



Management Science Strategic Innovation Prize (MSSIP) 2003

The European Association of Operational Research Societies (**EURO**) is offering the Management Science Strategic Innovation Prize (**MSSIP**) to foster specific areas of application of Operational Research in management. The prize is intended to award outstanding contributions in theory or in practice to a well-chosen scientific area encouraging innovative researchers and possibly entire research groups to focus their work on a domain of particular strategic interest. The prize is conferred at each EURO-k conference and is sponsored by the SAP AG, Germany, with an **endowment of 20.000 CHF**, each.



The Bosphorus - view from the EURO 2003 Conference Site



Dolmabahçe Palace where the price was awarded during the Conference Banquet

The MSSIP award 2003 was dedicated to the topic

Market Coordination in Supply Chain Management

and was awarded to Dr. Stefan Spinler from the Wharton School of the University of Pennsylvania, USA and Prof. Dr. Huchzermeier from the WHU Vallendar, Germany for their contribution

"The Valuation of Options on Capacity in the Presence of State-Contingent Demand".

As the chairman of the MSSIP 2003 jury Prof. Dr. Christof Weinhardt awarded the winners with the price on this years **EURO Conference in Istanbul**, Turkey on July 9th 2003.

The MSSIP 2003 Jury consisted of

- *Prof. Dr. Claus Heinrich*, SAP AG, member of the Board, Germany
- *Prof. Dr. Paul Kleindorfer*, Wharton School, Philadelphia, USA
- *Dr. Peter van Laarhoven*, TNT Post Group, Dir. Cor. Strategy, The Netherlands
- *Prof. Dr. Christoph Schneeweiss*, EURO President 1999/2000, University of Mannheim, Germany
- *Prof. Dr. Jacques Teghem*, Editor of EJOR, Faculté Polytechnique de Mons, Belgium
- *Prof. Dr. Gerhardt Wäscher*, Chair of PC EURO 2003, University of Magdeburg, Germany
- *Prof. Dr. Christof Weinhardt*,



From left to right: Prof. Christof Weinhardt (Chairman of the MSSIP 2003 Jury), Prof. Lauren Escudero (President of the EURO), Dr. Stefan Spinler (MSSIP 2003 award winner), Prof. Arnd Huchzermeier (MSSIP 2003 winner)

Chairman of the MSSIP Jury 2003,
University of Karlsruhe (TH), Germany



Dr. Spinler giving his talk in the MSSIP 2003 Semi-Plenary session on the EURO Conference in Istanbul

Out of many substantial contributions the jury selected the award winning "The Valuation of Options on Capacity in the Presence of State-Contingent Demand" which deals with real options as an instrument to coordinate resource allocation in Supply Chains. In their paper, Mr. Spinler and Mr. Huchzermeier show that introducing markets for real options coordination problems can be solved resulting in pareto improving allocations. They apply real options for the reservation of capacities in different scenarios in logistics and supply chain management. They can show that under certain conditions there always exists a range of Win-Win-situations for both sides - the buyers and the sellers. On top of this they are able to calculate the size of this range.

The MSSIP award winning contribution will be published in the **European Journal of Operations Research (EJOR)**.

As the chairman of the MSSIP 2003 Jury I congratulate the winners and wish them all the best for their future research.

Also, I want to encourage all researchers in the field to submit to the **MSSIP 2004 Award** which is dedicated to the topic **Performance Management and Benchmarking**.

In the name of the MSSIP 2003 Jury

Karlsruhe, July 9th 2003,

Prof. Dr. Christof Weinhardt
(Chairman of the MSSIP 2003 Jury)



From left to right: Prof. Dr. Arnd Huchzermeier (MSSIP 2003 award winner), Prof. Dr. Christoph Schneeweiss (1999/2000 EURO President and MSSIP initiator)