



International Group of Controlling

Dear IGC-Members,

today, companies are primarily challenged to manage operations in the face of potential new covid restrictions, unexpected customer demand and unstable supply chains. The historical uncertainty and volatility of the markets are masking long-term, strategic challenges that arise primarily from climate change and digital transformation and lead to a new world of work.

We hope this newsletter will provide you with valuable information and inspiration for your work in these challenging times.

Klaus Eiselmayer, Ronald Gleich, Heimo Losbichler, Klaus Möller, Rita Niedermayr
Management Board of IGC

1.) IGC Inside

General Assembly

Given the current surge in covid cases, we were very happy, that we were able to conduct a safe annual meeting in Amsterdam without any notable restrictions or infections. We would like to thank our valued member IMA for the professional organization and the welcome video by the President Jeff Thomson. A special thanks goes to Alain Mulder and his team for hosting the general assembly.

Furthermore, we would like to thank the speakers for the inspiring presentations: Gwen van Berne - IMA, Prof. Frank Verbeeten - University of Amsterdam, Gerard Vries - Heineken, Robert Rieg - University of Aalen, Ron Wirahadiraksa - VRC, Rita Niedermayr - ÖCI.

The workshop on Social Media Strategy, moderated by Klaus Eiselmayer, brought clear preferences, which we will implement with your help in the upcoming period. We regret that some of our members were unable to attend due to covid regulations and look forward to seeing you again next year in Vienna. Below a few impressions of our meeting:



CALL FOR PAPER - Controlling & Agility

At IGC we have decided to provide our members with a book on "Controlling & Agility" addressing three main questions:

1. Which agile instruments can be potentially used?
2. How much agility is required in a control system to balance stability and agility?
3. How should an integrated agile control system look?

In order to address the 3rd question we would like to involve also examples from practical implementations of agile approaches in the context of controlling. Therefore, we call for approx. 10 practical papers from IGC members which should address the question of practical implementation and integration. Details are provided in the attachment.

IGC-Study: Opportunities for digitization in the planning and budgeting process

Prof. Rieg presented interesting results in a rough draft version at the annual meeting. The study will now be finalized based on the questions and discussion in Amsterdam. The aim is to send out the finished study with the last newsletter of this year.

2.) Interview

The first interview was conducted by Klaus Möller with **Andreas Röderer, Chief Financial Officer (CFO) of SAP Deutschland SE & Co. KG**. The interview covers SAP's digital transformation. The second interview was conducted by Prof. Peter Horvath with **Claudia Maron** on the topic of sustainability and controlling. (members only).

3.) Trends and Studies

In this newsletter, we are pleased to draw your attention to an important but rarely addressed topic, "the cost of conflict". About 85% of employees experience conflict in the workplace at least occasionally. While there are reliable figures on the number and type of conflicts, there are only vague estimates of the costs of these conflicts. In his white paper **Conflict Costing - How to Operationalize, Measure and Control Organizational Conflict Cost**, Prof. Möller presents a methodology for structuring and quantifying the costs associated with conflicts. (members only)

4.) Articles

We are pleased to make available in this issue not only individual articles, but the entire issue of the current CM International. Please click the link below.

https://www.icv-controlling.com/fileadmin/Verein/Verein_Dateien/ICV_im_CM/Controlling_International/Controlling_International_2021.pdf

5.) Literature Review

In this literature review, we would like to draw your attention to four recent studies and articles dealing with sustainability from different perspectives:

- a. **Supply Chains as a Game-Changer in the Fight Against Climate Change, Boston Consulting Group, March 2021**, <https://www.bcg.com/publications/2021/fighting-climate-change-with-supply-chain-decarbonization>

The study by the Boston Consulting Group provides interesting insights into the origins of greenhouse gas emissions and thus helps to establish effective green controlling. Eight global supply chains account for more than 50% of annual greenhouse gas emissions. Only a small proportion of these emissions are produced during final manufacturing. Most are embedded in the supply chain—in base materials, agriculture, and the freight transport needed to move goods around the world.



b. Accounting for Climate Change by Robert S. Kaplan, Harvard Business School and Karthik Ramanna, Oxford University, Harvard Business Review, November-December 2021, [Accounting for Climate Change \(hbr.org\)](https://hbr.org)

Robert Kaplan and Karthik Ramanna assume, that the Greenhouse Gas Emission Protocol - used by more than 90% of Fortune 500 companies for ESG reports - has numerous basic accounting problems, resulting in a misleading picture. The authors provide an alternative system - E-liability system - based on established accounting practices, that enables the measurement and transfer of GHG emissions along an entire corporate value chain



c. Die Supply Chain der Zukunft – Transparenz und Nachhaltigkeit in Echtzeit. KPMG Whitepaper (German), 2021, <https://home.kpmg/de/de/home/themen/2021/05/die-supply-chain-der-zukunft.html>

The KPMG white paper addresses the future of the supply chain. It shows that sustainability and transparency are becoming key success factors in order to remain competitive. It is also the only way to meet future regulatory requirements with regard to ESG. To this end, controlling must ask itself the following fundamental questions:

- Which KPIs need to be defined?
- How can external certifiers be commissioned?
- How large is the CO2 footprint of the company and the supply chain?
- How can CO2 be reduced?
- Where do concrete measures need to be implemented?



d. Der Kommissionsvorschlag zu Corporate Sustainability Reporting Directive by Christ J., Kocian J., Stappert Ch., KoR 3.9.2021; (German), www.kor-ifrs.de

The article provides an excellent overview of the draft directive published by the European Commission to the further development of CSR reporting in the EU (Corporate Sustainability Reporting Directive (CSRD)).

The literature review is provided by Prof. Dr. Heimo Losbichler.

6.) Important Dates

IGC-Meetings:

2021

November 30th, 2021 Board Meeting online

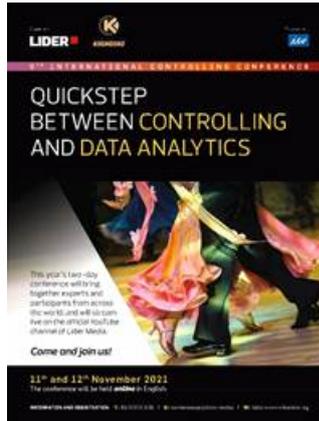
2022

January 20th, 2022 Board Meeting, Vienna
May 21st, 2022 General Assembly Vienna

Conferences offered by our members:

(please let us know your most important conferences for the next newsletter)

November 11th/12th, 2021 9th International Controlling Conference hosted by Jasmina Očko
Program enclosed, registration: [Kontrolling 2021 - \(lider.events\)](#)



November 19th, 2021

20th Controlling Insights Steyr from the International Association of Controllers, www.controllinginsights.com



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