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Masterclass

“Challenges of Industry 4.0 for Marketing and Sales in B2B”

Industry 4.0 stands for value chain systems that are characterized by cyber-physical systems which encompass flexible systems and machines that produce and distribute products and services and communicate with each other. Consequently, in Industry 4.0 value chain systems the products become part of the network, the various corporate functions will be distributed throughout the network, and all participants of the network will communicate with each other and will interact across hierarchical levels. Such new value chain systems are enabled by the digitization of products, services and of the communication between human as well as technical actors. This digitization comprises the conversion of analog information in any form such as text, images, sound or physical attributes to a digital format so that the information can be processed, stored, and transmitted through digital circuits, devices, and networks. As a consequence, digitization makes it easier and less costly to store, access, share and process information.

Digitization thus enables an increase of customized products and services at low costs and opens new opportunities to establish cost-efficient forms of division of labor where access to resources is more important than ownership. Consequently, Industry 4.0 is often considered as an evolution *intra muros* – a big change in technology that will increase a company's effectiveness to produce as small a series of goods as possible. In addition, Industry 4.0 is regarded as a new way to increase the value of a company within its existing supply chain.

However, this fourth industrial revolution will create a lot of new supply chains in the market at such a rapid pace that rethinking the supply chain and redesigning value creation within the supply chain will be the permanent task of the management team. The extensive integration of customers as well as business partners within the value chain systems will also challenge traditional marketing and sales approaches in B2B. Moreover, also inside the company walls, Industry 4.0 will affect the job description and required skill set of industrial sales and marketing managers, since it will affect the way sales and marketing management will be performed in the future. We see an increasing impact of branding and of 360° stakeholder communications, as well as an increasing amount of customer-facing people who impact the sales results and who are not the direct reports of the sales and marketing managers any longer.