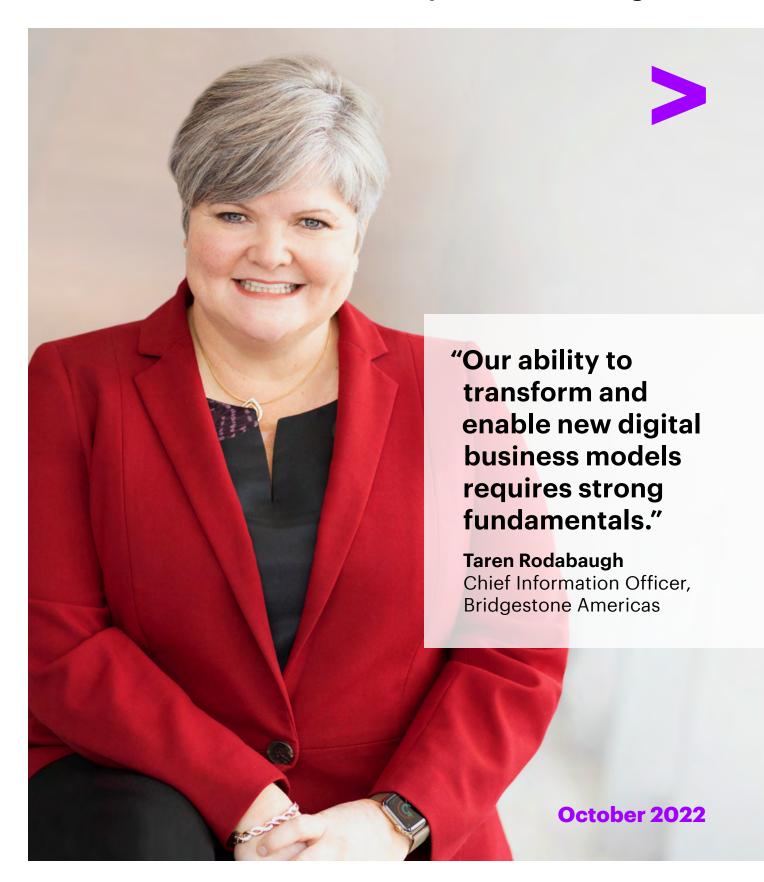
The dustrialist innovate, ignite.

inspire. innovate. ignite.



Bridgestone: Using technology to transform the business

Each month, we speak to a different industry leader about their approach to innovation and emerging trends impacting the industrial sector. For this edition, we talked with Bridgestone's Taren Rodabaugh about her take on the state of play of compressed digital transformation and her predictions of the game changers that lie ahead:



