Europe's largest software cluster plans over €80 million for research

- *Annette Schavan, Federal Minister of Education and Research, names top five clusters*
- *Ministry of Research will support the clusters with funds totaling €200 million over a period of five years*
- *The "Software Innovation for the Digital Enterprise" Software-Cluster recognized as one of the top five clusters*
- *Cluster plans over €80 million for research*
- *The Cluster region that spans centers in Darmstadt, Kaiserslautern, Karlsruhe, Saarbrücken and Walldorf is expanding its lead in Europe*
- *Germany's software industry strengthened*

Berlin, January 26, 2010—Federal Minister of Education and Research Annette Schavan announced the winners in the second round of the Excellence Cluster Competition on Tuesday. The five winners will receive funds totaling €200 million over a five-year period from the Federal Ministry of Education and Research (BMBF). Europe's largest software cluster, Software Innovation for the Digital Enterprise, was among the winners. This cluster is considered the Silicon Valley of Europe, spanning centers located in Darmstadt, Kaiserslautern, Karlsruhe, Saarbrücken and Walldorf. Six projects will drive progress in the cluster itself (management, networking, international presence, continuing education and training, utilization) as well as the methodologies and technologies for research and development of software solutions for digital enterprises. These projects alone will cost over €80 million. Further objectives include educating 5,000 skilled professionals in five years, launching 30 companies in the cluster's core area of expertise, and persuading leading foreign companies to establish a presence in the cluster region. Partners involved in Europe's largest software cluster aim to use the funds provided by the Federal Ministry of Research and Education to grow into a technology center of global importance. This decision by the German federal government will strengthen the country's software industry. Current studies predict 430,000 new jobs in the software industry by the year 2030. Software is already considered a key technology for improving value added and productivity.

"I'm very happy that we've won the excellence cluster competition from Minister of Education and Research Annette Schavan", said Karl-Heinz Streibich, CEO of Software AG. "It has always been our goal to make our Software-Cluster known worldwide by working with partners in business, science and government. I am certain that we can reach this goal with the funds provided by the federal government. Examples such as Silicon Valley and Bangalore have shown that leading international companies grow from clusters, particularly in the IT and software industry. The consolidation process in the software market is going full steam ahead. Clusters and alliances offer a solution to strengthening the European software industry. As such, the Software-Cluster is an essential part of a successful innovation policy for Germany".

The Ministry sponsored this competition to strengthen Germany's innovation policy. Partners from the scientific and business communities should be able to convert their ideas into new products and services faster, and better utilize their existing strengths. The Software-Cluster includes the major German providers of enterprise software IDS Scheer AG, SAP AG and Software AG, as well as more than 350 small to midsized companies in the software industry such as IMC AG, SEEBURGER AG, proAlpha Software AG and intelligent views gmbh.

Three leading computer research institutes (DFKI, Fraunhofer, FZI) and the renowned computer science departments at Darmstadt University of Technology (represented by the CASED Löwe Center), TU Kaiserslautern, Karlsruhe Institute of Technology and Saarland University bring their expertise in research, development and education to the cluster as well. Over the long-term, this top IT cluster aims to become the leading global technology center in the area of emergent software for digital enterprises. The region is already known as the Silicon Valley of Europe.

Emergent software creates a dynamic and flexible combination of numerous components from various providers to meet the highly complex needs of globalized companies. This software dynamically adjusts itself to market demands and the business environment, supports complex and dynamic business networks, and enables innovative services through the Internet of tomorrow. The principle of emergent software is considered the key innovation for digital enterprises and the Internet of the future.

The objective: To enable the transformation of businesses that utilize IT merely as a tool to support their traditional processes into fully digital enterprises. In the future, national economies and the prosperity of industrial and service societies will depend on how well companies position themselves as digital enterprises.

QUOTES

Prof. Dr. Wolfgang Wahlster, DFKI: "In our three living labs, the IT cluster will unleash enormous momentum in the practical realization of our research excellence in disruptive technologies, making information and communication technologies (ICT) the number one innovation driver that turbo-charges new economic growth."

Prof. Dr. Dr. h. c. Dieter Rombach, Fraunhofer IESE: "The quality and quantity of research expertise and software companies—unique in both Germany and Europe— has the potential to achieve a leading position in the international market for innovative business process software based on emergent principles."

Dr. Volker Zimmermann, IMC AG: "The software cluster reflects the trend toward enterprise solutions that no longer come from a single provider, but from many providers who offer their solution together as a service. For IMC, this is the opportunity as a midsized company to step up our collaboration with other hidden champions and global players."

Peter Gérard, IDS Scheer AG: "We're very happy that we've succeeded in convincing the jury of our long-term cluster strategy. Along with the other participating companies, IDS Scheer was particularly concerned with using targeted research and development as well as networking knowledge and capabilities to lay the groundwork for enabling innovative products and services to reach the market faster, and be more successful as a result. We are all ready and willing to face the challenge of realizing our ideas and concepts in the upcoming cluster projects."

