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“Open for Innovation” – Heidelberg drives printing industry’s digital transformation with new Innovation Center

- **State-of-the-art industry development center opens at Wiesloch-Walldorf site**
- **Focus on industrial digital printing, Smart Print Shop, and digital business models**
- **Open development process adapts dynamically to market requirements**
- **Sites in Wiesloch-Walldorf, Kiel, Ludwigsburg, Weiden, and St. Gallen form European development network with unrivaled industry expertise**

The new Innovation Center (IVC) of Heidelberger Druckmaschinen AG (Heidelberg) for the graphic arts industry is now “Open for Innovation” at the Wiesloch-Walldorf site. A former production hall has been converted to create the industry’s most state-of-the-art development center. By opening the new Innovation Center, Heidelberg is looking to accelerate the digital transformation at print shops and its own company. “The digitization of the graphic arts industry is progressing at top speed and we are actively driving this process with our “Heidelberg goes Digital” strategy, so our new Innovation Center plays a key role in safeguarding the future of Heidelberg and the entire industry in a number of ways. Our technology leadership is continuing to grow thanks to the unrivaled expertise of the center’s highly skilled workforce of around 1,000. What’s more, we are increasing the speed of the entire industry’s digital transformation. The IVC’s proximity to our production operations also encourages an agile, multidisciplinary development process,” explains Stephan Plenz, member of the Heidelberg Management Board responsible for Digital Technology. “The Innovation

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Center is the new hub of our company and the future high-tech campus we are gradually creating at our Wiesloch-Walldorf site,” he adds.

Development projects drive the industry’s digital transformation

The newly opened IVC is the number one competence center in the printing industry, which has a global annual turnover of over 400 billion euros. “Innovations for the future are now being developed where highly skilled staff used to produce medium-format presses,” continues Plenz. Heidelberg spends some five percent of sales – currently around 135 million euros – on development activities. The numerous development projects focus on expanding the industrial digital printing portfolio and, in the area of offset printing, on further developing the Push to Stop technology for autonomous printing that only requires human intervention in processes if the system is unable to deal with these itself.

In addition, various teams of developers are working on the Smart Print Shop – where all print shop processes are digitized – and on the further expansion of digital business models – such as Heidelberg Subscription – under which customers are increasingly paying for the benefits a system offers them. This development is supported by the largest collection of data in the industry, which Heidelberg has been generating for over a decade from the customer systems networked with the company.

“Our customers are channeling all their energy into digitization, including the possibilities for producing customized digital printing applications in the three traditional areas of commercial, packaging, and label printing on an industrial scale that optimizes costs,” says Frank Kropp, Head of Research & Development at Heidelberg. “The digitization of all value-adding processes also opens the way for new business models and enhanced overall efficiency to maintain and improve competitiveness. Our Innovation Center produces the ideal solutions to the challenges of digitization, true to its “Open for Innovation” motto,” he adds.

It is important to keep up with the dynamic pace of change in an increasingly digitized world. “So Heidelberg is making increasing use of agile working methods such as Scrum. This enables development teams to respond quickly and flexibly to the increasing, changing demands of the digital world and incorporate new market findings into the development process at an early stage. Products reach market maturity faster and can then be further optimized for specific market segments in collaboration with customers,” continues Kropp.

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Heidelberg has also designed its development process to ensure openness. This means customers, suppliers, partner companies, and employees can be integrated into the process as and when required. It also helps with cost efficiency and effectiveness in the customer benefits context.

European development network gives Heidelberg unrivaled industry expertise

The new IVC is the headquarters of a European development network operated by Heidelberg that also includes sites in Kiel, Ludwigsburg, Weiden (all in Germany), and St. Gallen (in Switzerland). The network as a whole pools the talents of close to 1,000 developers working in the fields of printing technology (including prepress and postpress), control and drive systems, software (including operator interfaces), and consumables (with the focus on developing inks for digital printing). Well over two thirds of these employees have a degree or doctorate. They combine traditional mechanical engineering expertise with key skills relating to digitization, image processing, electronics and software development, process engineering, and chemistry.

