

Facts and figures

Rieber GmbH & Co. KG is one of the leading providers of kitchen equipment for professional and household use. The Reutlingen-based company employs around 600 people at four manufacturing sites in Germany and maintains subsidiaries for product distribution in Austria, Switzerland, Benelux and the United Kingdom. Rieber is represented by partners in all European nations and many other export countries.

“Break out of silos.”

MAX MAIER, OWNER OF KITCHEN EQUIPMENT MAKER RIEBER, AND ANETTE BRONDER, T-SYSTEMS DIRECTOR DIGITAL DIVISION AND TELEKOM SECURITY, ABOUT COOPERATION BETWEEN MID-MARKET COMPANIES AND LARGE CORPORATIONS, HOW DIGITIZATION PROJECTS SHOULD TAKE EMPLOYEE FEARS SERIOUSLY AND WHY MENTAL LEAPS CAN PRODUCE NEW BUSINESS MODELS.

«Interview» Thomas van Zutphen

Mr. Maier, your company, Rieber GmbH, was named ‘Digital Champion 2016’ – did you expect to win?

Not at all! We were surprised by the award because digitization is pretty far from our core competency. It was a huge motivator for our team, though, after we had set up our own IoT platform and digitized our products without this being our core competency.

Two years ago, you said in an interview that the food supply chain still suffered from “waste and deficient processes”. Have you fixed the problems?

Maier: No, there’s still a lot to be done. Waste seems to be “baked in” to so many processes of our business. That makes it all the more urgent for us to identify, study and eliminate waste through data acquisition and

analysis. We’ve only just gotten started, though. It’s a tremendous challenge.

What exactly does the challenge consist of?

Maier: Breaking out of the silos from which we evaluate isolated processes based on their constituent functions. Instead of thinking in terms of “cooking, transporting and meal serving”, we need to organize the entire process cross-functionally as one coherent chain. And we can do that with Internet of Things (IoT) technology.

Where does Deutsche Telekom come into play?

Maier: At the point where our IoT-based business model needs a platform for a large-scale rollout. Scaling is one of Deutsche Telekom’s core competencies – there’s no question about that. You could say that we’re combining IT technology with our hardware technology. Only then can we scale IoT. That’s our only chance at success.

Bronder: We’re talking about a smart food supply chain that needs to be managed end-to-end and rolled out on an enormous scale. But we can only expand this kind of solution through a broad-based rollout if we migrate to a multi-IoT platform that is not only highly scalable, but also open, that is, readily expandable to include new services.



For investor Max Maier and Anette Bronder, T-Systems Director Digital Division and Telekom Security, IoT is a bridge from the customer's pain points to specific services and solutions.

So what happens next?

Maier: Next, we plan to model our essential temperature processes with standard components in order to flexibly open up new applications for the Rieber solution on Deutsche Telekom's highly standardized platform. For example, we want to digitally support the hazard analysis and critical control point (HACCP) food safety regulations and turn our platform into the gold standard.

Can Rieber's success and approach to digitization serve as a blueprint for other small and medium-sized businesses (SMBs)?

Bronder: Absolutely. Our project with Rieber vividly illustrates how SMBs can leverage digitization to optimize and rapidly scale their business model. The very first step is a clear vision, a digitization strategy. I can't focus exclusively on the technological challenges or just try to get a digitization project out the door. Instead, I need to figure out what my business model would look like in the digital world and then ask myself, "What technological requirements and partners do I need to make this happen?" Max Maier has set a good example with his clear ideas.

Maier: Let me break that down for other small and mid-sized business owners. First, focus on digitizing your products. You'll have your hands full with that step. For the remaining piece, the multiplication, bring in core competencies – and by that I mean: a partner who can deliver what you need. My biggest lesson from our project is that our mid-market enterprise is just not equipped to operate IoT platforms.

"Do what you know!" That's your recommendation?

Maier: It certainly is. Make no mistake about it: if you don't digitize your products and processes, your business model will go down the drain. So take the first step yourself and then bring in a strong technology partner.

Bronder: Rieber is different from other companies in that Max Maier asked a key question very early on: "Where do I get relevant data along the value chain, and what should I do with it?" Many SMBs don't even capture data generated by their process. However, customers' application data, their requirements data, holds the key to refining or modifying a business model for continued success.

Maier: And that's where IoT is truly revolutionary. It lets you start with your customers' pain points in everything you do – for that matter, it's what allows you to identify them in the first place – so that you can develop a service that ultimately benefits your customers.

When you were looking for an IT service provider for your project – which focuses on leveraging IoT to develop smart food containers and provide visibility into Rieber's process chains – why did you pick T-Systems?

Maier (laughs): Because I want it to work. But seriously, this kind of decision requires trust and a shared vision. At the end of the day, I have to share both aspects with people. And for that, you need a good relationship.

Bronder: I think two points are key. First, our reliability and commitment as T-Systems to accompanying customers on their journey. That means we are ready to sweep obstacles such as technical problems out of the way for our customers. But it also means addressing things that you just don't expect. In these cases, when you are a strategic partner, you need not only the necessary toolkit, but also a strong commitment and a certain level of capability that we can provide as T-Systems and Deutsche Telekom: consulting, connectivity, IoT platforms, security solutions and

extensive cloud expertise. Customers prefer talking to one provider instead of 20 different ones. We can provide this one-face-to-the-customer experience with support from our partners. That brings me to the second point. If you want to digitize and extensively expand process chains in their entirety, you need open, scalable and highly secure platforms like Deutsche Telekom's multi-IoT platform. As far as the Digital Division goes, we are "small" enough to provide a personal touch and "large" enough, with the power of a large corporation at our back, to meet all our customers' needs.

