29 INTERVIEW
THE DIGITAL BUSINESS REVOLUTION

International entrepreneur and company advisor Reinhold M Karner believes the world is on the cusp of a revolution that will transform the way we work. He tells Jo Caruana why every business needs to embrace the digital revolution sooner rather than later.
The business world stands still for no man. And few people know that better than Austrian-born advisor Reinhold Karner, who has built his multi-million euro career on knowing which business trends to embrace next. He has certainly made a success of it – although it hasn’t always been easy.

Mr Karner is one of those businesspeople with a natural talent for the industry. In fact, he is completely self-taught and, at just 16, wrote his first software programme to assist the companies he worked with during his free time.

He explains that he started at the bottom, without any start-up cash or support. Nevertheless, he steadily worked his way up to the top, becoming successful, wealthy and well-known as a dynamic entrepreneur. At 27 he was on top of the world – achieving year-on-year top growth rates and high profit-earnings, receiving countless awards and accolades, employing 250 people and with a business-partner network of over 3,000 people.

However, everything didn’t quite go to plan. “After 21 years in business I lost everything and had to start again from scratch,” he says while retelling the dramatic events that led to him having to file for bankruptcy. “As a result of an attempt at a kind-of hostile takeover by my then-financial partners and even some of my managers, I lost all of my companies, investments and self-made fortune of around €100 million. It was a very tough and unexpected hurdle for my family and I to face.”

But instead of wallowing in his loss, the whole experience served as a turning point for Mr Karner. “At the time I was a heavily overweight workaholic, so that period proved to be my opportunity for a more balanced and healthy lifestyle. I even lost 50kg during that time, and I have maintained my weight since then.”

International entrepreneur and company advisor Reinhold Karner believes the world is on the cusp of a revolution that will completely transform the way we work. Ahead of his upcoming talk at the Malta Chamber of Commerce, Enterprise and Industry on 18th June, he tells Jo Caruana why every business needs to embrace the digital revolution... right now.

(c) Roland Mühlanger
“After 21 years in business I lost everything and had to start again from scratch.”

In addition, he was bolstered by what he terms “a unique 360-degree entrepreneur’s experience and perspective,” and began a new career from the ground-up in 2009 by shifting his focus towards advising others in the field.

Now, he is back on top again and more successful than ever. He is very much in demand for top-level think-tanks in the US, Europe and Asia, and has taken on the role of Chairman of the Advisory Board for Enterprise Systems at the University of Innsbruck in Austria.

Beyond that, Mr Karner is a multinational entrepreneur and co-investor, as well as an advisor to entrepreneurs, business executives, start-up enterprises, SMEs and governments. For these roles he utilises his expert knowledge in ICT, strategy and future trends, enterprise-systems, entrepreneurship, business and market development, and management and company organisation.

And it is in his role as an advisor that Mr Karner will shortly be visiting Malta to address members of the Malta Chamber of Commerce in a talk entitled ‘Digital Business and Economy’.

“My talk will focus on the rapidly-approaching new mega trend in business - a huge game changer that I believe most European companies have not yet recognised: digital business,” he says. “I believe it will completely change the law of the economy. Just as Johannes Guttenberg’s invention of mechanical movable type-printing started the printing revolution in the 16th century, now the internet and digital business will start an equally radical revolution.”

Thus, Mr Karner’s talk will strive to challenge his audience’s status quo, and to open their eyes to the complete game-changer that he stresses is just around the corner.

“By 2020, more than seven billion people and businesses, and approximately 50 billion devices, will be connected to the internet,” he explains. “This is an enormous leap when compared to today’s numbers and it will have a huge impact on the global economy, as well as all of our businesses (no matter what industry), our society, governments, education systems and ultimately all of us.”

“It heralds an unprecedented convergence of people, business and things that disrupts existing business models - even those that arose out of the internet and e-business eras.

“What makes digital business different from e-business is the existence and integration of things - connected and intelligent - with people and business. Every piece of equipment - whether an oven or an air purifier - will have embedded sensors, while 3D printing will also widely change the way we manage manufacturing and logistics. It will create a very fast-growing business worth over €3 trillion.”

“Digital business will change the law of the economy.”
Mr Karner terms this new phase as the ‘4th industrial revolution’ and believes it will hit our economies ‘like a tsunami’. “It took about 75 years for the telephone to connect 50 million people,” he says. “Today, a simple smartphone app like Draw or Angry Birds can reach that milestone in a matter of days.”

“Seismic forces are definitely at work, creating permanent structural changes all around us. There is no doubt in my mind that this will be the most rapid change we’ve ever seen in the business world (and in society in general). So, to prevail in business, companies in the 21st century are going to require relentless adaptation.”

And the projections are hard to ignore. By as early as 2025, one-in-three current jobs will be converted into new ones carried out by software, robots, smart-machines or another new digital business-related entity. Then, by 2030, it is expected that this trend will have hit 50 per cent of current jobs in the western world.

“It may seem daunting, but the flip side is that this change offers tremendous opportunities for us to improve our systems, strategies and ourselves. This new world will make our previous one obsolete, and this is the time to seize that prospect,” Mr Karner says.

“The very good news is that digital business offers the same chances to everyone and to every country, as it opens the whole global market up through the internet. The challenge, though, lies in grasping that quickly, so as to develop the digital leadership in your segment, and to find the right talent to focus on the required areas.”

With that in mind, Mr Karner, who bases himself in Malta for up to four months every year, suggests that Government should urgently define a fitting strategy to support the successful development of digital business, starting with changes to the education system so as to embrace these opportunities.

“Other countries have already done this successfully,” he says. “For instance, in Germany, they have defined the ‘Industry 4.0 Smart Factory Concept’ as part of their high-tech strategy, and even Chancellor Merkel is relentlessly pushing it.”

As for companies and organisations that aren’t yet tuned into this digital revolution, Mr Karner stresses that they can no longer rest on their laurels. “The vast majority of businesses, governments, institutions and organisations will be affected, so my advice is to analyse and think comprehensively about whether or not you will be affected too. In the long-run I really think that you will have to ‘join the club’ so you might as well do it in an educated manner that keeps you in the driving seat.”

“Now is the time to make that leap, and the benefits will follow. In the years to come, when we no longer recognise the current state of our business environment, we will all be pleased with what has been achieved - but that journey has to start right now,” Mr Karner concludes.

Reinhold Karner will deliver a talk at the Malta Chamber on 18th June at 3pm. Members wishing to attend may register by sending an email to cheryl.cardona@maltachamber.org.mt

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