

PRESS RELEASE

CMS Legal Services EEIG**Date** 24 January 2019**Pages** 2**Subject** CMS event in Davos: Online platforms – a new business modelNeue Mainzer Straße 2-4
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CMS event in Davos: Online platforms – a new business model

Frankfurt, 24 January 2019. At a reception hosted by CMS and the German newspaper DIE ZEIT, Sheryl Sandberg, COO of Facebook Inc., and Christian Sewing, CEO of Deutsche Bank AG, spoke about their business challenges and the importance of trust and transparency. Additionally, leading experts discussed the growing success of online platforms.

Importance of trust and transparency in a digitised and connected world

Sheryl Sandberg defended Facebook's advertising business model, "We do not sell data. [...] What we do is, we use information to show relevant ads". In retrospect, though, she acknowledged, "We have not done a good job at explaining our business model". She promised, "We are committed to being better in helping people understand how their information is used."

Christian Sewing recounted what he first thought when he heard about the money laundering scandal at Danske Bank, "It's disappointing, not personally for me – but you have 92,000 people who are working every day to restructure Deutsche Bank. We got the feedback from regulators that our controls have improved. And if you have this kind of incident then, you're disappointed", Sewing said. Asked about his reaction to the accusations, Sewing went on to say that "this is what you have to deal with, what leadership is all about. You collect yourself. You cooperate with the prosecutors. We think that there is no wrongdoing on our side".

Success of online platforms

At the event, leading experts discussed the growing success of platform models.

In his introduction, Cornelius Brandt said, "Progress in technology is without a doubt a positive development. However, we seem to have mixed feelings about online platforms – most likely because they have had, and will continue to have, a dramatic influence on human interactions."

In their discussion, the panelists agreed that platform businesses create significant value, by facilitating transactions as intermediaries and by driving innovation. However, platform companies need to act responsibly, especially in regards to data protection. The panelists also urged lawmakers to think globally, rather than locally, when regulating digital businesses. Craig Dawson (Executive Partner, IBM Automation Platform Leader Europe), Olivier Grémillon (Vice President, Booking.com), Prof. Annabelle Gawer (Chaired Professor in Digital Economy, Surrey Business School; Director, Surrey Centre of Digital Economy) and Dóra Petrányi (Technology, Media and Communications Partner, CMS) participated in the discussion.

Looking to the future, Dóra Petrányi concluded, “Recent studies show that only 8 % of companies will be able to maintain their business models if digitisation continues at this pace. Regulators around the globe have the difficult task of finding the right balance between supporting innovation and enabling others to participate in the transformation. We have seen one good example in the recent encouragement of co-investment in the telecommunications infrastructure in Europe.”

To watch a recording of the discussions, click [here](#).

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Notes to editors:

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