

Press Release

DEKRA involved in fight against the coronavirus pandemic

Accelerated Digitalization Is Creating New Opportunities

DEKRA e.V.
Corporate Communications
Handwerkstrasse 15
70565 Stuttgart, Germany

www.dekra.com/en/news-room

- Expansion of remote testing and remote audits
- 70 percent of training changed to e-learning format
- Vehicle inspections and protective mask testing – sovereign tasks and systemically relevant services remain ensured
- No forecasts for 2020 due to impact of COVID-19
- Good performance in fiscal year 2019 despite economic slowdown

DEKRA is fulfilling its mission as stated in its articles of association – even under difficult conditions due to the coronavirus crisis. “In the three areas of life – on the road, at work, and at home – we are working to ensure the safety of people in Germany and around the world, even under these extremely difficult conditions,” explained DEKRA CEO Stefan Kölbl in a live stream for journalists during the balance sheet press conference. “Out in the field, we have minimized direct contact between our experts and customers,” said Kölbl. In addition, an increasing number of services – including audits, expert appraisals, training and certifications – are being performed either entirely or partially in digital format. The DEKRA CEO also made clear that the coronavirus pandemic would most likely derail the company’s 16-year growth trajectory in 2020. Despite an already challenging economic environment in 2019, the expert organization achieved revenue growth of 2.0 percent to EUR 3.4 billion with a workforce that reached almost 44,000 by the end of the year. Stefan Kölbl is anticipating a decline in revenue in 2020: “Performance will depend on how long the economic shutdown continues.” The consequences of the coronavirus crisis are already visible in the figures for the first quarter of 2020. Revenue fell by 5.0 percent compared with the same period last year.

The coronavirus pandemic effort has prompted DEKRA to combine a number of its services on its homepage at www.dekra.com/en/crisis-management in response to the crisis. These services range from testing of protective coronavirus masks to exceptional approvals of disinfectants and cybersecurity anti-phishing tips all the way through to free online instructions on the safe transportation of coronavirus tests.

Date Stuttgart, April 21, 2020 / No. 029-A
Contact Dr. Torsten Knödler
Tel. (direct) +49-(0)711-7861-2075
Fax (direct) +49-(0)711-7861-742075
E-mail torsten.knoedler@dekra.com

Systemically relevant vehicle inspections ensured

Systemically relevant periodic vehicle inspections are continuing despite COVID-19 but with special safety precautions in place. As stated by the German Federal Ministry of Transport, regular technical inspections are needed to ensure traffic safety and help to maintain logistics chains. “Our more than 500 testing locations are open throughout Germany – and we are continuing to carry out testing in vehicle workshops as well,” explained DEKRA’s CEO. “We are, however, following strict guidelines to protect both our customers and our employees.” The situation is very different in other countries. In France, truck inspections are still largely being carried out, but only one in ten testing locations for cars is still open for business. In Italy, vehicle inspections have been suspended until October and in countries such as Brazil, Spain and Slovakia all vehicle testing stations are closed. However, in Sweden, Denmark and the Czech Republic the majority of testing locations are open and in New Zealand one in four stations are still testing. The situation varies from state to the state in the US. In China, capacity is being ramped back up again.

The industrial sector is currently demonstrating how to make the best of a bad situation. While plants are closed, it is devoting the time to improving plant safety. “We are currently experiencing a high demand for services involving the inspection and testing of equipment and materials – such as in the automotive sector, for example,” said Stefan Kölbl, speaking of the positive business trend in the Industrial Inspection service division. “The shutdown is being used as a time to ensure compliance with regulatory safety standards.” DEKRA Certification is also carrying out an increasing number of remote tests using contactless remote technology and remote audits.

Improving the supply of respiratory masks

DEKRA is making a particular contribution to safety during the coronavirus pandemic in its Product Testing division. Since mid-March 2020, DEKRA has been helping to stem the shortage of protective masks in Germany and elsewhere. “Our special laboratory in Essen is one of three entities recognized in Germany as a notified body for respiratory mask testing,” said Stefan Kölbl. Using testing principles that have been specially adapted for COVID-19, DEKRA is testing the protection afforded by coronavirus masks (coronavirus pandemic respiratory masks) and has ramped up its testing capacity fifty-fold. It is receiving inquiries not only from EU countries, but from countries outside Europe as well. Political leaders from various countries are even getting in touch in person to request the service. “Our experts in Essen – who are working in a three-shift rotation including weekends in compliance with legal requirements – are making a vital contribution in making sure that many more masks are available going forward,” said the CEO, commenting on the work of laboratory employees.

Coronavirus accelerating digitalization

The digital transformation of business processes has gained momentum during the coronavirus crisis, with continuous growth in digital services. For example, DEKRA is now relying on software solutions to not only carry out more and more training online, but also to conduct audits, damage assessments and certifications. The constant aim is to simplify and speed up processes for customers. “The importance of avoiding personal contact as much as possible in the current climate will accelerate the acceptance of digital solutions in the marketplace,” stated the DEKRA CEO with certainty. That explains why remote appraisals are increasingly being performed in many countries also using i2i technology. This is where the customer sends photos or videos for assessment electronically and the expert records the facts and – depending on the extent of the damage – assesses the case either live or in a very short timeframe.

