



Creativity & Entrepreneurship @ Bertelsmann

Eleven Stories about the Bertelsmann Essentials

What's Your Story?
Volume 7

festive



Creative



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What's Your Story?
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Thomas Rabe

Chairman and Chief Executive Officer
of Bertelsmann

Inseparable and Indispensable: Creativity and Entrepreneurship

→ **Creativity and entrepreneurship** are both the foundation and fuel for Bertelsmann's success. The way they are combined and expressed here at Bertelsmann sets us apart from other companies. They form the Bertelsmann Essentials.

And they are the subject of this book: Book Seven in our "What's Your Story?" series of stories about our entrepreneurs and companies presents examples of the special connection between creativity and entrepreneurship at Bertelsmann. They demonstrate impressively that Bertelsmann is a home of creative minds and a company of entrepreneurs.

From videos to books, magazines to music, services to educational offers: The diversity and reach of our creative offering is unique in the world. Year after year, Bertelsmann invests close to €6 billion in creativity. With the recently formed Bertelsmann Content Alliance in Germany, we continue offering creative professionals and our talent new ways to optimally distribute their content and expand their reach.

If creativity is the first key to Bertelsmann's success, the second is entrepreneurship. A high degree of entrepreneurial freedom and the local management of our businesses are formative for entrepreneurship at Bertelsmann – as are the courage to take risks and the willingness to work together, and as are passion and perseverance, trust, and our commitment to treating our employees as partners.

This book tells how Bertelsmann puts creativity and entrepreneurship into action on a daily basis. I wish you an entertaining and edifying read!

Thomas Rabe

Our Origins and Shareholders

Bertelsmann was founded in 1835 by Carl Bertelsmann. It remains a privately-held company with the majority of shares donated to a not-for-profit foundation – the Bertelsmann Stiftung.

Our Sense of Purpose

To empower, to create and to inspire is the purpose of our work. This provides direction to our managers and employees and informs our relationship with customers, partners and society at large. It guides all of our work as an international media, services and education company.

Our Essentials

In a rapidly changing world, how we do things has never been more important. Our core values guide everything we do. Strong individually, it is how Creativity & Entrepreneurship work together that makes them powerful and true to our Bertelsmann culture of participation and partnership.

The Bertelsmann Essentials

Creativity & Entrepreneurship

Creativity is vital to us. We celebrate and nurture creativity: encouraging the critical and imaginative thinking that challenges convention and unlocks opportunity. Our minds are open and curious and we encourage and develop the passionate pursuit of fragile ideas. We know that experimentation is part of the creative process and that innovation best serves our customers and markets. Diversity is crucial. We actively seek out different viewpoints and encourage communication and collaboration.

Entrepreneurial freedom provides us with the vision and courage to take risks, the decisiveness and perseverance to get things done, and to be accountable for our actions. Because we act responsibly, we can be proud of our entrepreneurial achievements. We never lose sight of our customers. Mutual respect and trust between every colleague and partner is crucial. Collaborating makes us all stronger. We invest in our people, empower them and provide fair working conditions. We're mindful of the impact we have on society and environment, and we seek to make a positive difference.

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Jan Wachtel, Chief Digital Content Officer
of Mediengruppe RTL Deutschland

The German Streaming Sector's 'Local Hero'

With its **streaming service TV Now**, Mediengruppe RTL Deutschland sets itself apart from competitive international providers by offering attractive local programming with mass appeal that relies on German and original content.

→ We want viewers to spend as much time as possible with Mediengruppe RTL Deutschland's content; the channel they watch it on is not of prime importance," says Jan Wachtel, Chief Digital Content Officer of Mediengruppe RTL Deutschland, summing up in a single sentence the rationale behind Mediengruppe RTL's resolute digital transformation of its business model. The 39-year-old and his team are in the process of establishing the streaming of video content even more definitively alongside its traditional linear broadcasting via Mediengruppe's well-known channels, such as RTL and Vox. The focus is on the completely redesigned streaming portal TV Now, whose premium version, since the close of 2018, has offered a wealth of original content, known as TV Now Originals, such as "M – Eine Stadt sucht einen Mörder," as well as purchased, and sometimes exclusive content.

Jan Wachtel, who began his career in Bertelsmann's Financial Services department in 2004, worked at Axel Springer Verlag between 2010 and 2017,

where he was an important part of the team that among other things made the online portal bild.de, Germany's most-visited general-interest portal. The tall manager, who likes to come to work in jeans and sneakers, joined Mediengruppe RTL in May 2017 as Chief Digital Content Officer and Managing Director of RTL Interactive, and has served as Chief Digital and Publishing Officer since February 1 of this year. His primary tasks in the digital field include expanding the streaming business and the rtl.de website. The channels' websites already had a large reach in 2017, but there was not much impetus for new growth for rtl.de in its role as a website to promote channels and formats. And while there was a video-on-demand service in the form of TV Now, with its focus on catch-up services, it was not yet a comprehensive streaming service like those offered by international platforms. After more than a year of hard work by the entire team, Wachtel says, TV Now was launched in December 2018 as a new, comprehensive streaming service. It is one of the German video-content group's most important future projects.

By expanding its streaming offering, Mediengruppe RTL is responding to changing use habits, primarily

among young viewers between the ages of 14 and 29. "As a video group, we won't be able to stop the change in people's usage behavior, but we can cater to it," says Wachtel. By this he means that the company's content should also be wherever its young users are, i.e. online, on mobile devices. Wachtel emphasizes that the media group's content is as attractive as ever for the young target group: "If you look at TV Now's user demographic, 53 percent of its viewers are under 39, and 36 percent are under 29. We're reaching a target group here that continues to have the highest use of the linear offering in the video market as a whole, but at the same time is increasingly demanding mobile, time-independent use." These young viewers consume formats like "Gute Zeiten, schlechte Zeiten," "Die Höhle der Löwen," "Der Bachelor," and "Der Lehrer" nonlinearly with the same enthusiasm that they brought to linear television, he says.

At the very beginning of the planning phase, Wachtel and his team set a goal that can be regarded as TV Now's motto. "We want to be the 'local hero' in Germany," says Wachtel. "In other words, we want to become number one among German providers – and we can best achieve this with local content

**"No other
private-sector
company in
Germany
does that"**

Jan Wachtel

that is close to the people in our country.” Mediengruppe invests roughly one billion euros per year in content, mostly in local original productions, says Wachtel, adding, “No other private-sector company in Germany does that.” One of Mediengruppe RTL’s great achievements is its placement of original productions at the heart of its programming strategy about five years ago, in a bid to become less dependent on the large U.S. studios and their licensing deals, he says. “This strategy is paying off now because we own all the rights to our original productions and can play them out on all channels in the way that our customers – and we – want to.”

A second advantage for Wachtel is that Mediengruppe RTL has used its original productions to establish strong national TV brands that not only generate great interest on linear TV, but also in the digital world. He cites “Gute Zeiten, schlechte Zeiten,” “Die Höhle der Löwen,” “Der Bachelor,” “Sing meinen Song,” “Der Lehrer,” “Kitchen Impossible,” and “Love Island” as examples. According to Wachtel, Mediengruppe RTL’s original productions generally account for a very high proportion of the programming across channels and non-linear offerings. “This is a constellation that no other commercial provider can boast – and it takes years to build such a large number of original productions that are this popular,” says Wachtel. He adds that the “local hero” strategy also fits with the fact that many viewers subscribe to more than one streaming portal, as suggested by developments in the U.S., the world’s most developed streaming market. Wachtel is convinced that “the most probable variant here is the combination of an international and a national offering, and it is precisely this position that we want to occupy.”

Strong national brands

To achieve this, TV Now was expanded into an independent and comprehensive streaming service that goes far beyond Mediengruppe’s catch-up service. The core of the new offering is exclusive content. Moritz Pohl, Head of VoD Content at RTL Interactive, divides this into four areas: “TV Now Originals,” i.e. shows and series produced specifically for the streaming service. Exclusive and non-exclusive third-party licenses, i.e. programs that aren’t linked to a broadcast on one of the media group’s stations. These include numerous German premieres of international top series such as “The Truth About the Harry Quebert Affair,” as well as popular series from public-service TV channels. The third area is “Pre TV,” in which, for example, the next three episodes of the successful series “Gute Zeiten, schlechte Zeiten” are first shown on TV Now. And finally, “Online First,” where the entire season of a series can be viewed online in advance or with the broadcast of the first episode on TV. The



The “**brightest highlights**” among the many in-house productions of the RTL media group are shows like the TV Now Original “M – Eine Stadt sucht einen Mörder” (top) and the reality show “Temptation Island” (center).

entire premium offering is also displayed to all users in the freely accessible area. “The goal is to convert as many users of the freely accessible TV Now area as possible into paying TV Now subscribers,” says Moritz Pohl.

The nucleus of the offering, designed to attract as many people as possible to the streaming service, is TV Now original productions, (“TV Now Originals.”) In the future, these will primarily be stand-alone productions: contemporary, authentic storytelling that keeps surprising the audience. In addition, however, there will also be one or two extensions of established program brands. As Pohl explains, the format of “Der Bachelor – Jetzt reden die Frauen” (“The Bachelor – The Women’s Turn to Talk”), which is only available on TV Now, was added to the “Bachelor” format back in January. Pohl can imagine similar extensions for other popular formats such as “Shopping Queen.” Another way to create exclusive content is to revive popular RTL brands, he says. “One possibility we’re considering is whether we could bring back ‘Super-Nanny,’ or the comedy icon ‘Rita,’” says Pohl. Spin-offs of well-known TV brands are another conceivable variant. “For example, we could extract a storyline from ‘Gute Zeiten, schlechte Zeiten’ and continue it on TV Now.” With regard to the entire program portfolio, Pohl says it is important to find a signature for TV Now that contains recognizable traces of the RTL DNA but is also complementary to it. All this with the aim of winning over both regular viewers and new target groups to TV Now Premium and making TV Now a stand-alone offering within Mediengruppe RTL.

Extensions of successful program brands

According to Wachtel, the fact that TV Now can offer such an attractive package for viewers is only possible because the whole of Mediengruppe RTL is pulling in the same direction. “There are a lot of people here at the company who are actively working with us to make TV Now a success,” says the digital manager. The protagonists in the centrally controlled production of new content already consider on which channels it could best be played through, and how it can best be monetized. “There is a joint orchestration of the content across all channels,” says Wachtel. “And everyone at Mediengruppe understands that TV Now is a key strategic project that is incredibly important for the media group’s future.”

But how does Mediengruppe RTL Deutschland make money with TV Now? “We’ve chosen a hybrid business model for this,” says Wachtel. On the one hand, there is the freely accessible area with catch-up content, which is available for up to 30 days after broadcast, and which carries advertising. For the other, exclusive content – originals, entire series, licensed and archive

content – the viewer has to subscribe to TV Now Premium for €4.99 per month. This mix, a “freemium” model, has several advantages for Mediengruppe RTL. Thanks to its huge online reach, it can bring viewers to the streaming service relatively easily, familiarize them with TV Now, and ultimately persuade them to subscribe thanks to its exclusive content. “And depending on the direction the digital advertising market and the subscription market take, this business model can immediately be shifted in the more appropriate direction,” says Wachtel. Nobody can predict what the market will look like in three years, “but this model assures us of the greatest possible flexibility.”

On the advertisers’ side, there is great interest in placing advertising on TV Now, says Wachtel. “There aren’t many products where advertisers can present their brands in a high-quality and trustworthy environment,” he explains. International platforms like Facebook and YouTube can’t guarantee such safe environments, he says. Wachtel also leaves no doubt, however, that the total revenues of an individual offering such as TV Now will never reach the levels of high-reach linear TV channels supported fully by advertising: “The advertising market on the internet is far too fragmented for that.”

“Our goal as Mediengruppe RTL is to be relevant, to reach as many people as possible, and to create ‘campfire moments,’” emphasizes Wachtel. Such campfire moments not only include live events like soccer, but could also be series. With the latter, it’s not so much about viewers watching the series on linear TV at the same time, but that society talks about it together in real-time. “We want to be the talk of the town, and that works with time-shifted viewing as well,”

**“Our goal is
to create
'campfire
moments'”**

Jan Wachtel

says Wachtel. However, the manager warns against underestimating the power of linear television, which still reaches millions every day, including young people. “TV is still the medium with by far the highest reach,” he says, adding that he doesn’t see the new streaming offering TV Now as a threat to linear television either. “Television didn’t replace radio, and streaming won’t replace television,” he believes. The focus is on the interaction of the various channels to ultimately increase the overall time viewers spend with Mediengruppe RTL content.

As an online and mobile service, TV Now is primarily aimed at younger viewers. And – uniquely for the German market – the offering predominantly appeals to female viewers. According to Wachtel, in order to get as many

people as possible interested in TV Now, it is necessary to put “beacons” in the shop window that we can publicize. He cites the TV Now original “M – Eine Stadt sucht einen Mörder (M – A City Searches for a Murderer), which has been available since March, as such a beacon. “‘M’ has a great cast with stars like Moritz Bleibtreu, Lars Eidinger, Udo Kier, and Verena Altenberger – and people are interested in precisely this sort of content,” asserts Wachtel. For event-scale miniseries like “M,” he says Mediengruppe RTL needs to use its collective promotional clout, with its high reach among viewers and users, to persuade as many people and target groups as possible of the attractiveness of the offering. “People come to TV Now thanks to these beacons, and then realize, ‘There’s so much more to watch here – I’m staying,’” says Wachtel. Wachtel sees the reality show “Temptation Island,” also launched in March on TV Now, in which couples test their faithfulness to each other, as another key format and an example of the broad range on offer. “Here we are addressing a completely different target group than with ‘M,’ and we have to reach them with other campaigns – but both target groups are equally important to us.” The series “Deutschland 83” produced for RTL by UFA Fiction, and later shown on Amazon Prime together with the second season, “Deutschland 86,” also falls into the beacon category for Wachtel. “I think that today, we’d broadcast ‘Deutschland 83’ as a TV Now Original,” he says.

Online and mobile offerings for younger viewers

Jan Wachtel sees enormous growth potential for video-on-demand (VoD) offerings in Germany. “The VoD market is no longer a niche market in this country, but it is still a long way from entering the mainstream,” says the digital manager. There are no official figures on the current size of the VoD domestic market, only estimates, as none of the streaming platforms publish subscriber or viewing figures. However, Wachtel says Mediengruppe RTL’s own consistently significant growth rates over the past year already show, “that the market is happening.” Mediengruppe is very well positioned to establish itself as the local number one here, for several reasons. “Besides our wealth of original productions, our major competitive advantage over all the other providers in the German market is that we know how to create mass-market content for Germany,” says Wachtel. And once VoD makes it into the mainstream, the demand for mass-market content will also be much greater than it is today. Much of the highly acclaimed VoD content, series such as “House of Cards” from Netflix, only works for certain target groups; this has been demonstrated by the low ratings scored by TV broadcasts of these series. “As Mediengruppe RTL, we can fully contribute the aspect suitable for the mass market,” says

Wachtel. “And because, as a streaming service, we aren’t limited to a given territory, we also have the option of serving niche topics.” TV Now can offer a much wider range of programs and be much more experimental than a linear TV channel, he says. And so, besides series and movies, its range also includes many documentaries, reality formats, and anime content.

One of the most important entry points for TV Now is the rtl.de website, which was also completely revamped in December. It was expanded from a site that supported programming into a general-interest portal. “What we do at Mediengruppe RTL is to entertain and inform – and with TV Now and rtl.de, we are transferring these two topics into the digital world,” says Wachtel. “With around 700 journalists and editors, Mediengruppe RTL has one of the biggest editorial teams in Germany, enormous video expertise, and strong brands like RTL and Vox – and we want to capitalize on these advantages,” emphasizes Wachtel. As with TV Now, the majority of rtl.de users are female. This is a target group that Mediengruppe already knows very well and wants to continue to focus on, he says.

In the redesign of TV Now, as elsewhere, Mediengruppe benefited from its affiliation with RTL Group. “There is an intensive exchange with RTL Group’s streaming sites in other countries, especially in the Netherlands and France. Videoland in the Netherlands is a particularly exciting case because our colleagues there have been operating an SVoD business for much longer than we have,”

explains Wachtel. This was very helpful in getting a feel for different content, he says. For instance, the TV Now original production “Temptation Island” had already done very well on Videoland, he says. The Cologne-based company also benefited from the Dutch colleagues’ experience when it came to marketing, he adds.

