

A new MHP report provides insights into the digital competence of supervisory boards. (photo: Michael Setzpfandt)

PRESS RELEASE

MHP report "25 for 25" on digital competence at supervisory board level

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Supervisory boards with digital competence: the new change agents?

- New MHP report shows growing significance of digital competence at supervisory board level
- Qualitative survey of 25 active supervisory board members elicits information on motivation and self-perception
- Gap between requirement and reality: digital competence is deemed essential by many, but not nearly widespread enough, particularly in non-digital businesses

Ludwigsburg – "Al must not be discussed as an abstract phenomenon. Its relevance for products or processes involving employees should be discussed in concrete terms at supervisory board level as well." This is one of the numerous insights derived from the report "25 for 25" on digital competence at supervisory board level prepared by the management and IT consultancy MHP in collaboration with its partner Bechtle AG. The report was officially presented at the New Year's reception of the study initiator, "Initiative Digitalkompetenz im Aufsichtsrat (DKAR)" (initiative on digital competence at supervisory board level), at the MHP offices in Berlin, which was attended by representatives from politics, business, and supervisory bodies, among others.

Supervisory board monitoring the digital agenda

Markus Wambach, Group COO at MHP: "Our new study report '25 for 25' shows the growing significance of digital competence at supervisory board level. This body is increasingly positioning itself as a strategic driving force, particularly with respect to the digital transformation."

The focus should be on providing advisory support to management with the development and monitoring of digital strategies. In addition, supervisory board members can bring to

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bear their expertise to encourage the establishment of leadership competences in the digital sphere and act as sparring partners – without, however, interfering in operational control or detailed strategy work.

This was the key finding from the assessments elicited by the qualitative survey of 25 active supervisory board members. First, the current situation at the supervisory boards was probed. The respondents were asked about their subjective assessment of the existing digital competences. The report further provides insights and recommendations for action for 2025 regarding relevant competences along the three dimensions of processes, products, and people.

Marcus Schüler, member of the DKAR initiative and Associated Partner at MHP: "What we mean by 'digital competence at supervisory board level' is the ability to foster digitalization in businesses through strategic impulses and to assist management with the digital transformation. The focus is on advice, discussion, and acting as a sounding board with respect to digital strategies, as well as the monitoring of technology-relevant regulatory provisions."

Requirement and reality diverge

In the respondents' view, three components working in conjunction are vital for being able to act as a driving force: digital expertise, technology affinity, and diversity. In reality, however, most respondents believe that there is room for improvement with respect to precisely these digital competences within their respective supervisory boards. This is what Michael Beilfuss, study author and Head of Customer Success at Bechtle, had to say on the topic: "With one exception, we can see clear differences here: Companies in the IT and software sector already have relatively high levels of digital competence at supervisory board level, compared to other businesses. 'Digital competence at supervisory board level' is not yet established universally as a concept."

At the same time, the respondents consider this competence as "indispensable" for business success. "This gap between requirement and reality needs to be closed as a matter of urgency. Supervisory board members with a digital focus are needed now more than ever," says Marcus Schüler. "That's because, in combination with the necessary digital expertise, their diverse backgrounds and long years of professional experience would make them ideal sounding boards for management. The report clearly illustrates their motivation, their self-perception, as well as their ability to take on this role."

Here is a pertinent example relating to digital culture: "The supervisory board must forcefully demand action to press ahead with the digital transformation – rooted at management level through appropriate appointments and embedded in corporate culture. It is not sufficient to reorganize the IT and rely on pure expertise. There needs to be a genuine cultural transformation," says one of the participants. In another comment, a respondent states that digitalization should be a fixed point on the agenda of supervisory board meetings, particularly in the context of AI and cybersecurity.

Outlook for 2025: time for the implementation to start

The correlation between above-average business performance and digital-savvy leadership is a known fact and has been quantifiable proven by various studies. Along the dimensions of processes, products, people, digital culture, Al, and cybersecurity, the report identifies the appropriate recommendations for action for supervisory boards. These recommendations are all the more important as they were formulated by supervisory board members for supervisory boards and thus also encourage further dialog while asking for concrete action at the same time.

About "Initiative Digitalkompetenz im Aufsichtsrat (DKAR)"

The DKAR initiative has been acting as a platform for networking, dialog, and co-creation relating to all aspects of digital competences at supervisory board level since 2022. It is supported by committed and active supervisory board members who wish to further dialog in this area.

The initiative invites all active board members to engage with its work. It values experiences and views in all their diversity.

The companies Bechtle and MHP support the initiative by making resources available. Specifically, the two companies have been involved as initiators and organizers of the study, the results of which have been compiled in the study report now available.

This study embodies the ambition of the initiative to provide an impulse for a wider discussion of the conditions, requirements, and effects of digital competences at supervisory board level. Choosing a survey method involving qualitative interviews allowed an extensive range of experiences and perspectives to be captured.

The "25 for 25" report was presented on the occasion of the DKAR New Year's reception at the MHP offices in Berlin on January 23, 2025. Representatives from politics, business, and supervisory bodies attended and took the opportunity to discuss the challenges and opportunities for supervisory boards in 2025.

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About MHP

As a technology and business partner, MHP has been digitizing the processes and products of its around 300 mobility and manufacturing sector customers worldwide for 28 years and providing support for their IT transformations along the entire value chain. For the management and IT consultancy, one thing is certain: digitization is one of the biggest levers on the path to a better tomorrow. This is why MHP, a Porsche AG company, provides both operational and strategic consulting in areas such as customer experience and workforce transformation, supply chain and cloud solutions, platforms and ecosystems, big data and Al, as well as Industry 4.0 and intelligent products. Headquartered in Germany, the consultancy operates internationally with subsidiaries in the USA, Mexico, the UK, Romania, and China. More than 5,000 MHP employees are united by their pursuit of excellence and sustainable success. It is this aspiration that will continue to drive MHP – today and in the future.

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