Key pillars of Bridgestone's strategy



<u>Tackling</u>
<u>"compressed</u>
<u>transformation"</u>



Strengthening
the digital core
& the role of talent
and the ecosystem

In conversation with Bridgestone's Taren Rodabaugh



Taren RodabaughChief Information Officer,
Bridgestone Americas

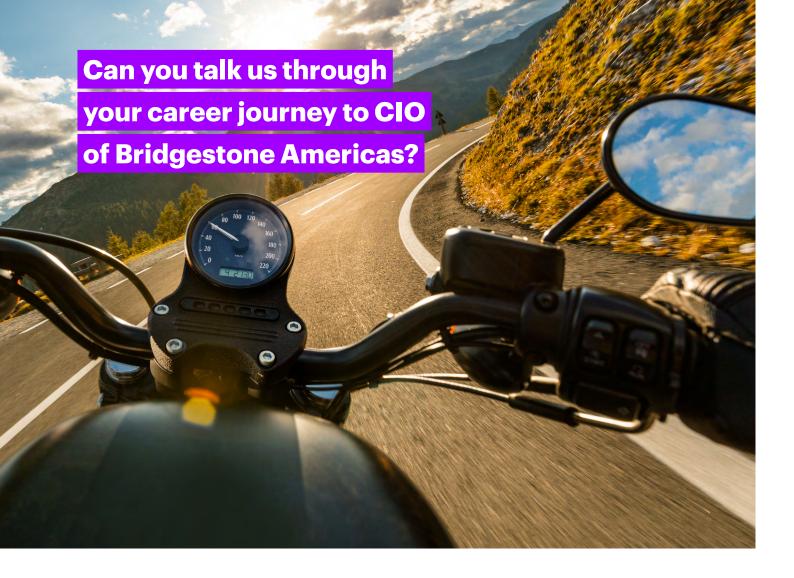
Taren Rodabaugh enjoys a challenge.
Whether problem solving for clients or
modernizing IT systems at Harley-Davidson,
Taren attacks every challenge with an innovative,
entrepreneurial mindset. When the CIO role
at Bridgestone became available, she knew
it was a challenge she could not pass up.
"It was a bold challenge," says Taren.
"The company wanted to pivot from being
the world's number one tire manufacturer
to being a sustainable solutions company.
When I met with the leadership team, I realized
that it was a problem I wanted to help solve."

As CIO, Taren has been working hard to bring her innovative, entrepreneurial ways of working to her team, and inspire and empower them to take charge and lead.

With the wheels in motion for those changes, Taren and her team are now looking to the future and how they can apply their problemsolving skills to help the business transform at pace with ongoing technology evolutions. Central to this, Bridgestone aims to bring 'tire-centric' solutions to the world that not only help autonomous fleets drive more efficiently and reduce emissions, but also drive more safely in all conditions. In a future populated by autonomous vehicle fleets, says Taren, "being able to connect the physics of the tire with insights from the road, how the tire is being operated and its health in the field is what's going to ensure that your child makes it home safely."

What one word describes you best?

Tenacious. I'm brave enough to try new challenges, but I have a lot of grit that ensures I pivot where I need to pivot in order to get through adversity.



I've had many detours, and I encourage others to follow whatever path they find themselves taking.

I started in manufacturing engineering because I loved math and science. I was good at it but, more importantly, I wanted to ensure I had a good job when I graduated college. I did multiple internships with automotive companies in R&D and process engineering, and realized I still wasn't quite sure what type of company I wanted to work for. So, I joined consulting to get lots of variety across different industries. I did that for 15 years and thought I would never leave. You become very addicted to learning about a new company, understanding their culture, dissecting their business problems, and successfully delivering a solution. I loved working with

really talented people to solve incredibly challenging problems. An opportunity arose to marry a personal passion with my profession: I'm an avid motorcycle rider and when a call came to join Harley-Davidson, it was hard to pass up that kind of opportunity. I moved to Milwaukee and had a lot of great experiences there. I enjoyed staying with one company for a longer period of time to really understand their strategy and solve challenges on multiple fronts. In 2020, I joined Bridgestone because of its bold challenge - the company wanted to pivot from being the world's number one tire manufacturer to being a sustainable solutions company. When I met with the leadership team, I realized that it was a problem I wanted to help solve, with a team and culture that I could thrive in.

How has your career journey prepared you to deal with the IT and business convergence happening today?

It trained me for today's corporate setting, where we have a lot of different business challenges and a plethora of technologies to solve them.

The role of a CIO is to deeply understand those business problems and bring the right technology solutions to the table. Doing that across multiple industries helped me frame my thinking and adopt a business problem-solving mindset, versus growing up as a technologist that simply has a hammer and thinks everything is a nail.

How does IT and the work your team is doing tie into Bridgestone's strategy to become a sustainable mobility and advanced solutions company?

<u>Bridgestone will evolve</u> as a sustainable solutions company, contributing to society with ever growing value.

