

“Digitization is the key for innovation”

Challenges and opportunities of digitization and automation in Saxony-Anhalt.

A conversation with Marco Langhof, chairman of the Association of the IT and Multimedia Industry in Saxony-Anhalt and managing director of TELEPORT GmbH.

What significance does IT have for companies in Saxony-Anhalt?

The utilisation of digitalisation and automation is increasingly becoming a decisive competitive factor. Today the application of IT solutions already provides 45 percent of all innovations in a company. More and more companies in Saxony-Anhalt recognise the importance of the issue.

In which sectors does the inclusion of digital technology in economic processes already function well?

This topic pertains to various sectors, for instance mechanical and plant engineering and the energy industry. But it also finds application at service companies, e.g., nursing services which record their written documentation electronically instead of, as before, by hand. This saves time which can be invested in caring for the ill and senior citizens.

Should also small enterprises invest in IT?

Absolutely, and today this is also easier than ever. By using so-called “Cloud services”, i.e. central internet based platforms, today small and medium-sized enterprises have access to technical possibilities without major investments, which only large-scale enterprises had in former times. This not only enables them to manage the increasingly larger and more complex volumes of data, but to draw the right conclusions from the data for the development of their enterprises.

In Saxony-Anhalt there is a lot of agriculture. What role does IT play in this industry?

Several companies in agriculture show us exemplary, how more yield is generated from more data. The keyword concerning this is “precision farming” – precise seeding, optimal care and accurate timely harvesting of crop plants as well as the automation of field management through networking of machinery. Here the firm AGRO-SAT in Baasdorf near Halle is among the pioneers in Germany.

And what benefit do organic farmers get out computers and communication?

I think here of the marketing possibilities which are directly addressed to customers via the Internet, but this also makes the origin of foodstuffs completely transparent. Not even organic farmers can thus find direct access to new ambitious customers.

Digitisation requires broadband networks – how is Saxony-Anhalt doing?

Broadband expansion is like rowing against the current: who stops drifts backwards. Because: For years, the bandwidth needs of the economy doubles every two years. And that will probably continue in the near future. This task will be addressed at all levels; the state, local government and the IT industry here strive for the best solutions together.

How necessary is the broadband expansion of the communication network in Saxony-Anhalt?

Broadband supply is essential for companies. A breakdown of the Internet connection is meanwhile equivalent to a loss of production for many companies. That is why the expansion of the network is a matter of economic policy, which can only be solved in dialogue.

Do you see any backlog demand with regard to the application of computer and communication technology in a company?

The good news for the IT industry is: Yes. For in the IT industry, the average investment amount per job is in Saxony-Anhalt still well below the average for the Federal Republic. So there is still information and backlog demand with many companies in the state.

Many do not even know which opportunities are open to them. As the Association of the IT and Multimedia Industry in Saxony-Anhalt, it is clear to us that it is first and foremost the task of IT companies to show these opportunities to companies. But in consideration of the magnitude of the task, cooperation with the state and multipliers such as Chambers of Industry and Commerce is also necessary here.

Do IT companies in Saxony-Anhalt have locational advantages for contacts with local companies from other industries? Or does this play any role in light of the increasing globalisation of the economy?

First of all: The state’s successful IT companies are generally not only active in Saxony-Anhalt. But they have a special responsibility when it comes to making IT competence available in the state. In addition, as in any business, it always involves the development and preservation of a relationship of trust with the customer. This primarily succeeds through good personal contacts on the local level.

Do companies in Saxony-Anhalt find enough well-trained junior staff and IT specialists?

The IT sector showed a growth of six percent last year. We have 14,000 employees in the meantime. This means more employees than in mechanical engineering. The demand for IT and multimedia specialists will continue to increase. That is why we attach great importance to the fact that the academic education in Saxony-Anhalt remains fully preserved. Because it is easier to retain well-trained specialists here than to recruit them from other countries in which they have already found their centre of life.

The risk of espionage and outside manipulations also increases with the degree of networking. Is that a subject of discussion among companies in Saxony-Anhalt?

I think that the citizens and companies should not solely be responsible for their security in the network, but the state is also jointly obligated. The global subject of IT security cannot be solved solely in Saxony-Anhalt. But gladly our IT companies contribute to it. The Magdeburg company AV-TEST is a worldwide renown service provider for IT security and R&D for anti-virus software.

The interview was conducted by Uwe Seidenfaden.

Caption: Marco Langhof, chairman of the *Verband der IT- und Multimediaindustrie Sachsen-Anhalt e.V.* and managing director of TELEPORT GmbH (copyright: TELEPORT)

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