New Commerzbank Mittelstand study:
Change of management in German companies offers major potential for modernisation

- One in two companies sees need for modernisation
- 39 per cent of all companies expect a change of management in the next five years
- Half of the companies are younger than 30 years old, one in ten companies is already a so-called “digital native”
- 15 per cent of companies operate in growth markets
- Companies expect advisory services and new digital offerings from their bank partners

According to a survey commissioned by Commerzbank, over the past five years 35 per cent of the companies have seen a change in their top management. 39 per cent expect to see such a change in the next five years. In the same period, 62 per cent of the companies expect to see the development of new business areas, 47 per cent expect disruptive changes on the market and one third of the companies expect to see major shifts in key technologies. For Commerzbank’s study, “Next generation: New business mind-sets” the market research institute Kantar TNS surveyed more than 2,000 small- and medium-sized enterprises across Germany. The results were presented to media in Frankfurt on 27 April 2017.

Change in top management offers companies major potential
A management change offers a large number of opportunities. Following a change in senior management, 66 per cent of those surveyed expect new areas of competence to be anchored in the structure of the company. 50 per cent of the firm expect to see comprehensive digitalisation of all business processes and corporate activities, and also intend to intensify their marketing and brand endeavours. Those surveyed see a change of management as a catalyst for the initiation of necessary changes. However, Commerzbank’s study indicates that in this respect the full potential frequently remains untapped, just one quarter of the companies in which a management change has happened report that processes and activities had been digitalised. “Small- and medium-sized enterprises now quite clearly have the best opportunity to complete a fundamental transformation into companies of the future. On the one hand, flat hierarchies and flexible structures allow them considerable room to manoeuvre. On the other hand, they are able to invest in their future success more easily than start-ups,” explained Michael Reuther, the member of the board of managing directors of Commerzbank responsible for the corporate clients segment.
The transformation into a company of the future is a joint project
Companies which have successfully implemented changes benefit from a new generation at the helm and the arrival of experienced, external managers. Young successors and managers aged below 40 frequently bring a founder mentality to the company and push ahead with pioneering corporate projects. However, young managers are most effective in companies which they have founded themselves. Just over 10 per cent of the surveyed companies are such “digital natives”. Many of them rank among the 15 per cent of companies which are active in growth markets in the service sector. In established firms – 50 per cent of the companies are over 30 years old – long-standing managers ensure regular product innovations to an above-average degree, safeguarding the company’s competitiveness. The study also reveals that companies in the SME sector profit from heterogeneous senior management structures with a good age mix of “those here for many years” and “newcomers”.

Companies expect “next generation banking” from their financial institutions
The surveyed companies show a very high degree of interest in new digital banking services. Alongside the development of new software and apps, 52 per cent of SMEs expect intelligent solutions which integrate bank services into their own IT systems. Nevertheless, advisory services remain popular: every second entrepreneur or manager can also imagine establishing contact to a bank using video chat.

The Commerzbank Entrepreneur Perspectives initiative and its studies
Since 2006 the Commerzbank Mittelstand initiative; Entrepreneur Perspectives, has provided studies and a forum to articulate the positions and viewpoints of the Mittelstand. The initiative regularly polls owners and managers from companies of all sizes and from all sectors on current issues across Germany. The data basis is formed by representative surveys of 2,000 first-level executives. The study results are discussed by representatives from the business world and industry federations, by politicians and academics in the framework to generate a mutual understanding and to develop viable solutions to the challenges faced by the Mittelstand. The complete results of the new study “Next Generation: New business mind-sets” can be found under www.unternehmerperspektiven.de.

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About Commerzbank
Commerzbank is a leading international commercial bank with branches and offices in almost 50 countries. In the two business segments Private and Small Business Customers, as well as Corporate Clients, the Bank offers a comprehensive portfolio of financial services which is precisely aligned to the clients’ needs. Commerzbank finances 30% of Germany’s foreign trade and is leading in financing for corporate clients in Germany. Due to its in-depth sector know-how in the German economy, the Bank is a leading provider of capital market products. Its subsidiaries Comdirect in Germany and mBank in Poland are two of the world’s most innovative online banks. With approximately 1,000 branches, Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank serves more than 17.5 million private and small business customers, as well as more than 60,000 corporate clients, multinationals, financial service providers, and institutional clients. The Bank, which was founded in 1870, is represented at all the world’s major stock exchanges. In 2016, it generated gross revenues of €9.4 billion with approximately 49,900 employees.