

Latest News:

Controlling for More Efficiency in Time of New Normal - The 3rd Sino-German Controlling Forum Successfully Held in Shanghai

Shanghai, October 22nd, 2015

More than 120 CEOs, CFOs and financial & controlling managers & professionals from mainly German- invested companies attended the 3rd Sino-German Controlling Forum held in Shanghai Pudong on October 22th, 2015. Led by the motto of the forum "Controlling for More Efficiency", the participants discussed about how to enhance controlling for improved or optimized business performance in the time of "new normal" in China.

Picture 1: Selected VIP Speakers and Forum Facilitators

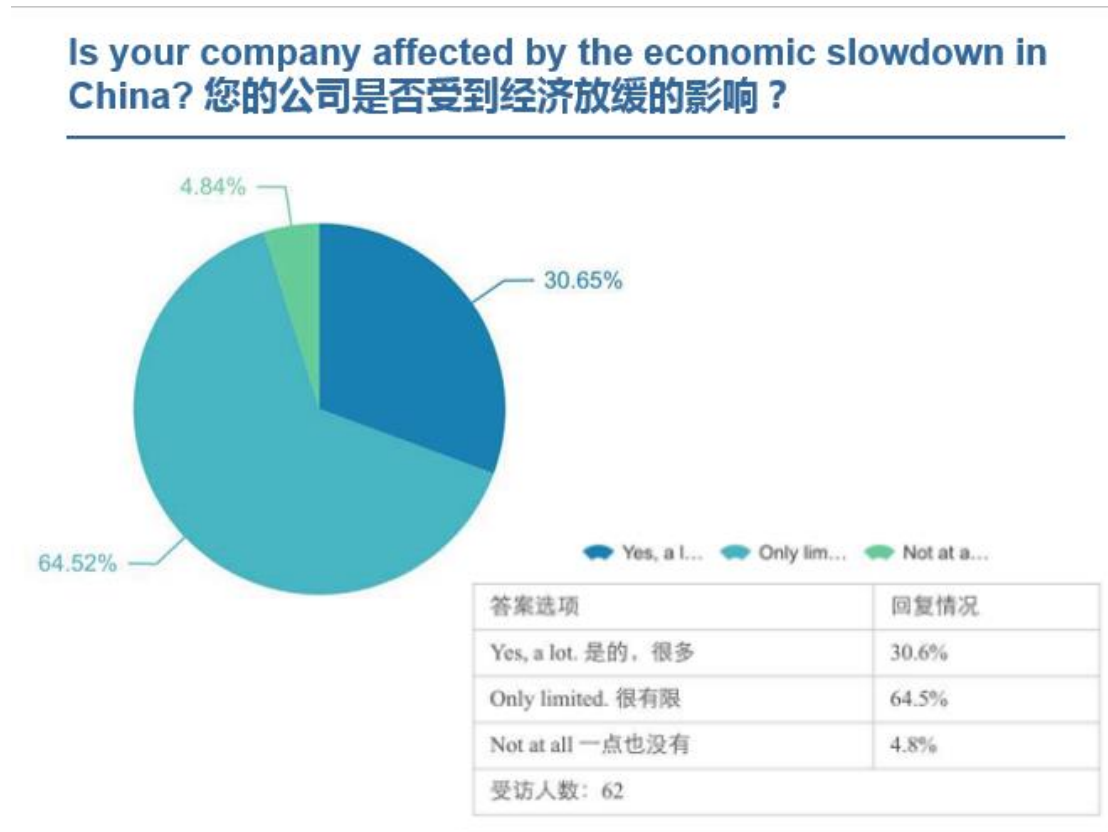


Source: German Chamber Shanghai. The persons on the picture - from left to right - are Mr. Teo Zhao and Ms Tanja Wehrke from Hansgrohe China, Mr. Andreas Haeckl from Schaeffler Group China, Mrs. Simone Pohl from German Chamber Shanghai, Mr. Lothar Grad from DUSA Suzhou/Soehner Technology (China), Dr. Zhen Huang from Shanghai De Chen Consulting, Mr. Harry Pfohlmann from KSB Pump China, Mr. Lukasz Mehl and Mr. Alexander Prautzsch from PWC Shanghai.