“It’s the knowledge and commitment of our employees that ultimately make all the difference and ensure Heidelberg is successful,” underlines Plenz. “The new Innovation Center provides them with an environment and atmosphere they enjoy working in, enables creativity to thrive, and serves as a model for future work practices at Heidelberg as a whole,” he concludes.

Figure 1: The new Heidelberg Innovation Center at the Wiesloch-Walldorf site is the industry’s most state-of-the-art development center. The office area in the former production hall comprises 13 sections whose transparency creates a new working environment with a creative atmosphere.

Figure 2: One focus of the numerous development projects in the new Heidelberg Innovation Center is on expanding the industrial digital printing portfolio - here a test stand with the Primefire 106.

Figure 3: The new Innovation Center is the headquarters of Heidelberg's European development network. Almost 1,000 experts research and develop all relevant topics in the print media industry, for example ink developing for digital printing.

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Figure 4: "Open for Innovation" - the new Heidelberg Innovation Center (IVC) at the Wiesloch-Walldorf site, with its proximity to customer centers and production, promotes the agile and cross-departmental development process.

Figure 5: Hall function plan of the new Heidelberg Innovation Center (IVC).

For additional details about the company and image material, please visit the Press Lounge of Heidelberger Druckmaschinen AG at www.heidelberg.com.

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Facts and figures – Research & Development at Heidelberger Druckmaschinen AG

European development network comprising German sites in Wiesloch-Walldorf (headquarters), Kiel, Ludwigsburg, and Weiden and a Swiss site in St. Gallen

- The company as a whole has **950 developers** working in the following areas:
 - Prepress, press, and postpress
 - Printing technology (offset, digital, and flexo)
 - Control systems, drive systems, operator interfaces, workflows, and measuring systems
 - Consumables (inks)

- **68 percent** of these have a **degree** or **doctorate**

- **Key skills** in:
 - Digitization and image processing
 - Electronics and software development
 - Process engineering and chemistry
 - Mechanical engineering (machine control interfaces, numerical simulation)

- **3,800** active **patents**

- Various international **development cooperation agreements**, e.g. with Fujifilm
- **Cooperation agreements** with the major **universities** associated with the industry
- **Annual budget of 135 million euros** (around five percent of sales)

Information about the Heidelberg Innovation Center at the Wiesloch-Walldorf site

- **Total investment: approx. 50 million euros**
- **1,020 jobs** (development and associated areas such as service)
- **Gross area of 40,000 m²**, including lounge areas, corridors, walls, and paths
 - o 26,000 m² of offices
 - o 14,000 m² for laboratories and testing

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- **Office area:** comprises **13 sections, each accommodating 80 staff**, 40 x 40 m, height 3.5 m, fully glazed
- **Height of hall:** 11.5 m
- **43 laboratories covering an area of approx. 3,700 m²**
 - o Chemical laboratories: approx. 750 m² for ink and inkjet applications
 - o Electronics, optics, and cleanroom laboratories: approx. 250 m²
 - o Mechanical and electronics laboratories: approx. 2,700 m²
- **7,105 m² of windows:** 2,453 m² of façade windows + 4,423 m² of skylights + 229 m² of roof windows
- Constructed in line with the **KfW 70 energy standard** and therefore very well insulated
- All workstations have 2 x 1 GB data lines, requiring a total of 80 km of IT cables
- 750 kW peak **solar installation** on the roof (power fed into in-house grid)
- 660 truckloads were required to **relocate** staff from the Heidelberg site to Wiesloch-Walldorf, including 8,000 boxes and 1,500 computers

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Link to the IR Twitter channel: https://twitter.com/Heidelberg_IR

On Twitter under the name: @Heidelberg_IR

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