





“

In five to ten years' time, anyone that thinks they can compete on the market armed with just analog processes will find it tough going.

NOW IS THE TIME TO PREPARE

Florin Marton, Salem University, in conversation with
Andreas F.J. Obereder, ATOSS CEO and Founder

Mr. Obereder, before we turn to ATOSS, let's take a look back over the decade just elapsed. What's changed?

The irrational phenomenon of populism is one new aspect. Donald Trump peddles a story that he could have shot someone dead on Fifth Avenue and still won the election. Boris Johnson can break promises and bend the truth however he likes and still bring home a Tory landslide. These are just a few examples of what's possible in the almighty tech and media world we live in today. All this would have been scarcely imaginable ten years ago. Just like how we've become a multi-optional society, where everyone now has a supposedly infinite number of options and choices for just about anything. And uncertainty and risks have increased tremendously. New crises are erupting at regular intervals, from China and the Middle East through to global challenges such as climate change, which can no longer be simply explained away. This is making people jittery and fueling their search for a sense of direction.

That sounds suspiciously like a new crisis to me. Haven't we just recovered from the last one?

I don't think so. As yet there are no signs of a lasting "cure" being found for the economy, or the mistakes that sparked the 2008/2009 crisis being fixed. Clinging to a zero-interest-rate policy is throwing a harsh light on the lack of alternative options, making it clear that the worldwide economic crisis isn't over yet.

But we're doing pretty well overall, aren't we?

Most definitely. In fact, many companies are doing better than ever. And Central Europe, at least, has been spared the effects

of major crises so far. At the same time, the onward march of digitization and the latest technology developments are opening up undreamed-of opportunities. At times, though, this is clouding our view of the changes that'll be needed to stay successful in the long run. NOW we have the once-in-a-lifetime chance to get ourselves ready from a comfortable position. That's particularly true for Germany. According to the latest figures from the ifo Institute in Munich, Germany generated a current account surplus of EUR 262 billion in 2019, the highest in the world yet again. The resources to make the necessary changes are in place. All market players should make serious use of them so that they can survive any prolonged lean periods that might lie ahead. "Now is the time to prepare" is the mindset to adopt.

Where do you think companies need to act?

Just look at how far digitization has advanced in the business arena. Europe¹ still has a huge amount of catching up to do. It's particularly obvious if you take Germany – still the world's fourth-strongest economy – but it's only the twelfth-best in Europe in terms of digitization. In five to ten years' time, anyone that thinks they can compete on the market armed with just analog processes will find it tough going. The changes are simply far too radical and happening much too quickly.

What are the implications for top management?

Ten years ago, firms still had a manageable number of goals to focus on. Nowadays, top managers have to be stellar performers. Able to juggle a lot of topics and issues at the same



time! You simply can't do that any more without the full online transparency you get from digital processes.

One of these challenges is undoubtedly the “war for talent” – what’s your take on that?

The skills shortage has been a major challenge for companies for a long time now. But these days it's being compounded by the phenomenon of the multi-optional society. It means employers have the tricky task of offering staff a stimulating working environment and securing their long-term loyalty with meaningful career prospects in a world of multifarious options and frequent fast-paced change. Today, recruitment and staff loyalty have become a top management priority.

How can ATOSS help companies?

In the “war for talent”, it helps if you stand out from the crowd by integrating your staff well in your workforce management processes. Being able to deploy them with great flexibility – managed via mobile apps – is also a bonus. In both respects, we offer solutions that can generate major strategic benefits. For instance, our solution enabled a major German hospital to cut its sickness rate by 2.5 percentage points and significantly reduce staff turnover, all thanks to greater employee satisfaction.

What has ATOSS learned in the “war for talent”?

For us too, recruiting the right people is a key growth driver and something our entire top management team is focusing on. We join forces in our search for the most talented individuals so we can build the best teams – the more varied and diverse, the better. Here are some examples of how we've actively lived diversity: 42 percent of our staff are female, which is above average for the IT industry, and we have a multi-generational workforce, with people hailing from 21 different countries, all of whom are working together to achieve our vision in a spirit of mutual trust and respect. As CEO, I'm particularly delighted that we were certified as a “Top Employer Germany” earlier this year.

