

Business Chief

★★★ USA
EDITION

JUNE 2019

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Supply chain
transformation to
make a difference

SPX 

TRANSFORMER
SOLUTIONS

DRIVING
OPERATIONAL
EXCELLENCE

Inside the manufacturing
giant's SCM strategy

TOP 10
Largest companies

City Focus **SAN
FRANCISCO**

A thriving startup
ecosystem

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smarter
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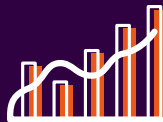
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Welcome to the June issue of Business Chief USA.

This month's cover story features SPX Transformer Solutions, one of the largest US manufacturers of power transformers and a leading supplier of transformer and load tap changer services, training, reverse-engineered components and replacement parts.

Sandeep Arora, Vice President of Global Sourcing and Strategy at SPX Transformer Solutions, sits down to discuss the implementation of the company's Sourcing Excellence Framework in order to better drive operational excellence.

"Strategic sourcing and supply chain management remains one of the core functions for the transformer business and becomes a part of the value creation roadmap for SPX Corporation as a whole," says Arora.

June's leadership piece features our interview with Norman Guadagno, CMO of Carbonite, who discusses the data protection firm's \$618.5mn

acquisition of cybersecurity company Webroot, and the careful, considered do-no-harm methodology that will carry the companies forward together.

Also this month, Tim Covell, Supply Chain Director at non-profit World Vision speaks to editor Harry Menear about managing a gift-in-kind supply chain that brings aid to disadvantaged communities around the world. "Our strategic vision is to step into the most fragile countries, in the most fragile contexts, to help people and communities out of poverty," says Covell.

This month's City Focus features historic coastal city, San Francisco, and our Top 10 list ranks the US' largest companies.

Don't forget to check out our in-depth features on Logix Federal Credit Union, Dunlop Protective Footwear, Deloitte and Alterna Savings.

Enjoy the issue!

Harry Menear

harry.menear@bizclikmedia.com

A young boy with dark hair and a light-colored shirt is sitting at a desk in a classroom, looking intently at a computer screen. Other students are visible in the background, some looking towards the camera and others looking away. The background is a green chalkboard.

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and possible



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a bridge.

There from the beginning to where
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The bridge to possible

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Lelia Wilkins

Now

I have no ideas for Tony's...



Design Team

8:16AM

Wow! Okay



Will & Mark

Yesterday

He sent a dozen roses out the...



Winnie Obrien

July 19

Sent you guys and email. Still...



Ola Webb

July 18

How was the meeting with client



Marketing Department

July 1

Coolbeans



The logo features the letters 'SPX' in a large, bold, white sans-serif font. To the right of 'SPX' is a stylized graphic element consisting of a grid of white lines that forms a shape resembling a transformer core or a series of stacked layers.

SPX

**TRANSFORMER
SOLUTIONS**

USING SOURCING EXCELLENCE
FRAMEWORK TO DRIVE
OPERATIONS FORWARD

WRITTEN BY
SOPHIE CHAPMAN
PRODUCED BY
DENITRA PRICE

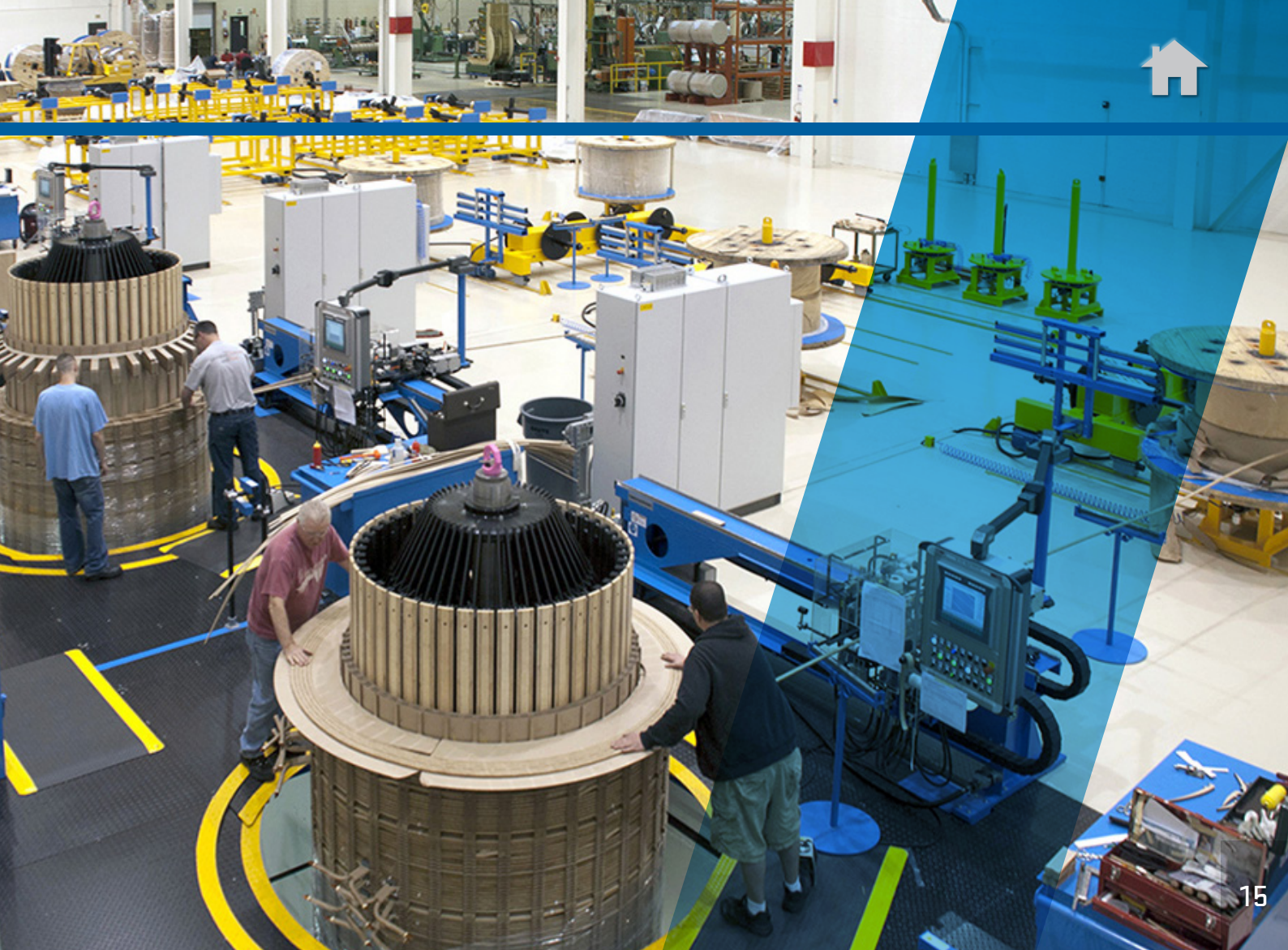


FOR SPX TRANSFORMER SOLUTIONS, SCM STRATEGY IS ABOUT IMPLEMENTING SOURCING EXCELLENCE FRAMEWORK AND DIGITIZATION TO IMPROVE SPEND VISIBILITY AND OPERATIONAL EFFICIENCY

