

THEMENREISE 2020 – PEOPLE PROCESS PLACES



# LINKED INTO THE NEW DECADE

WHAT CAN EUROPE AS A BUSINESS LOCATION OFFER?

## INTERVIEW WITH MATHIAS STACH AND THOMAS JAISSLE

MATHIAS STACH, CO-FOUNDER AND SPEAKER OF THE  
MANAGEMENT OF ASCON SYSTEMS

THOMAS JAISSLE, PARTNER AT DREES & SOMMER



**Change management and business transformation have accompanied Mathias Stach throughout his whole professional life. He holds a degree in business administration, as early as the mid-1990s, he advised major customers (including Allianz, Daimler and BMW) for IBM Deutschland GmbH on how to simplify and optimize IT processes. Before Mathias Stach co-founded ASCon Systems GmbH in 2017, he held management positions at Audi in Ingolstadt and Mexico and as CIO at Volkswagen Argentina.**



**Thomas Jaißle is a veteran at Drees & Sommer. He joined the company in 1985, directly after studying civil engineering. The Partner and Managing Director is responsible for the business segment Mobility Industries and is a strong advocate of innovative thinking. He is an expert for complex large-scale projects and multi-project management. His reference projects include the Porsche Museum in Stuttgart and the Terminal 3 of Fraport.**



**D&S:** Mr. Stach, how will the coronavirus affect digital business models and especially Industry 4.0? Will the pandemic lead to a rethinking of companies and them focusing more on transformation?

**Stach:** We at ASCon are convinced that Corona will have serious social repercussions and that in many areas it will no longer be possible to return to the previously valid models. This is the first global pandemic that we are experiencing and it looks like it is the beginning. It would be naive to believe that if Covid-19 is over, that's it for the next 20 years. What we are currently seeing in schools and universities, for example, is changes, digitalisation on prescription. It was difficult for many companies and public institutions to think on their feet and get a sensible outcome during the crisis. There has also been a surge in the use of technological solutions in many areas. If we now look at the world of our customers, especially in the manufacturing industry, we can already see massive considerations on how they can focus more on the topic of digitalization and, above all, on automation and autonomous systems.



**To believe that if Covid-19 is survived, that's it for the next 20 years, would be naïve.**

**D&S:** Corona thus acts as an accelerator of change for society and industry. Mr Jaißle, can this also be applied to the construction and real estate industry?

**Jaißle:** There are definitely parallels. The past few weeks have had a kind of burning glass effect that has mercilessly exposed our deficits in digitization compared to other regions of the world. For example, we deal with data much less naturally than people in Asia, who are more open-minded and not immediately afraid to disclose anything. During Corona, we have seen how well digitization works - in operations and collaborations. In video-conferencing, we talk with each other in a very focused and disciplined manner. We learned this quickly because we had to learn it. I think this development is great because it further stimulates what we at Drees & Sommer have long been aiming to bring to the market in the construction and real estate industry. Keyword BIM, or Building Information Modeling. We in Germany are already lagging behind in a



European comparison, because other nations are moving forward more vigorously. In some countries, construction companies are not even allowed to apply for public contracts if they cannot provide proof of digital expertise. The latest feedback from our customers now shows a greater openness. Even the often very slow-moving construction industry has understood that there is nothing to be gained by holding on to the analog for too long.



**Even the often very slow-moving construction industry has understood that there is nothing to be gained by holding on to the analog for too long.**

**D&S:** Is there any chance of catching up with Asia and the USA in terms of digitisation issues? And in which areas do we have the greatest opportunities?

**Stach:** Wherever high technology is involved; it becomes difficult because we have lost a lot of ground. In everything that has to do with platforms or AI, the Americans and the Asians are years ahead of us. Is that the end of the line? Not necessarily. There are some hot spots where a lot of things happen. In Tübingen, for example, an AI cluster is developing. That's good news. We have considerable future opportunities, especially in manufacturing within the framework of Industry 4.0. In mechanical engineering, plant engineering, aircraft construction or automotive engineering, the European and especially the German industry is the absolute benchmark.

**D&S:** Only in terms of technology or also in terms of implementation and procedures?

**Stach:** Both! The German industry is the benchmark in the areas of standardization and consistency across the entire supplier and production chain. Of course, there is fierce competition and other countries have dramatically lower personnel costs, especially the Asian ones. But as soon as the degree of automation increases and you have to understand a lot about complex production processes, e.g. in automotive, tool or mechanical engineering, nobody can hold a candle to us in Germany. If our industry combines its expertise with intelligent production methods for automated and autonomous work, then we are competitive. But only then.

**D&S:** Mr. Jaißle, the Handelsblatt recently drew a comparison of the production costs of different industries in Germany and China, which revealed Asia is three quarters cheaper than us. Can automation compensate for this?

