Human Performance and Digital Transformation

Make the invisible, visible

#DigitalEvolution
#InnovationDay
#EcoStruxure
Rik De Smet
Digital Transformation Executive
Industry Business
Schneider Electric

Rik De Smet
Both are correct. Which is the best?
IT / OT
Digital Transformation

- Inward thinking
- Lean organisation
- Real time and connected
- Agile organisation
- Cost optimisation
- Integrate business & operational layer

Industry 4.0
Digital Transformation

The biggest challenge of industrial leaders isn’t technology - it is the people.

A business strategy for a digital world

… not a digital strategy for a business
Value gap between business and technology evolution

Value creation for your customer, evolution of business models, new services

Processor power, data volumes, cloud technology, AI

Technology cost

Customer value and experience

* Source: "Pivot to the Future" by Omar Abbosh, Paul Nunes, Larry Downes.
Transformation*

The biggest challenge of industrial leaders isn’t technology – it’s people.

extend the value of yesterday,

grow today,

prepare for tomorrow.

* Source: “Pivot to the Future” by Omar Abbosh, Paul Nunes, Larry Downes.
Where do you want to be in 3 to 5 years?

Bottom-up strategy is not enough to achieve exponential growth.

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Digital Transformation Themes & Opportunities

*Digital Transformation is about customers and people. Do it better tomorrow.*

- Use your data to optimise and improve outcomes of other systems
- How do we adapt to a digital world?
- How do we adapt faster?
- Knowledgeable worker = Humans + Augmentation solution
- OT Systems are a limiter, not an enabler for change
A business strategy for a digital world ... not a digital strategy for a business.

1. Control
   Standalone, structured, physical

2. Operations
   Simplify, logical, automated

3. Integrated Operation
   Situational, decision oriented

4. Customer Centric
   Unified operational platform

5. Exponential Organisation *
   Ecosystems platform

* Organisations delivering x time better performance benchmark compared to their peers.
Holistic approach to deliver customer value.

Creating **Customer Value** is the ultimate outcome of a smart, adaptive & collaborative end to end Environment

**Customer Value Proposition**

"Creating engagement and community"

**Customer Value** is derived by leveraging **People and Culture**, **Systems**, **Operational & Commercial** based on an **Unified Data model**.

**Unified Data Model**

**People And Culture**

"Collaborative, networked, self-organised, data savvy, ..."

**Commercial Model**

"Demonstrating a transformational purpose"

**Operational Model**

"Agile, adaptable, performance driven, safe, ..."

**Systems**

"Connected platforms, modular architecture, big data enabled ..."
Your (future) Business Model*

Invest in the future by investing in your future business model

Customer value proposition (CVP) (TBD by Customer)

Simplify the increasingly complex and dynamic energy needs by providing greater offering mix, transparency, easy of access to our services at a competitive price.

Key processes

- Profitability delivery of the CVP in a repeatable and scalable fashion
- Processes (commercial & operation)
- Business rules
- Success metrics (value leakage)

Key resources

- People (new skillset, capabilities?)
- Assets (> operational assets ?)
- Data (monetise data?)
- Technology (adaptable for the future?)
- Channels, partnerships, alliances
- Funding requirements?
- Brand (strength & value)

Profit formula (TBD by Customer)

- Revenue model
- Cost structure
- Bus
- Lead Through Asset utilisation ...

* Source : “Reinvent your business model” by Mark W. Johnson.
Apply *(future)* business model to the organisation

Understand the existing situation and aspirations of the organisation

### Key resources
- People (new skillset?)
- Assets (> Iron ?)
- Data (monetise data ?)
- Technology (adaptable for the future ?)
- Channels, partnerships, alliances
- Funding requirements?
- Brand (strength & value)

### Key processes
- Profitability delivery of the CVP in a repeatable and scalable fashion
- Processes (commercial & operation)
- Business rules
- Success metrics (value leakage)
Processes organize how People and Systems work together
Culture, Investments, Focus, Challenges, Data

Processes organise how people and systems work together

Systems Centric

Process Centric

People Centric

Siloed

Balanced

Vision ★ ★ ★ ★ ★
Customer Centric ★ ★ ★ ★ ★
Creativity ★ ★ ★ ★ ★
Profit Formula ★ ★ ★ ★ ★
Automation ★ ★ ★ ★ ★
Agility and execution ★ ★ ★ ★ ★
Value Proposition