Prior to and during the Forum, more than half of the participants took part in a small pre-forum survey designed by the organizers. The survey showed that 95% of the respondents think that the economic slowdown in China has had more or less impact on their own company. Nearly 2/3 of the respondents believe that their company has been negatively affected, although the impact is

still limited. More than 30 percent of the respondents said that their company has been affected by the economic slowdown significantly (please refer to the Figure 1)

Figure 1:



Source: Pre-forum survey of the 3rd Sino-German Controlling Forum on October 22nd, 2015

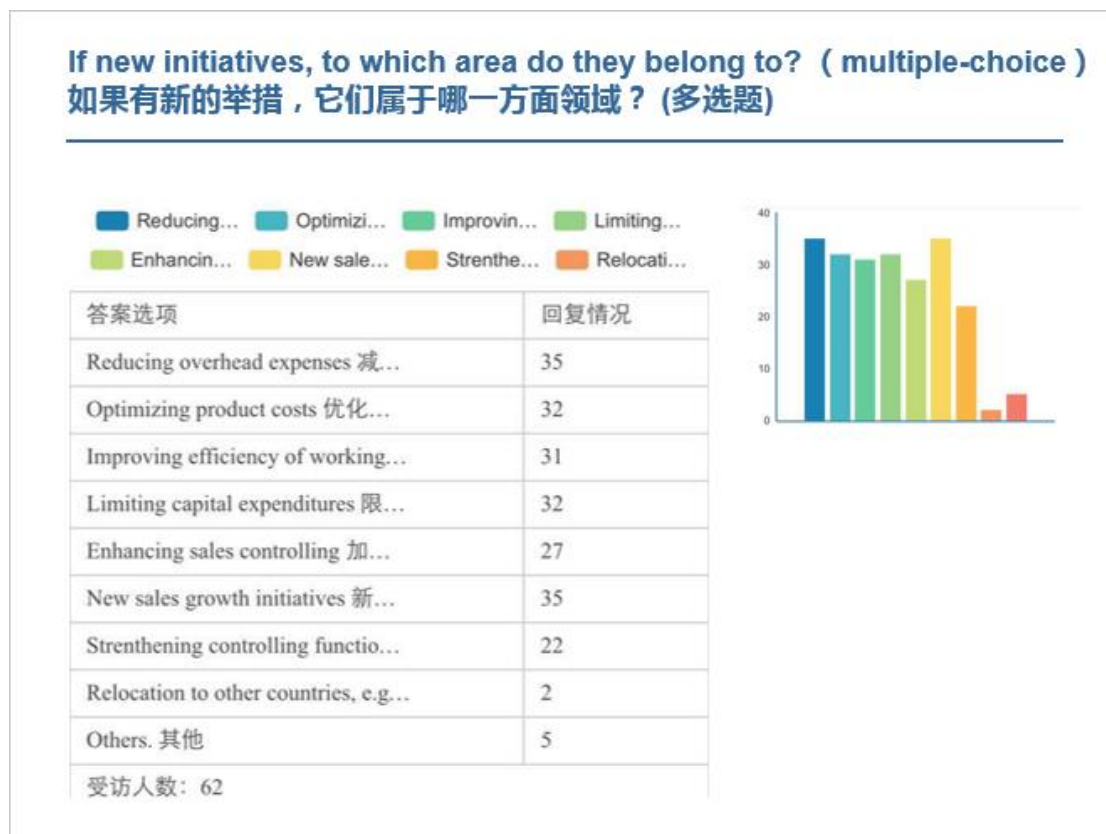
Facing market downturn, many businesses have started initiatives reacting on the new economic condition, such as launching new sales growth projects, reducing structure costs (overheads) and product costs, and/or optimizing working capital etc. (please refer to the Figure 2). For planning and implementing such initiatives, controlling and controller are playing an increasingly important role. This is exactly the common concern and focus of discussion of all participants of this year's Sino-German Controlling Forum.

Mrs. Simone Pohl, Executive Director and Board Member of German Chamber of Commerce in China- Shanghai opened the Forum. She congratulated the Forum and pointed out that the slow-down of economic growth in China provides the best opportunity to German- invested companies in China to enhance controlling for business performance improvement. From his office in Germany, Mr. Siegfried Gansslen, former Global CEO of Hansgrohe Group and the current Chairman of International Controller Association (ICV) sent his personal video message greeting all participants of the Forum. He sincerely expressed his best wishes to the Forum and also his hope that

controlling practice with the German touch can have greater popularity in China.

Mr. Lothar Grad, General manager of Soehner Technology (Suzhou) and Chairman of Suzhou European Association (DUSA), made the first keynote speech. He emphasized the importance of controlling for long-term success of small-to-medium-sized companies in China. In his view, SMEs in China are facing more challenges in the field of controlling in comparison to large business groups. Headquarter in home country and local senior management of SMEs should pay increasing attention to the issues related to this topic. The most critical success factor for SMEs is to build and develop a stable local management and controller team.

