

PLUS DIGITALIZATION

Success factors of digital change

Most companies foster digitalization only within their company. But thinking outside the box of their own company is vital in order to make the digital transformation and to thrive in the process. How to make the most of digitalization in a fair and competitive market, by Alexander Markowetz.

Digitalization will fundamentally change society and economy as we know it.

In order to survive this change and to thrive in a fair and competitive market without depending on single big companies, retailers and publishers as well as other companies not only have to think outside of their own companies, but have to overstep their own value chain and the country's frontiers. Only then can we nurture positive change especially for small and medium sized companies.

Why This Is Only The Beginning

The central change of digitalization lies in boundless communication between arbitrary end points at a negligible cost. No longer will there be one dedicated administrative or fiscal system per country. Instead there will be a global Internet of Things (IOE) whose parameters are adapted to local conditions.

Germany's federal government tried to set the implementation of Industry 4.0 and the digital link between people, machines and products at the top of the national agenda, but all results up to this point barely scratched the tip of the iceberg. The real revolution is yet to come and will bring change that will redefine all industries and business models.

Let me give you some examples:

- If a publishing company wants to deal with a printing company, information and files are exchanged via e-mail.
- Countless interns are storing data or replying to customers.
- When booksellers want to know when their order from the publisher is going to arrive they call and are passed from one customer service rep to the next because no one seems to know the tracking number.

What we need are interfaces between companies, which speed up communication processes and data exchange and minimize error sources. Such an interface can work very well between two or three companies. But the real magic happens when such an interface connects as many companies within an industry as possible – and other industries besides. The investment necessary to implement such interfaces are only viable when the interfaces are standardized and as many companies as possible agree to use those standards – within and outside of respective industries.



Alexander Markowetz is a trained computer scientist and taught the Computer Science M.Sc. programme from 2009 to 2016 at the University of Bonn as a Junior Professor. Today he is involved in digitalization as a consultant, speaker and author ("Digitaler Burnout", Droemer).

Where To Start With The Book Industry

So especially SMEs are interested in developing open standards and they are the ones who should drive change into that direction. Pain points that can be solved by developing standardized interfaces can be defined together with national and international competitors, service providers and customers all on the same level.

How this can succeed in reality is demonstrated by Bonnier Group, which is working on open interfaces between publishers and printers. Other publishers can share in the work. Production is a good starting point for developing standards, because many interfaces with other companies are in this area – often also interfacing with other service providers.

But the book trade, too, can create new guidelines by developing comprehensive standards and provide smelling salts against the impotence in the face of Amazon's market power.

Online bookseller René Kohl has been involved in this topic for about ten years and knows many examples how the lack of standards causes problems and a heavy work load. „As customers of online shops we are used to tracking our parcels right until they reach our front door step, but when parcel is lost when ordering from a publisher distributor you need a half dozen phone numbers until you find somebody who can give you the tracking code for the lost shipment. If we would put more effort in standardizing processes, we could turn our red numbers into a black zero at the very least. Before we don't finish out this homework we can't even begin to think about uniting against Amazon.“

In the detailed version of this article you can read how the industry can develop standards inspired by examples from other industries and thus push digital change in a fair competition. You can pay the article via LaterPay (see below).

Presentation at Frankfurt Book Fair

Integrating the Publishig Environment (IPE) – The only realistic approach to digitalization. Decentralised, collaborative, and inclusive.

- **Date:** Wednesday, 11th October 2017
- **Time:** 12pm to 1pm
- **Location:** Forum Börsenverein (Halle 3.1., Booth H 85)
- **Language:** English

This talk presents IPE, a radically different digitalization strategy for the publishing industry. Focusing on standardized IT interfaces, it allows cross-company interoperability and business processes. This community driven approach disrupts the classical vendor lock-in, liberating companies from the mercy of a single software manufacturer. It thus creates a decentralized, participative and collaborative economic space. Most importantly, IPE ends the current centralized platform economy. Lastly, IPE is feasible. It (i) mimics a successful blueprint from health-care IT, can (ii) start with a tiny community, and can (iii) grow organically. Indeed, IPE poses the only viable approach for digitalizing the publishing environment. IPE is in its founding stage. Join us, learn, and contribute.

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