“We’ve gotten off to an extremely successful start,” says Wachtel, taking stock shortly after the launch of the new TV Now. “We’ve made a real leap compared to last year, and already achieved a new reach record in January with 5.18 million unique users.” He claims it’s safe to say that the pre-TV and online first content, as well as the purchased content, is going down well with viewers, he says. “Our basic hypotheses for the successful relaunch of TV Now are working,” says Wachtel. Now it’s a matter of developing the product with

**“We know
how to create
mass-market
content for
Germany”**

Jan Wachtel

a close focus on the user, both in terms of content and usability. “Our goal is clear,” he concludes. “We want to continue to grow and live up to our claim of being a ‘local hero.’” ■

→ www.tvnow.de



Hard to miss: Advertisement for the new book by Michelle Obama at New York's Times Square.

Role Model – And Author – For Millions

The publication of **“Becoming,”** the memoir by the former U.S. First Lady Michelle Obama, is one of the greatest international book-publishing success stories of this century.

→ Upon completing two terms as U.S. President, Barack Obama and his wife Michelle, the very popular and highly respected First Lady, indicated they both would seek a publisher for their respective memoirs – from the start, it was certain that this book project would attract worldwide interest. But it was certainly not a given that the publication of the first part of this project, “Becoming,” written by Mrs. Obama, would also come to be recognized all over the world as one of Penguin Random House’s greatest success stories – thanks to the expertise, experience, creativity, entrepreneurial commitment, and global reach the publishing group applied to a book whose quality and inspiration was universally embraced by influencers, critics, and everyday readers.

This impressive publication story began at the end of 2016, with a definitive entrepreneurial decision by CEO Markus Dohle. Having already successfully

published multiple books by Barack and Michelle Obama, Penguin Random House was unwavering: “We want to continue to be the Obamas publisher. Period!,” said Dohle. With this decision, he and his publishing team began an intense preparation for the competition to acquire rights to the memoirs of both Barack and Michelle Obama – thus laying the foundation for a worldwide success story that is ongoing. “Becoming” by Michelle Obama, published on November 13, 2018, has already exceeded all expectations. The book, which was published by Penguin Random House imprints in each of its markets, has more than ten million copies in print worldwide across all formats, and sold over six million copies in the U.S. alone, through March. The publication launch was accompanied by a headline-making author book tour in November and December across the U.S. and in London, as well as enormous interactive marketing and publicity campaigns.

“The whole publishing world was trying to snatch the Obamas, with whom we had previously published four books,” recalls Dohle, of the acquisition-bidding process in early 2017. “The competition was fierce, but our team at Penguin Random House won in the end.” Paving the way for landing the book contract, Dohle adds, involved weeks of intensive work for the publishing group’s teams. The actual negotiations for world rights to the two books then took place over 48 hours,

he says. “It was a two-day negotiation marathon, with numerous offers and detailed conversations between us and the renowned Washington DC lawyer Bob Barnett, who represents the Obamas for their books. It just would not have been an option for Penguin Random House to lose the

**“Our team
at Random
House won
in the end”**

Markus Dohle

Obamas as authors – we had no plan B,” declares the Penguin Random House CEO. Happily, the bidding competition successfully concluded at the end of February on Penguin Random House’s behalf.

The Obamas have previously enjoyed a very successful history as Penguin Random House authors. Random House Group publisher Crown had published “Dreams from My Father” (1995), and the number-one bestselling “The Audacity of Hope” (2006) by Barack Obama, which were multi-million-copy titles. His picture book “Of Thee I Sing,” with illustrations by Loren Long, was completed before the author took the Presidential oath of office in January 2009. Michelle Obama had given her readers insights into the White House’s “kitchen garden and gardens across America,” in “American Grown,” with

Crown, which rose to the top of the “New York Times” bestseller list in 2012. So, the two authors and their U.S. publisher were already well acquainted professionally.

Also appealing to the authors was the worldwide reach of Penguin Random House, the world’s largest trade-book publishing group. “As the leading publisher in the U.S., Canada, the U.K., Australia, New Zealand, Spain, Latin America, Brazil, India, and Germany with our sister companies, the Crown team in the U.S. aligned the Obamas with a worldwide network that is second to none in terms of scale and degree of experience and professionalism,” says Madeline McIntosh, CEO, Penguin Random House U.S. In 2017, the publishing group committed itself to simultaneously publishing Michelle Obama’s book in their major markets in a publishing tour de force – globally led by Crown, but locally implemented by Penguin Random House divisional publishers in 22 countries. In addition, there are now 36 non-PRH publishers around the globe that acquired licensing rights from Penguin Random House for their respective languages, twelve of whom also published the book on the November 13 launch date. Altogether, “Becoming” to date has been published in 44 languages. “The worldwide response to ‘Becoming’ secured through this network of publishers and booksellers has been extraordinary,” observes Madeline McIntosh.

A show of publishing strength

In addition to the U.S. and Canada, where Crown is the Obamas’ publisher, English-language editions of “Becoming” were published by Viking in the U.K., Australia, India, Ireland, New Zealand, and South Africa. Penguin Random House Grupo Editorial published the book in Spanish, Catalan, and Portuguese in Spain, Argentina, Chile, Colombia, Mexico, Peru, Uruguay, and Portugal. Companhia das Letras published it in Brazil. In Germany, Verlagsgruppe Random House’s Goldmann imprint is her publisher.

Penguin Random House further convinced the Obamas with an additional offer that supports the couple’s charitable commitment. “We proposed donating one million Penguin Random House books to under-served children in the U.S. on behalf of the Obamas. In the end, this tipped the scales,” recalls Dohle. The Obamas had also said they planned to donate a portion of the proceeds from their books to charity. The non-profit organization First Book, which distributes the books on behalf of the authors and the company, has been a Penguin Random House partner for many years. In 2016, it had also teamed up with the White House to launch the Open eBooks campaign, which promotes and supports digital education for children. The non-profit



“We will make each of the Obamas’ books a global publishing event”

Markus Dohle

Markus Dohle,
CEO of Penguin
Random House



Worldwide enthusiasm: “Becoming” was the most successful Christmas book in the United Kingdom. Advertisements like this one in Waterloo Station in London likely contributed.

organization's primary goal is to ensure equal access to education for all children by providing them with new books and learning materials.

"We will do everything we can to make each of the Obamas' books a global publishing event of unprecedented scope and significance," was the ambitious promise made by Markus Dohle when he announced the book deal in February 2017. For "Becoming," this promise has been well realized. Penguin Random House's marketing activities were incubated in the U.S., the home of the former First Lady. "Mrs. Obama was very clear in wanting her book publication and author tour to be unlike any others that have been done before," recalls Crown Publisher David Drake, who is responsible for overseeing the worldwide release with his colleague, Publisher Tina Constable.

Celebrated stage appearance at the Grammy Awards

And the publishing group delivered: Few book publications have generated such enormous, extended print, broadcast, and social-media attention. It received numerous prominently-placed rave reviews from leading print and online book critics and pundits, who admired the author's eloquence and sincerity. Mrs. Obama's series of headline-making media engagements began with her standing-room-only appearance at the American Library Association (ALA) annual conference in June. November and December appearances with such U.S. news and talk-show giants as Oprah Winfrey, Robin Roberts, Ellen DeGeneres, Jimmy Fallon, Stephen Colbert, and Jimmy Kimmel followed, and continued in February with her opening-segment participation at the Grammy Awards in Los Angeles – all of which went viral online, far beyond the U.S. This was complemented by a comprehensive advertising presence for the book, including in a building-height neon billboard in New York's Times Square – one of the world's most visible advertising venues.

Perhaps most remarkable is the "Becoming" book tour, taking place on such an unprecedented scale that commentators compared it with concerts from pop stars like Beyoncé. The first leg of Mrs. Obama's tour began on the evening of the book's release with a conversation moderated by Oprah Winfrey at the United Center arena, filled with 15,000 admirers in her hometown of Chicago. Each of her subsequent tour stops in ten major U.S. cities and London through mid-December, organized by the promoter Live Nation, were sold-out arena events, in which Michelle Obama held her audiences rapt about all aspects of her life. "I don't think there's ever been a book tour on that scale before," says Tina Constable.

And the second part of the tour, which started at the beginning of February 2019, has even more stops, in even larger auditoriums. In 2019, Michelle



“The response
has been
extraordinary”

Madeline McIntosh

Madeline McIntosh, CEO of
Penguin Random House U. S.



Extensive campaign: Almost 500,000 books were sold in three months in Germany – thanks in part to extensive marketing activities such as here in Berlin.

Obama is visiting 21 major cities in the U.S. and Canada, as well as the European capitals of Copenhagen, Stockholm, Oslo, London, Paris, and Amsterdam. “Through her book, and in person, she really wants to reach as broad and as large an audience as possible,” says David Drake.

Her popularity in the U.K. illustrates how deeply Michelle Obama inspires people not only in her home country, but also worldwide. With “Becoming” selling an enormous 51,000 copies in its first five days; it was the most successful book of the U.K. Christmas season. After just two and a half months on sale, the book had already sold some 600,000 print copies. Even more remarkable is the success of the audiobook edition, which represents 22 percent of all “Becoming” copies sold in the U.K., and is the fastest-selling audiobook in Penguin’s history, driven by Michelle Obama’s engaging narration of her life story.

Accompanied by online campaigns

But the inspiration and charisma of Michelle Obama is only one factor in her book’s mega-success. It also requires the collaborative effort of an experienced and dedicated publishing team to build excitement and anticipation for it in a non-U.S. country. In the U.K., Viking relied heavily on traditional media in the run-up to the event, from the first highlights of coverage following the book’s announcement in February and the high-profile unveiling of its jacket in May, its publication was accompanied by a large number of online campaigns on various social media channels. As one example, Viking used vox pops, surveys in which randomly selected passers-by are asked their opinion on Michelle Obama. With these vox pops, the publisher went on to reach around 500,000 selected consumers via social media.

The excitement in the U.K. was further fueled by carefully orchestrated advertising campaigns on Facebook and Instagram, which reached 1.1 million people, and by selected influencers who gave their own rave reviews of the book. It was also important to involve bookstores at an early stage – they heavily banged the drum for “Becoming” and generated many advance orders, in part, using attractive prize drawings. Waterstones, one of the largest national bookstores, declared it the most important nonfiction title of the year. “The excitement about Mrs. Obama’s ‘Becoming’ was huge here in the U.K. and in other Commonwealth countries,” says Joanna Prior, Managing Director of the Penguin General publishing group, which includes Viking. “Everyone has worked closely with their retail partners to ensure high impact on-sale displays and in-store activity.”

The most visible sign of “Michelle mania” (“London Evening Standard”) on the day of publication was the ad placed on the largest advertising space in London’s Waterloo Station, one of the British capital’s main train stops. Hundreds of thousands of people saw the large display on the LED walls above the entrance to the platforms that day. At least as many people saw a long-standing 30-foot portrait of Michelle Obama on the side of a building in Brixton, London, which Viking commissioned acclaimed street artist Dreph to paint two weeks before the book was published; this also generated a lot of coverage. The campaign hit a high point with Michelle Obama’s visit to London on December 3. She first met 250 enthusiastic students from Elizabeth Garrett Anderson School in North London as part of the Penguin Talks discussion series. She had already supported this school as First Lady, visiting it for the first time in 2009. In the evening, there was a conversation with author Chimamanda Ngozi Adichie about her life and her memoir before 2,700 guests at the sold-out Royal Festival Hall. As in the U.S., both events generated enormous mainstream and social-media coverage worldwide.

Several simultaneous promotional campaigns

Germany is one of the European countries where enthusiasm for Barack and Michelle Obama has always been particularly high – which is reflected in the success of the German-language edition of “Becoming,” published by Goldmann. Three months after its publication, almost 500,000 copies of the hardcover book had been sold nationally. This result is due to several simultaneous promotional campaigns: a high-impact offline advertising campaign that reached more than 20 million people; a viral social-media campaign with prize drawings on Facebook and Instagram that achieved more than five-million contacts; and an elaborate holiday-season campaign that also reached millions of consumers. For Goldmann Publisher Grusche Juncker, the continuing success of “Becoming” can be explained simply: it is a very good book. “There are many reasons to read a book: You want to be told a good story, to immerse yourself in another world, to discover new things, to learn, or to seek advice, relaxation, or inspiration – ‘Becoming’ has struck a chord with its many readers because it contains all these qualities,” says the publisher.

Crown’s David Drake best sums up the remarkable and resonating appeal of “Becoming” in the U.S. and worldwide: “It has been an extraordinary privilege for all members of our publishing team to work with Mrs. Obama, as well as a great learning experience. In addition to being creative and confident about her vision, Mrs. Obama believes in the value of hard work and of preparation, and she fully embodies that approach in her own working style. It is

just my opinion, but I think her main goal is to encourage all people, and especially those who have been discounted or marginalized, to find their own voice and to use that voice for good, to improve their own lives and the lives of their communities. I think that she has had such an impact on America and the world because she stands for hope over fear, for personal and societal progress, and because she fully and authentically embodies her message in everything she does." Penguin Random House has sold the rights for the book in 44 languages, and has sold more than ten million copies worldwide, a spectacular success made possible by the dedicated and tireless Penguin Random House Obama publishing team, a remarkable author, and her brilliant work." ■

→ www.penguinrandomhouse.com



Eyewitness: The expectations of readers were considered when relaunching the popular DK series “Eyewitness Travel Guides.”

A Travel Guide Series Refreshed with Inspiration and Information

The entrepreneurial spirit and creativity of **DK's Travel team** have rarely been so in demand as during the global relaunch of the 'DK Eyewitness Travel Guides' in 2018. The ambition was to completely revise an established, award-winning brand; a task that DK accomplished with bravura – side by side with its readers.

→ **The division of roles** between a travel guide and a traveler should be quite clear: As the name implies, one guides the other. DK has radically turned this relationship on its head. During extensive market research, the travelers DK spoke to said what they expect from a good travel guide, what it should look like, and what features are a must. This consumer-centric focus was at the very heart of the 'DK Eyewitness Travel Guide' relaunch.

The publisher's travel division spent months analyzing this insight in order to develop a brand-new look and feel for one of DK's heritage and most popular brands: the 'DK Eyewitness Travel Guides', to ensure that the guides deliver on their promise to inspire travelers as they plan, discover and experience the most beautiful places on earth.

This mission – to inspire, plan, discover and experience – has shaped and driven the ‘DK Eyewitness Travel Guides’ for 25 years now. Several hundred volumes have already been published, some in as many as 30 languages, with subjects from Australia to Washington D.C., and new editions are published every year, along with new volumes for new destinations. In addition to the classic ‘DK Eyewitness’ editions, DK has introduced separate series under the ‘Eyewitness’ brand, such as the ‘Top 10’ travel guides for weekend breaks, or ‘Back Roads’ for lovers of the roads less traveled. Add to that the ‘Mini Map and Guides.’ In terms of destinations, DK covers all the travelers’ desires: countries, regions, islands, and cities alike. In 2018 alone, DK sold 3.3 million worldwide. Its global bestseller was the one on New York City; in 2017 it was Japan. There are currently 119 ‘DK Eyewitness Travel Guides,’ and 86 volumes in the ‘Top 10’ series. The other series have a relatively smaller range of titles.

“Travel publishing has been a fundamental part of DK”

Ian Hudson

The travel guides’ outstanding characteristic has always been that, like all DK books, they utilize large-format photographs, graphics, and maps, with the aim to offer as much inspiration as well as practical help as possible on the ground. So really, anyone with a ‘DK Eyewitness travel guide’ who wants to explore the corridors and halls of the Vatican Museums or the most beautiful beaches of Australia only needs to pick up a DK travel guide book. The ‘DK Eyewitness Travel Guides’ have repeatedly received awards for their usefulness, accuracy, topicality, and elaborate presentation. Earlier this year, they scored a Wanderlust Award, awarded by readers of Britain’s eponymous travel magazine, which enjoys the highest recognition in the industry.

‘DK Eyewitness Travel Guides’ have been so popular with travelers from many countries and in many languages for a quarter of a century. This has a lot to do with the fact that they are continuously being developed by creative and entrepreneurial teams in all of DK’s global offices. The first audio ‘DK Eyewitness’ guides were released in 2016 – audio walks delivered via smartphone app as a supplement to the printed book. But the latter, the print book, remains most popular with travelers according to the publisher’s market research during the comprehensive strategy review.

Ian Hudson, DK CEO, says: “Travel publishing has been a fundamental part of DK for the last 25 years, but now more than ever before it is a number-one priority for our business. The newly relaunched guides demonstrate our com-

mitment and investment, and this is only the start of our ambitious journey. We aim to be leaders in the travel market globally and to set the direction for travel publishing of the future.”

