

The Industrialist

inspire. innovate. ignite.



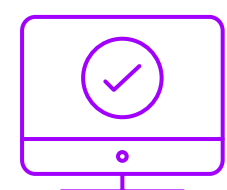
“Digital is not just about the introduction of a couple of new tools. It's a company-wide transformation.”

Peter Weckesser
Chief Digital Officer & Member
of the Executive Committee
Schneider Electric

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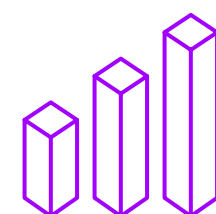
Scaling sustainable change

Each month, we speak to a different industry leader about their approach to innovation and emerging trends impacting the sector. For this edition, we have talked with Schneider Electric's Peter Weckesser about his take on the state of play of digital transformation and his predictions for the game changers that lie ahead:



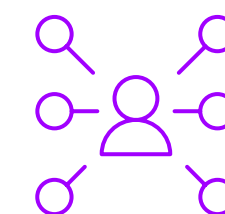
**Digital at the top
of the CEO agenda**

Page 4 →



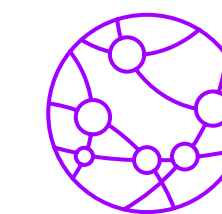
**Strategy for success:
Three key pillars**

Page 5 →



**AI at scale & the
talent opportunity**

Page 6 →



**Ecosystem 2.0:
Next level openess**

Page 8 →

In conversation with Schneider Electric's Peter Weckesser

After 25 years in industry working for Siemens and Airbus, Peter Weckesser joined Schneider Electric two years ago to make a difference. Today, as the company's Chief Digital Officer and a member of its executive committee, Weckesser is perfectly placed to drive a technology agenda aimed at helping Schneider—which provides energy and automation digital solutions for efficiency—and its customers accelerate their digital transformation.

"Today, about 60% of the energy that's produced and consumed is not used in an efficient way and this is really where sustainability and digital connect and can help," says Weckesser. "We are working on creating full transparency around energy demand and energy consumption, for both ourselves and our customers."

Weckesser hopes that, as the world becomes more electric and digitally focused, the data needed to balance supply and demand—and ultimately reduce needless emissions—will be everywhere and accessible.

We sat down with the Chief Digital Officer to find out how he is putting his deep industry experience into practice at Schneider Electric to accelerate customer sustainability transformations, scale purposeful artificial intelligence and put the customer in the driving seat with tools like the company's IoT platform, EcoStruxure.

"60% of the energy that's produced and consumed is not used in an efficient way and this is really where sustainability and digital connect and can help."



Peter Weckesser
Chief Digital Officer & Member of the Executive Committee
Schneider Electric

What one word describes you best?

I'm a very analytical person, and a pretty good listener.

I analyze the situation and then derive the right conclusions on how to move forward. I like to set ambitious targets for myself and my team, then motivate us to achieve those targets.

Many companies struggle to capture the full potential of their digital investments as a result of outdated processes or organizational difficulties. How has Schneider Electric successfully navigated its digital transformation?

I came on board as Chief Digital Officer two years ago and the reason I joined Schneider was that it's a company that is very serious about its digital ambition. That starts with top management. Our CEO has digital at the top of his agenda and made it key to Schneider's transformation. Digital is not just about the introduction of a couple of new tools. It's a company-wide transformation. For Schneider, that transformation exists across two dimensions:

One is the internal dimension; how we create more productivity across all of our business processes, then support those processes with best-in-class digital tools. That's true for our customer relationship management (CRM) processes, our supply chain processes and also for our R&D and product lifecycle management (PLM) processes. Our team in Schneider Digital works very closely with the business process owners of those respective domains to explore not only what we need to improve next quarter, but also to set ambitious targets for where we would like to be in three to five years in terms of our business processes and the improvement of the digital platforms supporting them. We call that model the "power couples"—our business process owners and digital platform owners working closely together. Our ambition is to be a leader in productivity across all business processes.

