

IB Report: International Seminar 2013

T.C. Istanbul Kültür University (IKU) – Akademia Leona Koźmińskiego – DHBW Mannheim International Seminar 2013 prepares participants for “Managing Crises”

In its 13th year, the International Seminar (or “ISEM”) dealt with the possibilities, challenges and limitations of managing crisis situations. The event of a crisis may suspend the usual premises of management, rendering established routines ineffective and available resources insufficient to deal with critical threats, whether on a micro- or macro-level, in business, economics, or politics. Fifty students from the three participating universities in Turkey, Poland and Germany therefore analyzed the state of academic research on crisis management.

The scope of topics prepared by the students ranged from the definition and categorization of crises over early warning systems, measures of crisis prevention and the concept of responsiveness to response measures, communication strategies and impact measurement. During the concluding seminar conference, the participants came together at IKU to discuss the knowledge they had collected.

In alternating workshop groups, they covered a range of topics including, but not limited to:

- ◆ the defining context characteristics of crisis management, such as the short time window of impending crisis escalation as well as increased media exposure and public awareness,
- ◆ why early indicators of crisis potential are so often underestimated or neglected,
- ◆ the monetary dimensions as well as less easily quantified consequences of crises,
- ◆ challenges of decision making in situations

characterized by high uncertainty and missing information,

- ◆ and which organizational structures, leadership styles and corporate strategies have been found to be conducive to crises, or effective in preventing them.

From a different perspective, students also considered how crises may, under certain conditions, represent opportunities instead. Although a predominating “threat bias” is evident (and justified) in crisis management research, the ISEM participants also discussed the potential of a crises-caused “unfreezing” of the status quo as an opportunity for learning, radical change or strategic reorientation and analyzed cases in which the necessity to avert threats or meet newly emergent demands had caused innovation spurts.

After diving into the various dimensions of managing crises, the students then had to apply what they had learned in a case study contest. In four internationally mixed teams, they analyzed and evaluated the disasters around Fukushima and the Costa Concordia cruise ship, the corporate crises management at Nokia as well as Starbucks, against the background of their newly gained theoretical knowledge.

Once again, the ISEM had set itself a challenging topic and saw its participants rise to meet it. This report summarizes the ISEM conference for all interested parties.



ISEM 2013: Participants and staff at the conference kick-off

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Dr. Kadri Mirze, Assoc. Prof.
How to “manage” a crisis



Dr. Mirze applied the management phases of plan, execute, control and assess to crises management. He provided the ISEM participants with an overview of measures to be taken

by organizations in each of these phases. Based on the distinction between *smoldering* and *sudden* crises, Dr. Mirze also discussed how differences between proactive and reactive crisis management strategies will impact the phases of the model.

“Some crises are like a smoldering fire and if you smell the smoke as they catch on, you might be able to prevent the worst damages. Other crisis are so sudden, you will never smell them coming.”



Delineating the process of a risk audit conducted by crisis management consultants to support companies in increasing their preparedness, he also pointed to matters such as information needs, reactive behaviors, and authority struggles between the crisis committee and line managers.

Dr. Mesut Eren, Assoc. Prof.
Crises in international relations: Turkey and the EU



Dr. Eren reviewed how far back the accession negotiations between Turkey and the European Union reach in both, Turkey’s history and political development. He delineated the most controversial milestones in this ongoing process, its phases of progress and stagnation, examples of conflict and compromise. He then invited the ISEM participants to enter the discussion from the perspective of the current economic crisis in the EU.

“Too poor, too big, too different? For me, the question of accession is a question of identity.”

The ensuing questions and answers pointed to the importance of change across generations, the problematic ignorance and resulting fear about Islam and fundamentalism in many European states, concerns about the safety of borders and Turkey’s share of votes in case of its inclusion in the EU bodies. Also, students had the opportunity to hear first-hand from the Turkish participants and staff about their experiences of the partly violent demonstrations against the Turkish government over the summer of 2013.



Onur Vuruskaner, PwC
Balancing the “risk appetite”



“A successful risk manager may not get the same applause as a successful crisis manager will; but if a risk manager is doing a good job, the crisis manager is less likely to have one.”