In recent years, the travel market has changed as radically as the sources used by travelers to get information about their destination. Online in particular, you can virtually experience a journey with maps, pictures, satellite photos and videos before you have even set foot out of your front door. There is more than enough information about countries and their people on the internet, which can be accessed at any time via smartphone.

But do travelers want that? Do they want to be flooded with unfiltered information while standing at one of the most beautiful spots on earth, or gazing at top-tier cultural heritage sites? Apparently not. DK’s research demonstrated that travelers enjoy and want a printed guide, not just for the trusted high-quality information but also for the calming and enjoyable reading experience which is provided in a travel guide, in stark contrast to the often overwhelming, confusing and time-consuming online environment.

Entire travel-guide portfolio put to the test

Over the past few years, the market for print travel guides had stabilized worldwide. “The time had come to fundamentally question our travel guide strategy,” says Hudson. “We wanted to listen and learn about what travelers expect from a great travel guide in order to reclaim our outstanding position in the travel-guide market.” To answer this question, DK obtained all the available data and added its own. The publisher studied how people travel today, where they go, what kind of trips they prefer, and how well or not so well current guides respond to these habits. In the end, it was clear that DK would have to put its entire travel-guide portfolio to the test – and that the support of the entire team would be indispensable for this.

The DK team played a key role right at the beginning of the relaunch project: colleagues from the Editorial, Publishing, Marketing, and Sales departments met to spend time away from their routine work, delving deep into travelers’ minds and hearts. In preparation, they themselves slipped into the mindset of travelers by looking for travel information, or interviewing friends and families about their expectations of a travel guide. This first step already shed light on topics and trends that provided direction for further work.

The next step was to commission market research company Atticus Research to conduct an extensive, independent and representative survey. This intensive, global field research was conducted on three levels: first, there were detailed observations of and interviews with customers in bookstores.

A SHORT WALK ÎLE DE LA CITÉ

Distance 1.5 km (1 mile) Nearest metro Cité
Time 15 minutes

The origins of Paris are here on the Île de la Cité, the boat-shaped island on the Seine first inhabited over 2,000 years ago by Celtic tribes. There is no older place in Paris, and remains of the first buildings can still be seen today in the archaeological crypt under the square in front of Notre-Dame. A stroll of this part of the city takes you from one Parisian icon – the great medieval cathedral – to another: the Gothic masterpiece that is Sainte-Chapelle.

A ghly antechamber to the guillotine, the Conciergerie prison was much used in the Revolution (p76).

The colourful, lively Marché aux Fleurs Basse Elizabeth II is one of Paris's few remaining flower markets. Birds are sold at the Sunday market (p77).

The Cour du Moi is the impressive main courtyard of the Palais de Justice.

A jewel of Gothic architecture, Sainte-Chapelle is one of the most magical sights in Paris, noted for the magnificence of its stained glass (p74).

The Quai des Orfèvres owes its name to the goldsmiths (orfèvres) who frequented the area from medieval times onwards.

With its ancient towers living the quays, the Palais de Justice has a history that extends back over 16 centuries (p78).

The Prefecture de Police was the scene of intense battles during World War II.

Deep under the square, in the Crypte Archéologique, lie the remains of houses from 2,000 years ago (p77).

A riverside view of the Conciergerie, a former prison.



Patrons sitting outside one of the delightful cafés on the quaint Rue Chanoinesse



Locator Map
For more detail see p60

Did You Know?

In ancient times the island was used as a river crossing between its northern and southern Gaul.

The Rue Chanoinesse has many charming old restaurants, cafés and shops.

The quaint streets of the Ancient Cloître Quarter were once home to medieval clergymen and students.

Notre-Dame cathedral is a superb example of French medieval architecture (p70).

The Square Jean XXIII is a peaceful square close to the river.



The Statue of Charlemagne commemorates the King of the Franks, who was crowned emperor in 800. He united all the Christian peoples of the West: medieval architecture.



Distinguishing features: DK travel guides utilize large-format photographs, graphics, and maps, and offer as much practical help as possible on the ground.



Second, focus groups were used to discuss preferences for travel guides. Third, a real-time survey app was used to give important insights to broaden the research. The app was particularly valuable to DK as the participants reported live and unfiltered from their destinations about the advantages and disadvantages of their travel guide.

The research confirmed the stabilization trend in the print book market. Georgina Dee, Travel Publishing Director at DK, explained; “By commissioning research into what travelers really want from a travel guide, we discovered that they absolutely see the value of a print guide, so we made the decision to invest in our flagship ‘DK Eyewitness Travel Guide’ series.”

After the market research, DK’s in-house teams were asked to creatively translate the results into a new product. The product developers collated the findings from the Atticus research and their colleagues’ groundwork to derive the future ‘DK Eyewitness travel guide’.

Dee explains what it would have to look like: “Travelers want tangible and portable information, that inspires and stimulates, and helps them have very personal travel experiences. So the travel guide’s external design is important and was the top priority in the relaunch. We’ve completely redesigned the travel guides for today’s travelers.” She describes the new design as a revolution in the service of travelers all over the world. Emotionally appealing, superb quality images and consistent branding were the keys to this design, she says. It was crucial that the ‘DK Eyewitness Travel Guides’ also preserve their editorial identity while bringing them up-to-date for today’s readers.

“Travel guides must find the right balance between inspiration and information for readers,” she continues. “When someone goes to buy a travel guide, it’s important that they quickly find its contents to be relevant to them. On the trip itself, however, detailed and easily accessible information is expected. The thoughtful design of ‘DK Eyewitness’ gives them both. It’s a pleasure to read; to look at them is pure inspiration.”

Once the first designs for the relaunched ‘DK Eyewitness Travel Guides’ were finished, DK asked again whether the new guides met their users’ expectations – and thus the hopes of the publisher. The response from the U.K., U.S. and other core markets was consistently positive, validating DK’s strategy and the extensive project over several months. “It looks like a new brand, and

**“Travelers
want tangible
and portable
information”**

Georgina Dee



Georgina Dee, Travel Publishing Director at DK

“We wanted to listen and learn about what travelers expect from a great travel guide”

Ian Hudson



Ian Hudson, CEO of DK

a brand-new guidebook, but you still have that trust with DK on the cover,” was one opinion. Another: “DK has got it so right here. They are completely unmatched.” At this early relaunch stage, DK’s Travel Editorial team was able to directly respond to and implement the suggestions, so that the new travel guides were actually created in dialogue with their readers.

The DK Travel team is very proud of the project and its results. What’s more, after involving readers so closely, DK employees are now focusing their work on their customers more than ever. The teams are feeling much more motivated themselves and loving their travel guides more than ever – because they know that they are also loved by their readers. “The relaunch of ‘Eyewitness’ was a huge and intense challenge,” admits Lucy Richards, Project Editor. “But it was also the project with the closest collaboration, the greatest creativity, and the greatest possible subsequent reward. We felt like we were in a whole new department, with new and established talents working hand in hand to create beautiful, inspiring books.” And for DK, its journey with the travel guides has only just begun.

109 new titles planned for 2019

Anyone who wants to travel to Amsterdam, Berlin, Ireland, Italy, New York City, Paris, Prague, Rome, Washington D.C., Lisbon, Vietnam, Portugal, Cambodia and Laos, Germany, Scotland, Florence and Tuscany, Norway, Cuba, Provence and the Côte d’Azur, Switzerland, Greek Islands, Jerusalem, Israel and the Palestinian Territories, Vienna, Bali and Lombok and San Francisco and the Bay Area can now do so with a new “DK Eyewitness Travel Guides”. A total of 109 new titles are planned for 2019. 34 “DK Eyewitness Travel Guides” are being updated, and ten new destinations added. In the “Top 10” series, there will be 49 updates and three new destinations. And in all those places, priorities will be back to the way they should be: with the travel guide guiding the traveler. ■

→ www.dk.com



Soheil Dastyari, CEO of Territory

Big from the Beginning: The Story of Territory

Besides the many stories that **Territory** tells for big brands like Lufthansa or BMW, the content communications agency also has its own exciting story to tell. Three years ago, it was formed primarily by the merger of G+J Corporate Editors in Hamburg and Medienfabrik in Gütersloh. Since then, it has been characterized by a very special DNA.

→ **Territory covers a lot of, well ... territory.** Among other things, Territory comprises some 1,000 employees working in 16 different cities in nine different countries – from Hamburg to Gütersloh, Budapest, and Barcelona. Territory is brand communications on all channels and platforms – on social media, in customer magazines, or as part of HR marketing strategies. Territory is Oma Ehrlich and her recipes at Aldi Nord – whether on Instagram or Youtube – or “Lufthansa Magazine” on board the flight to your next vacation, as a print or digital magazine. But above all, Territory is one thing: concentrated diversity under one roof. And this is precisely the trait that now constitutes the success of Germany’s second-largest communications agency, and that led to its founding three years ago under the umbrella of the Bertelsmann subsidiary Gruner + Jahr.

The 2016 merger of Bertelsmann’s two major content experts, G+J Corporate Editors in Hamburg and Medienfabrik in Gütersloh, and the concomitant

integration of the Munich-based media agency Cross Marketing, and TRND, Europe's leading provider of word-of-mouth marketing at the time, created a new player in the agency market, whose size and diversity have been increasing ever since. For starters, the talent platform start-up Employour and the renowned digital-marketing agency Webguerillas were acquired. Territory now serves as an umbrella brand that covers a wide range of communications services with its sub-brands Territory Embrace, Territory Media, Territory Webguerillas, and Territory Influence, as well as the joint venture Honey. It also operates its own digital platforms.

"We created something very special out of several large companies that were already very successful in the market on their own," says CEO Soheil Dastyari, recalling the birth of Territory. "And that was our start-up, one might say. It was a very exciting and intense time back then, he says. "After all, you don't often get the chance to create something new from scratch that's so big and performance-ready right from the start," says Dastyari, who, as Gruner + Jahr's Publishing Director at the time, was

jointly responsible for various market launches, including "Barbara," "Salon," and "Stern Crime." Sandra Harzer-Kux, previously Managing Director of G+J Corporate Editors, and Stefan Postler, then Managing Director of Medienfabrik, also embraced the merger under the new Territory brand as an exciting entrepreneurial task. They, along with Dastyari, constitute Territory's Executive Board. And, like him, they recognized the potential of the new G+J subsidiary's collective clout early on.

"That was our start-up"

Soheil Dastyari

of G+J Corporate Editors, and Stefan Postler, then Managing Director of Medienfabrik, also embraced the merger under the new Territory brand as an exciting entrepreneurial task. They, along with Dastyari, constitute Territory's Executive Board. And, like him, they recognized the potential of the new G+J subsidiary's collective clout early on.

"In the agency scene, size has become an increasingly important asset," says Stefan Postler, looking back to 2016. "As an agency, you could only win certain contracts if you could demonstrate appropriate power and reach. That's why I quickly realized that as part of the new agency, Medienfabrik would achieve a completely new level of brand awareness on the market – and that has been borne out."

Sandra Harzer-Kux adds: "As a result of the merger, the skills we could draw on within the company grew exponentially. With one stroke, so many new opportunities opened up – in terms of customers, market access, and strategies. That was and remains an incredible asset."

According to Territory boss Soheil Dastyari, the decision to take this step grew mainly out of two developments that were becoming increasingly apparent in the agency business at the time. "Customers' demands and expect-

tations for communications were becoming more and more extensive. To be successful in pitches, and to be able to achieve all the requirements, it became necessary to work together with partners,” he explains. “With the increasing requirements, however, communications also became increasingly complex for the customer. So, as an agency it made sense to offer several services from a single source, to reduce complexity for the client.” This, in combination with the expertise that already existed in various areas of the Bertelsmann Group, was the decisive factor in pooling individual content companies into the new full-service agency, as Territory calls itself. Because it not only offers a medley of various disciplines – from content marketing to social-media marketing, influencer marketing, and employer branding – but also consulting and other services beyond communications, for example in marketing, production, or distribution. “We work for our customers at many touch points in their company, and only few other agencies can claim to do this,” explains Dastyari. A prime example of this can be seen in the collaboration with the automobile manufacturer BMW, for which Territory pools all communications activities worldwide in the area of brand content and social media.

A new company, a new brand, a new name

Of course, achieving this wasn't always easy, says Dastyari. A new company, a new brand, a new name: Dastyari now knows only too well what it means to launch a business of this magnitude. A task for which he not only had great respect, but above all felt great enthusiasm and passion. Dastyari and a small team had only a few months between the birth of the idea and the launch of the Territory brand in May 2016. Everything had to be done in secret, so that nothing would become public before the fact. “On the communications scene, perception plays an extremely important role. So in the beginning, our focus was on using an unusual approach and a special name to pull in people's attention, and then announcing the foundation with a big bang.” To not lose this focus, he had to put a lot of things on hold, he says. So when the front end had already been fully launched, there was still much to be sorted out in the back end. “After the launch, we had to clarify many open questions while running our day-to-day business, such as software issues. That wasn't easy, but without the surprise effect, we couldn't have staged such a strong launch.” At the same time, it was a great entrepreneurial challenge to create something new without relativizing the old, he says. “In order to establish the brand, we obviously had to focus strongly on the new. At the same time, however, he says it was important not to detract from the special features of the individual existing businesses.” This is why, he says, it has been very important to him



While food videos are produced for various customers in the **studio kitchen** (top), **“Lufthansa Magazine,”** for example, is created on the desktop and is the leading European in-flight magazine in terms of circulation and reach (bottom).

all along to beat the drum for the new joint model, all the while holding the flag high and keeping all the employees on board along the new path.

Incidentally, the name Territory originated in a pub, he says, laughing. “Honestly, we were pretty desperate at the time, because the deadline for the launch ad was getting closer and closer, and we still didn’t have a name.” It wasn’t at all easy to find the right name that captures the heart of the new brand, works internationally, and can clear the rights-hurdle check, he says. When he ended up in a pub with a colleague one evening, he decided not to go home until the baby finally had a name. “So, we sat there and thought about what we wanted to express. We came to the conclusion that our job is to define spaces for brands. The idea was to use great content, offers, and services to mark a territory for a brand.” Hence Territory – and a quick check of the rights to the name on the smartphone resulted in a number of oil drilling companies, but no communications company. “We were delighted, because it was already very late,” admits Dastyari with a smile.

The development of the market confirms the efforts were worthwhile, and that the basic principle of Territory is now fully accepted in the industry. “Clients’ budgets are getting bigger and bigger and their disciplines more extensive – and at Territory, we can respond to this and serve them,” says Dastyari. “Each of

“Creativity must be compatible and disruptive at the same time”

Soheil Dastyari

our units continues to be successful in its own area, while at the same time new businesses are emerging that they can only take on together – and they do.” This cooperative aspect, which has played a pivotal role from the beginning, is also what sets Territory apart from other agencies. “Collaboration for success is firmly anchored in our culture. We win eight out of ten pitches with two or more units.”

Soheil Dastyari, Sander Harzer-Kux, and Stefan Postler agree that the more diverse the teams and disciplines, the better and more creative the results. That said, in the beginning, this big opportunity was also a big challenge. “Uniting the different cultures from the various units under the common denominator of Territory while at the same time retaining their uniqueness was no easy task,” says Stefan Postler, summing it up. Especially since some former competitors are now co-workers. But the idea has worked, explains Sandra Harzer-Kux, and so the culture of Territory is now characterized by the fact that it unites many cultures under one roof. “Our employees can be



**“Uniting
the different
cultures was
no easy task”**

Stefan Postler

Stefan Postler, Managing Director and Executive Board
Member of Territory

**“So many new
opportunities
opened up”**

Sandra Harzer-Kux



Sandra Harzer-Kux, Managing Director and
Executive Board Member of Territory

Territory, while also being Territory Webguerillas or Territory Embrace. Rather than being irreconcilable, it's complementary," says Dastyari. "And really isn't it a dream come true when, for example, a Bavarian social-media colleague, an IT specialist from Gütersloh, and a Hanseatic journalist sit at the same table, developing good ideas together by openly discussing with each other and sharing their various different ideas? This is the only way to develop creativity, which is essential in the agency environment. For Dastyari, creativity doesn't mean "pulling a rabbit out of a hat" every time. "Creativity must be compatible and disruptive at the same time. And this can only be achieved if one takes up ideas or concepts that already exist and conveys them in a new, unique way." In addition, creativity today can arise in many places, for example from a sales idea, production potential, or a new technology, he says. One creative head sitting alone in a room conceiving new ideas – that's just no longer up-to-date, says Dastyari. "We want to bring people from different areas together and thus develop ideas from a broad base that then have a broad impact."