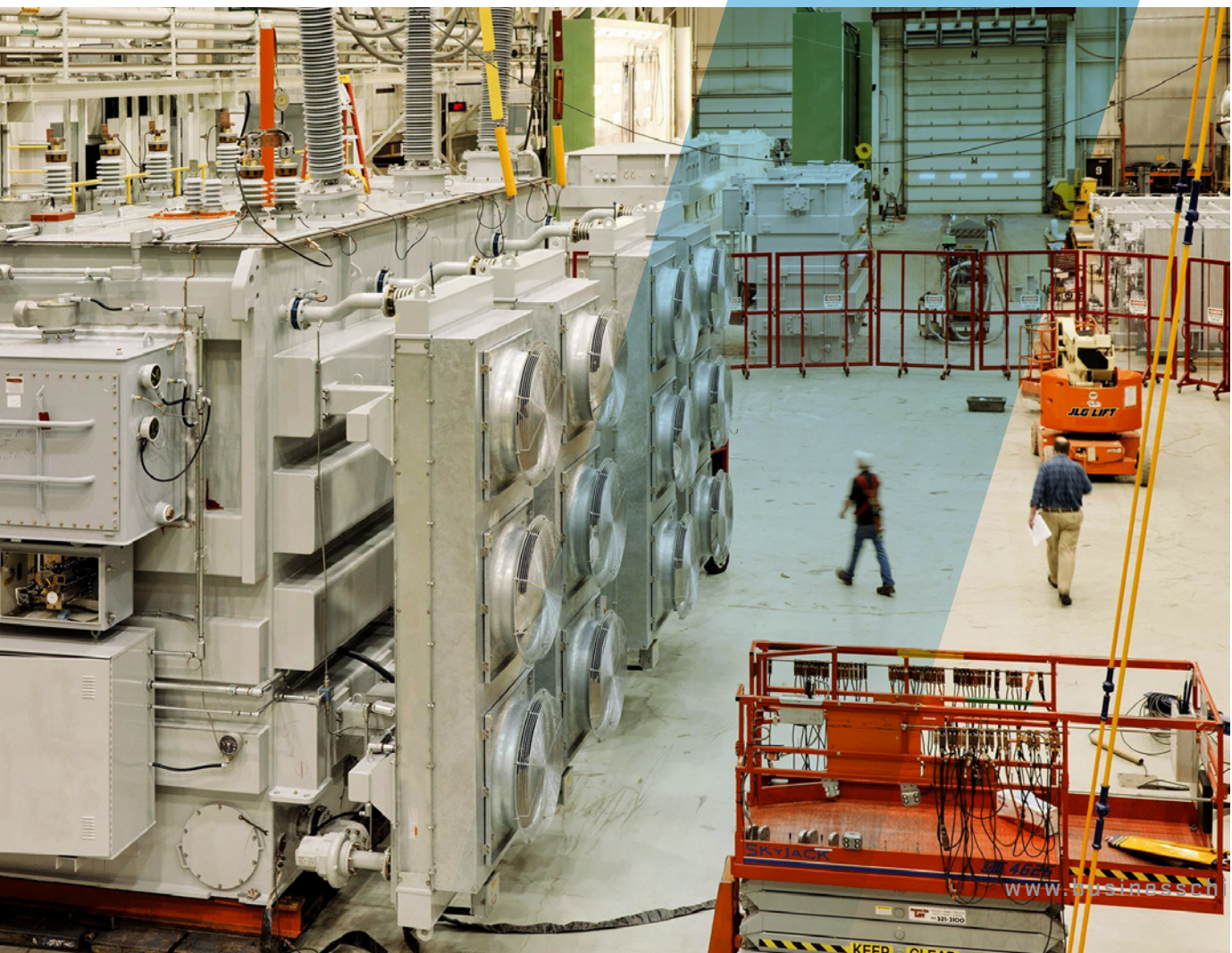
As a key aspect of the SPX Corporation’s value creation roadmap, strategic sourcing is expanding from a back-office function to an integral efficiency improvement operation. “SPX Transformer Solutions’ value creation roadmaps target operational excellence and margin expansions through continuous improvements and excellence initiatives in Engineering, Sourcing and Manufacturing,” notes Sandeep Arora, Vice President of Global Sourcing and Strategy at SPX Transformer Solutions. “In that way, strategic sourcing and supply chain management remains one of the core functions of transformer business and thereby becomes a part of the value creation roadmap for SPX Corporation as a whole.”

SPX Transformer Solutions operates medium and large power transformer manufacturing plants in Waukesha, WI and Goldsboro, NC as well as components division manufacturing Transformer Health Products® in Dallas, TX.





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Arora joined SPX Transformer Solutions in 2014 and has more than 25 years of transformer and switchgear industry experience in the Transmission and Distribution energy sector. Arora has held positions as Managing Director at Schneider Electric's Distribution Transformer business in the India Region, as well as VP of Business Development and Supply Chain at Schneider Electric's US-based Distribution Transformer division. Arora has also held the position of Plant Manager at CG Power within the Medium Power Transformer business in the



EXECUTIVE PROFILE

Sandeep Arora

Sandeep joined SPX in 2014 as VP of Global Sourcing and Strategy. From 2008 Sandeep spent 5 years with Schneider Electric, India as the Managing Director of Transformers (India region) and in 2012 moved to Schneider Electric, USA as the VP of Supply Chain & Business Development. Prior to 2008, Sandeep worked with CG Power in India and the USA for over 15 years in various roles within manufacturing, supply chain, project management, business development, M&A and Information Technology. During his 25+ years of business and operational excellence expertise he has set up and strategically grown global organization in Asia, Europe and the US region with Supply chain optimization and business development. Sandeep earned his Bachelor of Electrical Engineering and an MBA in Marketing from Nagpur University, India.





“THE SCM STRATEGY IS DRIVING OUR SUPPLY CHAIN TO BE SMOOTH AND EFFECTIVE”

—
Sandeep Arora,
VP Global Sourcing & Strategy,
SPX Transformer Solutions

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EXECUTIVE PROFILE

Brian Mason

Brian joined SPX in 2015 and was appointed as an Executive Officer in 2017. Brian spent 14 years with Emerson Electric, most recently as the President of Emerson Connectivity Solutions. He started his career with General Electric and graduated from its Manufacturing Management Program. He worked in multiple businesses with roles in engineering, operations and product leadership. Brian has obtained expertise in global manufacturing, operational excellence, M&A and business turnarounds through 25+ years of leadership experience across multiple continents and industries. Brian earned his MBA from Northwestern University and his B.S. in Electrical Engineering from Michigan Technological University.



“I WORK CLOSELY WITH THE BUSINESS FUNCTIONS TO CREATE A CULTURE OF EXECUTING CUSTOMER SATISFACTION”

—
Sandeep Arora,
VP Global Sourcing & Strategy,
SPX Transformer Solutions

US and Deputy General Manager of Operations, Supply Chain and Projects at the same firm, working in the Large Power Transformers unit in India. He is a proven international leader skilled in flexing global operations to meet changes in customer cost and spend requirements.

