



PRESS RELEASE

W&P Study on Location Strategies: “Opportunities Abound”

[November 13, 2014] Munich, Germany – How can corporations optimize the architecture of their value chain? Not long ago, location strategies were not on the agenda of many German corporations—regardless of their industry. After all, location projects are “complex, time-consuming, and bind resources; besides, they often suffer from internal resistance and the lack of expertise,” some claimed. Yet if internationally operating companies—especially in the manufacturing industry—wish to remain competitive in a market increasingly under pricing pressure, then strategic optimization of production networks should be way up on managers’ to-do lists. Thankfully, that is now the case. In fact, many corner offices today realize the urgency of this issue, as Dr. Wieselhuber & Partner’s new study, *Location Strategy—Providing Transparency, Increasing Relevant Potentials [Standortstrategie – Transparenz schaffen, relevante Potenziale heben]*, concludes. As documented in this study, 73% of managers surveyed are planning or considering a location project in the next two years. The W&P survey also shows that after undertaking a location project, companies report a higher profit than competitors who have *not* gone this route.

Between September and October 2014, over one hundred top decision makers from manufacturing corporations with international sites participated in the W&P survey. Participants were primarily from the process industry (28.2%), general plant and machinery construction (19.4%), and the food industry (13.6%).

The majority of those surveyed agreed that optimizing the production network can reduce manufacturing costs by at least 5%. In fact, some 39% estimated the potential to be even more than 10%. “*Strategically optimizing the production and logistical network is a huge resource—and opportunities abound. For one thing, opening up new markets can lead to lower manufacturing costs and significant revenue growth,*”



Dr. Wieselhuber & Partner GmbH
Unternehmensberatung

noted Daniel Fuchsberger, W&P Director of Operations, who initiated the study. Accordingly, as many as 87% of the corporations surveyed were convinced that changing their existing location strategy can boost sales and revenue by at least 5%. 45% of managers believed that a growth potential of over 10% is realistic, while one in six managers estimated growth potential to be even over 20%.

As Mr. Fuchsberger explained, in order to implement a successful location strategy, it is necessary to collect all relevant information. This reveals the core of the project: Developing and evaluating the scenario. *“What do we want to manufacture ourselves and what do we want to purchase from third parties? Once these matters have been decided, stay focused and collect only the information that is actually necessary for evaluating location alternatives.”*

Interested? We will gladly provide additional information on request.

Brief portrait of Dr. Wieselhuber & Partner:

Dr. Wieselhuber & Partner (W&P) is an independent, cross-sectoral top-management consultancy company for family companies as well as business units and subsidiaries of group companies in different sectors. It specializes in the corporate structural areas of “Strategy”, “Innovation & New Business”, “Management and Organization”, “Marketing and Distribution”, “Operation” and the sustainable elimination of corporate crises through restructuring and financing. Headquartered in Munich, Dr. Wieselhuber & Partner offers its clients a comprehensive sectoral and methodic know-how with claims to the high standard of sustainably and continuously boosting growth and competitiveness, the profit-yielding power and the corporate value of its clients.

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