According to Soheil Dastyari, in order for these creative ideas to really reach the end product's readers or internet users, communications today must be seen more as an offer than a message. "We have to create offers that people are happy to accept. And they only do this if they serve a function in their lives or provide them with the appropriate service in a situation. This is the only way content can become relevant." The fact that Territory is able to do just that was demonstrated above all by last year's business figures. In the first two years after the launch, the G+J subsidiary still had a lot of internal matters to deal with, such as office moves or technical matters, says Dastyari. "We have made significant progress with our infrastructural tasks and are now performing very well and gaining momentum in the market."

Develop good ideas together

In the time ahead, the main topic on the agenda will be internationalization. "Through Trnd, which is now Territory Influence, we already have many offices in other European countries. We want to build on this and see what else we can do in the countries and markets where we already have a footprint." Currently, for example, the Budapest office is being significantly expanded, as a new team for the customer BMW is to be added there, he says, an exciting task to which Dastyari devotes himself with a lot of passion. The same goes for the newly announced ideas competition for the new employer brand, which Territory will develop for itself this year – in collaboration with Territory Embrace, of course. "As I said before, the best ideas are created through community and diversity. We've therefore decided to involve all employees in

this process and called on them to develop and submit proposals in randomly put-together teams. Any other procedure wouldn't have been appropriate for us as Territory.”

However, the greatest challenge that Territory is setting for itself, even three years after its launch, is to always be at least one step ahead of the market. “We have to keep reinventing ourselves, tell new stories, and identify new lines of business at an early stage,” says Dastyari. “We've done this right from the start, and today we already cover a lot of topics that are bound to become even more relevant in the next five years, such as influencer marketing, video production, employer branding, and performance media. Our great potential lies in continuing to identify new trends and make them part of our territory.” ■

→ www.territory.de



The **Super Deluxe box set** for the latest edition of **Keith Richards'** first solo album "Talk Is Cheap"

An Artistic Home For Music Icons

In 2008, the new **BMG** launched as a small music-publishing-focused company in Berlin. Today, the company has become an international and powerful musical all-rounder – the fourth-biggest in the global industry – with a revolutionary business model that focuses on the needs of clients and artists and combines the traditionally separate music publishing and recording rights under one roof. The rights to a large number of songs and recordings from legendary stars are the creative basis for BMG’s wide range of entrepreneurial activities and new products.

→ **The news should thrill inveterate music fans** – particularly those who love the music of the Rolling Stones in general and their guitarist Keith Richards in particular: The Super Deluxe box set made of fine ash wood for the recent re-issue of Keith Richard’s first solo album “Talk Is Cheap” comes from the workshops of the famous guitar manufacturer Fender in Corona, California. For those who are not in the know, here are a couple of hints: First, Keith Richards isn’t just a journeyman guitarist, but one of the best-known, eminent masters of his profession, an artist who has shaped the art like few others, with unusual riffs, tabs, and musical experiments. And second, Fender was the workshop that built, in the 1950s, Keith Richard’s favorite guitar “Micawber,” named after the character Wilkins Micawber from the Charles Dickens classic

novel “David Copperfield.” The guitar was given to him on his 27th birthday in 1970 by his friend, the immortal guitarist Eric Clapton when the Rolling Stones were working on their new album “Exile On Main Street.” So, when more than 30 years after its initial release, a box set this special of the first solo album of an artist this extraordinary was re-released again at the end of this March, it really is a testament to the publisher’s great entrepreneurial creativity. “That’s what BMG is all about,” stresses Peter Stack: “Great respect for the artists, and interesting formats for music fans.”

As Executive Vice President, Global Catalogue Recordings at BMG, Peter Stack is responsible for its global-catalogue business, music business vernacular for older rather than brand-new recordings. New editions and reissues of these recordings, some of which are decades old, can now captivate millions of people again – as in the case of Keith Richards, one of the best-known “newcomers” to the Bertelsmann Music company. Since 2013, BMG has handled the music publishing rights for numerous Rolling Stones songs written by Mick Jagger and Keith Richards, including huge hits such as “(I Can’t Get No) Satisfaction,” “Brown Sugar,” and “Angie.” In November 2018, Richards signed another worldwide contract with BMG, this time for the catalogue of his solo recordings. It includes the Rolling Stones guitarist’s 1987 debut solo single and four solo albums from 1988 to 2010, namely the two studio albums “Talk Is Cheap” and “Main

“It’s a lot of fun to work with musical icons”

Peter Stack

Offender,” the live album “Live At The Hollywood Palladium,” and the compilation “Vintage Vinos.” These records will be successively re-released – Stack knows that, properly promoted, they can trigger the impulse to buy among longtime or future fans of Richards and the Stones. This is why these new editions are being offered in various versions, for example as an elaborate Super Deluxe box set with CDs and albums, including bonus tracks, rare photos, an extensive accompanying booklet by “Rolling Stone” music author Anthony De Curtis, and an engraved metal plectrum. Thanks to its creative skills in re-presenting such recordings, BMG is expecting to produce a sales boost for tracks which otherwise might have languished in the Richards archive.

“It’s a great honor and a lot of fun to work with such extraordinary musical icons as Keith, whose career I followed over many years,” says Stack happily. And he knows what he’s talking about: After all, the experienced BMG manager had his own record label, Union Square Music, before BMG acquired it in

October 2014. The EVP, Global Catalogue Recordings is committed to discovering and re-marketing real treasures from the tens of thousands of recordings by renowned labels that BMG already has in its inventory. After all, up to 80 percent of the BMG portfolio consists of works by established artists. And often, with BMG's support, they build on the successes of the past and triumphantly return to the charts and concert stage, including Morrissey, Sparks, Blondie – and Bryan Ferry. The co-founder and singer of the legendary art rock band Roxy Music, was the first global star to sign a publishing and recording contract with the new BMG in 2012. The following year, his first new solo project, “The Jazz Age,” supported by live performances, attracted a lot of media attention and, of course, among his fans. Since then, two more albums have followed, both of which were a success as well. And Stack cheerfully announces that BMG has “a lot of great ideas about what we want to do in future” as for bands and stars including The Kinks, Black Sabbath, Iron Maiden, Slade, Nick Cave, Erasure, Goldfrapp, Moby, Motörhead, Kylie Minogue, Supergrass, Cat Stevens, and Madness.

BMG has all the necessary rights to deploy these catalogue recordings for a number of interesting projects. “For example, we are re-releasing recordings on physical sound media, in creative packages like the Keith Richards Super Deluxe box set, but we can also use and promote the recordings in the fast-growing streaming sector – an area that is particularly suited to encourage music fans to discover older songs,” says Stack. Beyond this, they can be used in movies, in TV programs, and in commercials – another increasingly profitable business for music companies and artists. The careful and accurate invoicing of performance rights on the radio, at concerts, and in public spaces is already part of the core business for Bertelsmann's music company, with its 800 employees worldwide.

Get the best out of every song and every album

“The crucial challenge for us is to get the best out of every song and every album, and to present it in such a way that we reach as large an audience as possible,” says the BMG manager. “This, of course, only works in close collaboration with the artists themselves, so that we can accurately reflect their original vision.” And here he sees BMG as having an advantage over other companies: “The catalogues of far too many artists are represented by labels that don't value artists' creative input. At BMG, however, their own ideas about how they want their work to be represented and marketed are absolutely paramount,” says Stack. “We work with the artists and their management on all the important matters. Our goal is to closely interlink our work with all



Peter Stack, Executive Vice President Global Catalogue Recordings at BMG



“This only works in close collaboration with the artists themselves”

Peter Stack

Legendary works by famous bands like **Black Sabbath** are being presented in box sets (at right “The Ten Year War”) to old and new fans.



their other activities such as tours or social media appearances. For us, this is not only the respectful and appropriate way to work together; it also makes for greater commitment and effectiveness from the artists themselves – which the fans then appreciate as well.”

In terms of content, collaboration is increasingly about a complete package of music-rights exploitation, publishing, and other comprehensive recording services – from recording, production, and publication, to the sale of physical records and, even more importantly today, digital data for the aforementioned music streaming. “Its overarching approach on a uniform platform makes BMG unique among its peer competitors,” notes Stack. He points out that BMG’s publishing business, which was originally dominant, will soon be matched by the recordings business, which has grown rapidly in recent years. And not without reason: The ability to offer high levels of expertise for both businesses under one roof is imperative for BMG’s future success, he says: “More and more of our artists, who themselves often own the rights to their great songs, see the advantages that we can provide them with for all important aspects of their career, and specifically ask for our full-service package.”

BMG, in turn, is on the lookout for established artists who have already achieved great things in their careers – and whose recordings can now be marketed internationally again. The search for such iconic stars in the BMG catalogues begins with works from the 1940s and continues into the 2000s. According to Stack, all important music markets in the world will be considered; BMG colleagues from the Marketing, Business Development, and, of course, Legal departments will be involved. New contracts usually need to be negotiated with the artists or their heirs.

Three million songs and recordings

Since its beginnings in 2008, BMG has grown to include numerous important labels and catalogues of very different styles. Time and again, there were good opportunities for expanding the repertoire, so that now about three million songs and recordings are listed in the BMG catalogues, all of which are potentially available to the quest for new hits. “This initial phase dominated by acquisitions has now come to an end,” explains Stack. “The streaming boom, among other things, has caused prices for music catalogues to soar, so that we now intend to focus on growth under our own steam. But there will always be opportunities to purchase high-quality assets, which we will pursue, of course.”

One such possibility, for example, was the acquisition, in October 2018, of the British label World Circuit Records, founded in the mid-1980s. World

Circuit Records is the home to such well-known artists and groups as Buena Vista Social Club, Ali Farka Touré, and Orchestra Baobab. The album “Buena Vista Social Club,” named after the band of Cuban musicians, is the most successful world-music record of all time, with millions of albums sold – it even won a Grammy, among other awards. Its release in 1997 and Wim Wenders’ 1999 documentary film of the same name resulted in a worldwide surge in popularity for music from Cuba. “We agreed with Nick Gold, the previous creative head and owner of World Circuit Records, to further develop the label, and have already thought about some new creative projects,” says Stack. “A number of new releases and reissues are already being planned.”

However, BMG doesn’t only think of music in the literal sense when it comes to such new projects. The company has long since started considering books and films as interesting and attractive business fields. Their involvement with the book about the British rock band The Zombies, “The Odessey: The Zombies in Words and Images,” the illustrated book “Johnny Cash at Folsom and San Quentin” about music legend Johnny Cash and the documentary film “Remember My Name” about legendary folk-rock singer David Crosby are impressive examples of what can be done in this direction. “The expansion of our portfolio to

“We now intend to focus on growth under our own steam”

Peter Stack

include these media has greatly enriched our Catalogue Recording Team’s work,” reports Stack. “Much of our daily work revolves around presenting our business partners with ideas on how we best can tell the story of their achievements. Being able to use and to offer an additional medium such as books in these negotiations is immensely valuable.” By the same token, he says, by doing so, BMG opens up another opportunity for artists to express themselves. Stack says an outstanding example of a film is a new BMG-initiated documentary about The Kinks and their groundbreaking album “The Kinks Are The Village Green Preservation Society.” “This movie was a key component in a new anniversary reissue of the album, which we supported with a wide range of products,” says the BMG manager. These included a remarkable gallery exhibition in London, where related art and memorabilia were on display.

Another campaign for a major musical event which was supported by books and films was the 2018 celebration of the 50th anniversary of Trojan Records, the legendary British ska and reggae label. “Throughout the year we released various anniversary products,” says Stack. For example, there was a

successful picture book entitled “The Story of Trojan Records,” which was unveiled to the public at the British Library. Fans of the label and its music loved the documentary film “Rudeboy: The Story Of Trojan Records,” as well as the merchandising produced with the U.S. clothing manufacturer Carhartt – and of course the numerous live events. “The Trojan campaign as a whole was a major cultural event that was covered extensively by the British media,” recalls Stack. “For us, however, it was also a great commercial success with significantly increased sales figures across all areas.”

Marketing the BMG catalogue in the world of music streaming

Stack is certain that 2019 will be another productive year for BMG’s catalogue team. “We’re working hard on major projects involving Keith Richards, Motörhead, Kylie Minogue, Rick Astley, Bring Me The Horizon, Slade, and Cat Stevens.” A special focus lies on marketing the BMG catalogue in the world of music streaming, with its near-limitless and practically free possibilities. “New technologies such as smart speakers and in-car streaming systems are already generating a significant increase in demand for established artists’ music in this digital domain,” he says happily. In addition, BMG colleagues don’t intend to let up on marketing tracks to movies, television, and advertising.

And of course, Peter Stack will continue to bring more stars and their recordings to BMG in the future. “Being a passionate music fan myself, there are many established artists I dream of working with,” he enthuses. “Although there are too many of them to list, I’m sure we’ll be able to inspire a lot of them to join us in the years ahead.” ■

→ www.bmg.com



They want to help banks prevent money laundering: **the BFS Finance team** in Gütersloh with Vice President Paul-Gerhard Haase (top row, center).

Bogus or Real? Better Customer Verification with Arvato

Making it easier for banks to verify the identity of its current and new customers was the mission driving the launch of a new **BFS Finance** service. In the process, the Arvato Financial Solutions subsidiary demonstrated the essence of entrepreneurship: a passionate commitment to the product you believe in. Especially when there is the occasional setback to be coped with.

→ **Banks worldwide** will have been paying particular attention to Brussels in recent months, as the EU Commission has shifted into gear in its fight against money laundering and terrorist financing, with new directives and blacklists. The tightened regulatory framework requires banks to take a closer look at both new and current customers so as not to unintentionally aid illegal financial transactions, or even fall under suspicion of doing so. This inevitably entails a bigger internal workload and rising costs. With this situation in mind, BFS Finance developed a solution that not only makes it easier for banks to counter regulatory risks, but also leads to less expensive and faster processing of customer verification using reliable data. The team demonstrated outstanding entrepreneurial energy and determination, as at times the project was teetering on the brink. But let's start from the beginning.

Headquartered in Verl, near Gütersloh, the Arvato Financial Solutions (AFS) subsidiary, BFS Finance, is a leading provider of receivables-management solutions in the German-speaking territories. Beyond this, the company has gradually added complementary and supplementary financial services to its product portfolio. "Our challenge was to expand this segment of financial services," says Paul-Gerhard Haase, recalling the initial situation when he first

joined the company in July 2016. Prior to this, he had been responsible for the banking business of an international credit card provider. He was very familiar with the ins and outs of the finance sector, as well as the regulatory provisions for banks, insurance companies, and other finance companies in connection with regular customer verification. These regulations have become increasingly strict in recent years, especially in the EU. Haase and his team saw potential in this for a new business model. In their opinion, the requisite internal processes at many banks did not meet the supervisory authorities' increasing requirements – and if they did, they were often technically underdeveloped and inefficient.

Banks need to be familiar with their customers to prevent money laundering, hence the principle is known in the industry as “know your customer” (KYC). As part of the reviews required by law, banks must carefully examine and document their customers' ownership structure, as well as the responsibilities and authorized representatives within a company. Haase illustrates the complexity of KYC in practice using the example of Arvato's owner: “Bertelsmann maintains business relationships with more than 80 banks around the world. Each and every one of them has to review their data regarding Bertelsmann whenever there are changes, as well as

at specified intervals, to ensure that the Bertelsmann in their customer file is still the real media, education, and services group, and above all, that the ownership structures haven't changed,” explains Haase. The banks have to carry out this process for big companies as well as for private individuals wishing to open a current account.

“Here in Germany, we all know this from 'Post-Ident,' where you present your identity card, a procedure now increasingly being offered in video-based form,” says the financial expert. However, the procedure is much more complex for companies, as banks have to determine which person is ultimately the company's beneficial owner. “This involves acquiring, linking, and analyzing relevant data. The banks do most of this manually themselves, which takes up a lot of resources,” explains Haase. And it can sometimes have absurd consequences. There have been cases where a foreign bank demanded to see the private electricity bill of the treasury manager of a German company – as proof that he really exists.

“This involves acquiring, linking, and analyzing data”

Paul-Gerhard Haase

So an idea was developed to relieve banks of this laborious work. But larger companies can also benefit from a service that leads to greater efficiency and standardization. The new platform makes it possible for Bertelsmann to make the relevant data available to the 80-odd banks all at once in a single place, rather than sending it to them individually 100 times. Haase and his colleagues felt their own prerequisites for developing a KYC solution were good. First, because the Bertelsmann Group as a whole has relevant experience in this field as a result of numerous KYC checks. Secondly, as a financial company BFS Finance is itself subject to regulation by the German banking supervisory authority Bafin. Arvato's services power came into play as a third advantage. "Our package was very well received when we entered a tender for a consortium with half a dozen German banks. At the beginning of 2018, we were selected from over 70 suppliers as the sole partner to implement the order," recalls Haase. The disappointment was all the greater when the project was shelved before it had even gotten underway properly. On the one hand, the banks involved were divided on objectives and timelines, says Haase, and on the other, the supervisory authority objected to the project. It argued that the establishment of a joint company, in which Arvato does the work as a service provider, would be tantamount to inadmissible double outsourcing.