Arora explains “My role is essentially to work closely with the business functions to create a culture of executing customer satisfaction, focused on cost, efficiency improvements, and supplier performance.” Arora adds, “one key step for me as a supply chain and





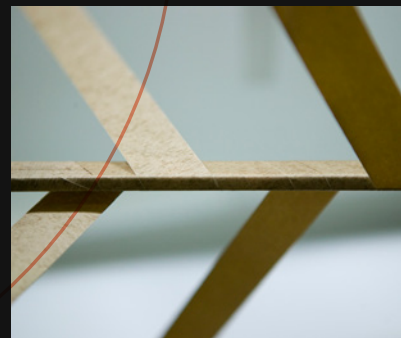
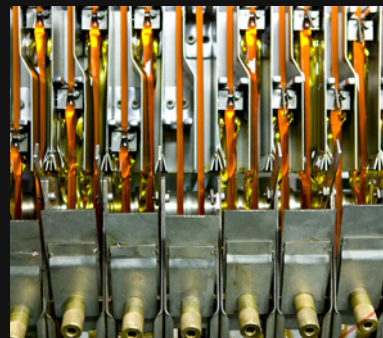
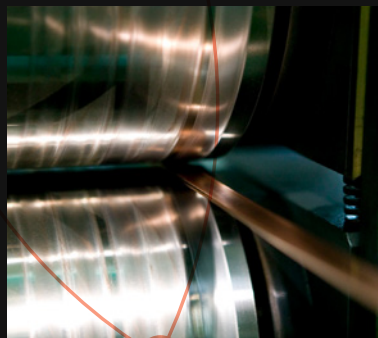
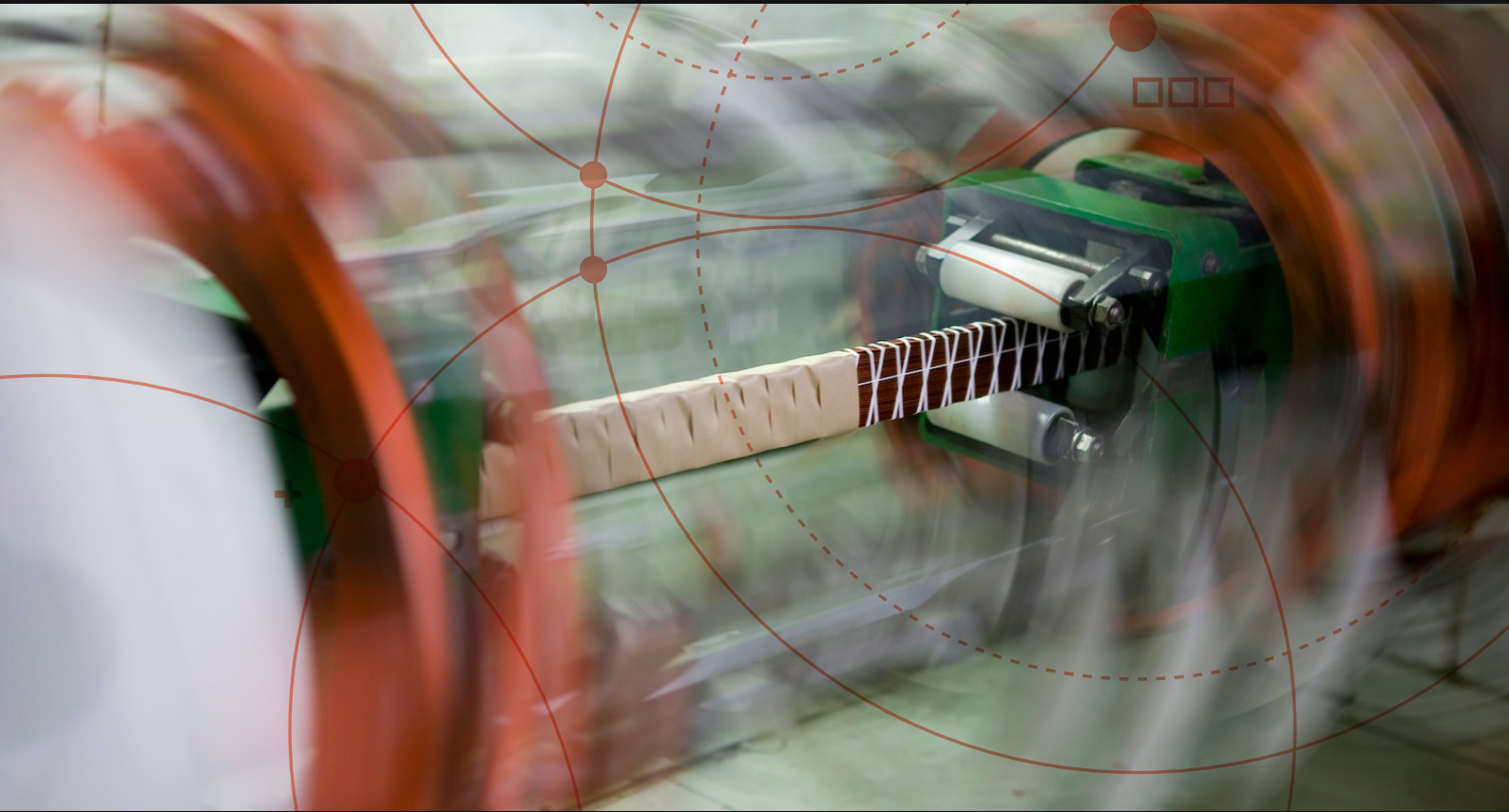
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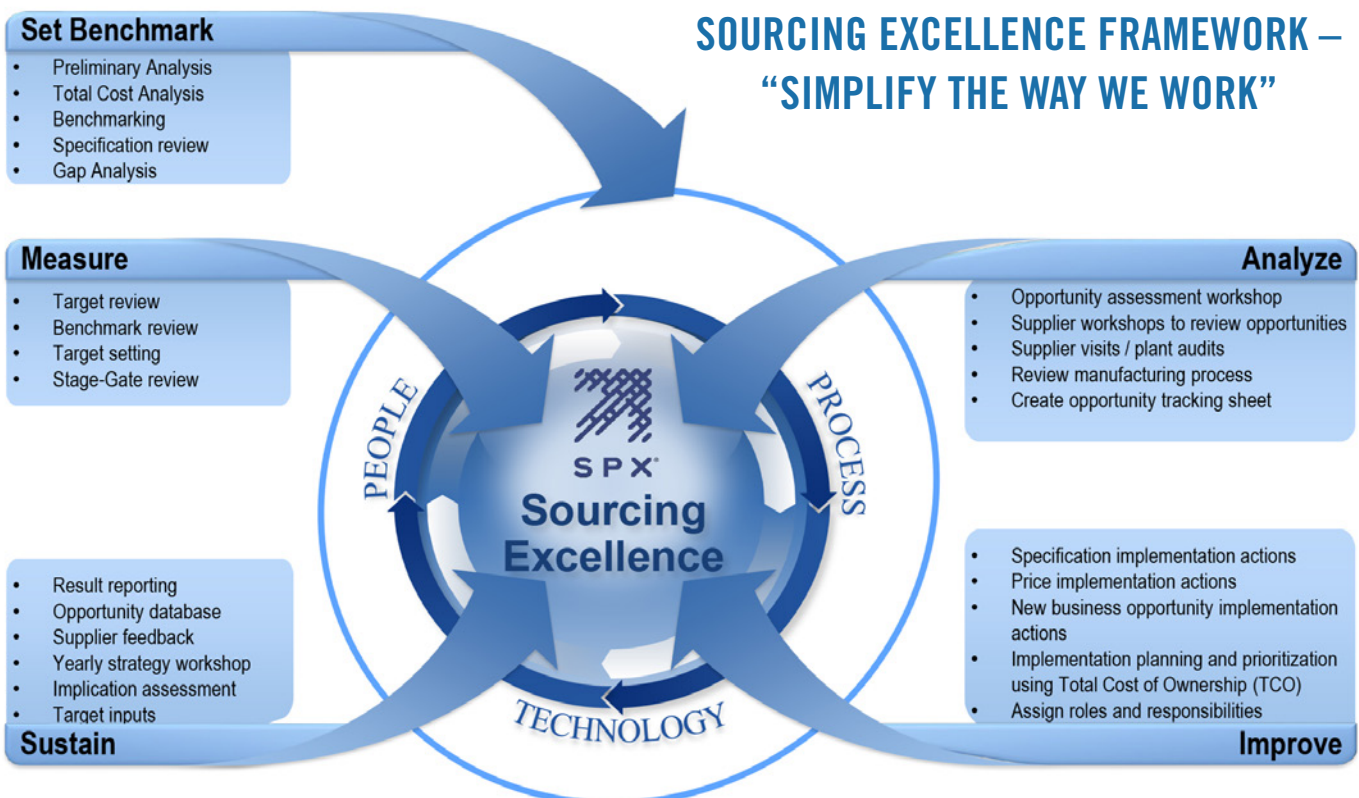
sourcing leader is to meet with internal departments and suppliers to identify the pain points and improve operational efficiency.” He further states that by having open conversations with key suppliers and partners, the company has turned its supply chain into a network where information is shared in trust to have a win-win strategy.

