

## **Prof. Dr. Dr. h.c. mult. Hermann Simon**

### **Personal Background**

Hermann Simon was born on February 10, 1947 in Hasborn, a small village in the Eifel, a region in the western-most part of Germany that used to be called the “Prussian Siberia”. For centuries, the Eifel region was economically underdeveloped and poor due to its role as a military deployment zone and its proximity to Germany’s “hereditary enemy”, France. The ancestors from Simon’s father’s side were all from the Eifel, whereas his mother and her ancestors came from Saarland and Lorraine, regions which had intermittently been parts of France and Germany. During the Second World War, his mother served as a nurse and his father as a medic, which is how they met and later married. Simon grew up on a small farm run by his parents and attended the elementary school in Hasborn where all eight grades were instructed by one teacher (a so-called one-class *Volksschule*). At the age of eleven, he changed to Cusanus Gymnasium (named after Nicolaus Cusanus, the most famous son of the county who became a polymath and Italian cardinal in the late Middle Ages) in Wittlich, where he got his *Abitur* (high school diploma) in 1966. Due to partial color blindness, he couldn’t realize his youth dream to become a fighter pilot. Still, he joined the German Air Force and graduated from the Officer’s School in Munich. He was a member of the *Jagdbombergeschwader 33* (fighter squadron), which had a special mission during the cold war. With regard to leadership capabilities, Simon considers his childhood and his time in the German Air Force as formative years.

Since 1973, Simon has been married to entrepreneur Cecilia Simon, née Sossong. She founded Lingua Video Media GmbH, a publisher of educational visual media, in 1989 and ran it as CEO until 2015. They have two children. Jeannine Simon, who holds a Dr. phil. from the Technical University of Berlin and has been CEO of Lingua Video since 2016. Patrick, who has an MBA from the Harvard Business School and a Dr. rer. pol. from the University of Kassel, is a partner at McKinsey & Company. The Roman-Catholic Simon family also has one grandson (so far).

## **Academician**

Simon's professional career comprises two distinctly different phases. He worked as an academician from 1973 until 1994 when he left the university to become full-time CEO of Simon-Kucher & Partners.

Beginning in 1969, Simon studied economics and business at the Universities of Cologne and Bonn. In 1973 he graduated with a diploma in economics from the University of Bonn. He wrote his Ph.D. dissertation on "Pricing Strategies for New Products" and his habilitation thesis on "Dynamic Product Line Marketing" under the supervision of Prof. Dr. Dr. h.c. mult. Horst Albach at the University of Bonn.

Starting in 1979, Simon taught at the University of Bielefeld and was appointed Professor of Management Science and Marketing. From 1989 to 1995, he was a professor at Johannes-Gutenberg-University in Mainz. He took leave from the university between April 1985 and March 1988 to become Director of the Universitätsseminar der Wirtschaft (USW) in Cologne, then the largest top management development institution in Germany, and now a part of the European School of Management and Technology (ESMT) in Berlin. In this role Simon became personally acquainted with most CEOs of Germany's major corporations. Simon says that his affinity to the practice of management was strongly amplified by the USW experience and the ensuing encounters with so many top managers and entrepreneurs.

During his academic phase, Simon spent several years at universities abroad. In the academic year 1978/79, he received a grant from Deutsche Forschungsgemeinschaft (German Research Foundation) and was a post-doctoral fellow at the Massachusetts Institute of Technology. He taught MBA and executive courses on a part-time basis at INSEAD from 1980 to 1985. In the fall semester of 1983, he stayed as visiting professor at Keio University Tokyo, and in the spring semester of 1984, he was a visiting professor at Stanford University. Simon spent the academic year 1988/89 as a Marvin-Bower Fellow (Marvin Bower was one of the founders of McKinsey) at the Harvard Business School. He also taught on a part-time basis at the London Business School from 1991 to 2002.

## **Entrepreneur and Consultant**

Together with his first doctoral students Dr. Eckhard Kucher and Dr. Karl-Heinz Sebastian, Simon founded Simon-Kucher & Partners, a consultancy focused on the revenue side with a core competency in pricing. In 1995 when the firm had 40 employees and one office, he took over as the full-time CEO. A year later, the firm started to expand internationally and opened its first foreign office in Boston. As of January 2017, Simon-Kucher has 980 employees who work out of 33 offices in 23 countries and is regarded as the global leader in price consulting. The approach of Simon-Kucher & Partners is based on applying academic methods and rigor to solving practical problems. Its growth proves the value of academic research if it is applied in a practice-oriented way. In 2009 Simon retired as CEO and served as the Chairman of the firm until 2016. Turning 70, he became the “Honorary Chairman” as of 2017.

Simon has vast experience as a member of corporate and university boards and as a trustee of foundations. He has been a member of the supervisory boards of eight corporations. He continues to serve as the Chairman of the Board of Trustees of the Stadt Wittlich Foundation and advises three private universities.

