MCR ENGINEERING AND CONTRACTORS

INTERVIEW

THE WINNERS WILL BE THE ONES FASTER ADAPTING TO CHANGE

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1. Schneider Electric is a global company specialized in energy management and automation. What are the trends you identify in these fields, in 2018?

Every year, I have the opportunity to participate in many energy related events and get to exchange ideas with the top energy specialists in the world, both from our company and from other organizations. Based on these encounters and on my personal experience, here are the trends that I believe will shape energy management and automation in the near future.

Machine learning has been a hot topic for a while and I believe that the energy industry is one of the segments that can benefit greatly from the use of this technology. For example, utilities have the potential to use machine learning to promote productivity, elevate energy efficiency, limit labor costs and almost eliminate scheduled maintenance costs. Also, machine learning can interpret consumer behavior patterns and predict weather conditions much more accurately than other technologies.

Another important trend is energy digitalization, which will create benefits across the value chain through the demand for new products, better visibility of assets on the grid, new tools for distributed energy management and lower costs for operations and customer service. As technology costs are on the decline and software functionality is increasing, the benefits of digitalization are becoming easier to capture.

These trends will ultimately lead to the interconnection of the virtual and physical worlds, which will blur the lines between energy supply and demand and create a new MeshGrid Ecosystem. Technology innovation, business model innovation, the arrival of the producing consumer (i.e., "prosumer") and decentralization are disrupting the relationship between utilities and their customers. The days of centralization are fading, replaced by a model with a bi-directional flow of power — not only between utilities, organizations and individuals, but between organizations and individuals themselves.

Everything that we develop must align with our core mission: to lead the digital transformation of energy management and automation.

2. How do you create smart solutions for a more sustainable future?

Obviously, there are many elements to consider when developing a new product, solution or service and it is a very complex and time-consuming process that we invest a lot of resources in. Firstly, we identify a need that our customers or potential customers need fulfilled, or an opportunity for optimizing an existing product. Secondly, there's an exploration phase, during which the teams try to decide if it's an opportunity worth pursuing, how long it might take to develop, what would the costs be and whether or not we have the technology to do it. Then comes the process of actually creating the product, which includes a lot of testing and feedback.

As a general rule, everything that we develop must align with our core mission: to lead the digital transformation of energy management and automation. Sustainability, of course, is very important to us, as we believe that it is the best way to maximize both energy efficiency and profits, while also protecting the planet.

This process takes place centrally. We, the local teams, mostly offer feedback from our clients and our observations of the local market but, as a whole, we want our employees to always feel encouraged to offer new product suggestions. The teams that work directly with the customers can provide very valuable feedback on what the customer actually needs and wants.

3. What is the perspective of digitalization, decentralization, grid maintenance and management, renewable energy systems, energy storage, in your view?

As I've previously shared, I strongly believe in the benefits offered by digitalization and decentralization. Digitalization can and is already implemented in all types of businesses, from SMBs to the oil & gas companies. So, for example, when it comes to O&G companies, they must embrace innovation through digitalization in response to the evolving energy market. Advanced technologies including the Industrial Internet of Things (IIoT), artificial intelligence (AI) and machine learning have the potential to hasten industry transformation by connecting workflows and enabling smarter decision-making. As for decentralization, it's already here and it is only accelerating its development. Like any revolution, decentralization is disruptive, confronting us with new challenges and presenting us with fantastic opportunities. Operating in a decentralized future, every large organization will need to become an energy company, capable of producing, storing, and selling energy on a real-time basis.

As for grid maintenance and management, the majority of our existing electrical grids are decades old and were built when electricity needs were simple. The ever changing and rising energy demands of the 21st century require the modernization in our electrical grids. Therefore, I believe that the best way to manage grids is to turn them into a Smart Grid. This means adding sensors and software to the existing grid that would give utilities and consumers new information and help them understand and react quickly to changes. Let's say that a tree falls on a power line and 1000 homes lose power. With the current grid, the utility employees often physically reroute power, which takes time. With the smart grid, sensors and software will detect and immediately route the power around the problem, limiting the issue to fewer homes.

Renewable energy systems and energy storage are also going through a profound transformation. By 2040, the U.S. Energy Information Association (EIA) projects that global energy consumption will increase by 28%. Continued digitization, rising population, concentrated urbanization, the transition to electric vehicles, and economic development across India, China, and Africa will help drive this growth. The transition to an all-electric renewable-based energy system has the potential to eliminate a lot of the waster associated with traditional energy systems and will be the answer to this increase in energy consumption.

Ultimately, all these concepts are evolving in close

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The predictive maintenance solutions and planning, trading and scheduling software we deliver to Oil & Gas customers allow them to save millions of dollars.

connection to one another, so we must pay attention to all of them in order to keep up with the changes in the energy sector and ensure the growth of our companies.

4. How do you see the Romanian market in terms of demand for Schneider Electric solutions?

The demand of Schneider Electric solutions is growing steadily: it has been doing so for several years and we expect this trend to continue in the coming years. Here is why: the management of energy and automation is a market which still has a long way until reaching its potential in Romania. On one hand, companies need to understand that they can perform better with the help of energy management integrated solutions. Local companies tend to focus too much on the short term activity and forget about strategic decisions which don't necessarily pay off immediately but on the long run they can make the difference between a profitable company and a company struggling to survive.

On the other hand, end customers from B2C market need to know that their homes can be more energy efficient and more comfortable.