The second dimension relates to our digital portfolio. Over the last 20 years we have evolved from a portfolio of electromechanical products to a portfolio that's more digital and software-based. This is clearly also the strategy of the company—we want to grow in software and services. My role and the role of my team is to work with all our lines of business to help them augment our portfolio so that our value proposition is more defined by software and digital. My team also owns the company's backbone, our internet of things (IoT) platform known as [EcoStruxure](#). The vast majority of all Schneider Electric products today are already integrated to the platform, and that's a journey that we are continuously working on.

We have also made major acquisitions in recent years in the digital domain. One of my roles is to work with these acquisitions and our partners, like [AVEVA](#), to define an end-to-end value proposition along the lifecycle of design, build, operate and maintain, across the domains we serve, which are industry, infrastructure, data centers and buildings.

[Back to page 2](#) →

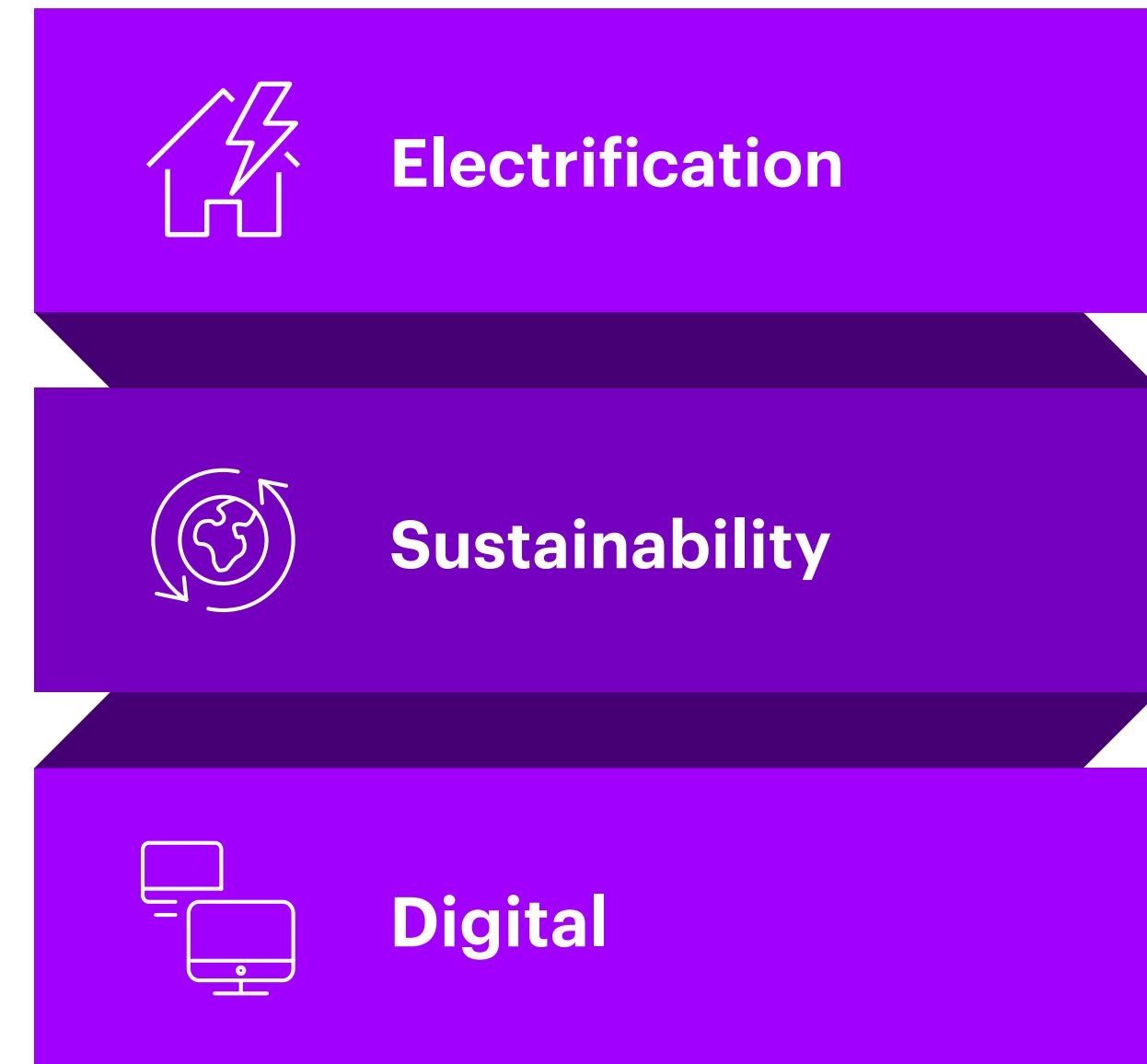
How do you see digital enabling and accelerating the sustainability revolution?