Since 2015, the SPX Transformer Solutions team has driven the supply chain methodology using sourcing excellence framework which is now well established and followed within the business.

STRATEGIC SOURCING: WHAT DOES GOOD LOOK LIKE?

The Sourcing Excellence Framework (SEF) helps the business drive operational efficiency and margin stability when price volatility and supply chain risk on commodities exist. For example, commodities like steel and aluminum – mainly driven by section 232 tariffs – continue to be unfavorable to transformer original equipment manufacturers (OEMs) in the US.

“Since 2018, our proactive approach in implementing the Sourcing Excel-



COMPANY FACTS

At SPX Transformer Solutions we strive to improve operational efficiencies and margins through

- Continuous improvement
- Strategic sourcing: Risk mitigation through dual sourcing, vendor consolidation and insourcing to leverage synergies across SPX businesses
- Sustainability



\$1.5bn+

Approximate
revenue

1912

Year founded

5,000+

Approximate number
of employees



**OUR RELIABILITY REFLECTS
IN 54 COUNTRIES**



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STRETCHED
2-35
H DENNISON

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CREPE

THERMO
CREPE

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HDC KRAFT
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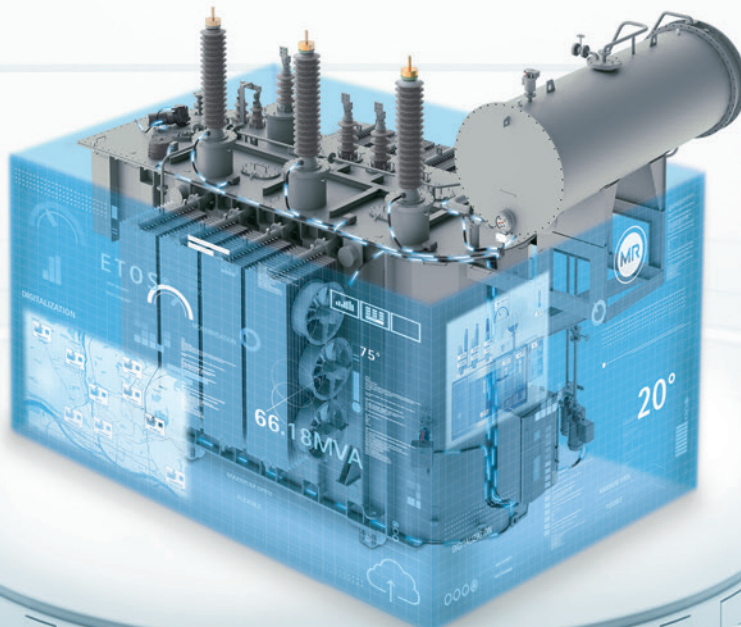
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THE POWER BEHIND POWER.



lence Framework has helped us mitigate some supply chain risks mainly driven by trade actions on steel and aluminum. This in large power transformers has made US Transformer manufacturers non-competitive due to imports coming from other regions,” Arora notes.

The sourcing framework was put in place to ensure our supply chain is smooth and effective, as it enables us to manage our top suppliers using 80/20 rule. The 80/20 rule focuses on 80% of our overall direct spend which is managed by 20% of suppliers. By having long-term dual sourcing contracts and

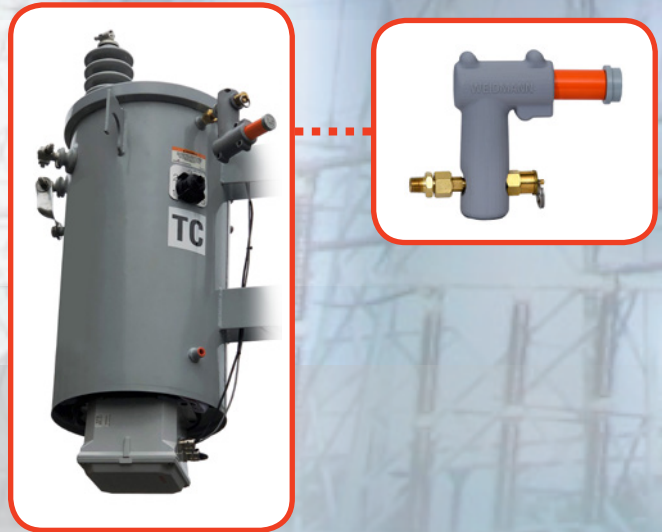
vendor consolidation we get better reliability and repeatability. Arora says: “The sourcing excellence framework, as it is based on Total Cost of Ownership (TCO), also addresses vendor consolidation and in-sourcing, thereby leveraging synergies across other SPX Corporation businesses. It has also helped the procurement function to be “Future Proof” through “Balanced Enforcement and Enablement”.

In SPX Transformer Solutions, the latest transformation is the digitization of its procurement operations. “With supplier spend data analytics, we’re aiming to further improve supplier

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performance on Quality, Cost and Delivery (QCD) through digitization. We're currently using the software interface-Qlik which talks to our Enterprise Resource Planning (ERP) system and other softwares for real-time analysis of data. Along with this, we have integrated a contract management tool to manage Master Procurement Agreements and drive business process improvements" says Arora. The mantra here is to "simplify the way we work".

To further strengthen the SPX Trans-

former Solutions continuous improvement and performance management culture in terms of "what does good look like in sourcing" Arora collaborates with his peers and team members by asking questions which helps the business to remain competitive,;

- Do we have a long-term contract with our top suppliers to control 80% of our total spend?
- Do we have a firm price contract using the 'should cost' model to avoid price increase risks?
- Do we have dual sourcing?

- Do we have the right payment terms with our suppliers to support our operating working capital?
- Do we have the right Incoterms® with our vendors?
- Do we have the right inventory carrying cost and turns ratio?

The company’s tools address these uncertainties.

