

PRESS RELEASE

etventure's study on Germany with support from GfK Nuremberg:

The logo for etventure, featuring the word "etventure" in white lowercase letters on a red rectangular background.

A lack of resolve at the top level poses a threat to digital transformation in large companies

- **Only six percent of all companies with revenue of EUR 250 million and above consider the digital transformation to be the most important issue for companies at present**
- **“Defending existing structures in companies” is named as the biggest obstacle by far / other barriers are lack of time and experience / senior staff shy away from the entrepreneurial mindset that is needed**
- **Executive boards or general managers are controlling the digital change process only in less than half of companies**

Berlin, March 2, 2016 – Digital transformation megatrend: Digitization is now an issue for every sector. But the consequences for a company's own core business and the specific challenges presented by the issue are not sufficiently recognized by German companies. At the same time, digitization projects are failing owing to mistakes in management and implementation. This is the conclusion of a current survey of senior staff and executive directors at the 2,000 or so corporates in Germany, carried out by digital consultant etventure in conjunction with GfK Nuremberg.

One in four of corporates surveyed stated that the significance of the digital transformation has “risen significantly” in the past 12 months. A further third have noticed an “increased significance”. “But although 60 percent of companies see the increasing significance, only 35 percent name the digital transformation as one of their top three issues and only six percent as the company's most important issue,” said Philipp Depiereux, founder and CEO of digital consultant etventure, explaining one of the German-wide survey's key findings. “The opportunity and challenges presented by digitization is number one. What the book publishing and music industries had to find out the hard way could soon affect other sectors, including the B2B area. I am convinced that anyone who has not yet digitized is consigning the added value to the big technology companies like Google, Amazon and Apple, or even completely new digital competitors who are pushing their way into the market,” said Depiereux.

Management is in control of digitization in fewer than half of companies

The implementation of the digital transformation is being controlled by the executive directors or general managers in fewer than half of companies (48 percent). Philipp Depiereux said: "If a company's entire business model and processes are to be digitized and challenged, that impinges profoundly on all processes and on the company's culture. For the company, it means that if the board is not driving the digital process, the digital transformation will not succeed." This is also clearly proved by the data from the etventure study. The more closely directors and managers are managing digitization, the more frequently successful outcomes are seen in the corporates.

In almost one-third of companies (76 percent), however, digitization is the responsibility of either in-house corporate development or the IT department. "The head of IT's core responsibility is to keep the IT infrastructure running error-free and to develop it further on an ongoing basis – and that is also extremely important," said Deperieux. "However, fast product development, radical customer centricity and data focus are key factors for digitization. This is the complete opposite of an IT department's actual DNA.

Internal opposition is by far the main factor that hinders transformation

The etventure survey firmly uncovered for the first time what the biggest obstacles to the digital transformation are in companies. In first place, by a clear margin, stated by 65 percent, was "defending existing structures" in the company. The larger the surveyed companies were, the more frequently this aspect was cited. Other obstacles stated were "lack of time" (54 percent) and "lack of experience" (52 percent). Just over 40 percent also said that "senior staff shy away from the necessary far-reaching and entrepreneurial mindset", or they were "too set in their ways".

Philipp Depiereux said: "We frequently find that exciting innovation plans fail owing to internal opposition. That is why directors in leading companies such as Schindler, Osram, Viessmann and Klöckner have decided to launch digital projects initially in a protected space outside of the company. Because opposition to innovations is significantly less in organizations when their success has already been proven.

Digital transformation creates more jobs

Almost every company surveyed in the etventure study (92 percent) assumed that job profiles and work methods in companies would change as a result of the digital transformation. But a total of only 18 percent believed that this would lead to an overall reduction in jobs. Instead, 23 percent expected an increase in jobs, and 59 percent expected employment figures to at least remain constant. However, the better companies are prepared for the digital transformation, the stronger is their optimism that it will lead to the creation of new jobs. And, conversely, most

companies that are presently not sufficiently prepared to deal with the digital transformation expect a reduction in jobs.

Collaboration with startups arouses interest

Almost one in three companies (31 percent) is already collaborating with startups in order to meet the challenges presented by the digital transformation. The most frequent goals associated with this are better access to new technologies (87 percent) and faster and increased innovations (85 percent). Learning from startup methods (81 percent) and faster implementation of pilot projects through collaboration with startups (71 percent) came not far behind.

In conclusion: Germany is in danger of falling behind in digitization

“If the clear majority of companies still do not have digitization as one of the top three issues on the agenda, the survey confirms that many companies are still not sufficiently prepared for digitization – even contrary to their own self-assessment, in many cases,” said Philipp Depiereux. “In terms of implementation, digitization also means an attack on the core business. Crucial requirements, such as the complete support of the C-Suite and development of innovations in a protected space away from existing structures, have, to date, only been met in a few companies.”

About the etventure study “Digital transformation and cooperation with start-ups in large companies”

Based on a questionnaire prepared by etventure, GfK Nuremberg carried out a telephone survey among 2,000 large companies in Germany with minimum annual revenue of EUR 250 million in the period from January 11, 2016 to January 29, 2016. Respondents were senior staff concerned with the issue of digitization in the respective companies. Further details about the study can also be found at www.etventure.com/deutschlandstudie.

About etventure:

“Only true entrepreneurs drive digital transformation.” Digital consultancy and company builder etventure identifies, develops and tests digital business approaches across different sectors. With the four business areas of Corporate Innovation, People & Education, Innovation Spaces and the Startup Hub, etventure is represented along the entire innovation project value chain. Its corporate clients include insurance company Wüstenrot & Württembergische Versicherungen, Deutsche Bahn, Daimler Financial Services, Franz Haniel & Cie., SMS group, Putzmeister and steel company Klöckner. etventure was established in 2010 by its directors Philipp Depiereux, Philipp Herrmann and Dr Christian Lüdtke. The etventure team consists of over 250 digital experts and entrepreneurs at offices in Berlin, Hamburg, Munich, Essen, Stuttgart, Hong Kong, London, New York, Paris and Zurich. www.etventure.com

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