Sustainability is on everybody's mind today. And it's part of the Schneider Electric strategy, which is built on three key pillars:

1. Electrification. It doesn't take a lot to convince people that everything—from buildings to mobility—must become more electrical, and this is our core business.

2. Sustainability. Schneider Electric embarked on a sustainability journey 15 years ago when we created our first sustainability program. This has been updated several times and we are very serious about our own sustainability journey and helping our customers on theirs.

3. Digital. The three pillars are extremely closely connected. On sustainability, we clearly see that we need to move to more sustainable energies and the answer is electrical. And we also need to use our energy much more efficiently in the future. Today, about 60% of the energy that's produced and consumed is not used in an efficient way and this is really where sustainability and digital can help. We are working on creating full transparency around energy demand and energy consumption, for both ourselves and our customers. Only what gets measured can be managed and so this is how sustainability and digital are closely connected. Digital is the means to creating full transparency into energy consumption and energy demand. By creating transparency around where energy gets consumed and a forecast for that, we can balance demand and supply.



[Back to page 2](#) →

You recently appointed a Chief AI Officer, demonstrating that Schneider Electric is willing to invest and scale its AI capabilities. How important is AI to what Schneider Electric is trying to achieve?

AI is clearly a fast-evolving technology and we at Schneider believe that AI has the capability to fundamentally impact both dimensions that I have mentioned—optimizing our internal processes and our external value proposition.

We appointed Philippe Rambach as our first Chief AI officer at the end of last year and the role of the AI organization will be to drive AI innovation at scale and create a center of competence within Schneider Electric. It will provide AI technologies to all our lines of business and our functions and help them create and execute AI business cases to unlock overall efficiency and sustainability, using data-based insights.

Data is another area that we need to focus on to be able to use AI at scale. Today, like many companies, our data platforms are fragmented to some degree.

We have created a data organization and we have challenged ourselves and are seeking data federation and integration across all our platforms. This is true for our internal data platforms as well as the platforms where we collect data on behalf of our customers. We are working to reduce the need for data pipelining and data integration for every AI project that we run. The ambition is that an AI team—and an AI project—finds a data platform and that the access to data is commoditized.

[Back to page 2](#) →



AI is about technology and people. In the current talent war, what types of skills and culture changes are you expecting as a result of these AI initiatives at Schneider Electric?

This issue goes beyond AI, but AI is a very good example.

When we look at this relatively new technology that's being introduced at scale, we see it requires significant upskilling at Schneider across many dimensions. We must train our own people and bring new people and skill profiles on board. AI requires a broad skill profile, including data engineers and data scientists who have a deep, technical understanding of AI capabilities. It also requires domain expertise. If you don't have the domain expertise and you don't have the people who really understand what questions to ask, then AI will not live up to your expectations. Success relies on a combination of the right technical capabilities to apply data integration, AI and data analytics, but also having the right team of people who really understand the business and ask the right questions to solve problems.

You need to bring these teams together to work as one. This is where we are putting a lot of effort in. We believe AI is a team sport and you can only achieve relevant outcomes if you work together. This applies to many technologies. We need to have that combination of business skills and business capabilities, together with technical capabilities.

We have also formed a Digital Talent Steering Committee which I'm co-chairing with our Chief HR officer. This goes way beyond Schneider Digital. We look at all functions across all lines of business and have focused discussions on the transformation of the company and what impact this will have on the skill profiles that we will need tomorrow. We are mapping these skill profiles and actively putting targets in place by looking at how we can either upskill our own organization or bring skills profiles on board externally.