Another thing that entitles us to expect growth is that there is still a lot to be done in the public sector: hospitals to build, water treatment centers, traffic control systems for smart cities and so on. We have the proven expertise to provide modern solutions for this kind of investments and contribute to a more efficient and greener tomorrow in Romania and all over the world.

5. How did Schneider Electric have an impact in 2018 in Romania?

This year we had one major launch in Romania: MasterPact MTZ, the next generation of high power circuit breakers, which combines the legendary performance and reliability of the Masterpact line with new digital capabilities. With the new range we redefine power distribution by making it more reliable, more efficient, sustainable and securely connected. It can be seamlessly integrated into our EcoStruxure architecture and it delivers tangible benefits for panel builders, specifiers and contractors who require power breakers in low-voltage solutions for industrial sites, critical applications and buildings.

Facility teams need to accommodate several demands: improving safety, reliability and uptime, while they also need to reduce costs – maintenance and energy being the main costs, save time and extend equipment life. Therefore, they need vendors that can help them solve any issues as they come up, especially during startup, as well as organize training program for internal staff. Providers also need to be able to offer fast repair and replacement service.

We can provide complete support services, warranty programs and training – convenient e-learning courses - to support our customers' entire energy infrastructure.

Other significant solutions that we brought on the local market this year are two new categories of UPSs which ensure business continuity, protecting companies from power anomalies that can have a destructive impact on their critical infrastructure and daily operations. Another range of UPSs was especially designed for small and medium businesses, easy to install as well as easy to use and service.

These were just few of our most important movements this year on the local market, our solutions having a huge and tangible impact on the business of our end-users every day.

6. How do you deal with the workforce crisis and how do you groom digital experts to spark transformation?

The workforce crisis has become a thing we have to deal with every day in our industry, as well as in many other. Our focus is on attracting new talent from university graduates and motivating our current employees. We have developed fully paid internships for students and graduates that were received with a great deal of interest.

For current employees we have well established policies regarding employees' motivation and

rewards, which also include wellbeing programs. We want coming to the office every day not to be a burden, while training and continuous learning are also values we treasure. Thus, regular in class and online courses are critical for professional improvement of our colleagues.
Digital is our expertise area, so being a technology literate is a must for each Schneider Electric applicant.

7. As a CEO, how do you prepare yourself to become better, as a leader? How do you get out of your comfort zone? How do you find the right work-life balance?

The right work/personal life balance is vital to any leader and we have plenty of examples of accomplished CEOs who invest time in their hobbies in order to be a better leader. As for me, when I am out of the office, I like to spend time managing my side gig, an organic apple juice business. I like it because it presents a different type of challenge and it helps me clear my mind, so that I have a fresh perspective on things when I go back to being a "technology" CEO.
I believe that it's important to change your routines from time to time, to travel to places that pull you out of your usual way of living and thinking. And, last but not least, reading is any great leader's best tool for both relaxing and learning new things.

8. As a CEO, what is the most enjoyable part of your job?

Growing my people. The possibility to support them in getting out of the comfort zone and allow them to grow. It is a rule I follow myself, as I like to challenge my limits. I also like having more freedom to find new ways of putting my vision into practice, in accordance with the company's vision.

9. How does Schneider Electric prepare itself and its clients for smart computing era/Internet of all things?

IoT is at the very core of our architecture EcoStruxure: an open, interoperable platform which brings innovation at every level in 6 areas of expertise: Power, IT, Building, Machine, Plant and Grid, delivering a business model with proven benefits for our customers. For instance, the predictive maintenance solutions and planning, trading and scheduling software we deliver to Oil & Gas customers allow them to save millions of dollars. It is only an example of how the cloud plays a crucial role in today's and tomorrow's landscape. Worth noting, we make things as simple as possible for everybody. We are able to leverage the latest technology trends in order to deliver actionable data to support the best decision making for the experts.

10. In your opinion, as a CEO, which is the most important question to ask in the investment committee: what can go right or what mistake can we not afford to make? Why? Is there another question that you ask your investment committee for 2019?

As a CEO, I think that it's important to have a vision and follow it. In my opinion, if you focus too much on not making mistakes, you will inevitably end up making them and the results you achieve will be mediocre. Dreaming big is the way to go for me, so I always focus on the positive aspects. As long as you consider very well each decision you and your team make, I think this is the winning approach.

11. What's your "Be careful at..." advice for 2019?

... major shifts in market needs & buying behaviors. The world is changing faster and faster every year and the winners will be the ones faster adapting to change. A kind of 21-st century Darwinism.

12. These are all our questions. Please share with us if you have something else to add for our readers.

Too often we find ourselves in the routine of doing things the same way again and again. If we want to change something, we have to do things differently and I think this suits our industry very well: if you want to be more profitable as a company, find a way of becoming more efficient. Use less resources to gain more – the current technologies allow this in all industries. And by "more" I also mean other things than a better cash flow for your company: a more sustainable world for us and our children.
As individuals, those of us who are so privileged as to live in such a convenient world can make a difference by not wasting the planet's resources, by recycling and choosing products & solutions that make our homes more energy efficient and with a smaller carbon footprint.

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Innovation At Every Level

Arhitectura EcoStruxure™ şi platforma cu tehnologie interoperabilă aduc laolaltă energia, automatizarea şi software-ul. Aceasta oferă valoare sporită în termeni de securitate, fiabilitate, eficienţă, sustenabilitate şi conectivitate.

La rândul său, această creştere deschide lumea digitală pentru utilizatori din pieţe cheie, permiţându-le să fie competitivi în actuala economie Internet of Things (IoT).

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