## **Awards and Distinctions**

Simon has received numerous awards:

- Preis des Markenverbandes (German Brand Association) for his work on brand life cycles
- Erich-Gutenberg-Preis (Erich Gutenberg Arbeitsgemeinschaft) for entrepreneurial achievement
- Georg-Bergler-Preis (Deutscher Marketing Verband and GfK) for the best marketing textbook *Preismanagement*
- Luenendonk-Preis (awarded by Luenendonk GmbH and Maleki Group) as a lifetime achievement award for his contribution to business-to-business-services

- Unternehmer-Preis des Verbandes der Hochschullehrer für Betriebswirtschaft (entrepreneur award of the Association of Business Professors of German-Speaking Countries for application of science to practice)
- Prix of the Académie des Sciences Morales et Politiques, Paris
- Prix Foundation Manpower for “Les Champions Cachés du XXI siècle”, Paris

He has also received several academic honors:

- Dr. h.c. from the IEDC Bled School of Management, Slovenia (2009)
- Dr. h.c. from the University of Siegen, Germany (2011)
- Honorary professorship from the University of International Business and Economics (UIBE) Beijing, China (2011)
- Dr. h.c. from Kozminski University Warsaw, Poland (2012)

## **Research and Publications**

In his doctoral dissertation on “Pricing Strategies for New Products”, Simon developed a new dynamic model that allowed for the optimization of price strategies over a product’s life cycle by including both the product life cycle and dynamic price effects. His habilitation thesis on “Dynamic Product Line Marketing” extended the concept to the whole marketing mix and to product lines, and included the first empirical investigation of such complex issues. Among German academicians, Simon was a pioneer with regard to publishing in English and especially in American journals. His first articles outside Germany appeared in the top-rated journals *Management Science* in 1978 and the *Journal of Marketing Research* in 1979. Simon published repeatedly in *Management Science*, the *Journal of Marketing Research*, the *Journal of Advertising Research*, *MIT Sloan Management Review*, *Harvard Business Review*, and other German, French and British journals.

Simon’s research topics center around price (including interactions with other marketing variables) with special emphasis on dynamic models. His book *Preismanagement*, first published in 1982 with revised editions in 1992, 2008 and 2016, became the standard textbook for pricing in German-speaking countries. The book *Power Pricing*, co-authored with Harvard Professor Robert J. Dolan, was

especially written for practitioners. In 2006, he published (together with Frank - Bilstein and Frank Luby) *Manage for Profit, Not for Market Share* with Harvard Business School Press. In 2016, he published *Confessions of the Pricing Man*, a mixture of autobiographical elements and systematic approaches to pricing, based on his vast experience as a price consultant. Simon's pricing books have been translated into more than 20 languages.

A second stream of Simon's work is related to what are known as "Hidden Champions". This concept, which he coined in 1990, has become a standard management term in many languages (Google.com shows 250,000 entries as of January 2017). The first book on the topic appeared under the title *Hidden Champions* (Harvard Business School Press, 1996). The second, totally rewritten edition was entitled *Hidden Champions of the 21st Century* (Springer, New York, 2009). The third German edition, again totally rewritten, entitled *Hidden Champions – Aufbruch nach Globalia*, was published in 2012. The Hidden Champions books have been published in 25 languages. The topic was also the cover story of *BusinessWeek*. In total, Simon has written more than 35 books.

From 1988 to 2015, Simon has been writing a regular column in Germany's leading business monthly *Manager Magazin*. In German-speaking countries, Simon is ranked the most influential management thinker after the late Peter Drucker<sup>1</sup>, according to the ongoing Internet survey Managementdenker.de.

## **Speaker**

Simon is a much sought-after speaker worldwide. In the last two years he spoke at events in New York, Beijing, Shanghai, Tokyo, Moscow, London, Lisbon, San Francisco, Berlin, Seoul, Vienna, Zurich, and other major cities. He also speaks at leading business schools such as Harvard, INSEAD, EMTS, and CEIBS.

## **Hobbies**

It may not come as a surprise that Simon doesn't have time-consuming hobbies. When he wants to relax, he goes to the old family farm he kept after his parents

passed away many years ago. He very much likes to hike in the forests and deep valleys of the Vulkaneifel. His attachment to his home region is strong and emotional. He has edited a book *Kinder der Eifel – erfolgreich in der Welt* (Children of the Eifel – Successful in the World) that portrays 100 notable people who were born in the Eifel and have achieved success in the world. A second book he edited is *Kinder der Eifel – aus anderer Zeit* (Children of the Eifel – From Another Time) and portrays historic figures who have their roots in the Eifel and acquired lasting fame – many of them outside Germany. For more than two years, he worked on a photo book entitled *Hasborn – Memories of a Sunken World*. His most recent book was published in 2016 under the title *Die Gärten der verlorenen Erinnerung* (The gardens of lost memories). Simon describes the journey from his early childhood in the post-war years in a small, poor, remote village to his current situation as a global traveler and management thinker: *“I come from the Middle Ages and have marched through centuries. This is meant both literally and metaphorically. Literally: In one week I often cover more miles than a peasant did in his whole life, thus in my lifetime I ‘ate’ more kilometers than many generations of my ancestors over centuries. And metaphorically: The change between my early childhood and today is bigger than the change people experienced over several preceding centuries.”*

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<sup>i</sup> Simon had a close relationship to Peter Drucker. After the first meeting with the famous management guru in the 1980s, they corresponded regularly and Simon visited Drucker several times in his home in Los Angeles. On the evening before their agreed appointment on November 12, 2005, Simon called Drucker’s home from Mexico City to make sure the appointment was standing. Drucker’s wife Doris answered the phone and informed Simon that Peter Drucker had died that morning.