Strategic adjustment

However, Haase and his team were not discouraged by this setback. "We felt we were strong enough to bring the solution to the market on our own," he says. They used the reboot to make a strategic adjustment, because they had since realized that a solution aimed solely at the German market would be too shortsighted. "Even SMEs in Germany are maintaining more and more business relationships with investors from other countries, where the beneficial owners must be identified and verified in the same way, which is why the banks also said: If you do it, do it internationally," explains Haase. The challenge now was to find a suitable partner for this. Initial talks made it clear that large commercial providers of economic data sets such as Thomson Reuters, Bloomberg, or Swift were out of the question at first. "We felt the risk of being pushed out of the driver's seat was too high. Which is why we aimed for a collaboration between equal partners and without conflicts of interest," explains Haase.

The Swiss postal service was ultimately chosen. At first glance this may seem surprising. How can a state-run enterprise of a country with a population of just eight and a half million be suitable for handling corporate data originating from all over the world? In fact, the Swiss postal service with its



Checking **corporate customer data** is a complex process for banks. The service from BFS Finance is intended to remedy this situation.

To combat money laundering, credit institutions including those in **Frankfurt am Main** (right) are subject to increasingly strict regulation. **Swiss Post** (top) is helping Arvato as a partner to verify the address data of bank customers. Bottom photo: **Paul-Gerhard Haase**, Vice President BFS Finance



“The Swiss Post is the ideal partner for us”

Paul-Gerhard Haase

global brand Swiss Post has a very international orientation, and possesses an extensive global register of address, identification, and master data. The Universal Postal Union has just honored Swiss Post as the world's best postal service for the second year running. Under the partnership, BFS Finance is given the opportunity to reliably verify sensitive information. For instance, the home address of a managing director can be found and verified through Swiss Post. In addition, it is subject to the Universal Postal Union's requirement of postal secrecy and can thus guarantee the protection of sensitive data during international exchanges. In addition to the regulations that Swiss Post is subject to as a wholly state-owned institution, it is now also subject to the financial-control provisions, as it holds a full banking license in three countries. Moreover, it complies with the standards for address data specified by the Universal Postal Union. This self-imposed double regulation along with government supervision guarantee highest standards in the handling of data, which is essential for BFS Finance's business model. "We transfer Swiss Post's DNA from the physical to the digital world, in everything from the secure dispatch of letters to postal secrecy. We recognize that our global brand is an invaluable asset in the world, where trust, reliability and neutrality are increasingly important," says Werner Fontanive, member of the Corporate Executive Team at Swiss Post.

Knowing local differences in regulatory practice

In addition to Swiss Post, two of the four major global auditing firms play a role in the project. BFS Finance mainly brought them on board to obtain accreditation for the Arvato solution from them, which is tantamount to a seal of approval for the banks, and therefore amounts to a pledge of confidence. "In addition, the auditors' many contacts with banks around the world can be of great value to us," says Haase. Another success factor is knowing local differences in regulatory practice. "There are, of course, international standards, but there are differences from country to country as to how exactly a person is to be identified. So, we first look at the respective legislations and develop a global standard based on what they have in common. This sets us apart from the competition's top-down model, which takes exactly the opposite approach," says Haase. In a first step, he says, the solution was developed for the German market, and the strategy is that it will now serve as a blueprint to which the special features of other markets will be added.

The technological dimension is expected to be an additional argument in Arvato's favor. BFS Finance relies on artificial intelligence (AI) and – in future, for international assignments – blockchain to make KYC processes for banks

leaner, faster, and more secure. Technical implementation is the responsibility of Arvato Systems, a sister company in the Arvato group. AI could, for example, help in matching persons with the relevant indexes. If, for example, someone maintains business relations with extremist political organizations or with states on a sanctions list, the bank staff must filter out these cases. This, says Haase, is one of the steps that could be automated. Meanwhile, using a blockchain facilitates the secure international exchange of data, which must never be viewable or editable in plain text on its way around the globe. In the future, technology will play an increasingly important role, but for Haase it is clear that the human factor is decisive: "From the outset, we must guarantee at least the same quality standards as the banks achieve with their own resources. To do this, we need well-trained employees who can handle these activities from a service center. Then, in the medium term we want to achieve greater efficiency through even more sophisticated AI." So it can be expected that the team of currently 20 to 25 will be increased as soon as the first long-term contracts have been signed.

The conditions are favorable. In Asia, and especially in Europe, politicians are making greater efforts to end money laundering. In July 2018, the fourth amendment to the EU Anti-Money Laundering Directive came into force. This February, the EU Commission published a blacklist of countries which it feels don't take sufficient decisive action against money laundering, or may even be complicit in it. In addition, a 2018 survey of treasury managers of companies from the German-speaking countries conducted by the specialist journal "Der Treasurer" together with Deutsche

"We want to achieve greater efficiency through even more sophisticated AI"

Paul-Gerhard Haase

Bank revealed considerable dissatisfaction with banks' KYC practices. By the beginning of July 2019, BFS Finance intends to launch pilot projects with selected banks and corporate clients, which will ideally result in long-term collaborations. "Our hope is that when we get underway, we will win over banks as partners who will have a lot of interesting corporate customers in tow, so to speak," explains Haase, adding that "the biggest challenge for us is to convince major banks of our service so that we have a solid basis for further growth."

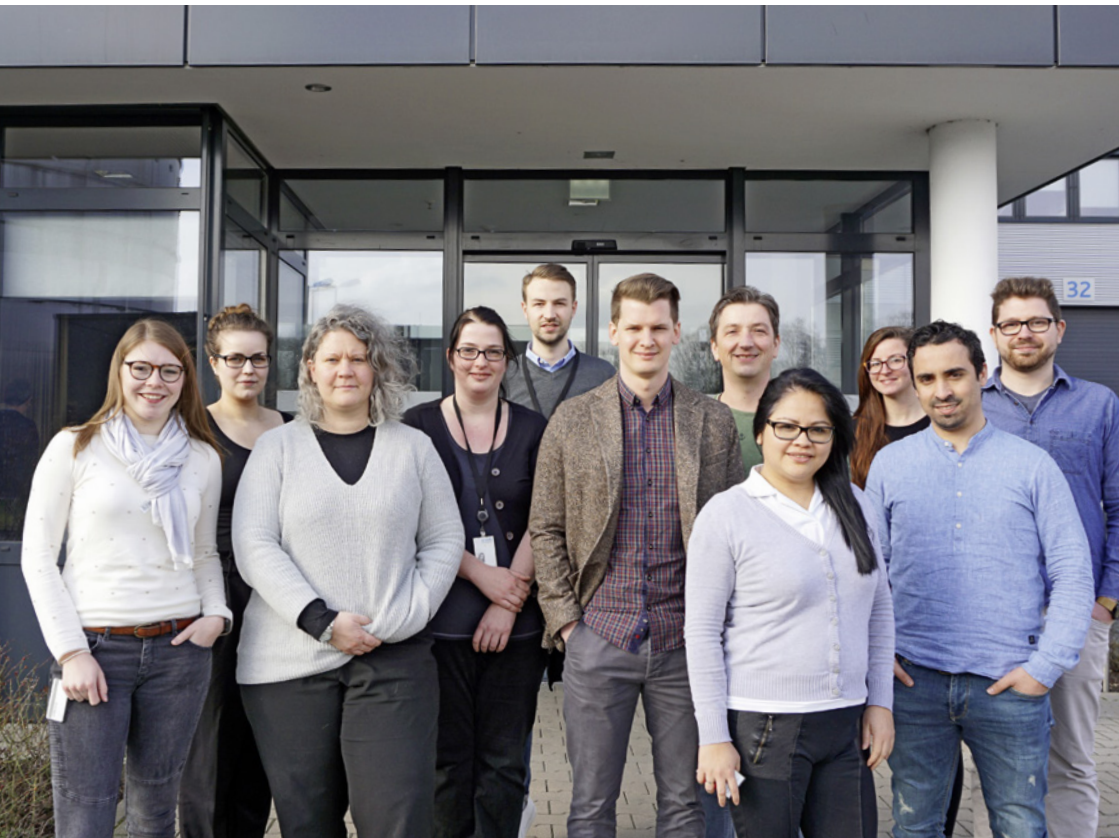
Besides expanding the target group to include insurance companies, another top priority in the growth plans is internationalization. Haase and his team are initially focusing on countries and regions in which they see prom-

ising opportunities thanks to the presence of Swiss Post: the United Kingdom, Scandinavia, and Singapore. While the U.S. is a very important market, “let’s wait and see how things develop there,” says Haase in view of the current easing of the regulatory framework for the U.S. financial market. The Arvato experts see two further dimensions for growth in the agreements on the Foreign Account Tax Compliance Act (FATCA), an automatic exchange of tax information to prevent tax evasion, and in data reconciliation for other industries. Retail and mobile communications are possibilities, although the regulatory pressure here is still much lower than for banks.

The BFS Finance team believes in its service. “Banks can use us to improve the quality of their KYC processes, better assess regulatory risks, reduce costs, and at the same time expand their digital competencies. Corporate customers, on the other hand, benefit from faster and less complicated KYC checks,” says Haase. Even if the practical benefit is decisive for success or failure, the social dimension also speaks in favor of the BFS Finance solution. In Germany alone, the volume of all money laundering activities is estimated to exceed €100 billion per year – equivalent to around three percent of the country’s total economic output.

These efforts by Haase and his colleagues’ are helping to combat financial crime, and are a great example of invaluable corporate citizenship from Arvato and Bertelsmann. ■

→ www.finance.arvato.com



Working every day for Otsuka: the Arvato SCM Healthcare team at the Harsewinkel location headed by Key Account Manager Pascal Januschewski (5th from left).

Divide and Supply

The European logistics for the Japanese pharmaceutical manufacturer Otsuka required a fundamental transformation from Arvato: **The Healthcare division at Arvato SCM Solutions** was in charge of transferring a centralized structure to a decentralized one. A task that required entrepreneurial skill, dexterity and creativity.

→ **It is often said that you grow with your tasks.** If you want to know what this platitude feels like in practice, just ask Pascal Januschewski and Lukas Hannig, because they can both tell you about one of the most demanding transformation projects that Arvato SCM Solutions has supervised on behalf of a customer in recent years. “We grew with the project in the truest sense of the word,” says Hannig. By “we” he means the Arvato SCM Healthcare team, which has worked as a service provider to the Japanese company Otsuka since 2013. The pharmaceutical manufacturer, headquartered in Tokyo, specializes in drugs for the treatment of liver, kidney, vascular, and circulatory system illnesses, and central nervous system conditions such as schizophrenia. Founded in 1964, Otsuka employs around 46,000 people worldwide and has a strong presence in Europe. Its Otsuka Pharmaceutical Europe Ltd. subsidiary manages the business in Europe, and maintains sales and marketing offices in the key markets.

In 2013, the Otsuka management decided to transfer the responsibility for its European logistics to a new service provider. They wanted a strategic partner for a complete order-to-cash (OTC) solution. In the business world, order-to-cash describes the entire order-processing procedure, from receipt of an order to payment of the outstanding account by the customer. Instead of outsourcing individual steps in this process to external providers, e.g. just the delivery or billing, in order-to-cash, a single service provider handles all stages in the value chain: warehousing, order management, picking, transport, returns management, customer service, and all steps in the payment process. The new service provider would distribute Otsuka products to all EU countries plus Norway, Iceland, and Switzerland with this OTC solution. “That was the starting situation when we began working together,” says Hannig, who joined Arvato in 2013, and was one of the Account Managers in charge of implementing the pharmaceutical customer’s order right from the start.

The Otsuka project was geographically based at the distribution center in Harsewinkel near Gütersloh in eastern Westphalia. It was an obvious choice, as the site handles the

majority of Arvato SCM Healthcare’s European business. Of its approximately 75,000 square meters of total storage space, 25,000 square meters are dedicated to medical technology and pharmaceutical products. If ever you want to take a closer look at the logistics services in Harsewinkel, be sure to bring warm shoes and a thick winter coat, because when handling medicines and medical equipment, observing the prescribed temperature is the be-all and end-all. Quite a few products require double-digit temperatures below zero degrees centigrade during storage – and during transportation, which represents an even greater challenge. The overall spectrum ranges from plus 25 to minus 80 degrees Celsius. Just last fall, Arvato commissioned a new refrigerated warehouse at the site that is designed for keeping its contents at minus 20 degrees Celsius on 300 square meters of floor-space. “Stay cool!” could be Arvato SCM Healthcare’s motto. “Whenever I visit the refrigerated warehouse or am standing in front of one of the insulation boxes we use to ship a lot of products, I realize all over again that our job for Otsuka is not about ordinary logistics,” says Pascal Januschewski. He joined the Otsuka team at Arvato almost three years ago, initially as part of the operational management team in Harsewinkel. At the beginning of 2019, he was promoted to International

“We grew with the project in the truest sense of the word”

Lukas Hannig

Key Account Manager, with overall responsibility for the business at the European level.

Januschewski wasn't yet on board when Hannig and his colleagues processed their first order as Otsuka's service provider in Harsewinkel in August 2013, which went to Sweden. Shortly afterwards, other countries, including Germany, Italy, France, and Britain, were added, with Switzerland following in May 2014 – although there, Arvato partners with a local distribution company. The more countries that were integrated into the network, the more pressing the question became of whether the logistics, centrally managed from Harsewinkel, were still appropriate to the customer's requirements and the rapid changes in the European healthcare market. Both at national and EU level, the rules for maintaining cold chains and transporting medicines became stricter by the year. Urgent courier journeys from Harsewinkel to, say, the south of Italy, could no longer be carried out on commercially justifiable terms. The fact that the patent on Otsuka's main product, a preparation for central nervous system conditions, expired in October 2014 also played a role. As a result, cheaper generic products quickly flooded the pharmaceutical market, in some cases exerting considerable pressure on prices. Accordingly, the Japanese company urgently needed to take action and offset the decline in income by making adjustments elsewhere.

Questions behind the centralized logistics structure

During the course of 2015, Arvato and Otsuka carried out an inventory of the logistics concept. "It became clear that we could use scalable processes and a decentralized structure to meet Otsuka's desire for higher efficiency and a greater presence in key markets," says Hannig. On paper, in a case study, the task of transforming a centralized logistics structure into a decentralized one may seem very straightforward. In practice, however, it means a bulging catalog of questions, comprehensive planning and calculations, lengthy coordination and negotiations – but above all determination, conviction, and a talent for improvisation, or in other words: creative entrepreneurial action.

Fortunately, the expansion of the logistics network beyond Germany and Switzerland didn't have to be started from scratch. Research into potential locations for warehouses in France, Spain, and Italy showed that the best solution would be to use existing infrastructure. Over the course of the year 2016, local Otsuka teams were established at Arvato SCM Solutions locations in Chanteloup, France; Calcinatone near Bergamo, Italy; and Alcalá near Madrid, Spain. The mission in Spain was the trickiest. "The country was impenetrable to us," says Januschewski. On the one hand, a national law stipulates that



The Otsuka teams
of Arvato SCM
Healthcare in
Chanteloup (France) ...



... and of Arvato
SCM Healthcare
in Alcalá, Spain,
(right) and in
Calcinato, Italy
(bottom).



pharmaceutical companies must also guarantee even the delivery to pharmacies within two working days. This made the choice of location even more important, and besides, a solution had to be found for the Canary Islands. Arvato finally resorted to using a local distribution partner here. On the other hand, Otsuka had already been working for several years with a local freight forwarder in Spain, whose services Arvato now took over. “We were required to provide at least an equivalent, if not better, transport service, which took a lot of work,” recalls Januschewski. But the team was able to overcome this hurdle as well. Since the expansion, the site in Alcalá, where Arvato SCM’s Hightech & Entertainment business unit had previously operated exclusively, has had over 4,500 square meters of additional storage space and, like Chanteloup and Calcinate, is tailored to the special requirements of temperature control.