Mr. Vuruskaner introduced the ISEM participants to PwC’s balanced risk management approach. Confronting them with the distinction between “the known unknown” and “the unknown unknown”, he got the group to put their heads together and think about the need to limit and control risk factors. However, he also made it clear that some risks cannot – and other risks shouldn’t – be avoided.

“A ship in harbor is safe. But we don’t build ships to put them in a harbor and leave them there now, do we?”

Mr. Vuruskaner shared in his talk how, in his role as a consultant, he has come to understand that one challenge in crisis prevention is that “everybody has a different appetite for risk”. Also, he says, he has seen that even the most sophisticated systems put in place to prevent risks from turning into an invitation for crisis will fail, if the human factor is neglected in their implementation.

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Dr. Devrim Erişkon

Pre- and post-crisis strategies



Based on his experience as corporate consultant in the Middle-East, Dr. Erişkon walked the participants through various aspects of strategic risk management, delineating their influence on a company's responsiveness when a crisis hits.

He stressed that risk by itself may not as yet represent a hazard, as long as it does not coincide with vulnerability. Also, he challenged students to consider that managing risks may not always concern taking action, but could at times also require a conscious choice to refrain from action.

“Although we tend to think of natural disasters first, most crises are actually man-made.”

Ömer Mirze

A legal perspective on crises



As an associate at one of Turkey's most prominent law firms, Ömer Mirze added a legal perspective to the ISEM topic of managing crises.

“Any crisis, if not diligently dealt with, will attain a legal dimension as well.”

Introducing students to legal concepts such as force majeure, organizational liability and (gross) negligence, he stressed that specialized legal counsellors may come to play a crucial role as advisors to crisis managers, but can never take their role as decision makers. He further elaborated on the different procedures of litigation, arbitration, mediation and facilitation as legal means of resolving a crisis.

Newest ISEM partner hosts the seminar conference for the first time

“Memnum oldum!” – Nice to meet you, T.C. Istanbul Kültür University



ISEM 2013: What a welcome! The ISEM group on campus.

Over the past decade, the International Seminar has become a driving force in the international cooperation between the department of International Business at the DHBW Mannheim and its partner universities abroad. As recently as 2012, students from T.C. Istanbul Kültür University (Turkey) participated in the International

Seminar for the first time. Owing to their enthusiasm and especially to the incredible commitment of Ms. Ayşe Bülbül, their tutor, the ISEM partners were immediately invited to Istanbul for the seminar conference of 2013.

The spirit with which the ISEM concept was embraced there was just as amazing! Ms. Bülbül and Erhan Akarlar, along with the ESN network and a number of dedicated supporting and academic staff put together a multi-faceted program, cared for every need of the students and welcomed them heartily to the mesmerizing mega-city of Istanbul.

If the number “13” were indeed unlucky, the 13th International Seminar on crisis management certainly had its participants thoroughly prepared to face any critical situations. Yet, the ISEM 2013 was instead lucky to be hosted at our new partner Istanbul Kültür University for the first, and hopefully not the last time.

In the name of all participants, we want to thank all those involved in making the ISEM such a success, and above all Ayşe and Erhan for their incredible dedication!

Visit T.C. Istanbul Kültür University on: <http://www.iku.edu.tr/EN/index.php>

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Bülent Acicbe, Mercedes Benz Türk Planning and preparedness, response and recovery

Mr. Acicbe gave the students an insider look at the crisis management checklists at the Mercedes Benz production facilities in Turkey. He illustrated how a crisis management strategy is broken down into concrete measures and implemented in detailed plans of execution. Running through the sophisticated workflows at Mercedes Benz Türk, he explained to the ISEM participants how they define escalation levels and stipulate the corresponding measures to be taken, from booting up the appropriate response teams to ensuring a full-on evacuation.

Mr. Acicbe emphasized the crucial importance of training employees and running drills, stressing that being prepared “on paper” will not suffice and that



people learn the most crucial aspects only if simulating a scenario as close as we they can get to “the real thing”. He also stressed the need to document the crisis management processes in a logbook, so as to ensure that any decisions made can be reconstructed for post-crisis learning or questions of accountability alike.

“We tend to make our plans for crises situations under the assumption of normal conditions. But the plan to call on your crisis management team fast and easy via cell phone might just not work when networks are down. You need to think of a fail-safe system.”

