Nachgefragt bei CxOs

Podcast Tanskript

Zusammenfassung Stichworte

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Sprecher

Alec Joannou, René Wiedemann

René Wiedemann

A very warm welcome to tomorrowtoday, the Accenture Strategy podcast on digitization, sustainability and diversity. My name is René Wiedemann. I lead Industrial in the German speaking region of Accenture and I am the global client account lead for ABB. Today, I am very pleased and happy to introduce Alec Joannou, the global Chief Information Officer of ABB. Welcome, Alec.

Alec Joannou

Thank you, René. Good to be here.

René Wiedemann

So, as I early mentioned, Alec, you are the CIO at ABB. For those who don't know ABB yet, ABB is a truly global technology leader in electrification and automation, located in more than 100 countries around the world, employing approximately 105.000 people world-wide. You operate across diverse industries, including energy, utilities, transportation, manufacturing and others and offer a wide-ranging portfolio of products, digi-tal solutions and services. Very important examples are the EV infrastructure pro-ducts you are producing – switchgear drives and motors – as well as solutions in robotics, machine and factory automation. ABB Solutions connect engineering know-how and software to optimize how things are manufactured, moved and produced or operated globally. Your headquarter is in Switzerland and that's where we're sit-ting today and are recording our podcast. Alec, you studied archaeology and com-puter science in Johannesburg in South Africa and prior to joining ABB, you have worked and consulted in more than 40 countries worldwide. Why did you decide to study archaeology in combination with computer science?

Alec Joannou

Thanks, René. And once again, thank you very much for the opportunity. Yes, it's a good question. If you look at my heritage, I'm both South African and Cypriot Greek. So for me, both those countries are full of the past. If I look at South Africa, I mean, we've got the cradle of humankind, and then wherever you dig in both Greece and Cyprus, you're always likely to find something archaeologically important. So that was always a key fascination, also watching "Raiders of the Lost Ark" did a lot to motivate me to think, "wow, this is going to be cool." But if I think back now, there's a really wonderful saying, that is "You need to understand the past to understand the future". And very much computer science is the future. Equally so, I think that if you think about what archaeology is all about, it's analysis and data science and the date sciences of it. So it's about connecting dots. So, I didn't think that way at the time. I thought it would be really nice to have an archaeological degree behind my name together with computer science. But looking back now, it actually makes quite a bit of sense.

René Wiedemann

Very interesting. Impressive. You were born and raised in South Africa. How did it develop that you then came over to Switzerland to be the CIO of a global industrial company?

Alec Joannou

So yes, I'm really proudly South African and it's a pure coincidence that today we're having this interview. And we've just won the Rugby World Cup, so even more proud. Yes, so my whole career was South African based, even though the compa-

nies I worked for were always global. So I did a lot of traveling. I had a lot of exposure to global companies, but always worked from South Africa, never worked outside of South Africa. And the opportunity came along. I mean, South Africa, as I've said, is a wonderful place, but it is a pretty small place, especially from an IT perspective. It's a small pond. And at some stage my wife and I discussed it and said: "Look, we've got European roots. And one day in the future, when the children are of a certain age, should we not look for opportunities overseas?" And it just so happened that ABB were looking for a CIO. I thought I'd drop my name in the hat and I was very fortunate and blessed to have been selected. And I must say it's been quite a transition because it's very different coming from a South African background, as I said, small pond to a very big pond, and the complexity of ABB being like probably five times more complex than I've ever seen. But at the end of the day, the fundamentals are the same. And no regrets, I've been there for five years, it's been a wonderful journey. I've learned a lot and I think that that's the most important thing. If you stop learning, it's time to move on. And I continue to learn at ABB and I've absolutely loved this particular opportunity.

René Wiedemann

So, I know you've always been driving major transformations throughout your whole career. What challenges have you encountered doing the same here in ABB? What's specific to ABB? What would you like to share?

Alec Joannou

This is the best question, because I love it in that my whole career I started off in consulting and then I was in corporate for two particular stints, and my whole life was always about consolidating economies of scale, bringing everything together. And I arrived at ABB and the first thing they said to me: "We're going to decentralize, we're going to federalize." You have to give back the people, you have to put services and costs back into the business areas and the business closer to the customer. And I must say at the time I thought, I'm not sure I bind to the strategy. This doesn't make much sense. Looking back now, I'm very grateful that I had the opportunity to do it the other way, because it's a wonderful thing on the CV, but also I've become the biggest supporter of it. If we look at just the share price and what it's done, this transformation has been amazing, but it's been incredibly difficult to implement. And it is about human nature and holding on to power – I can put it that way –, but it was also a great collaboration. I mean, our leader says there's two things that make ABB way so successful: It's "good leaders collaborate" and the second one – that is all – is, he says, "speed to market over synergies". And I like both of those. And what we've had to do is sit down with the business area CIOs and with the bigger IOs community and discuss and actually categorize: What sits in core, what sits under my responsibility or the glue of the company, things like connectivity and networks? What sits in the business in common in that they share something and one business area takes a lead to deliver on behalf of the others? And finally, what's distinct? What are things just unique to a certain division or business area? And we've done that classification. We collaborate a lot. A lot of the politics have disappeared and the model is beginning to deliver. So for me, that transformation roadmap has been incredible. And now we're busy doing the same thing in finance and we're doing the same thing in HR. So we've got two more big ones. And once those are complete and foundations are complete, we'll start the ERP roadmaps, which are more common and distinct. So for me, it's been one big transformation journey from the day I started, and it's the kind of transformation I've never done before. So exciting.

