



PRESS RELEASE

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“We didn’t have to rush to catch up on digitization, as we were already ready”

- Online sales grow by 21 %
- Web shops prepared for rush demand
- Strategy for developing the server structure bears fruit

The coronavirus is forcing the German economy to digitize. Many companies that have so far only half-heartedly tackled the subject must now rapidly adapt their technology as a result of the pandemic – otherwise they run the risk of slipping into a sales and revenue crisis for a long time, and in the worst case even disappearing from the scene altogether. On the other hand, those who tackled the digital transformation early on are at an advantage. This is illustrated by the example of the Berner Group, which did its homework before the coronavirus crisis began and has been growing strongly since the end of the lockdown, especially through its online channels. The B2B trading company increased online sales by more than 20 % in the first half of the year.

The wholesaler (1.1 billion EUR in annual turnover) with headquarters in Cologne and Künzelsau supplies its products and services to professional users from the automotive sector, the building trade and industry in 23 European countries. Despite the economic burdens, the B2B specialist has even continued with a planned investment offensive of around EUR 60 million – which includes driving further digitization forward. With its courageous course, the Berner Group has distinguished itself from many other German companies. For example, the high-tech association of the digital economy Bitkom determined in a survey that only one in four companies (24 %) planned to invest specifically in the development of digital business models at the start of the year. 23 % did so in 2019, but did not intend to follow suit in 2020. 33 % last invested in digitization in 2018 or earlier.

Long-term digital strategy

According to the study, while quite a few companies in Germany are only acting at a limited scope when it comes to digitization, the Berner Group is pursuing a long-term strategy. “A distinction can principally be made between the digitization of our existing business and the development of new digital business models,” explains Christoph Möltgen, who is responsible for this area as CIO on the Executive Board. “The digitization of existing business includes, for example, networking our employees throughout the Group with applications such as Office365, Skype and a social intranet. In addition, we are investing heavily in our server infrastructure and important future issues such as e-commerce, mobile apps, CRM, data analytics and cloud computing.”

Every measure is a piece of the puzzle. “With the help of many individual solutions, we want to achieve a coherent overall picture,” says Christoph Möltgen. “Accordingly, we are driving digitization forward at all levels. Our goal is to standardize processes and make them as agile as possible, so that we are always in a position to react to certain developments or trends in existing markets.”

Coronavirus influences purchasing behavior

During the coronavirus crisis, this flexibility has already paid off. “The course of the pandemic is having a noticeable impact on the purchasing behavior of our customers,” reports Executive Board Member Carsten Rumpf (COO). “The higher the number of infections, the more customers are placing orders via electronic channels or directly calling



sales representatives. As we have regularly invested in web shops, tele-sales and call centers in recent years, we were well-prepared for a real push in these sales channels in recent months.”

The coronavirus crisis has shown the Berner Group two important things, Carsten Rumpf emphasizes. “Firstly: The manual trades are of systemic importance and so are we as a supplying partner to professional tradesmen. Be it in construction, the automotive sector or industry. And secondly: Our business model is very well-positioned because we can serve customers 24/7 through our omnichannel offering. We are flexible and always able to deliver.” This requires powerful and stable technology in the background.

Significant traffic growth

To minimize the risk of system failure, the Berner Group has extensively modernized its server infrastructure. All operationally relevant components and units are in place in duplicate, or even more. “During the lockdown phase we had 32 % more page views across the Group compared to the same period last year,” says CIO Christoph Möltgen. “Since we did our homework, we were able to continually keep the availability rate of our web shops at the top level of 99.95 % despite significant traffic growth,” says Christoph Möltgen.

The stability of its own IT platform also helps the Berner Group in providing remote access for its employees. Thanks to the possibility of accessing the protected company network from any location via the Internet, the training and onboarding program, for example, could be maintained during the crisis. Even kick-off events took place in meticulous compliance with social distancing regulations. At Berner Germany, more than 800 participants followed the event via a live online stream.

Digital working has long been common practice

As part of its crisis management, the Berner Group had already purchased hundreds of additional laptops in February. Thanks to this prudent move, the company was well prepared on the hardware side when Covid-19 rolled over Europe in March and thousands of employees from all subsidiaries moved from the office to home working environments as a precaution. Mobile working and a digital workplace concept with many collaboration and information exchange tools have long been common practice within the Berner Group.

As a result, those who moved to their home desks in the wake of the pandemic did not have to get used to virtual meetings, instant messaging, shared drives, etc., but were able to concentrate fully on their actual core tasks from day one. With success – since the end of the radical lockdown phase, the Berner Group has been growing strongly. After sales slumped by up to 30 % in April and May as a result of the coronavirus pandemic, the Berner Group has almost closed the gap within just four months. With net sales of around 517 million euros, the wholesaler is only about 2 % behind the figures for the same period last year. Sales from online channels increased by 21 %. The combined Berner Group achieved the best month in the company’s history in September, with net sales of more than 105 million.

“We didn’t have to rush to catch up on digitization, as we were already ready. That was a huge advantage,” says CIO Christoph Möltgen. “Without the large sums of money we invested in IT over the past few years, we would not have had the chance to function this well in this crisis and thus keep our customers’ world up and running, particularly in difficult times.”

The Berner Group

The Berner Group is a family-run European commercial enterprise. Our vision is: “We keep the world together and moving.” This means we are the central B2B trading partner for all materials in the maintenance, repair, and production segments for our customers in the building, mobility, and industry sectors. With more than four channels we create an integrated omni-channel purchasing experience for our customers. In the steel and C materials as well as chemicals segments we are also an innovative manufacturer. We are represented in over 23 countries for our customers with more than 200,000 items and 8,200 employees.