DEKRA also made progress on digitalization in other ways in 2019. To improve road safety, in countries such as New Zealand the company developed a prototype of a self-learning system capable of predicting defective vehicle parts based on artificial intelligence (AI). The prototype can already reach predictive accuracy levels of 90 percent. “This presents us with business opportunities in the medium term, such as through integration in fleet management systems,” explained Stefan Kölbl. “When you can predict with a high level of probability which components are going to break and when, you can perform repairs in next to no time and at low cost with no danger to road safety.”

In the Training division, the DEKRA Akademie has moved its training operations over to a “virtual classroom,” which took a huge amount of effort. The classroom is capable of conducting around 70 percent of training on average on an international scale. The company will catch up on practical elements of training and testing once the coronavirus pandemic is over. Logistics and sales companies are the main users of the webinars at present. E-learning formats are also being developed with a very fast turnaround for emergency coronavirus workers and for respirator user instructions. The portfolio is constantly being expanded.

DEKRA also wants to improve safety in the handling of hazardous substances through its partnership with 3spin, an expert in virtual and augmented reality (VR/AR). To date, it has not really been possible to provide training in this area without endangering trainers, trainees or the environment. “We intend to change this with training formats based on VR and AR simulations,” said the CEO.

Clarifying data issues and using a data trustee model

Stefan Kölbl also warned that it was important amidst the coronavirus crisis not to lose sight of the most urgent issues in relation to data security that are brought about by the digitalization of traffic, vehicles and other technical devices. There are key questions that need to be answered in the automotive environment, such as: Who owns the vehicle data? Who can use it, and for what purpose? After all,

for connected and automated driving and for many other technical products besides, data plays a key role – including when it comes to safety.

“Independent technical monitoring organizations need unfiltered access to vehicle data relating to safety and the environment. That is the only way to ensure traffic safety now and in the future,” said the CEO. With this in mind, DEKRA launched the Trust Center initiative back in 2019. The objective is to establish a data trustee model for collecting and evaluating data safely. “In the interests of consumer protection, we need a culture of data sharing when it comes to traffic safety issues,” said the DEKRA CEO. ADAC too is an advocate of DEKRA’s Trust Center initiative. In Stefan Kölbl’s eyes, collaboration with ADAC and as many other consumer-facing organizations as possible is an important step in working with car manufacturers to find a socially acceptable response to the data issue.

A reliable outlook for 2020 is impossible

In Stefan Kölbl’s opinion, it is not possible to issue a forecast for 2020 as a whole. “It is impossible to chart the future course of the coronavirus pandemic, which is having an impact globally. Therefore, it is not possible to calculate when economic and social life will return to normal.” That is why DEKRA is taking an extensive range of actions, including postponing some of its investments. Recruitment is being carried out very selectively based on region and services, and the short-time work measures already introduced for temp work and training will be extended to the corporate headquarters in Stuttgart in the foreseeable future.

Temp work is the clearest example of how the coronavirus crisis and the associated economic shutdown are affecting DEKRA. While there were still nearly 16,000 temp workers in total at the end of 2019, the current figure is now around 14,700 (first quarter 2020). Looking at the picture for Germany, of the more than 7,700 temp workers in total, around 4,000 are on short-time contracts – while the rest are still working normal hours, with the figures changing on almost a daily basis. “That said, we will be one of the first companies to benefit from an upturn when we come out of the crisis,” said Stefan Kölbl. “DEKRA has an excellent reputation in the market and enjoys the trust of its primarily large-scale industrial customer base.”

DEKRA’s CEO is expecting the coronavirus pandemic to halt the company’s long-sustained growth trajectory: “We have to assume that there will be a decline in revenue and other key figures in 2020. The extent of this depends on how long the shutdown continues. DEKRA stands for safety and is systemically relevant even during the current crisis. What we need now is an appropriate exit strategy so that the effect on our social market economy in Germany and the global economy will not be prolonged. We will make every effort on our side to continue digitalizing our services and maintain the level of systemically relevant and public service orders – like general inspections – in particular.”

About DEKRA

DEKRA has been active in the field of safety for more than 90 years. Founded in 1925 in Berlin as Deutscher Kraftfahrzeug-Überwachungs-Verein e.V., it is today one of the world's leading expert organizations. DEKRA SE is a subsidiary of DEKRA e.V. and manages the Group's operating business. In 2019, DEKRA generated sales totaling 3.4 billion euros. The company currently employs almost 44,000 people in approximately 60 countries on all six continents. With qualified and independent expert services, they work for safety on the road, at work and at home. These services range from vehicle inspection and expert appraisals to claims services, industrial and building inspections, safety consultancy, testing and certification of products and systems, as well as training courses and temporary work. The vision for the company's 100th birthday in 2025 is that DEKRA will be the global partner for a safe world.