The work of IT ties into that vision based on a three-part strategy. The first piece is modernizing our core. This means, for example, updating the Enterprise Resource Planning (ERP) and Product Lifecycle Management (PLM) systems, the core solutions on your manufacturing shop floor, as well as alignment around the supply chain. The second piece is what we call tire-centric solutions, layered on top of the core. We take our deep knowledge about the physics and chemistry of the tire and combine that with insights from digital twin technology and its use in the field. It helps us predict when a tire is wearing or needs incremental inflation issues that cause it to be less efficient when it comes to CO₂ emissions. Predictive analytics become incredibly important, especially with electric or autonomous vehicles where

you use the tire a lot more and don't have a driver that can understand when the road is wet and it's necessary to slow down. The tire has that knowledge. The third piece is around mobility solutions, where we are adding on to that tire insight to help fleets or customers manage vehicles more effectively. This doesn't just improve your economics -it improves sustainability. Because when we use tires more efficiently, take the right routes, or retread those tires, we can have a more sustainable impact on our environment. Those solutions are on digital platforms that are powered by IT built for business needs. When we understand how a tire is being used in the field and feed that information back into our core operations, it is really powerful. For example, it helps us create better designs and run our factories more efficiently and ecologically. It's really powerful when all of these elements start to sync together and provide value at every layer of those business models.

"Compressed transformation" is continuing in the industry, i.e. the need to execute bold programs in accelerated timeframes, often spanning multiple parts of the enterprise at the same time. When you joined Bridgestone, how did you approach this enormous transformation?

It was painfully obvious when I joined Bridgestone that we had to make major changes and launch new products and business models simultaneously, in order to meet business needs and remain competitive. However, I realized the IT culture was very top-down. I knew that if everyone was waiting for me to decide the next best action, we would not be able to change our core and develop new products simultaneously. So, one of the first things we did was shift the culture and our operating model so that teams can be more entrepreneurial. They have the freedom to define the next best action based on our aligned vision and have the empowerment to execute on it. Easier said than done, but that has been my number one priority since I joined. Now we're really making momentum across all of those teams simultaneously.



In terms of programs and transformations, what's your top priority?

Cybersecurity and information security is top of my list.
Attackers are getting smarter and attacking more frequently.
Our ability to transform and enable new digital business models requires strong fundamentals around cybersecurity and information security.

The second priority relates to avoiding the trap of changing the technology without transforming the business. We must drive the team to ask key questions: 'how are we changing the processes? How is the organization changing? How is this going to enable our new business models?' This ensures we make the programs transformational.

The third priority is to ensure that we have a digital thread embedded in everything we do. As we develop new digital business platforms, we connect data from manufacturing, digital twin technology and engineering through to the use case in the field and back to our core operations. That requires a really strong data and analytics function.

At Accenture, we believe the most

successful companies will undergo a

total enterprise reinvention over the next decade,

i.e. every part of their business must be digitally

transformed. How is Bridgestone leveraging

AI, data, and the cloud to improve the supply

chain, customer experience and sustainability?

One example is how we are connecting all of our data into one solution in order to gain better insights around what tires we should make, where we should make them, where we should store them, and how we get them out to the field.

We have a supply chain project underway that uses "sell out" data to forecast where retail demand will be, so that we can build and supply it to the right place at the right time. A legacy environment had a longer forecast cycle of anything from 15 to 52 weeks, with data communicated in PowerPoints and spreadsheets. Now, we're moving to a solution where we run analytics using artificial intelligence so that we can identify which product we need to ship to Albuquerque, New Mexico, for example, in real time. You can upgrade all your technology, but if your enterprise and the value stream-including sales, inventory, supply chain planning, and manufacturing—doesn't see the value of that data accuracy, then your AI and ML (machine learning) fundamentally won't work. You have to take a broader view of your transformation needs in order for you to successfully leverage the tools to get the intended value.

Moving to a more futuristic example, if you have an autonomous fleet vehicle pick up your grandmother or child from the airport and bring them to your house because you can't, and it happens to be rainy, do you want that vehicle to have tires on it with good grip? Do you want that vehicle to understand that it has pressure loss and it's not going to make it to its next destination? And do you want it to know that there's black ice on the road and it needs to slow down? Absolutely. That's what really matters. Being able to connect the physics of the tire with insights from the road, how the tire is being operated and its health in the field is what's going to ensure that your grandmother or child make it home safely in that example. And this future state is not that far in the future.



