INTERVIEW

AFTER 20 SUCCESSFUL YEARS IN EUROPE, WE FELT CONFIDENT ABOUT REPLICATING OUR MODEL ON OTHER CONTINENTS

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1. **How was this year for Crystal System so far, in a year with multiple overlapping crises?**

Considering the overlapping crises, 2022 was a successful year for Crystal System in terms of revenue. We are forecasting a 15% revenue increase, which is mainly related to higher volumes and not higher rates because we did not increase the cost of our IT professional services until now. We have attracted new customers, and we have partially further developed the collaboration with the existing ones.

2. **Last year the company expanded its footprint in America and Asia. You also exceeded a significant milestone – 500 employees in 11 countries. What were the main differentiators that fuelled this growth?**

The first significant element that contributed to this growth is the maturity of our business model. After 20 successful years in Europe, we felt confident about replicating our model on other

continents, as well. At the same time, our historical customers, which are global or who became increasingly global over time, encouraged us to expand geographically and be closer to them. Our strategy is to serve large and very large organizations, and their dimension requires us to have in place a follow-the-sun model. Moreover, we have seen in the last years that many large organizations, our customers, moved from a centralized IT model to a decentralized IT model where they leverage regional shared service hubs, including IT, but also on local needs of the end-markets. Eventually, I could say that our customers pushed us to have a global footprint.

3. **What is your advice for other companies that would like to expand their business in other countries? What is the main challenge that they might have to overcome?**

They need to have a mature and solid business model, with key differentiators and arguments that these differentiators can be reproduced in a new location. Our business heavily depends on the

Now, more than ever, the IT shall act in perfect synergy with the strategy of the organization and even behave as a proactive business partner.

quality of our consultants, so the most critical element of success is attracting, educating and keeping the best talents. This is why, in our case, whenever we decide to open and grow operations in a new region, we first make sure we have a good partnership with a great University where we can open our IT laboratories and run our curricula with Crystal's trainers. Each company should have a crystal clear understanding of its differentiators and be sure they will continue to exist in the new region.

4. **Digital transformation is a must for businesses, and while most managers understand WHY it's needed, not many know how to initiate it and what to tackle first. Starting from your extended experience developing projects for some major corporations, what are the correct steps companies should take on this path?**

Companies should always start from the business community when they build the digital transformation roadmap. Instead, many companies are starting from the IT department or the technology itself, struggling to fit a business need to a pre-defined digital solution. The first phase in designing a digital transformation roadmap is to build a digital consciousness inside the business community and a business consciousness inside the IT&C department. Somehow, business people and IT people should speak the same language. This is the most challenging part, but the rest is simple if this works.

Next, each business area will express its needs, and the IT department will leverage the latest technologies to provide the business with state-of-the-art platforms, applications and services. For me, digital transformation is about how the technology can provide added value to the company by optimizing processes (simplification, robotization, standardization) so that, eventually, the company has fewer costs and higher revenues. There are cases where digital transformation is about an innovative business model that relies completely on technology, and technology is the driver itself. But in most cases, we are not talking about disruptive business models built exclusively on top of digital technologies, instead we talk about adopting more digital solutions to improve the existing business.

5. **Besides the business challenges, companies feel pressure from customers, partners, and regulators to invest in sustainable solutions. How can Crystal System help companies address these new challenges?**

We are all facing a very challenging period with major disruptive events and critical changes. It is very difficult to plan and even more difficult to maintain the commitment. While facing this reality, customers, partners, regulators and other actors are indeed asking for commitment and sustainability, which translates into maintaining quality and promises. Crystal is convinced that one critical element to be sustainable is related to talent management because, in our case, at least, people make a difference and providing good just-in-time talents at competitive costs is the foundation of sustainability. With this conviction, we are investing more than 7% of our revenue into our unique talent programs, which have been part of our business model since the year 2000. In a few words, for us, Universities represent the most critical partner, and we are collaborating with almost 15 universities worldwide, leveraging on our state-of-the-art laboratories, which operate inside the Universities. We are offering free-of-charge courses to more than 2000 students per year based on our own curricula and using our own specialists. The curricula are continuously adapted and improved and reflect what the real market needs, which is missed in the different industries we work for. We operate very modern Industry 4.0 laboratories, Finance 4.0, metaverse laboratories, industrial digital twins, supply chain digital twins, and specialized laboratories in AI/ML technologies, blockchain, etc. With this approach, we ensure students are always ready to play an essential role in what the open market is asking for, and we keep a healthy ecosystem of IT

specialists. This is what sustainable means for us and our customers, and our programs have become a business-social phenomenon.

6. **How does the ICT talent landscape look now in Romania? What was the evolution of the Crystal Talent Solution division?**

The ICT talent landscape is extremely stressed, meaning all companies in all sectors are searching for good talents, putting a lot of pressure on the market. The ICT talent market in Romania reached its limits compared to the need, and this does not happen only in Romania but in most European countries and in general in the world. Crystal Talent Solutions has the mission to operate the HR programs used for Crystal and to make those programs available for the entire market. The division provides personalized programs for many industries, offering dedicated training programs, mix models of delivering IT professional services and team transfer services. It builds and operates several Academies dedicated to a specific customer's specific needs to accelerate the transition from the University environment to real life (to e real industry). The mission of Crystal Talent Solutions has become very appreciated in the past two years, and at this moment, the unit is serving many major global customers.

7. **What can you tell us about "Factory Resilient Reactive Platform" - the AI, Data and Robotics for Industry optimization program of Crystal System?**

The Factory Resilient Reactive Platform is part of a wider Industry 4.0 program and, in a nutshell, refers to the possibility of creating and running an industrial digital twin. Such a platform replicates the entire factory with all its physical components: production lines, assembly lines, equipment, robots, sensors and so on. At the same time, it replicates all the processes and all the events that occur inside the plant. Each physical and logical factory entity will have a representation inside the resilient reactive platform and contribute to creating an industrial digital twin. However, this is not just a static virtual representation of the factory

but a dynamic environment that allows the operation of different activities specific to the manufacturing process. The possibilities are endless in terms of what can be done inside the resilient reactive platform. In addition, the platform is replying to the factory so that the real factor and the resislient reactive platform exchange messages based on the triggered events.

The platform is processing a significant amount of data, so it has to be a cloud-based data platform that leverages multiple AI/ML algorithms. The main objective is still the representation of the factory inside a virtual environment, but it represents the foundation of the future industrial metaverse.

8. **Because this year will soon end, where do you see opportunities for Romanian companies in 2023?**

I believe Romania can still deliver more added value to the global IT industry, so the main opportunity I see for Romania is around the IT companies (start-ups or older companies) willing to design and build IP products and solutions. There are a lot of opportunities in the area of digital twining (industrial twining, supply chain digital twining, etc.). In general, around the concept of the industrial metaverse, I believe IT companies in Romania could develop packages, products, and solutions and propose them to the global market.

In terms of the industries that will consume the most digital technologies in 2023, I believe some industries need more digitalization: agriculture and food industry, manufacturing, chemical industry, construction and real estate industry. However, digitalization does not have to become a standalone objective and each organization. No matter the industry should invest in digitalization as long as there is added value. Many companies, especially large ones, have a big appetite for digital technologies and are fast adopters but slow users. It means they adopt all modern digital technologies but eventually do not use them properly or enough, so they do not unlock significant added value out of this.