René Wiedemann

Indeed, exciting also looking from an outside-in perspective and seeing how the culture, the whole energy has changed within the company. It's really amazing to see. And it proves that it's the right strategy and it fits well the ABB culture. How has IT played an important role in developing cutting-edge technologies for the company?

Alec Joannou

Yes, if you think about it as always, we are key enabler to whatever the company does. I think that's because of the complexity of the environment. I'm going to also declare it from an inward perspective, so what we do to deliver services internally. Any cutting-edge technology like AI or chat bots or RPA is difficult and it's because our environment is so complex. Where we're very fortunate is that most of our products are digitized and we've got a huge opportunity because there's so little integration. You've got this ability to put

real leading-edge technologies onto our products or into a new factory. It's another great example. I mean, in China, we've just built this huge factory that's IT or IS enabled that builds robots with robots. And you name the leading technology, it's there. But I have to also admit that people are saying that in your internal processes surely you could be a lot more automated. I think because of where we come from, it's like 50 years of IT systems, the complexity is really difficult. So it's not that simple to plug-and-play new digital solutions. But on the product side, where it makes a difference and that's customer-facing, we play quite a big role to enable that.

René Wiedemann
And we are seeing the wheel turning faster and faster. We see so many IT innovations out there. Everybody's talking about GenAI. We have the metaverse and many other things I could mention. Which one is of particular interest for you and also for ABB and how do you think it will change?

Alec Joannou
At the moment it's moving so fast, René. I don't even know. Every day, if you ask me this question and probably someone registers in two months' time, it goes like: "I can't believe you said that." It's exponential, the change at the moment. Obviously, everyone's looking at an internal GenAI. We've just now done a project obviously with Microsoft in terms of using their tool. What's fascinating, as I said, we're all discovering as we go along, because if you think about it, all of a sudden you're going to discover data that you didn't know you have, and sometimes it's data you might not want to be discovered. So we have to move with quite a bit of caution. So it's

wonderful enabling technology. How do you find the sweet spot between that incredible technology that you deliver, but being compliant and being secure at the same time? And how do we get that sweet spot? I think that that is the big, big thing. And the other big thing is, no matter what AI you have, it's always driven by data. And we won't talk data because that's an over spoken thing. I mean, everyone talks data. But the reality is, data is what drives AI. So your quality of data is incredibly important. But where we're going at the moment, it's moving. We're trying to do a lot in terms of enabling self-service. So getting end-users, you know, to start doing their own thing in terms of power apps et cetera. We're also very cautious that we don't have another Lotus Notes type of environment, you know, that in ten years' time we're all going like: "Oh my gosh, we have to clean this environment up." So once again: How do you find the balance that you give people a framework, they can go and play and do whatever they want, but within the framework?

René Wiedemann
I'm so happy to see that you also think about responsible AI. So you're not only thinking about all the opportunities, but really also what it could also do as a negative side and you're already thinking about it. That's great to see. And then of course there is cybersecurity out there, which is a concern for all the businesses probably, and we hear a lot about it. So what's your view on this topic?

Alec Joannou
I think that this is also one of those to-

pics like data, it's so spoken about. And it's a difficult topic because I think our summary is that whatever you do for a business: Business first, security always. Once we get a business requirement in the past, you would sit down and architect it. Now you get a business requirement, you not only have to architect it, but you have to make sure that it's architected in a secure and compliant way. So security becomes part of the DNA of anything you do. And we have no choice in that. So security is top of mind – at all times.

René Wiedemann
Sustainability is an important element in ABB's strategy. It's part of your purpose statement. You want to drive a more sustainable and resource-efficient future and of course you provide a lot of products that actually help us, especially on the energy side and also on the automation side, which clearly are solutions to some of the world's biggest problems out there. How is the IT department contributing to that purpose and to that ABB statement?

Alec Joannou
So first of all, most important, I am incredibly proud to be working for a company like ABB that's so focused and so committed to the whole ESG movement. What's IT doing? So we are a little bit slow off the running blocks in this particular area and I admit that. But what we did is, we did a big pilot early in the year on Switzerland just to understand what our footprint is within ABB. Also, to have a look at what the opportunities are. We think Switzerland is a good case study that represents many other areas around the world. It's not a simple plug-and-play, but it will give us really good indicators of where we are

going to focus on. And recently we've just got the approval to move ahead with another four countries. So we'll take our lessons learned in terms of where the opportunities are. But there is no doubt at the moment, we are not expected to commit to the bigger ABB numbers, but we've been told by our Chief of Sustainability by next year our numbers. So we are trying to be proactive – and hence the big exercise in Switzerland. But I think that you will very quickly realize that all internal IOs' departments – together with our partners and our vendors, because they play a big role in terms of the Scope 3 commitments – play a bigger role in the bigger corporate numbers. So we are going to take it seriously going forward.