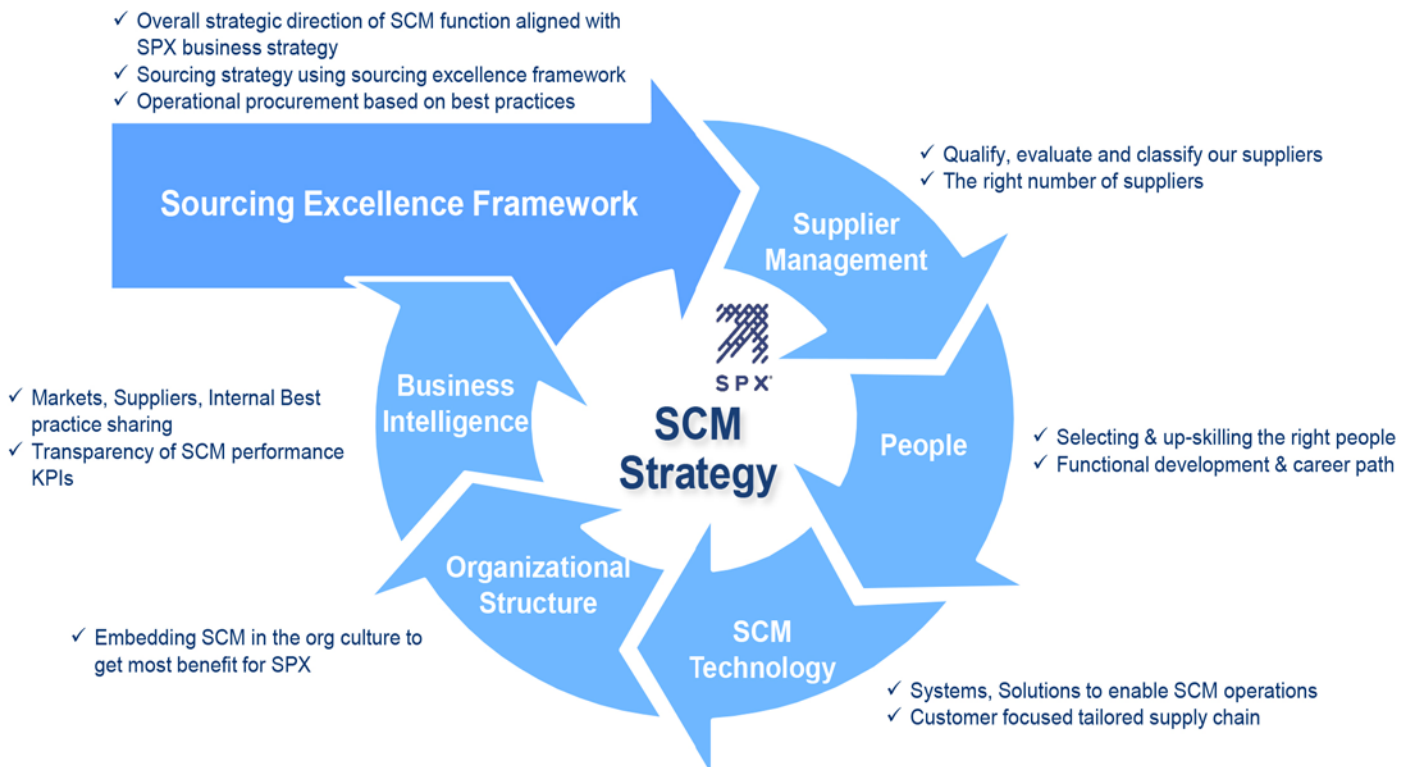
The other major contributor towards our transformation is the Supply Chain Management (SCM) strategy. The SCM strategy has five intrinsic

elements to its approach other than sourcing. “When we talk about the SCM strategy we start with sourcing, which is made up of two parts:- strategic, which includes risk mitigation strategy through dual sourcing using should cost model and operational, which includes transactional day-to-day buying,” states Arora.

SUPPLY CHAIN MANAGEMENT STRATEGY

“Besides sourcing, supplier management is the other important piece of

SUPPLY CHAIN MANAGEMENT STRATEGY



“Master excellence thru repeatability”



“CONTINUOUS IMPROVEMENT SHOULD BE EMBEDDED IN THE CULTURE OF ORGANIZATION”

—
Sandeep Arora,
VP Global Sourcing & Strategy,
SPX Transformer Solutions

SCM strategy, in which we assess how we qualify, evaluate and classify our suppliers. We also ensure that we have dual sourcing in place, so that we are not caught unaware when a single source supplier is no longer viable on QCD” says Arora.

Then we must talk about people – to implement any strategy, we need engagement of our employees. People can become a major challenge if not involved at the right time as before introducing new suppliers manufacturing employees need to be ready to accept and manage the change effectively. For achieving this, first and foremost we need to select and upskill the right

staff by providing career paths through functional development. Finally, we look at organization structure and business intelligence to get optimum benefits by aligning SCM strategy to our business strategy.

For SPX Transformer Solutions, SCM strategy is more than just a buzz word – it’s a habit that defines the business’ culture and enables continuous improvement. According to Arora to drive sourcing excellence initiatives, “continuous improvement should be embedded in the culture of organization.”

Ultimately, the business aims to improve operational efficiency, which Arora claims can be achieved within these three functions in an organization: one is through redesign to cost, which is led by engineering, the other is productivity improvement, which is driven by manufacturing and the final one is sourcing efficiencies driven through a sourcing excellence framework. In regards to the financial impact, as Cost Of Goods Sold (COGS) is the largest contributor to transformer operational cost, and therefore the biggest opportunity to improve COGS lies in the sourcing bucket.

To implement a successful SCM



SPX



strategy with highest value creation, the firm has aligned a sourcing excellence framework to internal manufacturing and engineering capabilities.

Arora adds that the company's supply chain transformation journey in 2015 would not have started without the support of suppliers and partners. "These long-term strategic partnerships encourage SPX Transformer Solutions team and its suppliers, to focus less on immediate fluctuations in the market and more on value creation types of opportunities together outside of the daily buyer and seller arrangement. Companies committed to one another are better positioned to share the impact of price fluctuations together resulting in more stability over the long run."

Arora concludes by echoing SPX Transformer Solutions' President-Brian Mason's belief, "As SPX puts its business system strategy using operational excellence in place, it aims to leverage synergies between its portfolio of products to drive company growth in an 'efficient and organic' way." ■

SPX 



CARBONITE **&** **WEBROOT**
Smarter Cybersecurity

The do-no-harm method

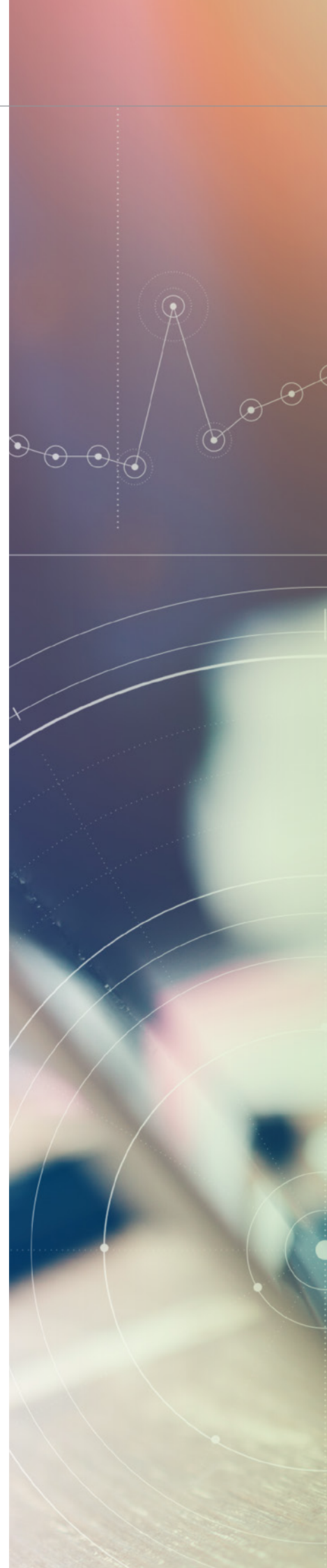
Norman Guadagno, CMO of Carbonite, discusses the data protection firm's \$618.5mn acquisition of cybersecurity company Webroot, and the careful, considered do-no-harm methodology that will carry the companies forward together

WRITTEN BY **HARRY MENEAR**



The modern technological landscape stands poised on the brink of a new revolution. Promising dramatically faster internet speeds and the potential for a ten-fold increase in the number of potential endpoints connected to the cloud, 5G is set to catalyse the next stage of evolution for the internet age. Alongside a proliferation of new opportunities, this new era of increased connectivity will also be one of increased risk. Living in an age of increased cyber risk where the pace of technology exceeds the ability of the average user to protect their data, cybersecurity firms are working to increase their capabilities alongside the cloud revolution, the rise of software as a service (SaaS) and the new 5G era.