“
Nowadays, top managers have to be stellar performers. Able to juggle a lot of topics and issues at the same time!

You're calling for more digitization – but aren't issues like automation and robotics threatening your business model? After all, your software is used to plan and schedule people, not robots.

In Europe, the opposite is true. In Germany, for instance, there are now some three million fewer people working in the manufacturing industry than in the early '90s. This is all down to the automation that you mention and to production and logistics processes being controlled and connected up more smartly – Industry 4.0, in other words. In the same period, however, nearly ten million new jobs have been created in the service sector. What we're actually seeing, in fact, is the transformation towards a service society. Some 75 percent of Germany's entire working population is already employed in this sector, while in the USA it's nearly 90 percent. That shows you how far things could still go.

Does that mean Europe won't be manufacturing anything at all in the future?

No, I don't think that will be the case. Rather, I believe that advancing automation will soon mean low-wage countries will lose their competitive edge for some goods as they'll be competing with fully automated production lines. In the USA, for example, they've just unveiled the Sewbot – a sewing robot that can produce T-shirts faster and more cheaply than any worker in a low-wage country. If trends like these continue, production facilities could be brought back to where the end customers are. Back to Europe, for instance.

How can your workforce management suites contribute to the digitization that's being called for?

Our solution used to be about supporting the admin side of managing and calculating working times. Today, that's merely the platform on which we build high-performance algorithms with data on companies, employee requests and statutory frameworks. The result is an accurate forecast of personnel requirements and optimized planning aligned with that forecast. The quality of this planning allows companies to endow their

workforce with greater flexibility. And this flexibility is urgently needed nowadays if staff are to be deployed with pinpoint accuracy to cope with all the fluctuating demands of business models.

What impact does that actually have in real life?

Making the best possible use of the available workforce is strategically important to any company these days. Personnel costs can be trimmed, while revenue and service levels go up. Our customer RITTER SPORT, for instance, has improved its processes, planning quality and transparency thanks to our solution. This has increased the productive working time of flexible staff by four percent. Companies can no longer afford to do without such benefits in this day and age. This value added – which can directly boost EBIT by tens of millions every year – means that our solutions deliver very rapid ROI. In our projects, this usually comes within nine to twelve months. We've proven this thousands of times in all industries.

In your experience, which sectors benefit particularly from digital workforce management?

Although the issue is relevant across the board, the effects can be especially positive in employment-intensive sectors that experience sharp demand fluctuations. In retail, for instance, where customers like EDEKA, ALDI SÜD, ROSSMANN and HORNBAACH rely on our solution. But we've also been able to deliver significant benefits in logistics, manufacturing and the service sector, working with customers including Lufthansa, Deutsche Bahn, WISAG, thyssenkrupp Packaging Steel and HUK-COBURG. I'm particularly pleased that we also managed to win City of Munich – Germany's largest municipal employer – as a customer this year. There's tangible added value to be generated in the public sector too.

That sounds like a lot of big players in the business arena. So what's the situation with SMEs and smaller companies?

The issue is just as important for them. New laws and regulations such as the GDPR and the ruling by the European Court of



Making the best possible use of the available workforce is strategically important these days. Companies can no longer afford not to do it.

Justice mandating working time recording are increasing the need to invest in digital time and attendance management. So ATOSS offers solutions for companies with workforces of between two and 200,000. Our cloud-based solution Crewmeister is just perfect for micro-enterprises or individual departments of larger business units. Downloaded off the Internet in 60 seconds, set up in 15 minutes, and you're up and running in a flash. Users can record times, manage holidays and plan their personnel deployment. We gained well over 1,000 new customers in this segment last year alone.

To what extent are compliance issues affecting your business?

No doubt about it, these are important issues – for companies as well as governance bodies. New laws and lists of potential punishments are making workforce management ever more complex. That's the case both internationally, like with the ECJ ruling I've just mentioned, and at country level, such as with the WAB Act, which came into force in the Netherlands at the start of the year. Although the issue is an important hygiene factor, as it helps companies avoid legal action, it doesn't generate any strategic benefits. For us, it lays the foundations required to answer the really exciting questions – for instance about demand-driven workforce management – together with our customers.