Exploring Istanbul Impressions of Eurasia

Most of the ISEM participants had never been to Istanbul before and were very impressed by the bustling city of two continents, its colorful cultural life, ancient history – and increasing traffic infarct. The varied social and cultural program framing the ISEM conference made sure that the students had a chance to gain their own impressions of Istanbul, Turkey’s food and bazar culture, Islam and the beauty of the Golden Horn. Thanks to the Turkish ISEM participants, they enjoyed activities ranging from a peer-guided city walk to a boat party on the Bosphorus, from getting lost in the Grand Bazar to joining in the nightlife on İstiklal Caddesi. Their conclusion was in unison: this would be their first “taste” of Istanbul, but certainly not their last.

Dr. Martin Kornmeier The Delphi Method: funnel visions instead of tunnel vision

Starting out with “some words about the weather”, Dr. Kornmeier drew the ISEM participants’ attention to how difficult it is for us to predict the future and foresee critical developments. He introduced them to the Delphi method as one option of systematic forecasting.

Applied to proactively consider (im)probable developments relevant to one’s objectives by eliciting opinions from experts, a Delphi forecast allows organizational actors to prepare for or even influence these developments where possible.

By conducting several rounds of expert interviews and mutual reviews, the method works towards specifying substantiated scenarios to be included in “the funnel” of possible options of what the future might look like.



“Because you are dealing with absolute experts on a topic, it is important for a Delphi study that the interviews are conducted ‘blind’. If the experts would know who else is part of the Delphi circle, it might influence them in the opinions they offer.

If they don’t, it also tickles them in their pride and invites the greatest range of scenarios to be considered.”

As an example for the successful application of the Delphi method, Dr. Kornmeier presented the results of a cooperative research project he supervised at the DHBW Mannheim, in which a student team conducted a Delphi study with experts to identify the ten most consequential trends in traffic developments by 2020.

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Supporters of the International Seminar Want to become an ISEM sponsor?



The ISEM is a learning experience which most literally crosses borders: It brings together students from different countries, different study programs and different phases in their studies to have them work together on an interdisciplinary topic. It breaks out of the predominant lecture format often dominating higher education and places greater emphasis on individual preparation as well as group work in expanding knowledge and skills. Last but not least, it adds the contact to experts from the field and guest speakers as well a framing program to the schedule.

However, none of this would be possible without the generous support of those who believe in the importance of an international education. In the name of all participants, we want to sincerely thank the long-standing partner of the International Seminar, the ÖVA Foundation (ÖVA Stiftung Wissenschafts- und Kulturförderung an der DHBW Mannheim). Without our sponsors' financial contributions and support, the ISEM 2013 could not have been as diverse and well-rounded as it was.

Of course, the International Seminar can never have too many (new) friends and supporters. For some students, whose universities cannot supply funding for travel expenses, it might even decide about whether they can participate in the ISEM at all. So if you too, would like to contribute to the ISEM 2014 as a sponsor or by providing infrastructure, materials, catering, transportation and the like – please do not hesitate to get in touch with us.

Want to become an ISEM sponsor? Every contribution makes a difference!
contact Sabine Matejek: matejek@dhw-mannheim.de or +49 621 4105 1705

Simulation Game turns students into portfolio managers Bears and bulls: simulating the stock market dynamics

For most of the ISEM participants, the enduring world financial crisis has been the most prominent example of a crisis they had followed in their lifetimes. Therefore, the conference program would not have been complete without a look to the financial markets.

Thanks to IKU's associate professor Dr. Meltem Ulusan and her colleague, as well as a team of the Turkish students participating in the International Seminar, the participants of the ISEM 2013 were given the rare opportunity to experience the topic hands-on. In a simulation game developed by the team at IKU, students teamed up to manage portfolios, putting their own strategies of investing for profits and hedging risks to the test.



Playing against both, the clock and competing teams, they found themselves confronted with the pressures of decision making under uncertainty and the need to make trade-offs, also increasing their understanding of the psychological dynamics at work on the financial markets.

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The ISEM Workshop Days

From an expert focus to the bigger picture - and back



The ISEM concept has students prepare for the concluding seminar conference by researching a particular aspect of the overall topic on which they are to write a seminar paper. Supported by a tutor, they read up on academic research and integrate their knowledge to an expert perspective. The challenge for students during the seminar conference is then to bring their accumulated knowledge together with that of the other students' expert topics, to discuss their insights, find overlaps and contradictions. During the ISEM conference, students were therefore grouped in different workshop constellations each day, giving them the opportunity to expand on their knowledge from three different perspectives.

