



Press release TUM TALK IN HEILBRONN

"Resilience is the immune system for companies".

More reliability for the supply chains of the future

More resilience, more flexibility - much more to do: companies are aiming to make their supply chains increasingly resilient to all kinds of crises. In doing so, new technologies are just as much in demand as old virtues. This was reflected in the exchange between science and business at the third TUM Talk of the Technical University of Munich at the Heilbronn Education Campus.

Although there was enough cooking oil, many supermarket shelves remained empty at times during the Covid-19 pandemic. The problem: companies had already bought millions of specific product packages in stock. This prevented producers from making ad hoc adjustments to the contents, for instance switching from sunflower oil to rapeseed oil. A minor example of a major challenge: "Almost every supply chain features these kinds of hidden bottlenecks," said David Wuttke, Assistant Professor for Supply Chain Management at the TUM Campus Heilbronn, during the third edition of the TUM Talk networking format [on Thursday evening, October 13th, 2022].

Some 130 guests experienced a lively exchange at the Heilbronn Education Campus under the theme "Resilient supply chains - digital and sustainable". Carefully harmonized supply chains, the lifeline of the economy, have become out of sync in many places. Representatives from business and science gathered to discuss new strategies to increase resilience in the future.

Companies around the world are now on the lookout for supply chain solutions

The theme is causing unrest around the world. "We are facing a systemic crisis that is not specific to Germany, but stretches across the globe," said Professor Thomas F. Hofmann, President of the Technical University of Munich (TUM), in his opening address. More than 60 percent of the companies in the processing industry are currently encountering problems in reliably obtaining their primary products, added Professor Clemens Fuest, President of the Ifo Institute: "We find ourselves in a situation that we have never experienced before in the economy as a whole.





The responses among the business community are many and varied. For example, sports retailer Intersport first had to deal with an increased demand for running shoes during the pandemic, then suddenly soccer boots were in demand. Having a close, transparent exchange with the 900 affiliated retailers and a new logistics center allowed the company to react flexibly to these changes. "This gave us the opportunity to breathe," said Katja Burkert, Chief Information Officer at the retail group based in Heilbronn. Digitalization makes it easier for many companies to follow the steps their products take more closely.

Global flexibility and local skills help through the crisis

The clearer the communication, the more unequivocal the standards, the easier it is to react when some routes in the world economy close: "Our global alignment has been instrumental in allowing us to juggle between locations," said Laura Karbach, member of the Recaro Aircraft Seating executive board. As well as new technologies, some old virtues are in demand: such as greater depth of value creation with a view to being less dependent on suppliers. "Those who had access to their own building materials or their own logistics had an enormous advantage," says Josef Geiger, long-time managing director of the Geiger Group of Companies and president of the Bavarian Construction Industry Association.

The supply chain has become a strategic theme as far as almost all companies are concerned - even if the solutions have to be specific to each company. The discussions on and off the podium at the TUM Talk revealed that great potential lies in the intensive exchange between business and science. Supply chain specialist Wuttke likened the challenge for companies to the body's own defense system: "The immune system is there to also deal with challenges that are unknown to it." Good nutrition, regular exercise, maybe a vaccination now and then - this is how hurdles in the supply chain can be overcome, he recommended: "Resilience is the immune system for companies".

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