These new technologies and ways of working are generating plenty of value for the company. Meanwhile, the pandemic and geopolitics have dramatically changed the way industrial companies are interacting with their ecosystem. What is your view on these changes and how is Schneider Digital contributing to the company's evolving strategy?

This relates to another important transformation that has been triggered through digital.

We need to think more in ecosystems in the future and in open platforms, which are clearly at the core of what we do at Schneider. One company or one product cannot solve all of a customer's business problems—we need to work together in ecosystems. That includes our suppliers, technology companies and also partners like Accenture, who we work closely with on many customer engagements. We are very focused on opening up our platforms so that our customers can create their own know-how and intellectual property (IP) on our platforms.

For example, our IoT platform EcoStruxure has been a tremendous success for Schneider and for many of our customers who use it to collect data from their applications and use our advisors to generate insights into that data. Now, we have embarked on a journey that will open up EcoStruxure and allow our customers direct access to that data. Through our [Schneider Electric Exchange](#) ecosystem, we offer Application Programming Interfaces (APIs) to our customers that allow them to build their own applications—and empower them to build their own business models—and to make digital co-innovation a reality. We believe this is the right step because our customers have very specific know-how about their applications, which they are also not willing to share with anybody.

It's their IP, so we need to give them the opportunity to build that IP into their own applications. That is why we are embarking on this next step of openness of the EcoStruxure platform. And that's helping us to generate ecosystems of partners, such as technology players, independent software vendors (ISVs) and system integrators to work together alongside our customers to solve their most pressing energy efficiency, productivity and sustainability challenges.

Back to page 2 →

What inspires you?

I'm really inspired by our sustainability work.

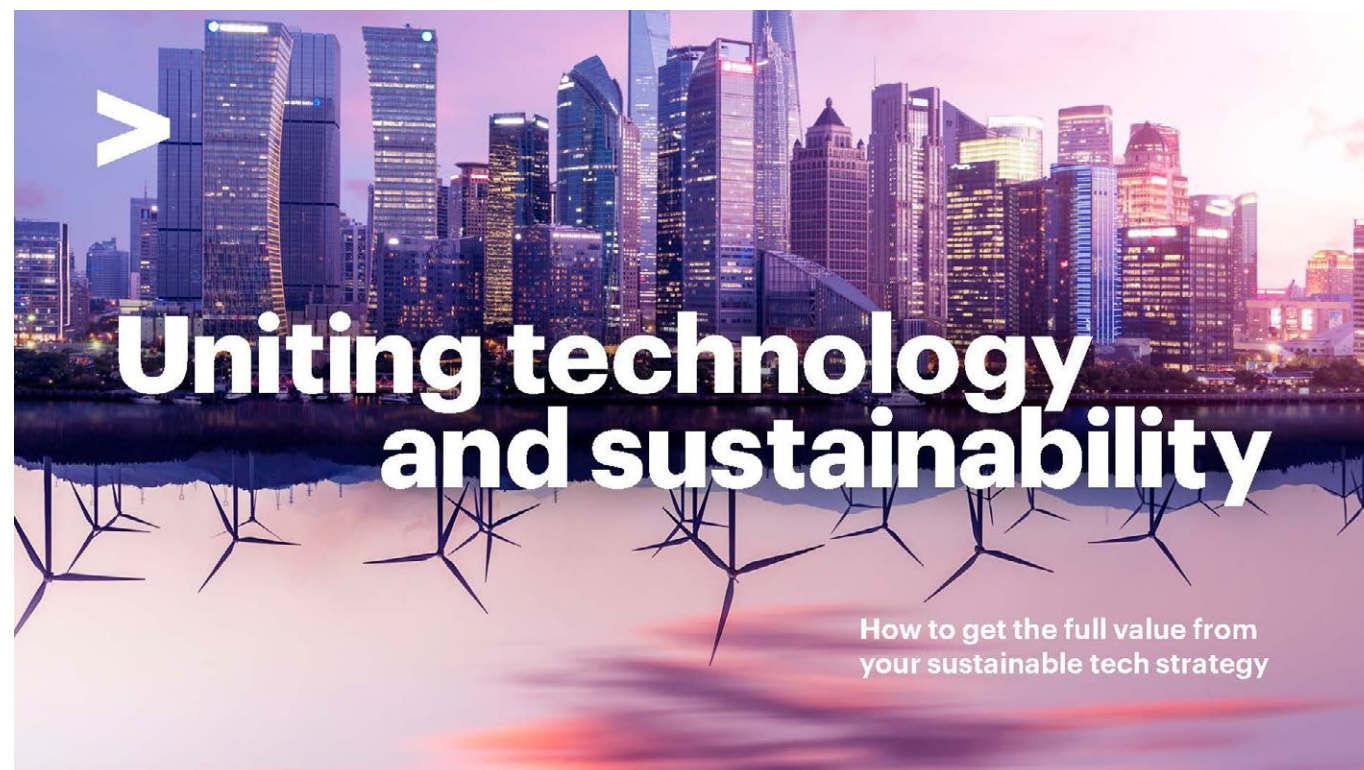
We created an organization many years ago to help our customers embark on their sustainability journey. Its activity has picked up significantly in the last couple of years and we have been able to combine that with some other core capabilities at Schneider Electric. For example, we have created a cloud-based platform called [Resource Advisor](#), which takes full advantage of the Schneider technology landscape.

