



INTERVIEW

THE BENEFITS OF GOING DIGITAL ALL-IN

MARIUS PERSINARU, CEO, Schneider Electric

1 ■ Schneider Electric operates as a bridge connecting a traditional industry, like energy, with the future of technology, through digitization and Internet of Things. For your clients, what are the advantages of going digital all-in?

The benefits of going digital all-in are beyond any doubt. According to a repository of 230 customer projects that our company completed all over the world in the last 5 years - all of them based on our digital platform, EcoStruxure – the process of digital transformation has 12 key business benefits, divided into three main categories: capital expenditure, operational expenditure and an additional category comprising sustainability, speed & performance.

Although some might fear that digital transformation is a costly and complicated process, the projects studied in the report show the opposite: digital transformation is associated with significant cost savings – an average of 24% in energy consumption, an average of 35% in capital expenditure costs and time optimization. In Industrial apps, digitization means less energy, fewer labor hours and materials and an increased productivity of up to 50%.

Our perspective is clear: digital transformation is the only way to make companies more efficient and

more innovative. Whether they are able to do this on their own or they need a trusted third party to support their transformation is for them to decide.

2 ■ How do you plan to develop the necessary skills in your workforce, keeping in mind that is becoming more and more difficult to find skilled labour? Is re-skilling workforce the solution?

The issue of insufficient or lacking full-qualification workforce is affecting many industries and regions across the globe. Besides the natural limitations of the continuously decreasing number of the population – very common in developed countries or in countries affected by the migration of the young to Western countries, which is also the case for Romania, the new world of automation also comes with some changes in the traditional role of workforce. Nevertheless, the idea that new technologies will gradually replace humans is not likely to play out. The reason is that technology does not have – at least up to this point – independent judgement or adaptability. So, according to our vision, the best approach is to empower the workforce in order for people to be able to improve the performance of the business's automated assets. People are and should be there to

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make the best decisions according to real-time data provided by smart technologies. Predictive analytics, smart control, augmented reality – every piece of these technologies can help the workforce to make the best decisions for the best performance of the business. Knowledge, adaptability, ongoing learning are key human features that can make this possible.

3. In light of the signs of a slowing economy and the real possibility of an incoming economic crisis, what are, in your opinion, the perspectives for energy solutions industry and Schneider Electric?

Our solutions respond to a basic reality: resources are limited. Humanity needs a mindset reshape in order to be able to cope with the growing needs of the society nowadays, considering that resources are limited. On the other hand, more and more people are migrating to cities and the consumption is growing. Considering these realities, there are

huge untapped potential regarding digital transformation.

The main challenge will be to adapt to the green technology and renewable resources because they are still quite new and might change in the future. We already address this challenge by adding green technology control systems in our portfolio – for example, the solar panel industry, and we will add more for other different green industries, according to the global trends. Moreover, we have a strong focus on research in order to be aware of the latest technologies and invest in them.

5. What are the most innovative products that you are offering and what are your plans for the following years (in terms of innovation)? Can you name one which you think will disrupt your field of operation?

All our innovation efforts are gathered under the EcoStruxure platform which can accommodate a

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two main roads to take: one is to discover new and cleaner sources of energy – and important steps have been made regarding renewables. The other road is to do more with less – in other words, to leverage the untapped efficiency potential which is located in so many areas: buildings, infrastructure and industry ranking as first.

So, unless a magic and unlimited source of energy comes out of the blue, we – as individuals and companies - have no other option than to take one of these roads or even both of them: resort to energy from renewable sources whenever possible and implement technologies to increase efficiency.

4. What are your goals for 2020 and what will be the main challenges for the next 3 to 5 years? Do you have any specific plans to address these challenges?

In Romania we will continue to focus on the buildings segment and on modernization projects of the grid for power providers. The Romanian market has been one of the most responsive in this area, and we are very excited about this, especially considering that it is one of the areas which has

variety of industries, making them more efficient and more environment friendly. Consequently, it is quite difficult to choose only one of them. However, the fields which I think would need the most to go through a digitization process are power distribution – which cannot support the digital transformation of all other industries otherwise, and buildings – one of the biggest energy consumers worldwide.

6. What is the most important aspect businesses should pay attention to in 2020? What are you doing to address it?

Companies should focus not only on profitability but also on sustainability. In other words, the healthy and long-term perspective is how to be profitable in a sustainable way, not at any cost. These are the “one-planet companies” – whose goods and services fulfill consumers’ needs in balance with what the Earth can provide. We are happy to be one of them and also to support other companies in this process. The good news is that one-planet companies are more likely to be economically successful in the long-run, according to a research we made in partnership with Global Footprint Network in 2019.