Jörg Kleinz, intelligent views gmbh: "The funding and support for top IT clusters is an important basis for enabling the realization of software innovation for the digital enterprise, and ensuring that key contributions from small and midsized software companies can be optimally incorporated. The software industry is a driver for the future of our country, and is market-leading in the area of enterprise software in particular. As a small company, we are naturally pleased to be able to do our part on the Strategy Board for this project, and see our role not only in contributing our semantic technology, but also in representing the perspective of SMEs."

Prof. Dr. August-Wilhelm Scheer, BITKOM: "Expanding the Software-Cluster to make it competitive at an international level is a basic prerequisite for creating internationally competitive units."

Werner Ernst, proALPHA Software AG: "Increasingly complex business processes must be capable of automatically adjusting to changing conditions. proALPHA's event-based workflow management provides an excellent foundation, but can only achieve the desired impact on the basis of global standards. Cooperative collaboration that pairs up midsized companies like proALPHA with research institutes and industry giants in this type of IT cluster is a necessary prerequisite."

Léo Apotheker, SAP: "Supporting top IT clusters with funding is the right approach to strengthening Germany's technological competitiveness, and thereby stimulating sustainable growth and secure jobs. The Federal Ministry of Education and Research's recognition of the successful Software Innovation for the Digital Enterprise cluster as a top IT cluster is particularly satisfying because it emphasizes the strategic importance of enterprise software in a globally-networked business world. Innovative software supports dynamic processes and ensures transparency in all areas of a company, and beyond a company's boundaries. For that reason, the cluster holds great potential for the entire business community in an Internet society."

Bernd Seeburger, SEEBURGER AG: "These plans are especially important for SEEBURGER AG, because they won't just strengthen these regions: They will act as a beacon for all of Germany. There are excellent opportunities here—particularly as a midsized company where available resources can quickly be exhausted—to find new innovative momentum in a partnership with research institutes and software providers."

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"Software Innovation for the Digital Enterprise" Software-Cluster

Objectives: Digital enterprises work in highly flexible, Internet-based business networks, and design their dynamic business models and processes to ensure that all data regarding processes, operating funds and resources is available at all times in precise real-time and dimensional resolution for planning, controlling and optimization. The Software-Cluster's goal is to enable the transformation of businesses into fully digital enterprises that use ICT as the key driver for product and process innovation. Studies predict 430,000 new jobs in Germany's software industry by the year 2030. Some of the Software-Cluster's other objectives include educating 5,000 skilled professionals in five years, launching 30 companies in the cluster's core area of expertise, and persuading leading foreign companies to establish a presence in the cluster region. According to recent numbers, at least €300 million will be invested in these efforts.

The path: The Software-Cluster will work on six projects to develop concepts, technologies and business processes for emergent software—an innovative leap in the area of enterprise software, which is a key contributor to the German national economy. Emergent software creates a dynamic and flexible combination of numerous components from various providers to meet the highly complex needs of digital enterprises. Successfully realizing the group's goals will require a joint effort from the science and business sectors, and cross-organizational cooperation within the Software-Cluster.

The region: The Software-Cluster spans centers in Darmstadt, Kaiserslautern, Karlsruhe, Saarbrücken and Walldorf.

The partners:

Strategy Board: DFKI - German Research Center for Artificial Intelligence GmbH, Fraunhofer Institute for Experimental Software Engineering, IDS Scheer AG, IMC information multimedia communication AG, intelligent views GmbH, proAlpha Software AG, SAP AG,

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Seeburger AG, Software AG, Darmstadt University of Technology

Industry & Regional IT Networks: CAS Software AG, Competence Center Computer Science, ConWeaver GmbH, Corisecio GmbH, CyberForum e.V., Dacos Software GmbH, 1&1 Internet AG, EUROSEC GmbH, IHK Darmstadt Service GmbH, Insiders Technologies GmbH, John Deere Werke Mannheim, KOBIL Systems GmbH, mineway GmbH, Netbiscuits GmbH, Ontoprise GmbH, SIEDA GmbH, Sirrix AG, STI Software Technology Initiative Kaiserslautern e.V., Technology Initiative smartFactory KL e.V.,

Research & Development: DFKI - Innovative Retail Laboratory, Research Center for Information Technology at the University of Karlsruhe, Fraunhofer Institute for Computer Graphics Research, Fraunhofer Institute for Secure Information Technology, Fraunhofer Institute for Technical and Business Mathematics, KIT (Karlsruhe Institute of Technology), Kaiserslautern University of Technology, Saarland University

Project duration: 5 years (start 04/10 - finish 03/15**)**

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