Country-specific legal and regulatory conditions

Harsewinkel continues to form the backbone of the new organization. From here, Januschewski’s team controls all overarching processes, coordinates the three local teams, and supplies them centrally as needed. In addition, the site in East Westphalia is still responsible for distribution to the Central European markets. Calcinate is responsible for logistics in Italy and San Marino. From Chanteloup, Arvato supplies customers in France and the French overseas territories of La Réunion, Martinique, and New Caledonia. Alcalá serves Spain and the surrounding island groups, Andorra, Ceuta, and Melilla. Switzerland will continue to be covered by the local partner. The revenues these three locations generate with Otsuka now account for more than 50 percent of total revenues from the customer. Arvato currently supplies around 6,000 end customers in Europe with Otsuka products; last year, more than 105,000 parcels with a total of around 3.3 million product units were shipped from the Arvato distribution centers. “Otsuka has become one of Arvato SCM Healthcare’s largest customers, and we have learned a lot on our shared journey over the past six years,” says Hannig proudly.

The decentralized structure is accompanied by greater flexibility, shorter delivery cycles, lower transport costs, and a greater understanding of the special requirements in the individual markets. This is advantageous not only with regard to country-specific legal and regulatory conditions, but also with regard to variations in the customer groups: While in Northern Europe most of the recipients are wholesalers, in Germany, Italy, Spain, and France, Arvato supplies mostly hospitals and drugstores. “With our local presence in key markets, we offer Otsuka greater security of supply and also strengthen our relationship with customers,” emphasizes Januschewski. Because the distances

between the Arvato warehouses and Otsuka's European branches are short, whether from Bergamo to Milan, from Chanteloup to Paris, or from Alcalá to Barcelona – by express train, these routes only take about three hours. The employees at the three sites were exclusively recruited locally. “Although we have a multilingual team in Harsewinkel, the cultural barrier for native speakers is much lower,” emphasizes Januschewski.

This is a big plus, especially for communication with end customers. The establishment of the Otsuka project in Alcalá marked the first time that Arvato SCM Healthcare set up a decentralized customer service beyond the central support from Harsewinkel. The response to having local contacts in Spain was so positive that in 2017 Arvato first moved its Italian customer service to Calcinate, and later the French customer service to Chanteloup. Today, 22 employees work in the areas of account management and customer service at the four sites. The team is working intensively on further strengthening the relationship between Otsuka and its end customers. Within Arvato SCM Healthcare, Otsuka is the first client to use a sophisticated customer relationship management (CRM) tool. The idea

is to help the pharmaceutical manufacturer gain more detailed information about inquiries and orders. Arvato guarantees the greatest possible transparency in any case. The uniform IT infrastructure not only ensures smooth exchange, standardized processes, and data security, but

“Our approach combines supranational standards”

Pascal Januschewski

also enables Otsuka to track incoming orders, goods movements, payment flows, and other logistics processes whenever it wants to. In transport management, the “track & trace” system lets the customer keep track of where a delivered parcel is at any given time.

“Our approach combines supranational standards, especially regarding the systems and processes behind quality management, customer service and IT, with flexibility and local market expertise,” explains Januschewski. But the model entails a high degree of complexity. According to Hannig, the greatest challenge during the startup phase was knowledge transfer: “All the expertise was in Harsewinkel – which is why it was important to comprehensively train the local teams, without losing the knowledge elsewhere.” One example for the variety of tasks involved is the “risk mitigation” procedure: Before delivering Otsuka's kidney medication, Arvato has to use a database to check whether the prescribing physician has completed training about the drug's risks and

side effects. And that's just one small step in the order-to-cash process. Communication is key to the effectiveness of the new structure, which is equivalent to a four-sided relationship between the central and local units at Arvato and Otsuka. "The exchange of information is crucial," explains Januschewski. "Everyone on the team should know who needs to be brought on board, and when. And it's always important to maintain a balance. We in Harsewinkel don't want to dictate to our colleagues in Italy how they organize processes in their market. But with a view to the big picture, we do have to make sure that there are no 'solo flights.'" The team is clearly very skilled at this balancing act. At Arvato, Otsuka is touted as a prime example of the successful internationalization of a business with an order-to-cash dimension. But the greatest – and undoubtedly most important – recognition comes from the customer: In 2018, Otsuka renewed its contract with Arvato for another three years. "It's a well-worn phrase, but with Otsuka we really do have a partnership between equals," emphasizes Hannig.

The customer expects a pioneering spirit

And one where it never get boring. The complex organization constantly generates new items for the to-do list. "Projects for Otsuka keep challenging us to be creative," says Januschewski. "The customer expects a pioneering spirit, and that's how we approach matters. Within Arvato SCM Healthcare, we often act as the pilot for processes that are later used for other customers as well." Local customer service is one example, the CRM tool another. The Otsuka team is currently at the forefront of preparing for Brexit, and in March commissioned a local logistics center to supply customers in the U.K. after it leaves the EU. Other items on the agenda for the current year include the switch to exclusively using e-invoicing, and the introduction of a new receivables management tool for improved collection of outstanding payments. Januschewski and his colleagues are also busy with the serialization of medicines required by an EU directive, in which pharmaceutical packages are given a unique serial number in order to keep counterfeit preparations off the market. "There's no hope of a quiet year for us," he says with a grin, adding: "As our customer contacts like to say, 'There'll never be a time when we're not running a project with Otsuka.'" ■

→ www.scm.arvato.com



Yvonne Thomas, product manager in Broadcasting Solutions at Arvato Systems

The Tech Interpreter And The Tagging Algorithm

For its IT solutions in the field of Media Asset Management, **Arvato Systems** in Cologne is increasingly relying on integration with analytics services. Using machine learning methods, these services can, for example, identify people depicted in a video and keyword the asset accordingly. Product manager Yvonne Thomas explains why this is useful and how intelligent technologies are changing the media industry.

→ **At first glance**, there is nothing unusual about the two new presenters from China's Xinhua News Agency. He has been a member of the editorial team since the end of 2018, while she has been there since March of this year. They both look as real as any of their colleagues, but as soon as they start to speak you notice there is something different about them. This is because the presenters are not real people but computer-controlled avatars, which look human but still present the news they've been programmed with in a somewhat robotic voice.

This is just one example among many that shows that intelligent systems are already a big topic in the media industry's technological development.

And here as elsewhere, the magic words in times of digital transformation and big data are: artificial intelligence and machine learning. These buzzwords, often abbreviated as AI and ML would seem to inevitably suggest the concept of a humanoid robot, but the two don't necessarily have to be related. And AI can also take on completely different forms, as Yvonne Thomas from Arvato Systems in Cologne knows. The product manager has yet to meet a virtual news presenter, but works with AI or analytics services on a daily basis in Media Asset Management, an IT solution for managing large volumes of data based on descriptive information.

Artificial intelligence, analytics services, Media Asset Management – while terms like these are common for tech experts like Yvonne Thomas in her workaday routine, they often raise big question marks in the minds of those unfamiliar with the subject.

And this is precisely where the IT specialist's strength lies: Her job involves constantly mediating and translating between customer requests and technical requirements. Thomas' ability to explain complex technical issues in a simple and very vivid way has even won her an award.

“The focus is on a system's analytical capabilities”

Yvonne Thomas

In 2017, she became the first non-U.S.

woman to win “TV News Check” magazine's Technology Women to Watch Award – a distinction given out by the U.S. trade publication to honor women whose work has significantly advanced the broadcast and media industry. Six years earlier, Thomas also won the ARD/ZDF Award for the Advancement of Women in Media, for her dissertation on “TV Technology and Electronic Media” at the Rhein-Main University of Applied Sciences.

Now, as a product manager, she and her colleagues manage the Arvato Systems Broadcasting department's Video Production Management Suite (VPMS), which is used by TV channels, production companies, and media companies and comprises various Media Asset Management products. She really could call herself a communications manager as well, she says, because besides designing new features, monitoring the market, and developing new technological trends, her tasks also include mediating among customers, developers, and designers – and her skill at explaining complicated topics in a simple way is often in demand here.

What, for example, is Media Asset Management anyway? In Thomas' words: “We all know the following situation when we come home from vaca-

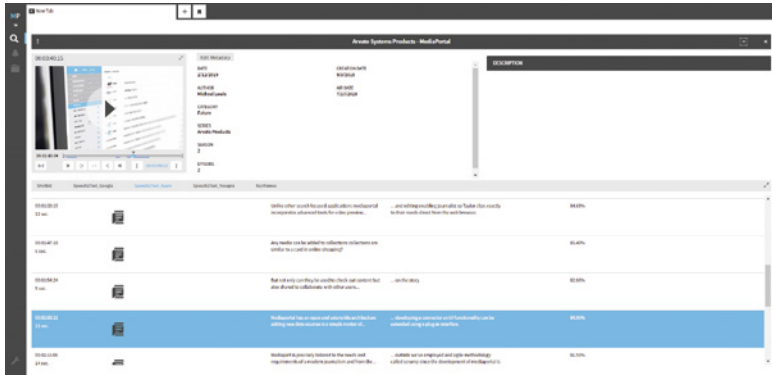
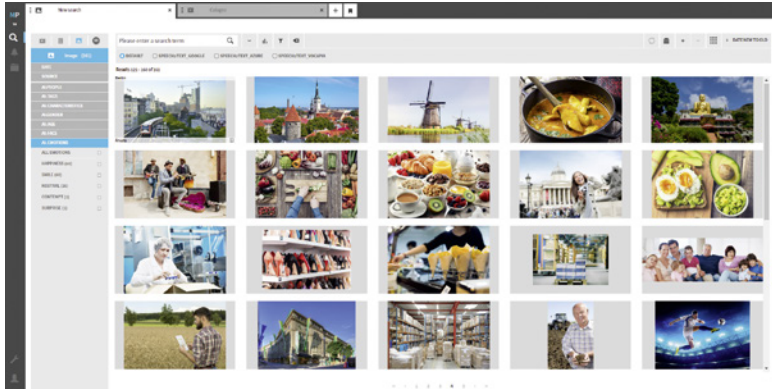
tion: We've often taken thousands of photos or videos and want to organize all the files somehow. The technical metadata is usually stored automatically, for example, the resolution or the information on when and where the file was created. But in order to efficiently search for and find content in a large database, they need to be provided with descriptive keywords. Our various IT solutions in the Video Production Management Suite give journalists a way to organize, manage, and then edit their video files using this content-related metadata."

In Germany, Belgium, and Canada, the Bertelsmann subsidiary is the market leader in this field. But customers in other countries around the world also rely on the Arvato Systems software solution, which Thomas and her colleagues in Cologne are constantly developing and optimizing. The better the tagging (or keywording), the more targeted the search. Tagging is carried out manually for manageable volumes of data, but cannot be done manually for the several million items of data that television channels and production companies generate. So for the past two years, AI has come to play an increasingly important role for Thomas. Especially in the media industry, which lives by topicality and speed on the one hand, and by the sheer mass of data on the other – be it in the form of text, image, video, or social-media feeds – using AI can enormously ease the workload of archivists, journalists, and editors, she adds.

Use of artificial intelligence makes the job easier

"Basically, the AI used in our products can be imagined as a kind of black box based on mathematical algorithms," she explains. "It's a system that possesses excellent analytical capabilities and can therefore efficiently process vast volumes of data, recognizing patterns in the process, and ultimately display them in a structured way." Because analytical skills are paramount here, Thomas prefers to speak of analytics services instead of artificial intelligence. "I see AI as more of a universal term. I believe you can use it in robotics because robots can learn things without having been taught or programmed beforehand," she explains. "In Media Asset Management, however, the focus is on a system's analytical capabilities, which also need to be adapted to the customer's requirements before they can be used. The system then uses machine learning and good test data to improve its own performance, and the results become more and more accurate."

In practice, this means that the analytical system independently recognizes what or who is depicted in a video, then tags the file accordingly – much faster and more efficiently than a human could. "An incredible amount of



Multiple integrated analytics services in the VPMS Media Portal allow images to be searched using filters (top photo). In the detail view (below), a journalist has an overview of all available metadata. Bottom photo: the Video Production Management Suite from Arvato Systems with six different products.

metadata can be generated this way,” says Thomas, underlining the importance of this technology for the Arvato Systems VPMS. “And it saves journalists a lot of time and money, increasing their efficiency.”

As already mentioned, this is the result of “hard” training. Just like people, the machine needs to first learn what and who it is supposed to recognize. This is done using training data, which teaches the system and is of great importance for the quality of the results. The better the material, the better the system can learn based on the data it receives. For example: let’s say a system is to be trained to recognize Barack Obama in pictures or in videos. To this end, it is first shown as many visuals of Barack Obama as possible – at different ages, from different perspectives, in different settings, in close-ups and wide-angle shots, etc. – until it can finally identify the former U.S. President on the basis of various features, for

example, his facial characteristics. But it could also analyze Obama’s voice using speech recognition or detect him using object recognition, for example if it first recognizes Obama and then the White House in the background. “If the system can also perform a speech-to-text analysis it will even recognize video files in which a person is talking about Barack Obama,” says Thomas. Once the system has learned who Barack Obama is, it will be able to automatically recognize him in all new incoming video footage and tag the asset accordingly – even if Barack Obama can only be seen in the background, which sometimes might not seem important enough for a human to tag him in the corresponding file.

**“It saves
journalists a
lot of time
and money”**

Yvonne Thomas

But one-off training, no matter how in-depth, isn’t enough. “People’s appearance changes over the course of their lives. It’s therefore important that the system is always ‘fed’ good, up-to-date test material,” stresses Thomas. She says this is actually the greatest business challenge when working with customers: to highlight the importance of training the system. “The technical implementation is not even that difficult. It’s more important that our customers know exactly how they want to use these analytics services and that they understand how extremely important the training is for this,” emphasizes the expert. Only then is the use of analytics services meaningful and expedient. For example, a system that specializes in international politicians is of little use to a local channel – and one that specializes in local politicians is just as useless for an international broadcaster. Accordingly, Thomas advises

her customers in great detail about the learning methods used in analytics services, and provides them with the appropriate technical tools.

She herself also had to start by learning exactly how analytics services work and what they can do. In the process, she has always felt that it is very important to “keep an eye on the outside world,” as Yvonne Thomas describes it. “If you’re dealing with a given topic every single day, you can quickly lose yourself in your own world. This makes it all the more important to keep interacting and exchanging ideas with customers, partners, and colleagues.” By getting to know other points of view and gathering a variety of experiences she says she not only expands her own horizons, but also her creativity, an aspect that should never be neglected in the tech industry. Thomas sees it as especially important to allow the mind to roam and develop freely. “For me, creativity is synonymous with free thinking, the courage to take risks, and the desire to do new things and simply try them out. For me and my colleagues, creativity plays an important role in further developing our technologies and in keeping the customer’s point of view in mind,” says the product manager.

“Intelligent technologies can also be creative”

Yvonne Thomas

Creativity is also rather significant for artificial intelligence itself, she adds. “To a certain extent, intelligent technologies can also be creative. If, for example, a computer uses individual keywords to create a text that sounds like it was written by a human, this can certainly be described as creative output,” says Thomas. However, when it comes to the analytical processing of data, creativity does not play a role for the system itself. Instead, says Thomas, the ability to make predictions or recommendations based on data, for news topics for example, will become even more relevant in analytics services. “Perhaps in the future, the system will be able to suggest topics for articles to a journalist based on their previous search or on current events, and compile the initial pictures and information for them,” she says. In any case, from artificial intelligence to analytics services and or machine learning, the potential of intelligent technologies appears to be nowhere near fully exploited yet. ■

→ www.arvato-systems.com



Nik Bockmann, Managing Director of Campaign

From Scattergun Approach to 'one2one Communications'

Is advertising a product or service by direct mail old-fashioned and inefficient? Not true, says Nik Bockmann, Managing Director of **Campaign**, a company in the Bertelsmann Printing Group.

Complex data analysis and state-of-the-art technologies enable Campaign to offer its customers marketing and communication solutions that are increasingly tailored to their individual needs. This makes it more likely that they will get attention – whether in the physical or virtual mailbox.

→ **The days when youngsters** earned extra pocket money by distributing advertisers' flyers to every mailbox in their hometown are not over yet. But modern advertising campaigns rely on extensive knowledge and experience in handling large volumes of data, as well as complex technologies. The result are marketing and communications solutions tailored to each advertising customer, that reach and target interested consumers as precisely as possible. The experts from Campaign, a Bertelsmann Printing Group subsidiary in the field of digital marketing are professionals in this business, since 2014. The company, headquartered at Arvato's An der Autobahn campus in Gütersloh, has been developing and implementing such solutions for years – both as printed media and online. In recent years, Campaign has brought a lot of creative effort and entrepreneurial skill to perfecting the combination of these

communications channels so that advertisers can benefit from the best of both worlds.