The platform can collect and aggregate cross-enterprise data, sustainability metrics, supply data, facility information and more. It allows our customers to connect meters and other assets they have in their applications to the platform for data collection, providing transparency into how they consume data and energy and providing future energy demand predictions. Our customers can use Resource Advisor to reduce their energy consumption and carbon footprint. This is just one exciting example and there's plenty more to come, so stay tuned.



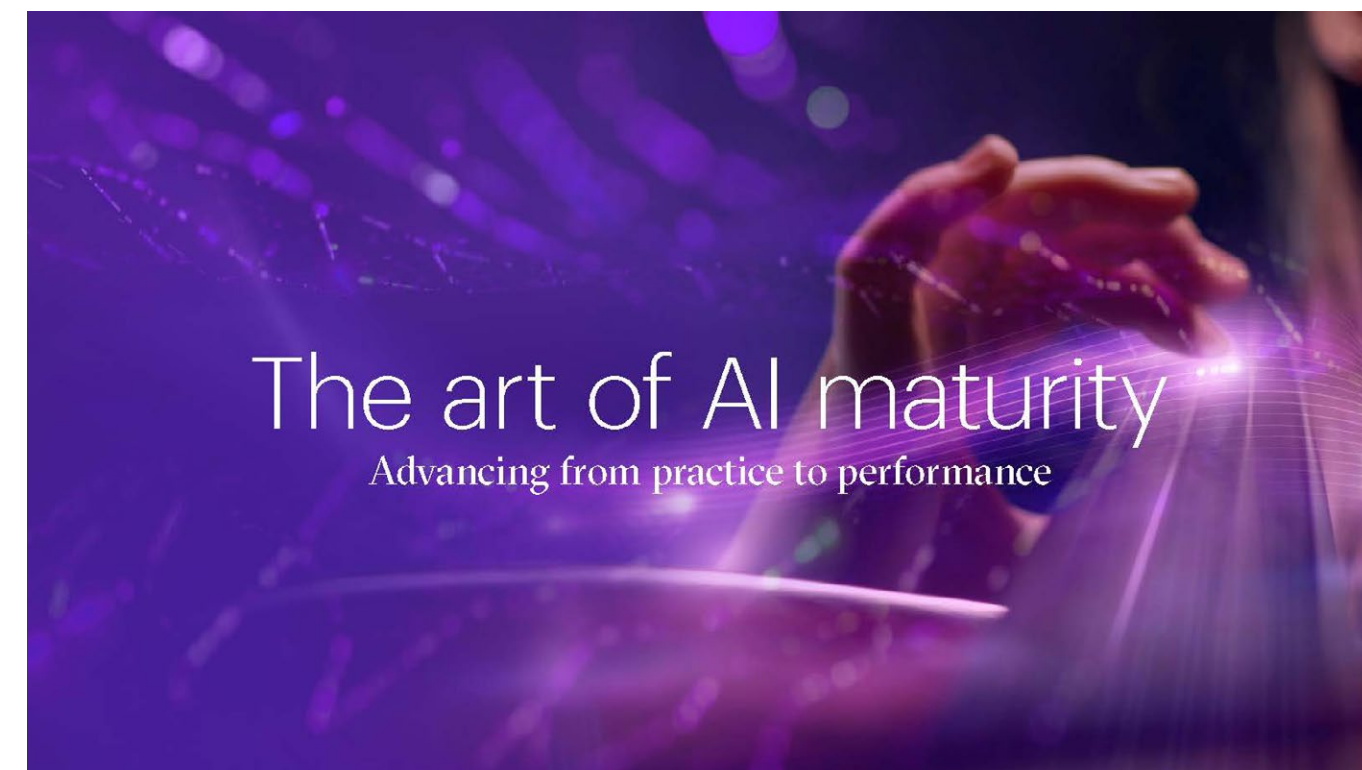
Insights

Perspectives from Accenture experts on topics related to this month's featured interview.



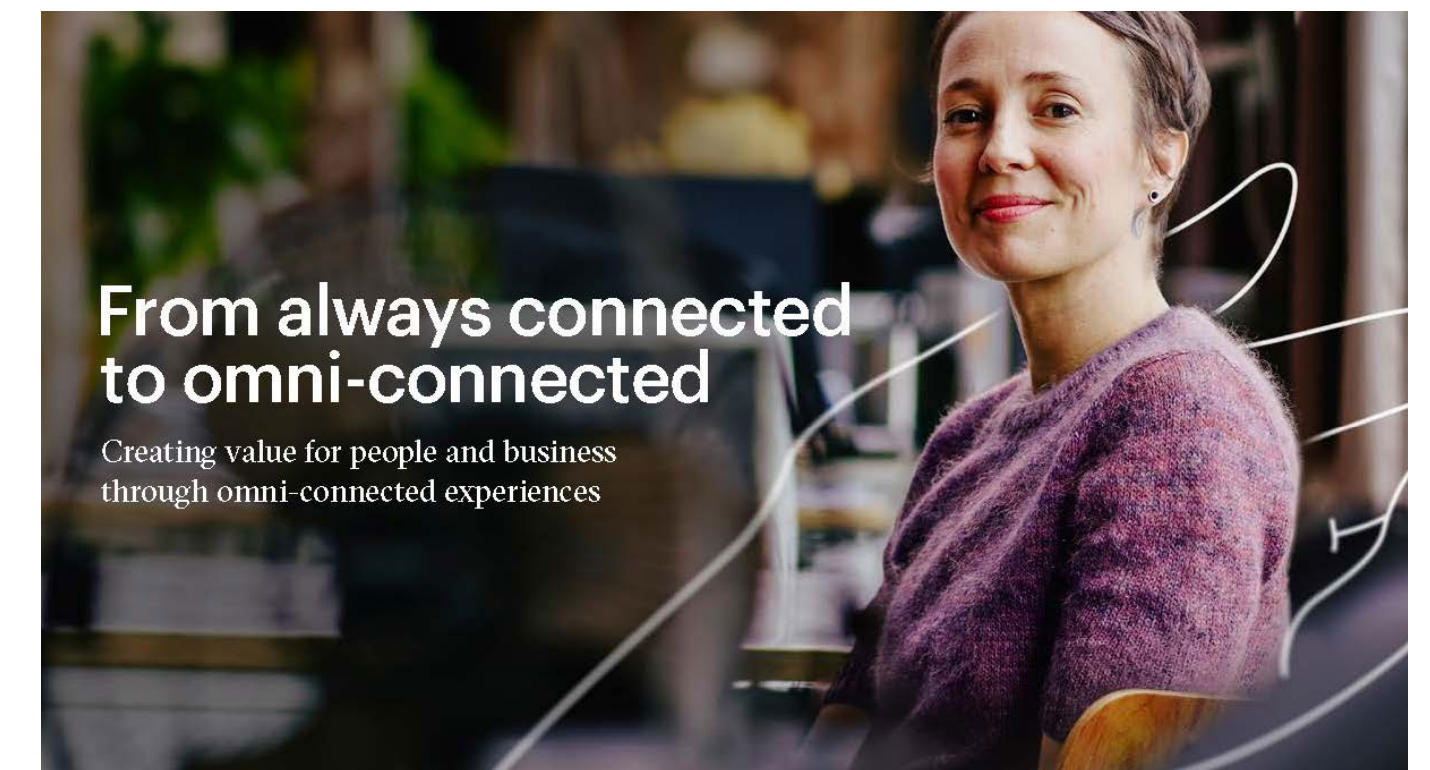
[Uniting technology and sustainability](#)

