

Press release**European School of Management and Technology (ESMT)****Martha Ihlbrock**

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<http://idw-online.de/en/news706265>Scientific Publications, Transfer of Science or Research
Economics / business administration
transregional, national**New study of Hidden Champions Institutes (HCI) at ESMT Berlin****New study of Hidden Champions Institutes (HCI) at ESMT Berlin: German companies in the midst of digitalization**

The Hidden Champions Institute (HCI) at ESMT Berlin, together with IDG Research Services, has examined the digital transformation of German companies. The study investigates the different levels of development during the process of digitalization in German corporations, small and medium-sized enterprises (SMEs), as well as hidden champions. Hidden champions are predominantly larger "Mittelstand" companies that are international market leaders, although less known to the public. The authors of the study found that, while most of the German economy is already in the midst of the digitization process, there are clear differences among the various forms of enterprise. Corporations are decidedly in the advanced stages of the process, while hidden champions have covered about half of the way. SMEs lagged behind.

Highlights from the report:

- Seventy-one percent of corporations and hidden champions are satisfied with the progress of their digital transformation, compared to only 51 percent of SMEs.
- Hidden champions estimate that their process of digitalization is more than halfway complete. Comparably, SMEs reported slower progress, while corporations were further ahead.
- Forty-two percent of all companies expect digitalization to have a major impact on their market position.
- Analytics are considered the most important area of digitization for all companies.
- The greatest challenges for hidden champions were reported to be organizational complexity, a pronounced silo mentality, inflexibility towards changes, and missing interfaces between different IT systems.

"Our study shows that the German economy as a whole is further along in its digital transformation than is sometimes claimed," said Prof. Johannes Habel, co-director of the Hidden Champions Institute. "However, there is still room for improvement."

Co-director Bianca Schmitz added, "Hidden champions must continue to rise to the challenge of digitalization. Particularly alarming is the continued silo mentality among these market leaders."

Download the study:

Watch video interview with Habel and Schmitz (in German): <https://youtu.be/AsAHOcLMMVc>

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About ESMT Berlin

ESMT Berlin was founded by 25 leading global companies and institutions. The international business school offers a full-time MBA, an executive MBA, a master's in management, as well as open enrollment and customized executive education programs. ESMT focuses on three main topics: leadership, innovation, and analytics. ESMT faculty publishes in top academic journals. Additionally, the business school provides an interdisciplinary platform for discourse between

politics, business, and academia. The business school is based in Berlin, Germany, and has a branch office in Shanghai, China. ESMT is a private business school with the right to grant PhDs and is accredited by the German state, AACSB, AMBA, EQUIS, and FIBAA. www.esmt.org

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URL for press release:

<https://www.esmt.org/faculty-research/centers-chairs-and-institutes/hidden-champions-institute-hci> - More information about the Hidden Champion Institute (HCI)