“There are a lot of companies that manage direct mailings, but only a few of us are able to customize them in this form while maximizing the automation of the production processes,” says Campaign’s Managing Director Nik Bockmann, summarizing the company’s core competencies and market position, just in the print sector. He has worked for the Group for ten years now and, after training as a travel agent and subsequently studying business administration, has himself gained a wealth of experience in his roles to date, which include customer-relationship management at Arvato, and later key-account management at Campaign, e.g. in advising travel companies. In his current role as Managing Director of Campaign this expertise enables Bockmann, who is originally from Paderborn, to work with his team to identify customers’ special requirements in the field of online and offline marketing communications, and to keep coming up with innovative solutions. Bockmann himself never ceases to be delighted about ever-evolving tech and logistic options that are now available – and that is precisely what makes his business so fascinating for him.

**“We make
the data
available to
us usable”**

Nik Bockmann

“Bulk direct mailings distributed to all households in a given region by mail or as supplements in newspapers are increasingly giving way to personalized postcards or enveloped direct mailings, which are produced and posted down to the level of individual target persons,” explains the Campaign boss. This “onezone customer communication” benefits all sides: companies reach precisely those potential customers who are most likely to be interested in their products, with significantly less material expenditure. Customers in turn feel less annoyed by superfluous “junk mail” and are more inclined to take a look at the product, and, ideally, to order it.

However, all this required a transformation of the company’s own structures and processes, which Campaign has undergone in recent years – and which is still ongoing. “We purchased our first four-color digital printing presses back in 2009,” says Bockmann. “At that time, however, only a few of our customers could imagine such small-volume advertising campaigns, which cost a little more per item, but were more precise in who they addressed and therefore more efficient.” Only after intensive awareness-building efforts by Campaign

did the great strategic advantage of digital printing become clear to them, says Bockmann. “Technical advances such as those made in digital printing technology have opened up so many possibilities, and we’ve turned that into our current business model,” says Campaign’s Managing Director. Incidentally, digital printing has become so sophisticated that it really takes an expert to tell the print results apart from other printing technologies, says Bockmann.

Identify target groups

But no matter how perfect digital printing may be, it only makes sense if relevant target groups can be identified and reached with the printed material. This requires appropriate data processing. And this is where Campaign leverages its extensive expertise: “We make the data that is made available to us by our customers, or that we enrich, usable” explains Bockmann. To do this, however, they must first consider, together with a given customer, which target groups are to be addressed and in what form. Based on an analysis to this effect, Campaign then compiles the desired address data in collaboration with its Bertelsmann Printing Group sister company AZ Direct. “This can be simple birthday direct mailings, for example, where a company’s private customers receive a postcard with a discount campaign or suitable product recommendations for their birthday,” explains Bockmann. This involves using specific interfaces to automatically transmit data to printing presses that then produce the custom-adapted cards, fully automatically, at the Gütersloh headquarters among other places. Large rolls of printing paper are used in this case. The paper runs through a huge digital printer at lightning speed to be rolled up on the other side as a finished postcard collection. This paper roll is finished in another hall, where the cards are cut from the roll to the final format, assembled, and prepared for the compiled mailing.

Of course, Campaign can also handle more complex processes than this. And is very happy to do so: “Our strength lies in the complexity of a task. The more complex an order, the better we can leverage our expertise and competitive edge,” says Bockmann. This means that the company not only evaluates data criteria it has acquired such as an end-customer’s address, age, and estimated income, but also data from customer surveys, and behavioral and transaction data from online browsing and shopping. “So, if someone has booked a cruise online in the past, they could perhaps imagine taking a similar trip again, and therefore have a positive response to advertising mail in this connection,” says Bockmann. “We could, however, also specifically deviate from such data specifications on the customer’s behalf, i.e. suggest a trip to Italy as an alternative to someone who regularly spends their holidays



Print and send **advertising products** yourself – that's the business principle of Campaign.
In the top photo: employee **Tiw Ebbesmeyer**

in Spain.” With more – or more precisely evaluated – data, personalized letters are also conceivable as follow-ups. For example, in the case of cancelled online orders or reactivation letters to customers who haven’t ordered for a while – whether it’s two months after the purchase of a sweater or two years after the purchase of a pair of glasses.

Of course, all this can only be done in close consultation with the client. “Here, too, we go a step further than other companies,” Bockmann continues. “With our expert knowledge, we see ourselves not just as a mere supplier, but also as a partner. Our employees actively seek to exchange ideas with our customers, for example in workshops, on the one hand to learn more

“We see ourselves not just as a mere supplier, but also as a partner”

Nik Bockmann

about their goals, and on the other to let them know about the myriad opportunities our business offers them – including ones they may not know about yet. We approach them at an early stage and jointly develop solutions to help them even better achieve their communication and marketing goals.” This consultation by Campaign’s experts can go so far that commissioning companies will

adapt their own in-house structures and processes so as to optimize the database and give Campaign a better basis to work with. The highly automated processes can make direct mailings with a variety of content, from lead generation to the customer’s mailbox, as simple as email campaigns – and largely dispense with manual support.

Speaking of emails: The complexity of an order increases further for Campaign if the available data is also to be used for sending electronic communications – which Bockmann says is always recommended. “For us, postal and electronic direct mailings are not in competition with each other. And digitalization is certainly not a substitute for postal marketing.” Rather, he sees the successful combination of offline and online marketing as an important competitive advantage for his company. “Competitors who mainly work online often have a hard time with direct mailings by post. And vice versa, of course,” Bockmann explains. “They don’t understand enough about each other’s business and, above all, don’t see the great potential that lies in combining the two channels. We know how to address people optimally in our customers’ interests.” For example, there are consumers who are less responsive to electronic mail – but who will pay attention to a printed newsletter. Or the



Around 700 million printed pages and a full 400 million shipments leave the halls and servers of Campaign every year. Top: Campaign employees **Wilfried Koschany** (left) and **Peter Sirges**. Bottom: letters with individual content.

other way around. “We can calculate a probability for these preferences and use the more promising channel.” However, running multi-tier campaigns in which both channels are used for the same target persons – with different content and messages – is a tried and tested procedure for Campaign. And the more automated processes the company has tested and implemented, the easier it is to design them, in a slightly adapted form as needed, so that they can be used for other customers. The key word here is: scaling. “We learn with every new customer. Each and every one of them helps us to expand our platforms and offer even better services,” says Bockmann, emphasizing the role of daily entrepreneurial creativity at Campaign. “Whether there are five million individualized mailings to be sent, or just one, it no longer makes a difference for our increasingly intelligent solutions.”

According to the Campaign Managing Director, the analyses that the company does of and for its campaigns shows that the effort required for targeted direct mailings pays off in comparison to random mass direct mailings. “Our complex campaign measures deliver significant cost savings and a higher return on investment,” he says. “We have proof that the number of orders or purchases resulting from such a measure is many times higher. And that’s what makes our solutions so interesting.”

“Our strength lies in the complexity of a task”

Nik Bockmann

Campaign, with its 400 employees at three locations – Gütersloh with 290, Offenbach with 30, and Neckarsulm with 80 – collaborates with other Group sister companies to achieve these results. Europe’s largest offset printer Mohn Media, for example, is available for larger print jobs if required. Campaign collaborates especially closely with AZ Direct from the same division, i.e. Digital Marketing. AZ Direct currently has some 63 million consumers in Germany alone, each with up to 600 attributes, in its address lists, who can be reached by email, advertising flyer, or social media. In Austria and Switzerland, there are a further six million people each. “We can access these extensive data records on request if a customer doesn’t have their own data or wants to augment it,” says Bockmann. Thanks to the collaboration with AZ Direct, Campaign also has access to newly developed campaign technologies such as direct-mail retargeting. This allows online retailers to contact visitors to their websites by post even if they didn’t provide their address, perhaps to motivate them to make a purchase after all. This is made possible by a special technique for analyzing data that, as at all Bertelsmann Printing Group subsidiaries, is of

return on investment,” he says. “We have proof that the number of orders or purchases resulting from such a measure is many times higher. And that’s what makes our solutions so interesting.”

Campaign, with its 400 employees at three locations – Gütersloh with 290, Offenbach with 30, and Neckarsulm with 80 – collaborates with other Group

course obtained in accordance with the strict rules of Europe's General Data Protection Regulation.

Its sister company Arvato Systems also provides support with IT processes and structures, while Campaign in turn acts as a subcontractor for Arvato Financial Solutions when it comes to transaction printing in receivables management. Another of Campaign's areas of responsibility is document management, where the company contributes its extensive expertise in customizable digital printing to the production and dispatch of reminders and collection letters. "In this area alone, we process up to 300,000 mailings a day," says Bockmann, describing the scope of this highly sensitive business. After all, these mailings are highly confidential and must be sent as quickly as possible in order to meet deadlines. In addition, they must be completely verifiable – no problem for Campaign. Neither is the shrink-wrapping, addressing, and distribution of catalogs and brochures of all kinds, which, along with the printing of letters, are among the historical services that as a former "lettershop," Campaign grew big with. To this day, the pay slips of numerous Bertelsmann employees are still printed and mailed by Campaign.

Number of custom direct mailings will continue to grow

All in all, the company's fleet of systems at its three locations includes 19 printing machines, eight folding and 24 inserting machines, as well as 15 shrink-wrapping lines. In all, more than 700 million printed pages and some 400 million mailings leave Campaign's halls and servers every year. And of course it almost goes without saying that the company also knows well how to navigate the postal charges for its deliveries: "We send postal items of all kinds all over the world, and are in an excellent position to advise our customers on how to optimize their postage costs," adds Bockmann.

The customers that Campaign provides services to nationally and internationally come from a wide range of industries, and there are some impressive names among them. Payback, Ford, Opel, Daimler, Porsche, Mobilcom Debitel, H&M, John Deere, Miele, Apollo Optik, DER Touristik, Steigenberger Hotels, Metro, and Deutsche Post all rely on the Bertelsmann company's services. So Nik Bockmann is optimistic about the future. "We estimate that while the total volume of postal items will decline, the number of custom direct mailings like the ones we create will continue to grow. Our goal is that in five years, no two direct mailings will look alike, and that they will be increasingly linked to online marketing. And I'm sure that in this spirit, we will convince our customers of the possibilities we can open up for them." ■

→ www.campaign-services.de



Kay Krafft, Chief Executive Officer of the Bertelsmann Education Group

Looking For More Data Detectives

To promote digital skills, Bertelsmann and the **online university Udacity** are awarding new scholarships for Nanodegree programs, following up its successful education initiative launched in 2016. Observing the Group's lines of business, it becomes clear how strongly modern technology and creativity are already interconnected – and will be even more so in future.

→ **Peter Lipp says he always feels** a bit like a detective at work. “Except I search for the digital fingerprints people leave behind, and instead of a magnifying glass, I use my computer and algorithms.” As Senior Analytical Consultant at AZ Direct, a Bertelsmann Printing Group subsidiary specializing in data-driven marketing, Lipp evaluates all kinds of data records on a daily basis. He identifies consumers who fall within AZ customers' target groups, so as to serve them advertising. “Ultimately, I put together all the pieces of the puzzle to find the best end customer.” Data Detective Lipp didn't even have to think twice when Bertelsmann and Google announced in September 2017 that they would be awarding a total of 75,000 scholarships for Udacity courses. Bertelsmann, which is also one of the largest shareholders in the digital learning and continuing education platform via the Bertelsmann Education Group,

sponsored 15,000 scholarships in the field of data analysis. Lipp applied for one. He wanted to gain deeper insights into the latest developments, technologies, and programs in the field of data analysis, and use them in his daily work.

Many of his Bertelsmann colleagues, as well as other interested people around the world, did the same. More than 32,000 applications from around 170 countries were received for the 15,000 scholarship places. The top 1,500 students then qualified for another scholarship to acquire a Nanodegree – degrees launched by Udacity specifically for the platform’s courses. As their learning content is jointly developed with large industrial and digital companies, they enjoy a good reputation in the tech industry. Bertelsmann employees accounted for about one-fifth of all scholarship holders, and fully a quarter of those who went on to the Nanodegree courses.

The program’s success and continuing high demand for IT specialists led to a new edition in spring 2019. At the end of March, Bertelsmann announced that it was joining forces with Udacity to launch a global continuing education initiative to promote digital skills. Over a period of three years, the Group will finance as many as 50,000 Udacity scholarships in the fields of cloud, data, and artificial intelligence. In addition, the top participants will receive a scholarship for a full Nanodegree in

their chosen subject area. The campaign was initiated by Bertelsmann CEO Thomas Rabe, himself one of the most digital-savvy CEOs. “The world of work is becoming increasingly digital, with digital skills gaining importance in every industry,” says Rabe. “There is already a worrying shortage of skilled workers in the digital realm, and it will only in-

“The completion rates underscore the scholarship initiative’s great success”

Kay Krafft

crease in the years ahead. At the same time, digitalization means that certain work activities will be replaced by tech solutions in future. With its media, services, and educational offerings, Bertelsmann is in many cases a leader in the digital world. We are intensively exploring the opportunities opened up by new technologies, and see it as it our responsibility to make as many people as possible fit for the demanding digital tasks of the future. Which is why we have teamed up with Udacity to initiate a global continuing training initiative in the fields of cloud, data, and artificial intelligence. We are setting an example and would be happy to see other companies or institutions join

this initiative.” Applications for the scholarships open in summer 2019. The first courses are scheduled to start in the fourth quarter of the current year.

The rapid pace of technological change holds many opportunities for Bertelsmann, but also presents major challenges. Within the diversified Group, there is not a single line of business that hasn't been affected by digital technologies; some even emerged from them. Applike at Gruner + Jahr and Afterpay at Arvato Financial Solutions are just two of the many examples of successful, innovative solutions that could not have been developed without digital expertise. On the one hand, the demand for employees with IT skills is growing across all divisions, while on the other, the shortage of skilled workers makes it more difficult, in competition with other employers, to recruit enough of them. So Bertelsmann is pursuing a dual strategy: besides recruiting talent from outside, the company is investing massively in training its own employees. Acquiring future-oriented skills has for years been a strategic priority for the Group.

Concepts from a wide variety of fields

Back in 1997, Bertelsmann became the first company in Germany to establish its own corporate university. Originally conceived to develop executives and junior management, Bertelsmann University has changed and expanded over the years. It is now centrally responsible for the cross-divisional, international continuing education of all Bertelsmann employees and managers, with the mandate to develop employees in such a way that they are able to handle the repercussions of the transformation, and thus to facilitate lifelong learning. “Technological progress is also changing the way our employees learn at Bertelsmann,” explains Steven Moran, Chief Learning Officer at Bertelsmann and Head of Bertelsmann University. “Innovative, digital forms of learning have enabled a new culture of learning at Bertelsmann, one that is characterized by quality and flexibility: Every employee can access the content anywhere and anytime, which allows them to adapt their learning to their individual situation. At Bertelsmann University, we want to make sure that employees and managers can acquire precisely the skills they need for their work now and in the future.”

In a needs assessment jointly carried out with the divisions, Bertelsmann's HR department identified the skills and knowledge that are particularly relevant for the Group's lines of business. It became clear that experts in the field of Data Science are in great demand. The term refers to an interdisciplinary field that brings together tools, processes, and systems to extract insights from data. It involves concepts from a wide variety of fields – from



“Every employee
can access
the content
anywhere and
anytime”

Steven Moran

Steven Moran, Chief Learning Officer at Bertelsmann and Head of Bertelsmann University.



Peter Lipp, Senior Analytical Consultant at AZ Direct

mathematics, statistics and computer science, to programming and machine learning, through to visualization and presentation. Essentially, Data Science is about using automated methods to analyze vast volumes of data and derive knowledge and information – and ultimately use it as a basis for making business decisions. What book content is particularly sought after by teenagers in the United States? What music genres dominate the playlists in Latin America? Which new television show can best cater to the preferences of young families in France? Bertelsmann's content businesses are not the only ones that rely on data to answer such questions. It has also become essential for the services sectors – see the example of AZ Direct – to use databases to draw the right conclusions in order to offer suitable products and services.