**Jaißle:** Industrial construction is an essential pillar of our economy. We have many world market leaders there. We have to see this further than our niche. For me, focusing on quality means decisively increasing the level of digitalization. This can only be achieved with a deep understanding of processes and new technologies



**For me, focusing on quality means decisively increasing the level of digitalization.**

**Stach:** Tesla is a good example in this respect. What hasn't been written about Tesla in the past few years? There was talk about Breakthrough and Leading Edge. Technologically speaking, that's true; when it comes to electric vehicle architecture, German automakers are years behind. But you have to be able to build the cars. Tesla has reached its limits in mass production. And how did they react? They brought in manufacturing specialists from Germany to get the ball rolling. It's just there's a big difference between producing a small series of 20,000 to 30,000 vehicles per year in manual production or a large series of 500,000 vehicles. That did not work. Germany has mastered this kind of thing. So we have to bring know-how on board where we have lost touch and otherwise we have to concentrate on our strengths. Our companies should not try to do everything themselves, but rather enter into smart cooperations. The times of huge suppliers who still try to get the vendor lock-in and take everything into their own product world are over.



**D&S:** Keyword smart cooperations: You are currently in the process of bringing together the core competencies of ASCon and Drees & Sommer and merging them with the client's worlds by creating a so-called integral planning process. What is the idea behind this?

**Stach:** The world of ASCon is that of digital twins, virtualization, contextualization and data flow modeling. We really know our way around there. Drees & Sommer's planning knowledge within the company makes us the perfect partner. Together, we want to get to the point where production, plant or building planning no longer involves an intensive expenditure of time, costs and other resources as before. In these planning processes, we are confronted with similar problems again and again, regardless of the industry in which we are working. We store these recurring elements as reusable building blocks in libraries and use them in a virtual planning process. This has huge advantages because it not only saves time and money, but also increases agility and responsiveness - in planning, in the construction phase and in operation. The offer of assisted planning, as we call it, with all its product features, which can consider and map all the interrelationships of the production plant, the building and the environment, has not existed up to now. This is a truly disruptive approach.

**D&S:** What exactly is meant by assisted planning?

**Stach:** We are thus saying goodbye to the highly manual planning philosophy that has been common up to now. It is the first step towards autonomous planning and production.

**Jaißle:** It's about thinking from the world of digital data. On the one hand, with the data that a production plant collects at each production step, on the other hand with the data of the physical shell, i.e. the building around the plant - and then to use both intelligently. At BIM we have a digitalized building design process. But building operation with its sensor technology is not yet included. Our approach enables an integrated factory planning as I imagine it, away from silo thinking, which suffers from a lack of coordinated planning. In this case, the ball is in the court of those who develop the product. Then come the production and plant planners, who consider how the production process should be. And only when this whole process has been going on for two years is the construction planning side added at some point. Assisted planning is capable of changing the entire process on the infrastructure side massively for the better. We don't have to reinvent the wheel every time; we don't need this conceptual skirmish. If I have all the people around the table immediately, I can get straight into the planning depth, pick up speed earlier and achieve a higher quality of discussion and level of detail.

”

**Our approach enables an integrated factory planning as I imagine it, away from silo thinking, which suffers from a lack of coordinated planning.**

**Stach:** Our product is unique because of its harmony. At the end, we have a product twin, a process twin and a building or plant twin. And this is linked to the context of the surrounding influencing factors.

**D&S:** Is there already a pilot project or an example of best practice?

**Stach:** We have implemented our first projects in the automotive industry. And before we started product planning, we determined the market requirements in discussions with our reference customers: The market is there – and it is gigantic, not only in Germany and Europe, but globally.



**Jaißle:** What we are doing is not an end in itself. It is a product that has standard modules but adapts to the respective application.

**D&S:** Are you afraid of encountering widespread resistance to change? In many companies „business as usual“ has priority. Risk affinity is not widespread. This slows down the goal of bringing innovation quickly to market.

**Stach:** A lot is currently Playing into our Hands. The European industry is registering how fast and at what high-quality level the Asian competition is moving. That doesn't just mean China, but also South Korea or Taiwan, for example. If our industry does not move towards data-driven business models, it will lose touch. It has taken time, but this has now arrived. The logistics and automotive industries in particular are coming under pressure. However, the problem affects all industries. Not a single one is spared. There is no alternative to continuing as in the past.

**Jaißle:** The challenge will be to take the employees with us. The realization that something has to change has reached many companies. But this will not automatically lead to a dissolution of silo thinking and a greater emphasis on the platform concept. That is human, people are afraid for their jobs.

**Stach:** Absolutely right! But it is crucial: Increasing automation of planning and production processes does not mean that we no longer need people. That is not the point. The only thing that is changing is the role of employees, who will no longer have repetitive and dull jobs in factories, for example, some of which are associated with health effects. It gives us the courage to see that more and more decision-makers in companies are determined to go down this path even against resistance. We will not be able to institutionalise all, but if we succeed in demonstrating the benefits within flagship projects with globally operating companies, small and medium-sized businesses will jump on the bandwagon. We want to address them with all the potential benefits and efficiency gains.



**Increasing automation of planning and production processes does not mean that we no longer need people.**

**D&S:** When we at Drees & Sommer thought about intelligent production, we always had smarter buildings in mind. You want to change the focus.

**Jaißle:** Yes, it's a natural reflex of the construction industry to think of the building first and neglect the production plant in it. But only those who think both together achieve the optimum and positive effects: a leaner production process on less space with less energy consumption and better working environments. It is possible that in the course of this collaboration with ASCon, we at Drees & Sommer are cutting off the branch on which we have been sitting for decades. But we are gaining an entire forest.

**Interview conducted by:**

**Götz Schönfeld**, Senior Manager Business Transformation and Network Management  
**Kim Heselschwerdt**, Consultant Business Transformation and Network Management