

“What’s uP” - Newsletter Summer 2017

Dear former and current interns,

This “What’s uP” newsletter focuses on **digitalization**. You can learn about the influence of digitalization on us humans and its **consequences** for your **personal life**. We also want to point out which changes may occur for the **industry**.

Take care of the **filter bubble** to see the big picture while **protecting** your personal or the companies’ data. Realize that you are **always connected** to everything and everyone. The implementation of new devices like **VR** enhances this experience and opens more possibilities while coming with risks that must be considered. Are there still **expressions** about digitalization you would like to know more about? No problem. We have prepared a small **dictionary** with major expressions at the end of this issue.

We hope you will enjoy it. A great thanks to our current interns Anna-Lena, Erik, Michael, Rosemol and Junwei, who contributed to this newsletter.

Sincerely yours,

Schlegel und Partner Team – Your Market Insighters®

The human element in the center of digitalization

What will happen to us?

We read about the changes, that come with the digitalization of our world. Where everything is connected, processes become faster and our technology improves:

What happens to us, the humans?



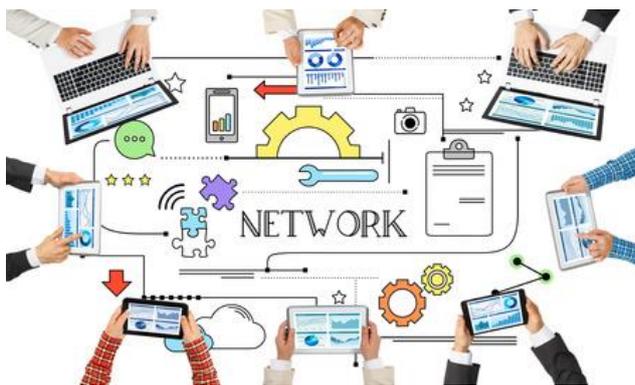
As digitalization increases, human contact will diminish. The less you have of a resource, the more valuable it becomes. The same rule applies to the time we share with each other, the attention we pay, the value we set for human life. Relationships in any form then become a luxury, whether it is a relationship to the customer or to colleagues.

It is interesting to see, that people now seek for deceleration or personal contact in this 4th revolution, where time is considered being money and you are always on. The increasing digitalization of general business and business processes has shown that nothing works if the human element is overlooked. We cannot be connected the whole time and the adoption of collaboration in this process should not lead to collaboration fatigue.

Richards Edwards, a former principal research analyst at Ovum, said, that the human beings in this change, are the governing factor and organizations must therefore pay more consideration to the human factors associated with technological change.

You are always on!

Consequences of digitalization for personal life



Digitalization of the workplace results in an exponential increase in productivity, flexibility and adaptation of the employees. With the technological advancements such as an increase in computing power and a never-ending supply of internet one can collaborate with more diverse and global staff. For instance, employees across time zones and countries can work remotely while staying connected to their organizations

virtually via VPN, videoconferencing, Skype, emails and other technologies. This is particularly beneficial for the organization as it stretches the limit of geographical mobility saving valuable time and money.

The digital advancements have also contributed immensely to the quality of the personal life of the employees. Often, they stay connected to their family and friends in real time which enable them to micro-manage their work-life balance. In case of flexibility in working hours and working remotely would certainly help in achieving their personal and professional goals.

Employees can even tap into the technology to educate themselves through apps, podcasts and online courses. They can enjoy the comforts of their home and at the same time participate in trainings and workshops to better fit their work needs. Although, it appears that the constantly evolving technology has certainly led to a positive work environment, the challenge now is to keep the work-life balance.

What is a Filter bubble?

Things to consider for desk research 4.0



The term was coined by internet activist Eli Pariser in his book with the same name; according to Pariser, users get less exposure to conflicting viewpoints and are isolated intellectually in their own informational bubble.

Filter bubbles result from personalized searches when a website's algorithm selectively guesses what information you would like to see based on information about you (such as location, past click-behavior and search history), or you just look up information that confirms the knowledge you already have.

That leads to an exclusion of information that doesn't match your opinion or preferences, when searching for answers.

That kind of personalization comes with pros and cons. On one hand, it makes shopping and finding relevant information easier, on the other you become separated from information that disagrees with your viewpoints or preferences, effectively isolating you in your own cultural or ideological bubble. Delete your browser history or install programs like AD-Block that can help you to bring down the tracking to a minimum.