Partnership with Google

At the end of 2016, Bertelsmann, Google, and Udacity launched an unprecedented collaboration to build data expertise. Sebastian Thrun acted as the door-opener for the partnership with the internet giant. Before founding Udacity, the German computer scientist and robotics expert had advanced the development of self-driving cars at Google. Under the new collaboration, Google financed 10,000 Udacity scholarship programs for the education and continuing training of developers of its Android operating system in Europe. Meanwhile, Bertelsmann provided a Nanodegree scholarship to around 2,000 of its trainees and apprentices in European countries who worked in related jobs. The intent and structure of the program not only attracted a lot of attention across Europe – the number of applicants exceeded the 10,000 Google scholarships many times over – but also convinced the EU Commission, which presented the initiative with a European Digital Skills Award in December 2017. At that time, it was already clear that the program would not be a flash in the pan. Quite the opposite: the partners actually stepped things up for the second round. While Google increased its contingent of scholarships to 60,000, Bertelsmann pledged to fund 15,000 Udacity scholarships in the field of Data Analysis. In contrast to the 2016 program, the offer was now open to all Bertelsmann employees as well as to external applicants.

The model envisaged two steps. During the first phase in early summer 2018, students completed a Challenge Course on descriptive statistics via Udacity. This course was open to beginners and data analysis experts alike. Helpful learning tips and advice were given by Udacity mentors as well as by the other participants. Like a collective intelligence, they exchanged ideas in shared forums and Facebook groups and helped each other. Those who completed the Challenge Course after three months received a virtual badge as a

confirmation of participation, to be used, for example, on social media profiles such as Xing or LinkedIn. In the next step, the top 1,500 students qualified for one of three Nanodegree programs: The Data Foundations Nanodegree focused on the processing, analysis, and visualization of data using programs such as Microsoft Excel, SQL, and Tableau. Business Analyst Nanodegree participants learned, among other things, how to create prediction models by data analysis. And Data Analyst Nanodegree students learned how to use programming languages such as Python to develop data-driven solutions. Depending on the Nanodegree chosen, the courses lasted from three to six months.

“It was the first time I had studied using an online platform, and one of the most important things I learned is how much I can achieve by being self-motivated,” said Alexandra Kraft, a journalist at the G+J magazine “Stern,” after completing the Challenge Course. “The only barriers are those in the mind.” “From now on, I would always

choose digital learning,” confirms Gianni Latorre, a web programmer at Penguin Random House US. “In my experience, the lessons are of a comparable quality, but much more flexible.” Like Latorre, Jan Haubrock, Senior Project Manager at Arvato SCM Solutions, enrolled in the Business Analyst Nanodegree. He says: “The knowledge will help me to better advise clients and generate added value, both by further developing existing processes, and by creating new ones.” Varun Sharma, Finance Business Partner at Penguin Random House Australia, completed the Data Analyst Nanodegree. His conclusion: “Learning was much more effective than long lectures and weekly seminars at a university. But you need to have curiosity, consistency, and perseverance.” Hendrick Lange, Senior Director at Bertelsmann Corporate Communications at the Corporate Center, enrolled in the Data Foundations Nanodegree. He says: “The learning content is very well structured and up-to-date, especially the examples. In the review process of the projects, I received more detailed feedback than I ever expected.” Barbara Koskowitz, a Senior Media Marketing Analyst at Prisma Media in France, and also a Data Foundations graduate, emphasizes: “This was my first experience with e-learning, but it definitely won’t be the last.”

This positive feedback is accompanied by an above-average completion rate: 36 percent of the participants successfully completed the Challenge

**“Each time I
make progress
I feel better
equipped for
new projects”**

Peter Lipp

Course. “The completion rates underscore the scholarship initiative’s great success,” says Kay Krafft, CEO of the Bertelsmann Education Group. “In collaboration with Bertelsmann University, Udacity has created a continuing-education program that is up to date and sustainably expands Bertelsmann’s data analysis skills.” This is especially the case since graduates can rely on the fact that a Udacity Nanodegree is a real quality seal for their future careers. “We design our courses in close collaboration with major technology and industrial companies, including Facebook, Google, Amazon, BMW, Daimler, AT&T, IBM, and Bertelsmann,” explains Tine Schlaak from Udacity Germany, who has supported the scholarship program from the start. “That’s why we know exactly which qualifications are in demand on the market and what future job profiles will look like.”

Promote the development of digital skills

Bertelsmann and Udacity intend to build on the successes of 2018 with their new education initiative. For the Group, the program is also an opportunity to present itself as a progressive and technology-oriented employer. “We want to help prepare as many people as possible for the working world of the future – especially in areas such as Cloud, Data, and Artificial Learning,” says Hays Steilberg, Executive Vice President, Corporate HR, Executives and Talent at Bertelsmann. “The scholarship program underscores Bertelsmann’s innovative measures to promote the development of digital skills. We not only offer talented people exciting fields of work, but also give them a wide range of opportunities for personal and professional development.” Steven Moran adds: “The ability to acquire new and future-oriented skills is an essential component in our employees’ continuing training. The scholarship initiatives in the field of new technologies are an excellent example of how we at Bertelsmann University are promoting the development of digital skills across the Group. Udacity is the ideal partner for us in this.”

According to founder Sebastian Thrun’s vision, lifelong learning is at the heart of Udacity’s entrepreneurial activities. In addition to the core offering for private customers eager to learn and scholarships for talents, the education service provider has recently greatly expanded its collaboration program with companies. “More and more companies are realizing that digital and technical skills are crucial to maintaining their competitiveness,” reports Tine Schlaak. In their eyes, Bertelsmann’s strategy of customizing its range of training offers based on a precise needs analysis and thus addressing both employees and potential applicants is “a very smart approach.” As a creativity-driven company, Bertelsmann particularly benefits from the scholarship

program, says Schlaak: “Data analysis methods are essentially about automating tedious and repetitive processes. The time and resources freed up by this are available for more complex, creative activities.”

Ultimately, in the experience of the Udacity team, continuing education can never be imposed from the top down. Tine Schlaak makes it clear: “Our offers require a high measure of self-initiative and self-organization. At the start, it may be difficult to spend several months learning new things in your spare time and on top of the usual workload. But it’s well worth the effort because the personal and professional benefit endures for years.” In the U.S., the willingness to take one’s career into one’s own hands through digital learning is much stronger than in Europe, according to Schlaak. “But that is gradually changing, and we want to keep contributing to this.”

Bertelsmann employees like Peter Lipp can serve as role models here. His insight from the Udacity Scholarship Program: “Each time I make progress in my learning, I feel more confident, better equipped for new projects, and get fresh ideas on how to move things forward. So the Nanodegree has not only improved my skills, but also the way I approach my work.” ■

→ www.udacity.com



Tidjane Dème (left) and **Cyril Collon**, Head of the Partech Africa investment fund

Partech Africa: Investing In African Markets

Many African regions are regarded as emerging economies – by Bertelsmann, among others. In January, Bertelsmann Investments took its first step into this market by participating in the **Partech Africa** investment fund.

→ **China, India, Brazil** – Bertelsmann has made significant progress in its defined growth regions in recent years. Building on this, the Group is now widening its focus to include other countries in Latin America, Southeast Asia, and Africa. Bertelsmann has long been active on the African continent, where Penguin Random House and Arvato have their offices, and RTL Group and BMG do business via partnerships. The merger of Arvato CRM with Morocco's Saham Group to create Majorel, which operates in several countries on the African continent, at the beginning of this year gives a strong boost to Bertelsmann's activities in the region. Also, the Bertelsmann Investments (BI) division, having invested in startups in Europe, the United States, China, India and Brazil these past twelve years, is now expanding its investment activities to Africa. "Digitalization and purchasing power are on a steady increase in many African countries, which of-

fers great potential for growth,” says Shobhna Mohn, Executive Vice President, Growth Regions Strategy and Bertelsmann Investments.

But how best to approach countries and regions you are largely unfamiliar with; whose culture and markets you know little about? How can attractive startups be identified under these conditions? Bertelsmann Investments has an entrepreneurial answer to these questions: The first step is to rely on the expertise and network of those who already know the region well. This is why the Bertelsmann division initially invests in other venture capital funds that know their way around in the countries and industries in question. In a second step, once it has gained better insights into the market and the local network, BI also invests directly in young companies. For its entry into the markets of African countries, Bertelsmann Investments is partnering with Partech Africa, a young digital fund set up by the renowned French investment company, Partech.

This approach has already proven its worth in the other growth regions. After its establishment in 2008, Bertelsmann Asia Investments (BAI) invested in the Keytone Ventures fund with a view to establishing its own network in the Chinese VC industry. This was followed in 2009 by an investment in the Morningside fund, which invested in the successful smartphone manufacturer

Xiaomi among others. Today, BAI, led by Annabelle Long, is one of the top VCs on the Chinese startup scene, with more than 130 direct investments.

Likewise, Bertelsmann India Investments (BII) initially participated in the investment funds Kaizen Private Equity and Helion Venture Partners after it was established in 2012, and in the Digital Nirvana fund in 2014. Once again, the aim was to build its own network and identify promising investment op-



“Our partnership will position Bertelsmann as an innovative partner in the tech sector”

Shobhna Mohn

portunities in technology and education. Thanks to these fund investments, co-investments in the startups WizIQ and Shiprocket followed. In Brazil, Bertelsmann Brazil Investments (BBI) invested in the Monashees and Redpoint investment funds upon its launch in 2012. BBI then focused on the topic of higher and continuing education after it was identified as a promising market for Bertelsmann. BBI found a strong partner in the Brazilian investment fund Crescera Investimentos (formerly Bozano) and invested in its BR Education Ventures fund focusing on EdTech. This developed into a strategic partnership that led to the investment in the Bozano Educacional II fund in 2016, and the joint development of an education network in the health sector, which includes the companies Medcel, NRE, and Uniceplac.

Public and private investors

With Partech Africa, Bertelsmann Investments has now seized the opportunity to invest in one of the few large funds specializing in African countries. “Partech is one of the region’s financially strongest investment funds,” says Shobhna Mohn. “Our partnership will give us more in-depth knowledge of Africa’s markets, position Bertelsmann as an innovative partner in the tech sector, and connect us with interesting local companies.”

Launched in early 2018, the Partech Africa Fund has over €125 million in investment capital provided by a range of public and private institutions. Besides Bertelsmann, its investors include other international and African companies such as Orange, JCDecaux, L’Oréal, Axian Group, and TEXAF, plus funds such as Averroès Finance III, and banks such as the European Investment Bank, the International Finance Corporation, Germany’s Kreditanstalt für Wiederaufbau, the Dutch Development Bank, and the African Development Bank Group. “We also hope that our stake in Partech Africa will enable us to participate directly as a co-investor in particularly attractive startups that are a good fit with Bertelsmann – as we did in India, for example,” explains Mohn.

One of the best arguments for choosing Partech Africa as Bertelsmann’s partner, apart from the fund’s focus on digital and technology-driven business models, is certainly the fund’s two General Partners. Tidjane Dème and Cyril Collon know the African continent’s young technology and startup scene very well. Dème, born in Senegal and educated in France and Britain, founded his own consultancy for governments in Western Africa at a young age, specializing among other things in e-government, before becoming one of Google’s top managers in Africa. Dème set up a subsidiary for French-speaking Africa for the tech giant in Dakar, Senegal; launched the Youtube video portal in six African countries; and was in charge of Google’s content strategy for Africa.



Two investments of Partech Africa: Trade Depot (Nigeria), in the top photo founders **Onyekachi Izukanne, Michael Ukpog** and **Ruke Awaritefe**, helps to optimize and digitize supply chains in urban retail. Bottom photo: **Yoco (South Africa)** makes electronic payment possible in retail.

Cyril Collon, the second General Partner at Partech Africa, also grew up in Africa and studied physics and telecommunications technology in France. Collon worked for telecommunications companies such as Alcatel, Ascend Communications, UT Starcom, Genband, and Verscom, for which he established businesses as well as mobile networks and online solutions for African markets. So Dème and Collon have management and technology expertise, as well as an excellent network in various African countries. In order to gain experience in the investment sector, they both spent two years working closely with Partners at other Partech funds before launching Partech Africa at the beginning of 2018. “We first met the two General Partners in Berlin in September 2018, and they made a really strong impression on us with their experience and complementary skills,” says Shobhna Mohn. Commenting on the entry of Bertelsmann and other large companies, Cyril Collon says: “We are really proud to see major global investors rally around our vision and ambition to support extraordinary entrepreneurs building digital champions for Africa and emerging markets.”

Outstanding network in African countries

Bertelsmann Investments colleagues rate Partech Africa’s opportunities as excellent, notwithstanding, of course, the existing political and economic risks in individual countries in the region. The continent’s gross national product has tripled since the turn of the millennium. With 54 countries and a rapidly growing young population of around 1.2 billion, Africa currently has the world’s highest growth rates in mobile device usage. The number of users rose from 174 million in 2007 to 772 million in 2018, and urbanization is also advancing faster in Africa than almost anywhere else: Forecasts predict that 800 million people here will be living in cities by 2050.

Because the startup and venture capital scene in African countries is still in its infancy, Partech Africa is immediately one of the largest venture capital funds in this growing market. In 2017, VC investments totaling \$290 million were made in Africa. For comparison, \$84 billion were invested in the U.S. during the same period. The venture capital in Africa is also concentrated on seed investments, i.e. early-stage financing. Funds such as Partech Africa, which also aim to participate in subsequent investment rounds, are few to date. Although Partech Africa sees itself as a pan-African fund, it is focusing on the economically strong countries of Nigeria, Kenya, and South Africa. Investments may be made in Ghana, Ivory Coast, Cameroon, Senegal, Tanzania, and Uganda as well. Bertelsmann Investments is also very positive about Partech Africa’s affiliation with the international investment company

Partech, as its broad network in the U.S. and Europe may make successful exits easier for African portfolio companies.

Partech Africa has already made two investments: in the TradeDepot distribution platform in Nigeria and in the South African company Yoco, an electronic payments expert. “Our first investments in TradeDepot and Yoco provide strong showcases of how these champions can transform whole sectors such as retail and payments in this region,” says Collon. TradeDepot is a distribution platform that aims to optimize and digitalize the urban retail supply chain, providing large consumer

goods producers with better and faster access to the many small shops in African countries – and vice versa. Well-known brands that already rely on TradeDepot to bring their products to retail include Coca-Cola, Top Tea, Miksi, Farm Fresh, and Onga. The South African company Yoco enables electronic payments at retail outlets.

“These champions can transform whole sectors such as retail and payments”

Cyril Collon

Around 75 percent of all South Africans have a bank card, but only six percent of merchants accept them as a means of payment. Yoco offers an affordable, flexible, and secure way to enable merchants to process payments electronically and close this gap.

Further investments by Partech Africa will also give Bertelsmann Investments the opportunity to invest in attractive companies in a yet-untapped region – as has already happened with Bertelsmann Investments in China, India, and Brazil, positioning Bertelsmann as a partner of choice in the business community. ■

→ www.bertelsmann-investments.com

Bertelsmann And Its Divisions

Bertelsmann's core divisions encompass RTL Group (television), Penguin Random House (book publishing), Gruner + Jahr (magazine publishing), BMG (music), Arvato (services), the Bertelsmann Printing Group (printing), the Bertelsmann Education Group (education) and Bertelsmann Investments (funds).



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www.bertelsmann-investments.com

Already Published

In the "What's Your Story?" book series, Bertelsmann presents interesting people, businesses and projects from the Group through detailed stories on strategic Group issues.

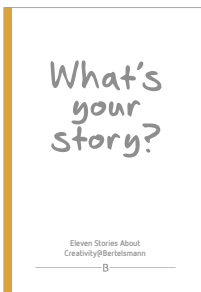
If you are interested in one of the books mentioned here and would like to order a copy in German or in English, please send an e-mail to benet@bertelsmann.de.



What's Your Story, Volume 1:

→ [Transformation to Digital@Bertelsmann](mailto:Transformation.to.Digital@Bertelsmann)
(November 2012)

Twelve stories about the digitalization of businesses



What's Your Story, Volume 2:

→ Creativity@Bertelsmann
(September 2014)

Eleven stories about creativity at Bertelsmann



What's Your Story, Volume 3:

→ Education@Bertelsmann
(September 2015)

Seven stories about
new businesses



What's Your Story, Volume 4:

→ Partners@Bertelsmann
(November 2016)

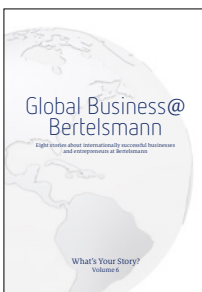
Partner stories from eight divisions



What's Your Story, Volume 5:

→ Innovation@Bertelsmann
(October 2017)

Twenty-four stories about
innovative people, projects and
products



What's Your Story, Volume 6:

→ [Global Business@Bertelsmann](mailto:GlobalBusiness@Bertelsmann)
(September 2018)

Eight stories about internationally
successful businesses and
entrepreneurs at Bertelsmann

Creativity & Entrepreneurship@ Bertelsmann

Eleven Stories
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What's Your Story?
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