

# Strategic Management of International Manufacturing Networks

Use of a unique, proven and holistic approach

Over 65 International Manufacturing Networks analysed successfully

10 years experience in global production management

## 1 Initial Situation

The importance of manufacturing for the global economic situation remains undisputed and has even been stressed during the global economic crisis. Furthermore, various studies illustrate a global growth in overall international manufacturing activities. Companies today produce in so called intra-organisational manufacturing networks that are spread across the globe. Many of those networks have grown historically through acquisitions or self-establishment of foreign manufacturing sites, often they are the result of opportunistic developments. However, the management of such manufacturing networks is a major challenge and difficult for companies to handle in an optimal way.

You could significantly improve the management of your manufacturing network through the assignment of site roles. This allows structuring your network clearly and concentrating on required capabilities and necessary developments to accomplish the aspired tasks. However, companies lack an approach to integrate their manufacturing sites and to formulate a clear strategy for their networks. In fact, recent studies point out that many network managers still focus on optimisation of single sites and neglect improvement potentials for the entire network. Thus, they often miss significant competitive advantages derived from their manufacturing network.

You could benefit from a structured approach to analyse, discuss and re-design the global strategy, including the manufacturing strategy and the network strategy. Through setting clear priorities from a market perspec-

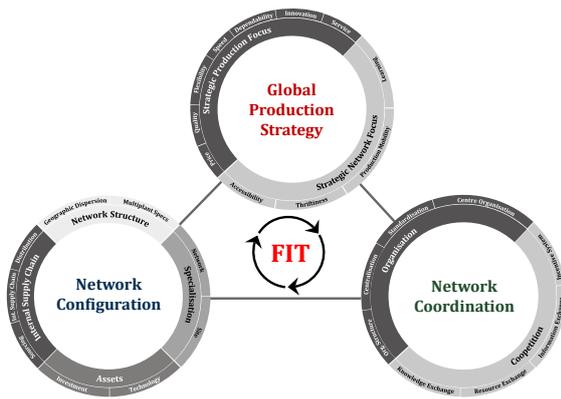
tive, the mid-term development of your sites and your network as a whole is systematically induced.

Traditionally, network optimisation approaches focus on the configuration of the manufacturing network (i.e. its global footprint). Hence, the optimisation potentials that lie in a suitable network coordination are not sufficiently addressed. Another frequently observed problem is the missing transparency regarding network management measures and directions. Also, the autonomy of each site is often not in line with the overall strategy. This leads to inefficiencies and mis-allocation of scarce resources.

Your advantage is a structured approach to design the relationships among your network sites, i.e. managing the exchange of knowledge and information, the exchange of successful practices between sites, and the joint use of scarce resources. Further, an incentive system designed to optimally support your strategic goals for the network facilitates is included, which helps guiding the development process for your network.

## 2 Our holistic Approach

Based on a benchmarking study of global manufacturing networks, a structured method for the analysis of production networks was designed. These insights were extended with further research results. The final product is a holistic model for the management of international manufacturing networks.



In a former project, that model was conducted in collaboration with four Swiss companies. In addition, we identified relevant dimensions to establish an optimal site role portfolio, solved conflicting goals between site and network level and derived a method in order to coordinate manufacturing networks.

You can benefit from our ongoing project work and from almost 10 years of experience in management of international manufacturing.

To sum up, our unique approach:

- ...integrates all relevant network and management aspects.
- ...views network management from a strategic perspective.
- ...is supported by a set of hands-on frameworks and tools.
- ...is proven in practice and easily adaptable to a specific context.
- ...is continuously improved through theory and practice.

### 3 Extensive Experience

With more than 65 manufacturing networks analysed, you can benefit from our extensive experience when it comes to the discussions with top-management and site leaders.

Some of our recent project partners are: ABB, Bosch, Emmi, Lindt & Sprüngli, Komax, Rehau, ZF Friedrichshafen and Siemens.

### 4 Current Research Activities

We are currently working on a public funded research project, called *Network Fitness*. The project has three purposes. First, to identify how critical network capabilities of international manufacturing networks can systematically be derived from the company’s manufacturing strategy. Second, to derive specific strategies for the evolution of manufacturing sites, i.e. deriving so-called aligned site strategies. Third, to design a strategic performance management system to put strategies for the site and network development into action.

### 5 Publications

We published our findings in a book that is available in German & English.

	<p><b>Management globaler Produktionsnetzwerke</b> <i>Strategie, Konfiguration, Koordination</i> 2013, Hanser Verlag</p>
	<p><b>Strategic Management of Global Manufacturing Networks –</b> <i>Aligning Strategy, Configuration and Coordination</i> 2014, Springer Verlag</p>

## 6 Contact

If you are interested in the topic or want to receive further information on the management of international production networks, please do not hesitate to contact us.

We are looking forward receiving your message!



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