

# Digitization - the next industrial revolution?

## East-West Economic Forum in Munich discusses the economic consequences of digitisation

Terms such as "disruption" or "digital evolution" are currently on everyone's lips as they describe probably the largest and most serious economic change process of recent decades. But what does this mean in concrete terms for existing companies and their business models?

This question was addressed by the Ost-West-Wirtschaftsforum Bayern (OWWF) on 4 March as part of its "Maximilianeumsrunde" in the Hofbräukeller - not far from the state parliament.

Christine Schickinger spoke to more than 30 guests from business, administration and politics (including Martin Hagen, Chairman of the FDP state parliamentary group) about the theory and practice of digitization in companies.

The lecturer at EBS Munich and former employee of the global digital consulting company GARTNER explained the five phases of digitization - exploration, structuring, piloting, operationalization and industrialization - and presented important areas of the so-called "Industry 4.0".

In addition to automating production, digitization enables completely new business models and distribution channels - but Schickinger said that many companies lack the will to change to implement them.

Gerhard Pilger, associate partner of Business Engineering GmbH, explained with practical examples from three areas in which his company is currently active. Pilger described the term "artificial intelligence" (AI/AI) as overambitious and spoke of "machine intelligence". Using this in a meaningful way allows new business models in many industries.

It became clear: Digital evolution is changing the economic foundations of Germany and Bavaria in the long term - and is not stopping at medium-sized businesses either.

At the same time, it presents Germany with the new situation of no longer setting the pace for international economic innovation. Facebook, Google, Microsoft - the most valuable companies in the world today are all digital corporations, most of them based in the USA. Only through SAP is Germany still represented on the digital world stage of the economy.

All this makes digitization a great challenge with equally great risks - but also promising opportunities and perspectives.

At any rate, it can no longer be ignored or "sat out" for a long time.

This is a major challenge that the OWWF will also take on in order to contribute to maintaining the international competitiveness of the Bavarian economy.