Figure 2:



Source: Pre-forum survey of the 3rd Sino-German Controlling Forum on October 22nd, 2015

The second keynote speaker was Mrs. Michelle Liu, CFO Greater China of the famous German chemical group LANXESS. In her speech, she introduced to the audience the internal understanding of controlling and top management’s expectation and requirements on the qualification of the professionals in the field of Finance and Controlling in the LANXESS Group. In her view, a financial professional, no matter whether he or she had the job title of “controller” or not, must be familiar with the business of his/her company. A qualified controller must be a good business partner to his/her non-financial colleagues.

In the following section of the Forum, two controlling experts, Mr. Teo Zhao and Mrs. Tanja Wehrle from Hansgrohe China shared their experience in the field of sales controlling with the audience. Hansgrohe Group is one of the leading sanitary product suppliers in the global market. Both experts pointed out that in order to maintain and accelerate continuous sales growth, one should establish a highly transparent and effective sales controlling system. They also emphasized that a superior sales controlling system needs strong IT support, and these IT systems can't be set up overnight. Hansgrohe spent many years to build up their own sales controlling system worldwide and in China.

Mr. Bernd Pichler, Senior Director Sales for the Volkswagen Brand in Shanghai Volkswagen Group followed with his presentation to the topic of "Intelligent Tactical Branding". ITB is a highly interesting approach for both sales managers and sales controllers. It is about how to improve the profitability of car sales by analyzing and optimizing the so-called "tacticals" which are all kinds of measures for sales promotion. According to the personal experience of Mr. Pichler, it is the close co-operation between sales managers and (sales) controllers which can make a great contribution to sales growth and business performance.

Picture 2: Forum Stage and Audience



Source: German Chamber Shanghai.

In the afternoon session of the Forum, Mr. Andreas Haeckl, Director Controlling for the automotive business of Schaeffler Holding (China) showed the audience how Schaeffler Group and Schaeffler China pro-actively started internal initiatives for overhead cost optimization. He made a comprehensive introduction to the SAP-supported system of Schaeffler for overhead cost reporting,

overhead cost planning, and overhead cost optimization. He brought the audience many interesting and practical ideas, such as multi-dimensional view of overhead costs, establishment of functional and cross-functional shared service centers and other measures for overhead optimization.

In the subsequent speech, Mr. Harry Pfohlmann, Finance and Controlling Director at KSB Pump Group China, shared with the audience his practical experience in working capital management, especially in the field of inventory and account receivable management, in Chinese business environment. He pointed out that good working capital management needs close co-operation between controller and non-financial departments. For successful working capital management, controller should play an important role. But he should and could not take over all the jobs which are to be done by non-financial departments. His role should be that of an agent of change promoting non-finance departments to do the daily optimization work they should do.

Before the end of the Forum, there was a panel discussion between the speakers on the stage and the audience. The discussion was facilitated by Mr. Alexander Prautzsch and his colleague Mr. Lukasz Mehl from PWC Shanghai. The main topic was how to improve co-operation between controller and non-controller for enhanced controlling. The Forum was finally closed by the final remark made by Dr. Zhen Huang, Managing Partner of Shanghai De Chen Enterprise Management Consulting Co. Ltd. which was one of the organizers of the Forum.

Picture 3: Selected VIP Speakers in Panel Discussion



Source: German Chamber Shanghai. The persons on the picture - from left to right - are Mr. Teo Zhao and Ms Tanja Wehrke from

Hansgrohe China, Mr. Andreas Haeckl from Schaeffler Group China, Mr. Harry Pfohlmann from KSB Pump China, Mr. Bernd Pichler from Shanghai VW, and Mr. Alexander Prautzsch from PWC Shanghai.

The 3rd Sino-German Controlling Forum was jointly organized by German Chamber Shanghai and Shanghai De Chen Enterprise Management Consulting Co. Ltd. It was supported by DUSA European Association Suzhou, CA Controller Akademie and International Controller Association (ICV) from Germany. The Forum was sponsored by five IT software, accounting and other professional service providers. More information about the event can be found at www.ChinaControlling.com. Participants can also directly login into the [Online Event Zone here](#) to download presentation of the speakers, selected images of event and other event documentation.

***** End of the Report *****

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Shanghai De Chen Enterprise Management Consulting Co. Ltd.

- Your Partner For Achieving Total Performance Excellence -

Consulting | Training | Services

2501 Wheelock Square, 1717 Nanjing West Road, Jing An District, Shanghai 200040, China

Tel.: 0086 21 6157 4970

Fax: 0086 21 6157 4971

Mob.: 0086 1522 1528 613

Web: www.ChinaControlling.com

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