finds nothing but reactions – also in politics. How do organisations deal with the actual crisis - and above all, what role plays team management during such profound transformation processes ? What new leadership structures are required in order to make it possible that these situations of crisis or, respectively, transformative stages can be fundamentally modified ? How can it be achieved that digitalization is essentially increasing the benefits of products and services and rendering enterprises more resilient against crises ? You will find answers to these questions given by the leadership transformation expert Prof. Günther H. Schust in his following article:

„Crisis – What's that ? How Hidden Champions get through crises untouched".