How are you bringing an entrepreneurial mindset to Bridgestone and embedding innovation in the workforce? What skills are a top priority?

Technology skills around the platform, cloud and security are needed. We expect IT professionals to understand their profession and be learners, so they can evolve skillsets as technologies evolve.

Problem solving is also essential—being able to break down a business challenge and go further upstream to understand

it and to understand which technology is needed to solve it. That requires incremental business acumen, which isn't always thought of but is critically important in IT. That also requires soft skills, such as communication, negotiation and listening. I believe all these elements are the magic ingredients for innovation. Then it's about experimenting with the new solutions.

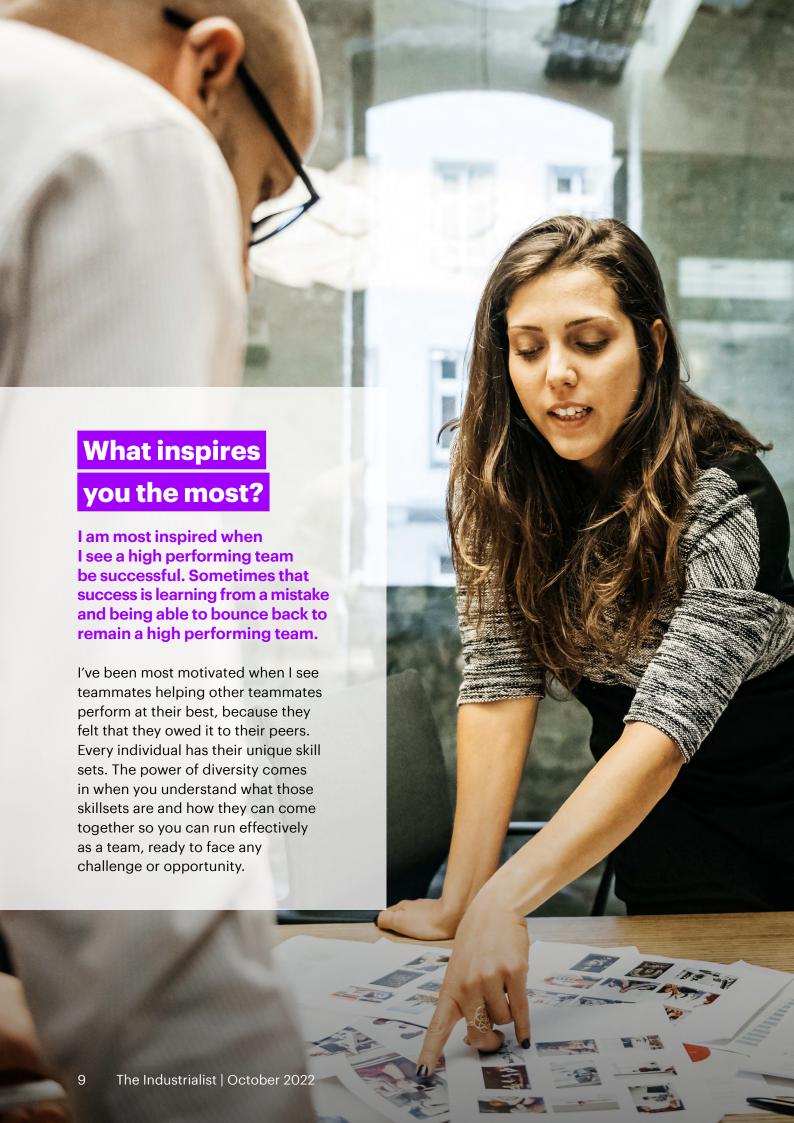
What is the role of ecosystem partners in delivering the changes you are seeking?

This goes back to what we discussed earlier around compressed transformation and the need for speed. Ecosystem partners are critically important as they allow you to get to compressed transformation and value faster.

