Festchrift für Erich Zahn

in dynamischer Umwelt

Wirtschafts- und Strategienmanagement

Herausgegeben von Stefan Posselt, Walter Haberich, und Gerhard Wiescher

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Sonderdruck
The Concept of Synergy

2. Cross Business Synergies: Risks and Benefits

Introduction

1. Introduction
Strategic Synergies

Figure 1: Different classes of synergies

- Operational Synergies
- Structural & Administrative Synergies
- Strategic Synergies
- Synergy Classes

3. Cross Business Synergies: Risks and Benefits

3.1 Development of an Integrative Synergy Framework

About the options we have when we think about cross-business synergies...
Cross Business Synergies: Risks and Benefits

Risks and Benefits

Increased financial flexibility

Low cost of capital and no debt

Costs of debt capital and related expenses

Innovating advantages over the successfully able to multi-business firms to

Increase in synergies

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Service in one department

Through cooperation between distributed departments of the organization, the coordination of the service can be increased. Thus, the quality and the quantity of the service can be increased. This can be achieved through the integration of the service departments. When departments are part of the same service process, such as a restaurant kitchen or a hotel reception desk, cooperation between departments can be increased.

Service advantages:

- Improved efficiency
- Increased customer satisfaction
- Reduced costs
- Enhanced collaboration

3.4 Operational Synergies

Service in one department

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Service advantages:

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- Reduced costs
- Enhanced collaboration

Tax benefits of multi-business combination may arise from the use of net operating.

Mullen-Swezey/ Knoll
cross boundary strategic risks. A company might face a situation where its core competencies and resources are not sufficient to cope with the risks associated with cross boundary operations. For example, a company might find that it is difficult to manage risks associated with cross boundary operations due to language barriers, cultural differences, and regulatory requirements. This can result in increased costs, delays, and reduced effectiveness of operations.
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<td><strong>Cost Leadership</strong></td>
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<td>Lower cost of sales and sales prices</td>
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<td><strong>Differentiation</strong></td>
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<td><strong>Focus</strong></td>
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<td>Lower cost of sales and sales prices</td>
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<td><strong>Co-op Creation</strong></td>
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<td>Cross selling</td>
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4.2 Synergy Potential and Diversification Strategy

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<th>Synergy Potential</th>
<th>Diversification</th>
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<td><strong>Operational Synergies</strong></td>
<td><em>Economies of Scale</em></td>
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<td></td>
<td><em>Reduced Costs</em></td>
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<td><em>Increased Revenue</em></td>
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<td><em>Enhanced Competitive Position</em></td>
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</tbody>
</table>

**Value Creation Sources**

- Strategic Synergies: *Integration of Resources* |
- Synergies: *Revenue Growth* |
- Synergies: *Cost Savings* |
- Synergies: *Market Expansion* |
- Synergies: *Technological Advancement* |
- Synergies: *Operational Efficiency* |

**Preconditions**

- Market Penetration
- Product Development
- Resource Allocation
- Market Dynamics
- Customer Relationships

In addition to focusing on different levels of the organization, the three strategies discussed above differ in terms of scale, scope, and potential benefits. Each strategy has its own set of preconditions and value creation sources. The section compares the different synergy classes, providing insights into their effectiveness and impact.
5. Benefits and Costs of Synergy Management

- **Operational Synergies**
  - Service synergies
  - Administrative synergies
  - Financial synergies
  - Strategic synergies
- **Strategic Synergies**
  - Embedded synergies

The realization of cross-business synergies leads to increased corporate value.

- **Limited Diversification**
- **Radical Diversification**

The synergy of business synergies and cost reductions from an internal market model provides operational synergies and cost reductions from an internal market.

The realization of business synergies leads to increased corporate value and reduced diversification costs. This section focuses on the realization of operational synergies as shown above.

- **Parallel Processes**
- **Synergy Processes**

While internal diversifiers create operational synergies, external diversifiers can create most of the realized diversifiers, helping to decide from which synergies they can derive most.

- **Strategic Synergies**
- **Operational Synergies**

Strategic synergies are created through the realization of operational synergies.

The realization of cross-business synergies leads to increased corporate value.
The Costs and Risks of Supplier Management

Strategic Competitive Advantage

The realization of synergies can lead to such increased revenue increases when the shared resources are valuable and difficult to imitate.

Information Processing Costs

In most cases, the management of suppliers is a complex process, requiring attention to detail and effective communication. This information processing cost, often underestimated, can significantly impact a business's bottom line.

Increased Business Risks

Increased revenue increases through business creation stem from the realization of synergies when the shared resources are valuable and difficult to imitate.

The Benefits of Supplier Management

1. Increased revenue through business creation
2. Strategic competitive advantage
3. Information processing costs
4. Increased business risks

Cross-Business Synergies: Risks and Benefits

Reduced innovation

The decision to engage in additional开展了新市场和认为能够实现更高的收入水平的企业在市场中是不一定

The core of the organization is the result of business management to continue to focus on the core areas of the business unit and to continue to invest in and engage in activities that are strategic, long-term, and can lead to sustainable competitive advantage. This is achieved through a combination of improving the performance of the business unit, improving the performance of the organization as a whole, and improving the performance of the individual, especially in the area of innovation.

The cost of innovation is a potential cost which only arises when the organization is engaged in innovation activities. The cost of innovation includes the costs of conducting research and development, the costs of producing new products, the costs of marketing and selling new products, and the costs of training and retaining employees.

The successful execution of the innovation strategy depends on the organization's ability to manage the costs of innovation effectively. The costs of innovation can be managed by focusing on the following:

1. Identifying the critical success factors for innovation.
2. Developing a clear and comprehensive innovation strategy.
3. Allocating resources to support innovation.
4. Measuring the effectiveness of innovation initiatives.
5. Continuously improving the innovation process.

In conclusion, the cost of innovation is an essential consideration for organizations that are engaged in innovation activities. By managing the costs of innovation effectively, organizations can ensure that their innovation efforts are cost-effective and lead to sustained competitive advantage.
Figure 5: Benefits and Risks of Enterprise Management

- Benefits of Enterprise Management:
  - Improved customer service
  - Increased efficiency and productivity
  - Better decision-making
  - Enhanced competitiveness
  - Improved customer relations

- Risks of Enterprise Management:
  - Information security risks
  - Increased costs of technology and operations
  - Potential for reduced innovation

Information Security Concerns

The benefits of enterprise management are numerous, including improved customer service, increased efficiency and productivity, better decision-making, and enhanced competitiveness. However, there are also risks associated with enterprise management, such as information security risks, increased costs of technology and operations, and potential for reduced innovation. It is crucial to carefully consider both the benefits and risks before implementing enterprise management systems.
6. Conclusion and Outlook

In this article, we presented an integrated framework based on the study of cross-business synergies and operational synergies (Figure 6). We discussed how cross-business synergies and operational synergies are integrated and how they can be used to identify and develop new business opportunities. The framework is based on a classification of cross-business synergies and operational synergies, which are further categorized into different types and subtypes. The framework is useful for identifying potential synergies and for developing strategies to exploit these synergies effectively.

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