Another big project, Mr. Maier, is your push to transform old factories into digital hubs. What's that about?

Maier: Here at Urban Harbor, we want to provide a space for everyone who believes in digitization, but wants to go about it in a human way. This is all about people, after all. Many of them have deep-seated fears of digitization – fears that we want to alleviate. One fear, for example, is that digitization threatens their jobs. In reality, the exact opposite is true. We can only secure jobs if we digitize our cars, kitchen devices, service processes or whatever.

Ms. Bronder, what do you think about this approach of bringing together companies in their markets, future fields and competencies?

Bronder: That kind of approach and philosophy isn't optional. It's essential. If we took the other route, the "every man for himself" approach, we would either fail to digitize our businesses or would be left behind. That's why, at Deutsche Telekom, we've always said that no one digitizes on their own. The basic rule of digitization is that you pool

core competencies and change your thinking. Especially because yesterday's competitor may be tomorrow's partner. There are companies that I both compete with and collaborate with on digitization issues almost every day.

Why is that true today?

Bronder: Because, these days, no one can get away with just implementing their own technological piece – it's just not enough. Instead, you have to start with the customer's benefit and work from there. First, ask yourself: What does the customer need? And only then: How can we make that possible technologically? Customer requirements keep growing in complexity, and no one can satisfy them alone. You have to work with good partners.

Maier: In other words, it's time to work from the problem, not from the solution.

In Southern Germany, when people look to the world's premier think tank, they say, "Our Silicon Mountains were major players long before Silicon Valley got started." But now it seems as though US internet companies have long since passed us by. How could that happen?

Maier: For decades, we were the world's industrial technology leader, and that made us a little blind. But I don't see a need to worry as long as we succeed in changing our perspective from technology leadership to user leadership. Nothing more than a mental leap to another business model, if you will. That will alleviate those fears I was talking about, too. User leadership will bring new business cases, and then I'll end up needing more employees, not fewer.

Bronder: And that's exactly what has to be done: to address fears, embrace risk-taking, accept mistakes as part of the process. Those are the cornerstones of a culture of innovation. There's another reason why Silicon Valley has pulled ahead, too. In Europe, we haven't really managed to turn one of our traditional strengths into an asset for our future – we're known for precision. For details. For excellence. Those things take more time than we can afford these days. Innovation in the digital world doesn't give anyone that much time. Today, everything is about rapid prototyping, customer benefits and differentiation. And, above all, it's about the value you can deliver to customers. We have to learn to stop being naysayers. Obviously, it's easier to criticize an idea than to expand on it or simply try it out. But in the fast-paced digital age,



Rieber uses sophisticated supply chains to maximize efficiency in cooking and serving high-quality food.

you have to quickly move from a defensive to an offensive position. That's why we interpret our motto, "Digitization simply done," in both senses of the phrase.

What has to happen for SMBs and big corporations to partner more effectively?

Maier: They have to get past their prejudices about one another.

What prejudices do people have about corporations?

Maier: They're too big and bureaucratic to be effective.

What prejudices do SMBs struggle with?

Bronder: That they still respond too slowly.

But the relationship between you two demonstrates the exact opposite.

Maier: That's right. Prejudices, after all, are what fools use for reason. Let me say this about Rieber: We're an oddity. And we have a vision. Daily meals account for one-third of our environmental footprint. Every one of us affects the planet by how we eat. Our individual contribution may be small, but when taken collectively, human dietary habits have a huge impact on global change. We understand sustainability as meeting humanity's needs with the fewest possible resources. All while being environmentally and socially responsible. Not just by looking to what's economically possible, but by standardizing the underlying logistics processes. That's what sustainable means. We have the unique opportunity to create a huge benefit with IoT for more than 30 million meals consumed in public settings every day in Germany.

You see, I'm 68 years old and still want to change the world. I'm doing it with food supply chains and intelligent facility management nationwide. I'm taking on waste. And my focus is energy, calories and time.

Bronder: Our job as a digitization service provider is to make a concrete idea like Max Maier's happen. To help him exhaust the full potential of digitization that lies latent in his business. It's up to us to supply the necessary energy and innovation. That's also the founding idea behind the Digital Division at T-Systems: to rapidly roll out tomorrow's digital customer visions.

Maier: I learn a lot from Deutsche Telekom about systems and methods in organizations. But I dread bureaucracy. Even in brand-new fields such as electric cars where, here on the Urban Harbor campus, I've brought together huge corporations like Bosch, Porsche and Deutsche Telekom with small and medium-sized enterprises, start-ups and even one-man businesses. Underlying it all is my original business model: property development and management. I've simply combined it with another business field and with partners who excel in their markets. I don't know when this project – which ultimately represents 9,000 jobs – will provide a full return on its investment. But this approach to managing a project or an entire company requires stamina and trust in your partners. That combination is a great formula for traveling into the digital world. I'm absolutely convinced of that.

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