“The rise of SaaS has given far more power to any individual to accumulate, analyze, aggregate, store and distribute data than ever before,” explains Norman Guadagno, Chief Marketing Officer (CMO) of Carbonite, Inc, a data protection platform provider headquartered in Boston, Massachusetts. “We’re seeing an uptick in not just intelligent endpoints such as laptops and tablets and mobile phones, but also less intelligent devices, IoT devices that are creating tremendous potential vulnerabilities for businesses. The amount of data that people find on their own endpoint device, and the ability to successfully manage that often outpaces their own awareness. Not only do most individuals and small businesses not even know





“We’re seeing an uptick in not just intelligent endpoints such as laptops and tablets and mobile phones, but also IoT devices that are creating tremendous potential vulnerabilities for businesses”

Norman Guadagno,
CMO, Carbonite Inc



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“The rise of software as a service has given far more power to any individual to accumulate, analyze, aggregate, store and distribute data than ever before”

—
Norman Guadagno,
CMO, Carbonite Inc

how many different cloud services they're using, they also can't successfully tell you how much data is stored locally, how much data is stored in the cloud, how much data is in both places: where does all the data live? We feel like there is an opportunity for us to step into that breach,” Guadagno explains.

In March, 2019, Carbonite – which reported a net revenue of US\$296.4mn in 2018 and employs over 1,000 people - completed the purchase of cloud-based cybersecurity firm Webroot for a total cash consideration of \$618.5mn, the company's largest acquisition to date. Business Chief spoke with Guadagno following the acquisition, who shared his insight into the cybersecurity landscape, Carbonite's acquisition of Webroot and the careful, measured approach the company is taking to both provide a complete, end-to-end cybersecurity solution to its customers, and also adopt a 'do-no-harm' approach to integration of two of the US' leading technology providers.

Founded in 2005 and 1997, respectively, Carbonite and Webroot



CLICK TO WATCH: 'CARBONITE – A GREAT FIT FOR PARTNERS'

are no strangers to the changing face of the technological landscape. “When Webroot was founded, the world was very different from a technology standpoint,” Guadagno recalls, noting that the Colorado-based tech firm has been battling computer viruses and protecting data since before the cloud revolution, the mass adoption of mobile devices and “before a world where cybersecurity was a top priority for everyone.” Likewise, Carbonite, “which was established to solve the problem of one of our founders’ daughter losing her school term paper

because the computer crashed,” was creating cloud solutions before the adoption of SaaS powered by the cloud became pervasive. “As time has passed, and as the mobile revolution has taken place, then the Cloud revolution and the privacy revolution – all of it has morphed and changed the landscape dramatically. And both companies have continued to morph and change. Carbonite ultimately moved out of serving consumers and more to serving businesses, and Webroot expanded its capabilities, building an artificial intelligence engine

that capitalizes on the cloud and the ability to learn from a lot of data points in real time,” says Guadagno. With their fates now combined, both companies will undoubtedly benefit from knowledge of the value of careful change over time and in response to the needs of their customers.

“There are businesses running complex technology infrastructures and handling large amounts of data but not having super sophisticated IT capabilities,” Guadagno says. “Into that world, Carbonite began to form a plan to provide better protection for the data and the ability to backup and recover the data.” As Carbonite evolved its data backup process, the company quickly recognized the need for greater cyber threat protection for its customers in order to provide a more complete and protective service. “When we acquired Webroot, our aim was to bring a 360-degree perspective to the ability to protect the endpoint device from cyber attacks. If an attack gets through, as they sometimes do because people click on links or make other human errors, we also have the ability to make sure that the data can be recovered seamlessly through our

“As time has passed, and as the mobile revolution, the cloud revolution and the privacy revolution have taken place, all of it has morphed and changed the landscape dramatically”

—
Norman Guadagno,
CMO, Carbonite Inc



backup and recovery technology,” explains Guadagno. In acquiring Webroot, Carbonite’s strategy has evolved towards its goal of “fulfilling this desire to provide an end-to-end capability for companies to protect their data, their business and themselves. And do it in a way that we believe will be integrated, easily, simply and affordably,” says Guadagno.

Guadagno admits that, in the wake of Carbonite’s biggest acquisition to date, “it’s so easy to get swept up by a river of excitement when there’s a new thing ahead, but that doesn’t always serve all of the partners and customers who’ve been with you for a long time and who need to continue to make sure are served every day.” With this in mind, Carbonite and Webroot are progressing into the future with a methodical, considered approach that belies the rapid pace of the technological ecosystem they inhabit. “The first rule we’re following as we start to walk down a path toward creating greater value and experiences for our customers, and our partners, is to do no harm,” emphasizes Guadagno. “We want to take this slowly, because the things we

sell today - our customers are happy with, and we don't want to mess that up. So, the very first thing we're doing is continuing to meet with customers and partners to get their input on what they need across the board, so that we can make sure that we enable ourselves to deliver that," he continues. "We are very methodically, thoughtfully finding opportunities to bring the companies together, through go-to-market motions such as cross-selling and referrals, and then ultimately through a future where there will be some type of integration across products and integration across sales channels."



“There are businesses running complex technology infrastructures and handling large amounts of data but not having super sophisticated IT capabilities”

—
Norman Guadagno,
CMO, Carbonite Inc

One of the biggest advantages facing Carbonite and Webroot is the fact the companies have very complementary customer bases. “Webroot is very strong with small managed service providers delivering cyber security to their customers and Carbonite business is very strong with Value added resellers, delivering a backup and recovery solution to their customers,” explains Guadagno. “We want to make sure that we’re thinking through and balancing how we deliver



COMPANY BIOS

CARBONITE

Carbonite provides a robust Data Protection Platform for businesses, including backup, disaster recovery, high availability and workload migration technology. The Carbonite Data Protection Platform supports businesses on a global scale with secure cloud infrastructure.

WEBROOT

Smarter Cybersecurity

Webroot harnesses the cloud and artificial intelligence to protect businesses and individuals against cyber threats. Webroot provides cybersecurity for managed service providers and small businesses, who rely on Webroot for endpoint protection, network protection, and security awareness training.

more value. Of course, you want to do this quickly - that's just a reality of running a business and a public company - but we are trying to be thoughtful and keep our customer experience first and foremost in our minds." Looking to the future, Guadagno is confident that Carbonite and Webroot's careful, do-no-harm approach will serve both the companies and their customers in a world where technological advances and cybersecurity risks are moving

at ever-increasing speeds. "We've developed a model to show how we balance the needs of the company, the needs of our customers and partners, and the needs of the marketplace overall," Guadagno concludes. "We are taking a thoughtful, methodical approach to really build something for the future." ■



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In **Alibaba Cloud's** dynamic office in London, Gigabit spoke with Yeming Wang, General Manager for EMEA, to learn how the Chinese juggernaut is redefining the way we think about cloud technology

WRITTEN BY **LAURA MULLAN**



Grappaling with some of the largest behemoths in the cloud computing industry, in China it's Alibaba Cloud which reigns king. The cloud computing arm of Alibaba Group has quickly earned its stripes as China's largest public cloud service provider and has the third largest share of the cloud computing market globally, according to Gartner. Now keen to extend its reach further afield, the company has its eyes set firmly on a new horizon: the EMEA market.