Let's take a look back, Mr. Obereder. Has ATOSS had the right answers for its customers over the past ten years?

Yes, I do think we brought the right solutions to market. Our share price is a good benchmark here. We've currently hit an all-time high of around EUR 150. That's a rise of more than 1,100 percent in just ten years. I don't really know of any other share that can boast that kind of performance. So we can look back with a great deal of satisfaction on the past decade, which was one of continuous success for us and all our stakeholders.

And you're probably satisfied with how last year went too...

Yes, absolutely. Building on what was already a very good 2018,

2019 was undoubtedly an outstanding year in our series of 14 record-breaking years in a row. We acquired some 1,500 new customers, received 42 percent more orders for software licenses and upped sales by 14 percent – and cloud solutions skyrocketed by as much as 87 percent.

These are – once again – some hefty figures. What's your formula for this long term success?

We've been working solidly on one single area for three decades now. This focus and continuity are key to our ability to offer outstanding solutions as a specialist provider – solutions that are more in demand now than ever before. Our people's expertise, leading-edge technologies and our innovative prowess are crucial elements of this success. Year in, year out, we invest 20 percent of our revenue in further technology developments. All in all, that comes to well over EUR 120 million. Investing on this scale positions ATOSS as the clear number one among European workforce management providers – as the EU has just re-confirmed in its annual "EU Industrial R&D Investment Scoreboard". I'm especially pleased for my team that we won awards from two renowned business journals last year. We're currently eleventh out of 3,500 companies in the SME rankings run by Handelsblatt and Munich Strategy Group. And WirtschaftsWoche put ATOSS seventh on its list of digital SME pioneers in Germany.

What issues are on ATOSS's agenda at the moment?

We're giving the company an increasingly international focus so that we can provide an even better service to customers all over the world. It's an issue we've been working on for many years, and a reason why our solutions can already be found in over 40 countries around the globe. The US company W.L. Gore, for instance, has successfully deployed the ATOSS solution in 29 countries. SHELL uses our solution to manage its gas stations in the Netherlands and FedEx its logistics in Poland, while Fressnapf is gradually rolling our Retail Solution out to its stores in a total of ten countries. All these customers chose ATOSS



because we're the only ones – and I do mean the only ones – who can cover all local laws and regulations with our standard system. Our customers benefit from a central solution that complies with all local legislation. In particular, the specifically European perspective on cross-border issues such as working time recording and data protection will offer great potential for a pan-European internationalization strategy in the years to come. Laws and regulations such as GDPR and the ECJ ruling are already cross-border in nature – so international solutions are becoming increasingly important for companies.

How will you ensure that ATOSS can continue to field a strong portfolio in the future?

We will be consistently expanding our investments in developing and refining our technologies. User experience is and will remain very important. And then there are new areas such as the use of artificial intelligence, the shift away from desktop PCs to tablets and smartphones and the integration of smart bots. We will also be further strengthening strategic partnerships like the one we have with SAP, by consistently enhancing integration between solutions, providing users with a seamless working environment. The transformation in the cloud is a major technological issue that we have been tackling for years now. This not only calls for new technologies, but demands changes across the entire company. Although we're still gen-

erating more revenue in the on premises segment overall, more than half our new customers are already opting for our cloud solutions. This trend is set to continue, and we're going to be well prepared.

Mr. Obereder, would you please venture a forecast as a basis for our conversation in 2030. Is ATOSS equally well positioned for the next decade with its digital workforce management?

Yes, because the battle for skills and the best minds is expected to get fiercer, so highly flexible work approaches will need expedient systems. I'm already looking forward to reviewing this forecast in 2030!



FLORIN MARTON

is the Director of International Affairs at Salem University, in West Virginia, USA. From this position he connected the "Country Roads" of West Virginia with the "Highways of the World". Mr. Marton earned his Master's degree in Engineering from the Polytechnic University of Timisoara in his native Romania.

01000



ATOSS.COM