The far greater problem is the isolation people do to themselves. With the internet becoming such an important part in everyday life, the possibilities of looking up information are almost endless. You can look up information without really knowing the source or the intention behind it. The internet will always provide you with a confirmation of your viewpoints. Facebook and twitter can form echo chambers (groups or followers that all share the same point of view) and enhance the effect of isolation. You don't need to think critical or get confronted with an alternative point of view, the examination of the subject isn't practiced anymore. People look up why they are right rather than looking up what might be right.

Data Security

Benefits and an urgent need for action



Data security is a really important issue. The German government noticed this development and passed a bill to ensure that the personal data of employees, customers and suppliers are handled with care. At first sight, for most of the entrepreneurs, it only looks like a lot of work and wasted money, but you need to see things positively. On the global market, it can be a competitive advantage, to communicate the responsible usage of personal data. The company

can polish the public image, which can be important for future employees, customers and suppliers.

The guiding principle is: Data security contains all personal data, which means all data that allows conclusions to the person behind the data.

A current but negative example to this responsible usage of personal data is the Facebook "Like" button.

In March 2017, the regional court in Düsseldorf decided that the function of the Facebook "Like" button is anticompetitive. This plus-in tool directly sends personal data to Facebook, therefore it's enough to just enter the website. You neither need to push the button, nor is it necessary to be a member of Facebook. This system is breaking the new German law for data security.

All in all, you can say, that there is no way for companies to avoid the big issue of data security. It's getting more and more important and the earlier they start to deal with the issue the easier it gets, because the digitalization won't stop. So as an entrepreneur you'd better be prepared.

Implications for the industries

How to tackle Industry 4.0



Digitalization has brought unprecedented changes to numerous industries. Efficiency and customization are the core of its innovative power. Digitalization allows companies to anticipate customers' needs, thus allocating resources in an optimal way, while offering customers the exact solutions they want, thanks to the accurate digital tools.

What leads to success is incremental operation enhancement and radical business transformation, which involves:

- the enhancement of internal processes efficiency
- the development of digitalized products
- the shift from product selling to service provision

The availability of appropriate technologies is no longer a key barrier for digitalization, but a holistic approach to business organization. While digitalization has accelerated the pace of development, businesses need to adapt to the new opportunities and challenges that come along with digitalization.

Virtual Reality in Business

Suit up for virtual reality devices at work



From healthcare, automotive, architecture to aerospace, the applicability of virtual reality (VR) is very wide, reaching from nice gimmicks to astonishing possibilities.

In automotive it opens designers a way to create the 3D model of a car in a digital 360° environment and may enter it without needing to produce a

physical prototype. According to computerworld.com major brands like Ford, Volvo and Hyundai are using the power of VR not only for the building process, but also in sales.

Even though the opportunity is tempting, it comes with physical risks and requirements towards the digital competencies, shown in another part of this newsletter. Physical risks are the result of not being able to visibly see the real environment through a covered VR headset. The main issue is *kinetosis* (motion sickness or virtual reality sickness), which is the result of a display delay in movement. In this case, the proprioception (body-internal understanding of physical movement) and the visual inputs from the VR device are at odds with each other. This display delay is one of the factors manufacturers want to improve.

A survey from Dell and Intel showed that 57% of employees around the world prefer face-to-face conversations with colleagues, which opens the possibility to organize VR-meetings, also called Virtual Worlds, instead of telephone conferences. 77% of the interviewees told, that they would try it. One main and not negligible aspect is the reduction of travel expenses.

Would you like to stay in touch with your SuP colleagues through VR from anywhere around the world?

Little dictionary with major expressions

New expressions in a digitized world

Along with the changes digitalization brings in business, there comes a variety of expressions. To be prepared for the new world we would like to share some of them to you.

Cloud

A Cloud is a network of servers, which uses, recalls and saves data over the Internet. There are, so called, public Clouds, where you can rent computer resources, for example from Amazon Web Services (AWS) or Microsoft. An alternative is the private Cloud, which is your own Cloud-system.



Industry 4.0

After the mechanization, the mass production and the automation, the world now talks about the fourth industrial revolution, also known as Industry 4.0. This means the integration between humans and machinery, by aid of the new information technology. Now every step of procedure is connected.

Internet of Things

Gadgets – or things – become intelligent and use the Internet automatically, to support our everyday life. A simple example is the printer, which recognizes the filling level of the cartridges and orders replacements on its own

Shared Economy

Sharing instead of buying. The digitalization makes it simple for people to connect while trading is getting easier and faster. If somebody owns things he currently doesn't use, it's nice to lend them to others and get some money, e.g. cars, flats, household aids even pets.

E-Government

The increased usage of modern communication technics and electronic media in the government. Due to E-Government the departures and civil services are connected in a better way, so you can do your return of tax online for example.