One man at the heart of this strategy is Yeming Wang, General Manager for the EMEA region. Well-versed in the technology space, Wang has previously worked for Huawei, managing its operations in Italy, France, Thailand, Indonesia and abroad. This gave him the perfect springboard to drive Alibaba Cloud's EMEA expansion, a goal which he says is central to the firm's strategy moving forward. "Alibaba Group has a very strong presence in the Asia-Pacific and we aim to be number one in this region," observes Wang, pointing to the group's global businesses like e-commerce firm Lazada. "Besides the Asia-Pacific, we view regions like Europe as very strategic because of its size and maturity. In the Asia-Pacific region, people are still talking about migrating to cloud, whereas in Europe the discussion is





“MORE AND MORE PEOPLE ARE REALIZING THAT ALIBABA ISN'T JUST AN E-COMMERCE OR A CLOUD COMPANY, IT'S A DIGITAL TRANSFORMATION ENABLER”

—
Yeming Wang,
General Manager for EMEA,
Alibaba Cloud

ALIBABA HAS A RANGE OF BUSINESSES IN SECTORS SUCH AS RETAIL, FINANCE AND LOGISTICS AND WE ALSO UNDERSTAND HOW TO CREATE A DATA-DRIVEN USER-CENTRIC EXPERIENCE

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—
Yeming Wang,
General Manager for EMEA,
Alibaba Cloud

now about the digital journey and how to use artificial intelligence (AI) or Big Data to drive business value.”

Alibaba Cloud’s gleaming office in the heart of London is perhaps a testament to its global ambitions. Reclining confidently in his chair, Wang contends that, although there may be stiff competition, Alibaba Cloud is creating a distinguished cloud experience like no other in the region. This is not only because it understands the intricacies of the cloud environment, but also because it also understands the high-stakes business world.

“When selecting cloud providers, customers are looking for value, stability, security and cost-efficiency. But at the very top it’s different: businesses are looking to see how they can use our vertical expertise to make their business better. So, for instance, how can they use data or machines to better their business? It’s a totally different game,” he says. “Alibaba has a range of businesses in sectors such as retail, finance and logistics and so we understand how to create a data-driven user-centric experiences. We fully believe we can help our clients deliver this too.”





In many ways, you would be hard-pressed to find an industry vertical where Alibaba Group isn't within reach. Whether you're interested in retail, hospitality, IT, or fintech, the Chinese conglomerate is omnipresent. By leveraging its tried-and-test experience in these fields, Wang contends that Alibaba Cloud can show, not just tell, its customers how to digitally transform their industries. "At an infrastructure level, we can prove we're reliable," explains Wang. "Today, Alibaba Group manages more than 1trn

US dollars every year and 60-70% of this business is managed on the cloud. Recently we've made a strong commitment that we will migrate 100% to the cloud over the next couple of years." With over \$39.9bn in revenue bagged in its last fiscal year, this is no mean feat. With this in mind, Alibaba Cloud doesn't just support the Group's business, it serves as a clear demonstration to its customers of what its technology can do.

Overlooking the bustling streets of Covent Garden, it seems that Alibaba

Cloud is not just making its mark on the London skyline, it's also leaving a lasting impression on the city's burgeoning cloud industry. However, it's important to recognize that, in many ways, Alibaba Cloud is much more than just a cloud company. As the technology and business worlds become ever more intertwined, Alibaba Cloud has tried to position itself as a digital transformation

enabler, offering data and service platforms too. "Once they've adopted cloud, businesses can prepare for the second stage where they derive value from AI or Big Data," explains Wang. "Then they can focus on the real business outcomes."

Having touched every industry imaginable, Wang contends that customers can leverage the cloud company's insights and expertise to

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disrupt their own verticals. “Our consumers often ask how we run Alibaba. So, for example, a hotel company may ask how Alibaba Group manages its hotel, Flyzoo. In this hotel in Hangzhou, China, everything is automated. There are no people; customers use self check-in and are served by robots. When you get into a room you use voice control. If you need room service, a robot will get it for you.

The reason we do this is because we don’t just want to run a hotel, we want to show people the possibilities of what we can do,” Wang says. Hotel giants like InterContinental Hotel Group (IHG) have already benefited from Alibaba Cloud’s expertise. With more than 350 hotels in Greater China, the hotel group has joined forces with Alibaba Cloud to develop a scalable and robust IT infrastructure that will support its



long-term growth goals. In doing so, it hopes to blend best-in-class technology with first-rate hospitality.

Alibaba Cloud has not just disrupted the hotel market though, it's also left a lasting impression in the retail market too. Jack Ma, one of the founders of Alibaba Group, is often credited for coining the term 'New Retail', a new omnichannel way of thinking where the lines between offline and online commerce are becoming infinitely blurred. With its parent group standing as one of the largest and most valuable e-commerce companies in the world, Alibaba Cloud is well-equipped to offer sage advice and digitally disruptive technologies in this space. "Today, everyone in retail understands the importance of omnichannel offers and user-centric experiences," highlights Wang, pointing how Alibaba's collaboration and communication platform DingTalk could be a valuable solution to connect employees, for instance. Indeed, one retail titan that's working alongside the cloud computing business is Spain's El Corte Inglés, the biggest department store in Europe by sales. Joining forces with Alibaba Cloud, the Madrid-based



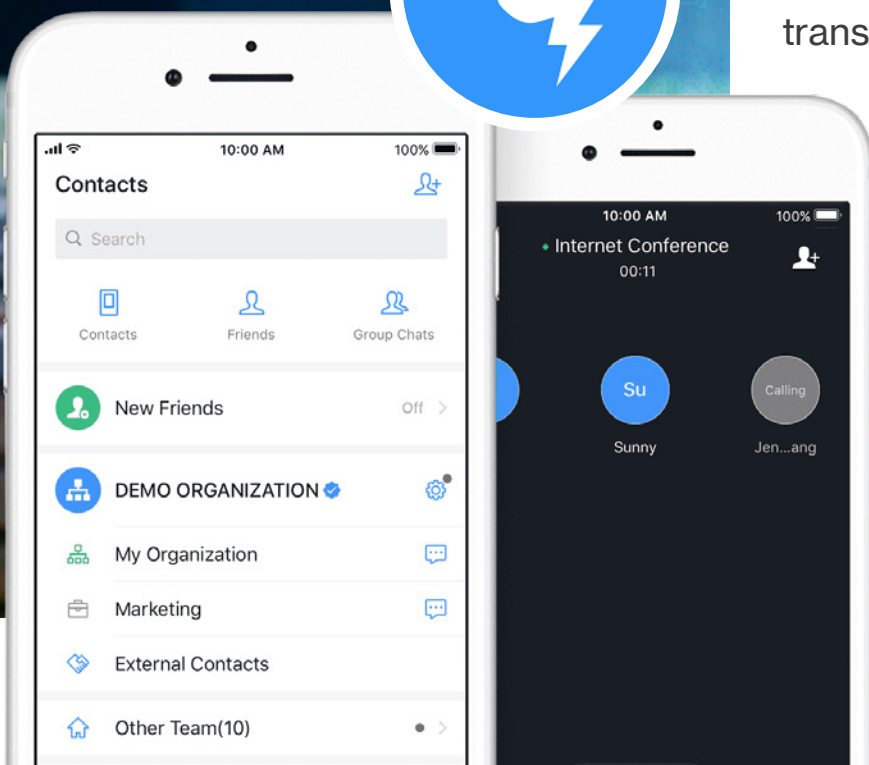
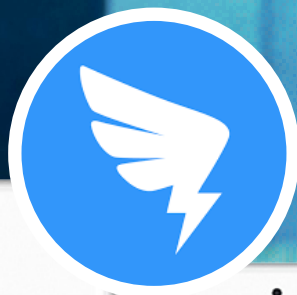


department store is leveraging tools including big data analytics, artificial intelligence and more to deliver more personalized experiences to its customers today.