This constellation of focused preparation on an individual level and holistic integration on the group level adds a particularly rewarding dimension to the ISEM learning experience. Students experienced that it was one thing to gather information on their expert topic, but another thing altogether to share the knowledge they draw from it with others and discuss it against different perspectives. The workshop groups provided the students with opportunities to practice how to convincingly introduce and discuss an informed position. They learned about the rewards and possible pitfalls of integrating their expert positions in "the bigger picture" – in many cases quite literally, as whiteboards were filled with schematic models and mind maps of the various levels, dimensions, and actors of managing crises.



Find out more about the ISEM concept on its webpage: www.international-seminar.eu

ISEM case study presentations

Starbucks getting in and out of trouble

On their final conference day, the ISEM tutors switched roles and turned into a jury to grade the four case studies presented by the student teams. All cases had to be well-researched, clearly structured, and enriched with fitting examples of best (or worst) practices in crisis management, applying what the students had learned throughout the International Seminar. And indeed: All four presentations reflected how well the groups had handled the limited time available for preparing their cases, that they had re-encountered many of the topics discussed regarding their specific case and also some considerable stage talent on the part of the teams.



ISEM 2013: The winning team

The first team had chosen the sinking of the Costa Concordia cruise ship and discussed the circumstances and repercussions from the perspective of the various stakeholders affected. The second team

analyzed how Nokia drifted from a market leader position into serious trouble, identifying critical milestones on the time axis not picked up by indicators such as the company's stock market value. The third team conducted a crisis management analysis looking back on the disastrous events around Fukushima. Team four analyzed the strategic choices which helped Starbucks to avoid the worst and even reconfigure its strategy during the world financial crisis.

The jury had wanted to "convene quickly", but it took quite a while to weigh the strengths and weaknesses of the four case studies presented against each other to decide on a winner. In the end, team 4 was chosen for first place with their differentiated comparison between Starbucks' pre-, interim and post-crisis strategic management.

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The International Seminar in pictures
Impressions from ISEM 2013



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Looking back on the ISEM 2013 Thank you! – Teşekkürler!

We want to express our sincere gratitude to Prof. Semahat Demir, President of Istanbul Kültür University, for the incredible hospitality with which the International Seminar was welcomed at IKU. Also, we want to thank Prof. Sermin Ornektekin, Director of the European and International Center, and Prof. Durmus Dundar, Dean of the Faculty of Economics and Administrative Sciences for making the ISEM 2013 possible.

The ISEM team knows exactly how much effort, patience and dedication it takes to organize the seminar conference (and to manage the various crises which come along with its preparation). We can therefore not thank Ayşe Bülbül and Erhan Akarlar enough for all they have done!

Also, we owe our particular thanks to our guest speakers of the ISEM 2013, for taking the time to enrich the program for our students by sharing their expertise:

- | | | |
|----------------------------|------------------------------|---------------------------------------|
| ◆ Dr. Devrim Erişkon | ◆ Ass. Prof. Mesut Eren | ◆ Ass. Prof. Meltem Ulsan |
| ◆ Assoc. Prof. Kadri Mirze | ◆ Onur Vuruskaner, PwC | ◆ Mr. Bülent Acicbe,
Mercedes Benz |
| ◆ Mr. Ömer Mirze | ◆ Prof. Dr. Martin Kornmeier | |

Without these and many others involved, the program of the ISEM 2013 would not have been as full-rounded and diverse. Thank you all and we look forward to the next International Seminar already.

Looking forward to the ISEM 2014 Call for ideas: The next ISEM topic

The end of the ISEM 2013 marks the beginning of the preparations for the ISEM 2014. We strongly encourage and welcome suggestions for a seminar topic, specific research questions, case studies, and/or guest lecturers from all ISEM partners, sponsors, and Alumni.

Please feel invited to contribute to and visit the ISEM 2014!

We look forward to hearing from you:

- | | | |
|------------------------------|---------------------------|--------------------|
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Participating universities in the International Seminar 2013:

T.C. Istanbul Kültür University
Istanbul, Turkey

Kozminski University
Warsaw, Poland

DHBW Mannheim
Mannheim, Germany

All ISEM partners:



Impressum

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