



MERCK: ACCELERATING LIFESAVING WORK WITH CLOUD

VIDEO TRANSCRIPT

Steph Stricklen (00:14):

I am Steph Strickland with Wire Studios. We've got a great panel for you right now. I'd like to introduce you to our two esteemed guests from Merck. We've got Ron Kim, the CTO, and Senior Vice President. Hello, how are you? Hello. Good. Thanks for making the time. Thank you. We also have Fran Geatens, the technology infrastructure, operations and experience. How are you?

Fran Geatens (00:34):

Terrific.

Steph Stricklen (00:35):

Glad to be here. This conference kept you on your toes, running around like crazy.

Fran Geatens (00:39):

That would be an understatement.

Ron Kim (00:42):

A lot of steps. Got a lot of steps.

Steph Stricklen (00:44):

What does the watch tell you? I have to wonder, given how you discussed in such a prominent fashion Blue Sky last year and what your intentions were with the company, I wonder if those conversations have spilled into people meeting with you this year looking for something

like that within their own line of work for people who are unfamiliar. Can you tell me a little bit about Blue Sky, so then we can set up where we're going with it and where it's at?

Fran Geatens (01:11):

Yeah, certainly. So Blue Sky is our company's cloud acceleration program. We started this program in 2021 with the intention to not only modernize our compute state by migrating workloads to the cloud, but modernize the way that we work within the company in favor of speed to market and innovation.

Steph Stricklen (01:33):

How did you come up with the name Blue Sky?

Ron Kim (01:38):

Well, there's a cloud element to it, obviously, so that has been controversial because people have said, well, if it's blue sky, there's no clouds, right? But we figured it was a nice uplifting cloud related term and it's really caught on.

Steph Stricklen (01:48):

I mentioned that because when you talk about moving to the cloud and trying to incentivize and create an experience where employees want to get on board, you have to be very thoughtful. Can you tell me a little bit about how your company has really leaned into that in the past year to make sure that employees are embracing the blue sky?



Ron Kim (02:06):

Yeah, I mean, I think it has started with and has always been support from the top down. So we've had a CEO, our boss, Dave Williams support very publicly supporting the initiatives and then also the great work, the project is team to build the enthusiasm bottom up. So you've got top down support, you've got people at all levels seeing the benefits of not only that there's cost savings as Fran mentioned, but also just the ways of working. We've really transformed how we do our work technically, and I think between the two of those, it's resulted in just a really high take up of the work that we're doing in a lot of results.

Fran Geatens (02:40):

If I can build on Ron's remark, in addition to top-down support from senior leaders that have taken a stand for the program and its intention, a critical success factor has been enlisting the builder community within our organization and uplifting their skills and capabilities in favor of modern of working, in fact, ways of working that many have longed for anyway.

Steph Stricklen (03:05):

I love that you describe it as modern ways of working. This is a company that has its roots, its ultimate roots dating back to the late 16 hundreds. The company in the United States is well over a hundred years old, and yet here you are a leader of a giant company initiative to move people into this. Can we talk about where Blue Sky has gone in the past year since you really sort of publicly started sharing it on such a larger scale?

Ron Kim (03:32):

You raised a great point. So we've a company that's been around many years technology wise, though we didn't want people to associate us with. We only have old technology in our environment and we just wanted to bust the myth of a company that's been around a long

time can't take advantage of these new modern platforms and modern ways of working. So between upskilling our employees showing the benefits of cloud throughout the company, I think we've really made people see that a company can be around a long time, but still take advantage of newer technologies and really make an impact on the business. One thing that's occurred the past year is stuff has moved so quickly, so Generat AI has come on. I'm on the scene. The vision we had with Blue Sky when we first started is we knew we wouldn't know all of the things it would enable what we knew was a critical part of what we call our digital backbone. And so this past year, as general AI has come on the scene, having the blue sky capabilities platform tools and processes in place has enabled us to rule out, roll out our general AI capability much quicker.

Steph Stricklen (04:32):

What are you most excited about with Jet AI as it pertains to your company?

Ron Kim (04:37):

Well, our business is saving and improving lives, so anything we can use general AI to do to help accomplish that mission, I think is a tremendous benefit. And we're already seeing benefits and opportunities that we're able to seize in large part due to this Blue Sky Foundation that we've laid.

Fran Geatens (04:53):

And to elaborate on Ron's perspective, the opportunities are expansive and span the entirety of the company. The ones I'm most excited about are in the context of our research and development organization where we have the possibility to accelerate the invention and bringing to market of new compounds that save and improve lives.

Steph Stricklen (05:14):

There is such an interesting FOMO factor that



I'm seeing here at AWS reinvent with Gen AI and everything that it could potentially do. How do you define value, particularly as it pertains to Blue Sky from what you hope to accomplish last year to what you have accomplished this year?