René Wiedemann
Very good to hear. So ABB is really pushing boundaries on the product side, you have been developing this incredible EV charger that charges e-vehicles in less than 50 minutes, which is already great. And then you're driving also a lot of innovations in many different areas in transportation, where you come up with new solutions on how to store energy and consume it more efficiently. So all in all, you really help cutting CO_2 emissions and also avoid CO_2 emissions, which is great. And as mentioned earlier, I really think you provide products that help us master some of the big challenges we do see out there. Now, I will be curious to hear: What's next? So what is the next big thing? What are the important developments we can expect from ABB helping us really to master the crisis we're in, which is around the climate?

Alec Joannou

So, I can't tell you specifically what we are going to be in. What I can say is that it's a statistic that I heard. And you can't quote me on this because I don't remember the exact details, but over 50 percent of the energy of the world is consumed in motors, which is quite amazing. And if you think about the industry that we're in: So, if we can start to provide 5 to 10 percent efficiencies across our drives, our motors et cetera, all the products we're producing to support those kinds of things, we will make a significant impact on society and the world we live in and for the generations to come. So I think that ABB is really well-positioned and there's a lot of effort to focus on that from an R&D perspective. And if you look at acquisitions and disposals, they're very much around: Where are we acquiring to make a difference in the world to where are we disposing to make sure that whoever is going to be buying the company can actually help drive that company to make a difference in those particular areas. Because we feel we might not be the right place to do that. Because it's quite funny, that's an amazing thing because we've sold a couple of really profitable companies. But it was the thinking around: What can we do from an environmental perspective that other companies can do a better job? And ABB is committed to that. So it's a really great place to be.

René Wiedemann

Indeed. I mean, it's fascinating to see how you really look at businesses and how you sell even very profitable businesses because you have the overall goal still in mind. And there is the try to really bring the best ABB to the world, which is great.

Now, shifting to a topic which I know is very close to your heart. You are a diversity champion, I know. And you're not doing it just because it's needed. But I truly believe that you are a true believer of diversity – probably also from your background having left and being raised in South Africa, having worked and lived in so many countries. I do believe that has shaped also your thinking around diversity. So I'm really curious to hear your view and also how you're driving it within the IT department and the results you have achieved.

Alec Joannou

Thanks, René. You're absolutely right. I remember Accenture. I took part in one of your panels and it was just incredible, the diversity that you have at your senior leadership. I mean, you guys must be very proud of that as well. So congratulations on that. No, I'm very passionate about it because I've seen the difference it makes – to teams, to objectives, to achievements. And my classic example is that I was born in apartheid where, you know, there was a law against diversity. You couldn't be in the same school as certain members of society. And having grown up in that environment and having been fortunate to be part of the movement to democracy, and see what democracy did and how all of a sudden, when we worked together, how much could be achieved and how much could be delivered – so much so that old Desmond Tutu, he baptized us as the Rainbow Nation. And that, for me, was a great macrocosm to see how a microcosm can work. It's not different in an IT department. I mean, when I started at ABB, there were 5000

people who worked for me. With ABB right now, there's only a thousand. But we started that exercise very quickly in terms of diversity. And I must say, you have to go through challenges to really appreciate how important diversity is. And I think that that's why nations like South Africa have embraced that completely. I think in Europe and in other regions, we've been very comfortable for too long. And we haven't taken it as seriously as we should and we need to do a bit of catch-up. But if we all recognize it is a problem, I think there's a lot better chance that we actually can address it. But it's incredibly important to get different pieces of view, different perspectives, to put it all together to get the best possible solution. I'm a big believer of that.

René Wiedemann
Thank you so much, very insightful. And maybe before we end that discussion, a final last question about your vision for the future. What is it?

Alec Joannou
I don't know how far out it is because we've been talking about this for a long, long time. But obviously the vision for the future is where business and IT completely embed. They completely fuse with each other. There are no handover points. We are kind of one team. We are certainly not going to be seen as a cost center. We are seen as part and parcel of every business case that's put out there. And I think the technology is evolving. I think that to go that way, I think methodology is evolving as well. But I must say I thought that we'd get there a lot quicker than what we did or what we have or what we aspire to. But that's my vision for the future. There shouldn't be a CIO in a company. It should be the business who leads it. And the IT portion of everything we delivered is embedded as part and parcel of every business function, business processes, business policy and business case going forward.

René Wiedemann
And we agree so much to your statement. We said five years ago: "In every business should be a digital business." We're going there, but there's a long way to go. Thank you so much – very interesting, very insightful. Thank you for the very good discussion, Alec.

Alec Joannou
And René, thank you for the opportunity. It was really great.