How to get the full value from your sustainable tech strategy.



[The art of AI maturity](#)

How to advance AI maturity to achieve superior growth and business transformation.



[Organizational culture – From always connected to omni-connected](#)

How to create value for people and business through omni-connected experiences.

Spotlight

Hannover Messe 2022: It's a wrap!

After three years, the world's leading industrial trade show, Hannover Messe, returned home to Hannover, welcoming around 75,000 attendees and 2,500 exhibitors in person.

From the acceleration of sustainability and turning industrial data into business value, to ecosystem collaboration and the reimagination of what a resilient supply chain looks like, Hannover Messe demonstrated how the industrial transformation is progressing and that the industry has the answers to help build a stronger, more resilient and more sustainable tomorrow.

We are very proud to have joined our valued ecosystem partners and clients like AWS, Cognite, Dassault, Google, Microsoft, Salesforce, SAP and Siemens at their booths to showcase the best of our industrial capabilities.

Check out the [reflections from Hannover Messe](#) by Accenture's Thomas Rinn and for more information visit: www.accenture.com/HM22

The next Hannover Messe will take place April 17-21, 2023.



In closing

Today's business leaders can be overwhelmed by choice and complexity. They know they must undertake digital transformation initiatives to remain competitive and become more sustainable at the same time.

How can industrial organizations seize the potential of digitization for greater sustainability?

The good news is that companies increasingly recognize the importance of forging partnerships on the journey to greater efficiency and sustainability—both for themselves and their customers.

A majority of industrial companies are either already or considering co-creation with suppliers and partners to develop new digital products and services to find new sources of value. Once that happens, the benefits start to flow: according to a recent Accenture study, companies that integrate digital and sustainable transformations into their operations and value chains are 2.5 times more likely to be among tomorrow's strongest-performing businesses than those who don't.

The accelerated digital transformation and collaboration on open digital platforms to enable sustainability solutions has been driven by the need to accelerate recovery from the economic effects of the pandemic, but also for positioning for profitable future growth. The power of today's digital technologies, data, and AI can help companies turbocharge this sustainability transformation—and with the right partnerships, businesses can grow at scale while also helping bring net zero within reach.

The insights provided by my good friend Peter Weckesser in this edition of the Industrialist highlight the important combination of sustainability and digital technologies, like AI, as key to igniting future competitiveness for industrial companies. Schneider Electric is leading the digital transformation of energy management and automation and is now also focusing on advancing its AI strategy. The company is helping its customers collect data from the whole value chain, which will be crucial in decision making while helping them become more agile and decarbonize their operations. From turning unstructured data into valuable insights into actionable business and environmental decisions, Schneider Electric is making all the right moves in its AI-driven business model.

Best regards,



[Thomas Rinn](#)

Senior Managing Director,
Global Industrial Lead, Accenture



About The Industrialist

The Industrialist is our monthly digital magazine that puts game-changing perspectives in the spotlight. It combines thought-provoking content and insights, to keep you on top of what's new in the industrial industry.

Featuring different CXOs and diverse views, you can be inspired by leading innovators, explore the latest trends, tools, technologies, and innovations, and ignite your industry interest with transformational thought leadership.

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