Fran Geatens (05:32):

Our primary measure for value is measured in dollars. We've invested significantly in a capability with the program. It's a value management work stream where we've collaborated with colleagues and finance to build a methodology that creates an unambiguous perspective on the value at stake. When we modernize an application, be it cost efficiency, labor savings, cost avoidance, or uplift in revenue or other factors that underpin operational performance of the company, everybody understands dollars and cents. So it gives us a really powerful language to talk about value in a way that is substantial and compelling.

Ron Kim (06:17):

There's a hundred percent agree with Fran's take on it. There's also some other positive byproducts of value. One of them is around how our employees feel in employee retention. So as IT people, we can look our colleagues in the eye and say, look, we're implementing and practicing these modern technologies in our shop. So when you talk to IT, people are interested in technology. They want to say, look, I want to get involved in cloud automation ai. We're doing that here. We can say we do that here, and blue sky's the root of that. So aside from on top of all the great benefits Fran mentioned, if our IT employees can say as part of saving and improving lives, we're using some of the most cutting edge technology. That's a great benefit as well.

Steph Stricklen (07:00):

I'm a former health reporter, spent years doing it. A dollar saved in efficiencies is a dollar you could put towards r and d, which is like you said. To your point about your company mission fits in

really perfectly. You've already touched on something which is creating a workforce that wants to continue to be engaged. How are you cultivating that talent with Blue Sky? Can you give me some more examples of that?

Fran Geatens (07:22):

Yeah. From the onset of the program, we've had a track that's been focused on uplifting the skills and capabilities of our people. We call it Blue Sky Academy. It's something we invested in significantly. It's something that we fully expect to transcend the life of the program because the world that we live in as both of changes rapidly in the context of not only technology evolution, but ways of working, and then we have a lot of people that are new to the party as we continue to expand our organization. So a continuous focus on uplifting the skills of our people is frankly one of the most important things that we do.

Steph Stricklen (08:03):

As you look toward where you want to go with this next, what were some of the challenges and successes of the past year in particular in your rollout for either one of you to tackle

Ron Kim (08:14):

Personally or Yeah,

Steph Stricklen (08:15):

Maybe both. Maybe both, right? I mean, in your role especially.

Ron Kim (08:19):

I think making sure that we have the right people in the right roles. So this is this big expansive program. It's very popular and we want to make sure it's giving opportunity to people, our own employees, and I think we've done a pretty good job of doing that, but it's always something we want to work on. And also just making sure that we're moving quickly and what we're doing is



tied into our mission. So if we're spending a lot of time and we can't say, boy, this is really going to help improve our ability to save and improve lives, and we should step back and ask ourselves, are we focus on the right stuff?

Steph Stricklen (08:46):

It's kind of back to the value question.

Fran Geatens (08:48):

Yeah. Maybe a different take on that same question. The first year, year and a half of the program presented us with a lot of low hanging fruit to focus on modernization. In the past year, we've had to shake the tree a little harder to identify opportunities and opportunities that hit the value hurdle that we think is important in the context of this work. We have more of that to go another year of runway on the program. That said, I think the upside to build on Ron's earlier remarks is that we have laid an infrastructure foundation with this program that is an accelerant to seizing new opportunities like Jen and I at allowing us to move quickly in contrast to what would've been true in the past.

Steph Stricklen (09:37):

Have you migrated everything? When you say shake the tree a bit harder, is everything where you want it to be at this point? And now I'm curious to hear a little bit more about

Fran Geatens (09:46):

That. Not yet. Okay. Not yet. We have very specific goals as it relates to modernization and migration targets. We've been firing on all cylinders and achieving those goals. But as we approach the end of the program, the hardest part's still in front of us,

Ron Kim (10:03):

And not only we know we have some work in front of us to get done, and again, we're very managing the schedule very tightly in how much

progress we have to make. But again, along the way now new opportunities have come up, whether it's gen ai, high performance compute, other things. And so even if some of those things weren't contemplating in our original schedule, there's still things we can attack and seize along the way because of the foundation that's been built.

Steph Stricklen (10:25):

I'm excited to speak with you next year and hear about some specific real use cases with Jet AI when you really deployed it, right? Yes. Is there anything I'm not asking you? Have I covered my bases?

Ron Kim (10:36):

I think that our success is in large part due to people related successes. So we've built a great team. We have great skilled Merck employees in leadership spots on the program. We've got great executive support. So the blue skies made me think about these large technology programs. It's not bits and bites and hardware and software. I mean that this success factors have been the people in the relationship type issues, type of factors, even with our partners, AWS, Accenture, others, I mean, the cohesive relationship we've built to operate as one team or even across different parts of our company, different divisions of our company. I think that's been as or more important than the technical nuts and bolts.

Fran Geatens (11:23):

Couldn't agree more. Well said.

Steph Stricklen (11:25):

It's been an absolute pleasure. Thank you gentlemen so much. Ron Fran, for your time. I'm Stss Strickland. You've been watching Wire Studios.