If you think about the resources that you need to build, deliver and sustain all of these IT solutions, and you think about them under a bell curve, they can be defined in three areas. An area where IT becomes much more repeatable. Those areas are where it's great to leverage a partner because they can run that repeatable solution much more efficiently through automation. Talent is too hard to come by to have them do repetitive tasks like that. That's one end of the bell curve.

On the other end are the very strategic, brand-new technologies that you may not have had the opportunity to train your team in yet. It's essential to leverage boutique partners, major players, software providers or major consulting firms for that top end of the bell curve, to bring new knowledge and train your team for ongoing use and innovation on those platforms.

The big area in the middle is where you need to have deep business knowledge—you need to understand the strategy and communicate it with stakeholders. That's where your internal team can differentiate itself versus the ecosystem partners that you bring in to solve the problem.



In closing

In the current era of uncertainty, there is one thing you can count on: the exponential pace of technology innovation will continue. At Accenture, we believe that five key forces will drive more technology-enabled change between now and 2030 than we've seen in the past three decades combined.

How can industrial companies harness the largest global forces of change that are shaping the next decade?

To be successful, industrial companies need to understand where the technology is going and how to use it to drive fundamental change. Here are the five forces that will define the future for businesses:

Force 1: Total Enterprise Reinvention, which involves transformation of every part of every business, leveraging technology with new ways of working and engaging with customers and employees, and new opportunities for growth. Servitization initiatives are forcing industrial companies to accelerate Total Enterprise Reinvention. The changing landscape requires a reinvention of industrial enterprises and their value chains. An intelligent digital core acts as a key enabler and foundation for any enterprise-wide reinvention, providing new levels of competitiveness and agility.

Force 2: Talent. Industrial products, assets, & processes are becoming more software- and data-driven, putting more demands on the workforce. Industrial enterprises need more diverse talent to meet the demand for innovation and the evolving needs of customers. New digital-related skills in areas such as software engineering, data science, and experience design are crucial.

Force 3: Sustainability. Embedding sustainability into how companies and governments operate will not be optional. Every business must be a sustainable business. In addition to their own journeys to become more sustainable enterprises, industrial organizations have a unique opportunity: creating products, services and solutions to help their customers meet their sustainability commitments and grow.

Force 4: Metaverse Continuum. Our recent Tech Vision explains why what we call the Metaverse Continuum will impact every business. The industrial metaverse will have a tremendous impact on industrial enterprises, spanning over product design and engineering, production and supply chain simulations and B2B commerce—all at the core of applications to be brought into the metaverse.

Force 5: On-going Tech Revolution. Intelligent products and services, digital twins, cloud-based platforms, artificial intelligence and high-performance computing are at the core of the tech revolution for industrial enterprises. These new technologies enable data-led enterprises and customer insight-driven experiences and will lead to further waves of innovation and stretch the imagination.

Industrial companies have a unique opportunity to influence how the next decade unfolds. Digital transformation is still in its infancy and there is a lot of room for growth when it comes to using technology to transform how industrial businesses run.

The insights provided by Bridegstone's Taren Rodabaugh in this edition of The Industrialist showcase that there is a lot of work underway to capture a digital transformation's full value and the integral part the CIO plays. In fact, the role of the CIO is evolving. While technology used to support the business, every company needs to become a technology business and that quest puts a lot of different demands on the CIO's role.

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.

<u>Subscribe</u> today and discover how to lead the way.

Visit us at www.accenture.com/theindustrialist

About Accenture

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Technology and Operations services and Accenture Song— all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 710,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities.

Visit us at www.accenture.com

This document makes descriptive reference to trademarks that may be owned by others. The use of such trademarks herein is not an assertion of ownership of such trademarks by Accenture and is not intended to represent or imply the existence of an association between Accenture and the lawful owners of such trademarks.

Copyright © 2022 Accenture. All rights reserved. Accenture and its logo are trademarks of Accenture.