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## Schneider Electric: Always-on digital transformation

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Elizabeth Hackenson, CIO at the global energy management giant, shares the experience of addressing major business and customer challenges with digital innovation.

By James Lawrence

## Schneider Electric: Always-on digital transformation

“We want to be the digital partner for sustainability and efficiency, across the industries we serve.” That is the bold ambition simply articulated by Elizabeth Hackenson, CIO and SVP at Schneider Electric. For the leader of enterprise IT and digital technology strategy at the €25 billion (\$30bn) Paris-headquartered electricity management and industrial automation business, that translates into a packed digital agenda of priorities.

One such priority that has risen high in recent years — and has been elevated further by the global pandemic — involves enhancing the employee experience for the company’s 135,000-plus people, across 115 countries. Hackenson and her team have explored how digital technologies can be used to support colleagues better and empower them to better serve the company’s customers.

A prime example of this is Schneider’s AI-powered Open Talent Market. Launched in 2019, the SaaS-based HR platform addresses the challenges of a business with a large and distributed workforce, specifically: building the best teams, supporting employees’ career development and facilitating internal talent spotting. The game-changing technology — whose global roll-out was accelerated by the Covid-19 pandemic — performs three functions: matching people to open positions, helping them find a mentor within the organization, and connecting them to short-term projects that help gain new experiences.

The result is that employees have more control of their own careers, while Schneider — and its customers — benefit from a more dynamic, empowered workforce. The system’s algorithms align individuals’ skills and interests to the business’s needs, regardless of geography, personal connections, subconscious bias or any other aspects that might have previously been limiting factors.

Although it’s too soon to measure the impact on employee turnover, Open Talent Market is already delivering early wins in terms of employee engagement and time-saving: around 38,000 of the company’s 75,000 traditionally office-based workers have signed up, while managers sourcing internal talent can now access the talent pool faster and easier than ever, helping the company optimally re-deploy talent and skills.

“We’re truly empowering employees,” says Hackenson, adding the caveat that the challenges associated with launching the

project go way beyond the IT. “It’s not just about putting in place a new technology — in some ways, that’s the easy part,” she says. “The hard part is getting people excited about the change and making them comfortable with doing things differently. We can talk about digital transformation in general terms, but there’s a huge people and process component to it all,” Hackenson highlights.

### Driving rapid transformation

Like almost every other organization, Schneider had to act fast and boldly as the Covid-19 pandemic struck, to enable as many employees as possible to operate remotely — while providing a seamless continuity of service to its customers.

To enable working from home, Hackenson’s team quickly increased VPN access from 30,000 users in January 2020 to 113,000 users in June that year and upgraded data centers to enable communications demand. Video-call minutes per month rose by two-thirds to 60 million.

But the digital pivot was not just focused on employees.

Hackenson gives the example of how the business has transformed its acceptance testing in factories. Pre-pandemic, it would be normal for customers to visit the Schneider plant where a product had been manufactured, to ensure everything was as designed, and then approve it prior to shipping.

“But even though our plants have been operating through the pandemic, our customers weren’t always able to show up,” she says. “We introduced remote customer acceptance testing at scale. Through a remote video connection, the customers can easily conduct the required inspection of the product.”

Innovations like this were the result of a clear strategy focused on prioritizing safety and continuity of customer service. Hackenson’s teams were empowered to act on those priorities in a streamlined, accelerated process.

“These kinds of innovations, brought on by Covid-19 and supported by digital technology, have been so successful in so many ways that they are likely to stay and help us in the future. What’s more, similar principles concerning remote operations will also be applied to Schneider’s own employees. We’ll rethink when we actually need to meet in person,” she says. “And when we travel, or even go to the office, it will be much more purposeful.”



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### Efficiency and innovation across domains

At Schneider, a company whose purpose is to help everyone make the most of their resources, efficiency is a priority, also for the CIO. Hackenson and her team are working with business process owners across the organization to digitize processes.

One example is the recent deployment of a new quote-to-cash system using SAP's HANA technology. Early results are providing real-time, high-quality information to business leaders enabling "productivity benefits and more insights," she says.

Building on this, she believes there is enormous future potential for the application of AI — in ways that go far beyond the likes of the Open Talent Market platform. "There's been so much hype around AI," she says, "but the most important aspect is the data. As we collect and analyze more and more high-quality data, we'll see much higher value in what AI can do."

She is also optimistic about the possibilities of 5G, as it begins to become reality around the world. "Even though it's been talked about for some time, it starts to show potential in many different applications across the enterprise. The question is where can we use it today."

The answer, she believes, is first and foremost in Schneider's global supply chain, including its plants and distribution centers, where it will allow the company's burgeoning number of connected devices to deliver ever-greater value. "5G is going to be a catalyst for disruptive digital solutions, helping capture even more value from the Internet of Things," she says.

### Fostering a culture of innovation

Underpinning all of Hackenson's ambition is a fundamental belief in the need to innovate continuously — no easy feat in a 185-year-old business with a truly international footprint — and the importance of her role, as CIO, to help nurture Schneider's culture of reinvention and renewal.

Her task is made easier, she says, by the fact that the innovation culture is not only deeply embedded across the organization, but also actively driven from the very top, notably by CEO Jean-Pascal Tricoire. "I've been with Schneider for three years," she says, "and I marvel at its ability to continuously innovate. I've seen other companies talk about it, but here people actually do something about it — and I witness it over and over again."

Hackenson is therefore constantly encouraging her team to experiment. She sees that as a fundamental aspect of her role — encouraging people to learn from mistakes. "A former colleague of mine once said, "If you don't make mistakes, then you are probably not doing anything," she explains. "So, when I make a mistake, I admit it — it's a way of helping others to understand that it's OK and that learning is powerful."

The logical benefit of such a mindset, she concludes, is the value generated from constant learning. "It sounds really simple, but it's about instilling in people a passion to learn, and then rewarding them when we see something remarkable has occurred." ■

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