Align your OT strategy with your business strategy
An OT Strategy aligned with your Business Strategy

People, system, processes & data
Readiness for a digital world is more than technology

Get ready for Transformation and break down the silo’s

Knowledge sharing workshops

Analyse, simulate, propose, align, challenge

Operational, business and knowledge blueprint

Companies Aspirations

OT Roadmap Investments
Example Roadmap Document Analysis

Balance and maturity
People, Systems & Processes

Processes organize how People and Systems work together
Analysis

Aspiration is to have a focus integration of People, Systems & Processes

Example Insights Model

- 3. Processes: 3.47%
- 2.3 System Processes: 15.86%
- 2. Systems: 12.99%
- 1.3 People Processes: 1.66%
- 1.2.3 People System Processes: 38.67%
- 1.2 People Systems: 7.70%
- 1. People: 19.64%

Main focus on Systems

Example Roadmap

- 2. Systems: 76.92%
- 1.2.3 People System Processes: 7.69%
- 1.2 People Systems: 15.38%
People, systems, processes analysis

Are the company aspirations aligned with your OT Roadmap?

Companies Aspirations

OT Roadmap Investments
People, systems, processes analysis

Are the company aspirations aligned with your OT Roadmap?

Companies Aspirations

OT Roadmap Investments
Analysis

Data, Information, Knowledge, Wisdom

Insights Model

Example Roadmap Investments

1. Data
   - 79.91%

2. Information
   - 18.43%

3. Knowledge
   - 1.66%

1. Data
   - 23.08%

2. Information
   - 46.15%

3. Knowledge
   - 30.77%
ecosystem
platform
solution
product
feature
Analysis

Product, Solutions, Platform, Ecosystem

The organisation is Product focussed.

Product focussed.
Total Lifecycle cost is high
Scalability is limited

Insights Model

Example Roadmap Investments
Analysis – Perceived maturity of products, solutions, platform, Are you maximising your value?
Analysis - Maturity of types of products

Are you maximising your value?
Maturity Level
Based on an integrated and optimised operation
Operational Management platform:
• People are operating the assets at an operational level, not on a control level.
• Cognitively augment human intervention through smart assistants

Knowledge management:
• Operational knowledge, Business Process mining, Smart agents
• Measuring the real time data from the processes (control, operation and commercial) we will have detailed insights of bottle necks combined with success metrics

Business management:
• Deliver Customer Value proposition
• ROC is key to enable the smooth integration between commercial, operation and control requirements.
• The goal is to automate processes and only human intervention by exception
• Operation and commercial operations are intertwined

Control Management:
- Control level is automated
- Manage existing control systems.
- Safe, reliable, extendable, changeable

Digitised Value chain
Staged approach.

Siloed
Coordinated
Integrated
Optimized

Transformation Zone

Exponential Organisation
Ecosystems platform

Customer Centric
Unified operational platform

Integrated Operation
Situational, decision oriented

Operations
Simplify, logical, automated

Control
Standalone, structured, physical

Schneider Electric - Division - Name – Date
How do we become a transformed Business in a digital world?

For every $ we invest today, what will be the impact in 3 to 5 years?

**Mining company**
- 3 years ago we executed a detailed business systems architecture report. No progress has been made since then.
- We are looking for a partner who can support us to transform our operations in alignment with the future business strategy.

**Energy company**
- We are transforming our business model from a traditional energy to a sustainable energy company and operations could become a constraint.
- How do we create a future agile operational environment whilst managing our complex systems at the same time.

**Manufacturing company**
- We are in the planning stage for a new plant and we understand that the traditional OEM approach could limit us in the future.
- We will engage with SE to create a digital value chain aligning CX and operations.
Join the conversation

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Visit our Innovation Hub.
Questions

Digital Transformation in the real world

Is Digital Transformation easy or not easy in the operational environment and what is the biggest fear or opportunity?

What is your biggest hurdle to transform operations to a customer centric organisation or how do you align your customer demand chain to your supply chain?

As a follow up to the previous question. What would be the value if you digitise the value chain?

Based on customer data the perceived maturity of products & solution is only 40% or what initiatives do you have in place to increase the perceived maturity of your products/solutions?

As technical people we are attracted to the systems centric focussed. What would you change to create a balanced people, systems, processes approach?