Verticals such as finance and smart cities have also been identified as key target markets for Alibaba Cloud but, regardless of the sector, one thing is for certain: digital transformation is set to be at the heart of the company's business strategy moving forward.

"We've seen that for almost every company today, especially in Europe, CIOs and CTOs don't have any doubts about digital transformation," Wang adds. "A couple of years ago they were deliberating about whether to use cloud, but now they're asking whether they will use Big Data or Artificial Intelligence. They have digital transformation strategies and are

looking towards digital platforms because they want to change the rules. They want to be a game changer." This has offered a window of opportunity for Alibaba Cloud, with Wang noting how customers are keen to develop intelligence-based partnerships with "agile





**ALIBABA GROUP
MANAGES MORE
THAN ONE TRILLION
US DOLLARS EVERY
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IS MANAGED ON
THE CLOUD**

—
Yeming Wang,
General Manager for EMEA,
Alibaba Cloud





companies like Alibaba Cloud who have strong internet DNA”. Indeed, the cloud computing giant has established partnerships and attracted 2.3mncustomers worldwide, including over 1mn paying customers.

Yet, when asked what he has been most proud of during his tenure, Wang cites the company’s growing brand awareness, pointing out how it’s much more than your typical technology firm. “More and more, people are realizing that Alibaba isn’t just an e-commerce or a cloud company, it’s a digital transformation enabler,” says Wang, noting how, looking forward, the firm plans to deepen its partnerships with industry experts like KPMG and Deloitte. “We want to deliver our Asian digital success story to the western market” he concludes. “It’s not just about cloud, it’s about business and digital transformation.” ■



Alibaba Cloud



What can tech businesses do to address the STEM skills shortage?

RICH MORTIMER, CHIEF PEOPLE OFFICER AT EGRESS SOFTWARE TECHNOLOGIES, REFLECTS ON HOW THE TECHNOLOGY INDUSTRY CAN SOLVE THE ISSUE OF THE SKILLS SHORTAGE IN SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS (STEM) THAT THREATENS TO SLOW THE PACE OF PROGRESS

WRITTEN BY **RICH MORTIMER**



We are living through a period of unprecedented change. Rapidly evolving technology has transformed how we live and work, creating expectations for the future that would have seemed the stuff of science fiction just a few decades ago. It's easy to get caught up in the vast possibilities that technology offers, but we must remember that people are the ones driving innovation in this exciting new world and they are central to its success. To fully realize the potential of the technology at our fingertips, it's vital that we invest in our people resources and address the skills shortage in science, technology, engineering and mathematics (STEM) that threatens to slow the pace of progress.

A recent STEM skills indicator showed that businesses at the cutting edge of the industrial economy, from healthcare to Artificial Intelligence and robotics, are feeling the effects of a lack of STEM skills in the UK workforce. Additional costs of £1.5 billion were associated with difficulties in recruiting staff with the right skill level; 7 in 10 businesses had struggled to fill key positions.

While the UK government has rightly identified increasing the UK population's STEM skills as a priority and a pillar of its





“Young people start making career choices at a very early stage, so encouraging them to consider STEM-related roles must reflect that. We need to start competing for talent in the classroom”

—
Rich Mortimer,
Chief People Officer,
Egress Software Technologies

industrial strategy, this transformation can't happen overnight – and in the interim we face a skills crunch. As a scale-up business in the technology industry, at Egress we have first-hand experience of working hard to attract, recruit and retain the skilled employees vital to our fast-paced growth. It's clear from this experience that the technology community urgently needs to step-up to tackle the lack of STEM skills head-on and get smarter about building our own pipeline of talent. This way we can strengthen our own

workforce continuity, while also offering exciting opportunities to a wider range of people.

EARLY EXPOSURE IS ESSENTIAL

Young people start making career choices at a very early stage, so encouraging them to consider STEM-related roles must reflect that. We need to start competing for talent in the classroom.

Research shows that girls in particular begin to lose interest in STEM-related careers in their





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mid-teens, with 58% of them dismissing the idea of a STEM career by the time they reach university. As an industry, we need to work with schools and youth organizations to promote the benefits, opportunities and satisfaction that careers in technology offer entrants from all backgrounds.

Doing this successfully means looking at what motivates young people. Today's career entrants are prioritizing quality of life over the accumulation of physical assets like cars and houses; they're looking for "purpose, not paychecks". However,

the tech sector is strongly positioned to provide both. Technology is the biggest force for change on the planet right now, capable of solving some of humanity's most pressing problems. Opportunities to make a positive difference to the world abound and this should appeal to young people seeking meaningful careers.

The tech industry is also growing exponentially at a time when many traditional industries are facing disruption. It therefore provides greater job security for those who have the skills to be part of it.



These should be compelling messages for young people who are considering their education and career options. We need to build awareness and keep providing touchpoints with the industry, so that when students come to make choices, we are firmly on the shortlist.

THE POWER OF UNDERGRADUATE PLACEMENT PROGRAMMES

There's been a common complaint from businesses in recent years that graduates lack basic workplace skills,

such as time and workload management. The obvious remedy for this is experience in the workplace and this is something we strongly support at Egress.

Increasingly, universities are recognizing that employability skills are at least as important as academic achievements and they're becoming more proactive about engaging with businesses to secure work placement for undergraduates. As a tech company, it's our responsibility to reach out as well and provide meaningful placements,



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Chief People Officer,
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which give undergraduates realistic insight into how businesses operate in the commercial environment. Even if ultimately, a student decides against a career in technology, experience in the workplace is transferable and will increase their value for future employers.

Undergraduate placement programmes are also hugely valuable for the companies that offer them; they’re where you start to identify your future talent. It has worked well for Egress, with several of our current staff joining after spending a year with us during

their undergraduate studies – with even more on their way following graduations in 2019/20. Having got to know these individuals during their placement year, we can be confident that they have the right cultural fit, the skills potential we need, and are ready to grow alongside the business.

BUILDING LOYALTY THROUGH TRAINING AND DEVELOPMENT

Once we’ve recruited into STEM roles, we have to create the right environment to retain staff and create loyalty.

Evidence suggests that high-level STEM employees are less likely than counterparts in other roles to receive ongoing training, which is an imbalance that tech companies must be at the forefront of correcting.

Today's career entrants place heavy emphasis on personal development, so continuous learning opportunities and career progression are vital. It's important that as start-ups mature into scale-up businesses, there is a formalization of training and development strategies that will attract and retain employees.

Workplace training has changed a lot in the past 20 years – and for the better. Previously you might have spent five days in a classroom and received a certificate at the end, but today, training is much more hands-on and real-world focussed. At Egress, our Academy Programme offers personalized training to employees at all levels of the business, from apprentices and undergraduates, right up through management and at executive level. We typically run six-month programmes with multiple short sessions plus mentoring –

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a high-touch approach that's very effective in developing both the technical and softer management skills that we need in our workforce.

Offering non-financial advantages to employees is also an important strategy for scale-up businesses trying to appeal to today's career entrants. This includes personalized development programmes but also extends to the less tangible 'experience' that an energetic and flexible work environment can offer.

By focusing on promoting the tech sector to future employees, providing opportunities for undergraduates and developing our own STEM talent within the business, tech companies can put themselves in a much stronger position to navigate the skills shortage, as longer-term educational initiatives also take effect. ■





Why we must invest in today's shared transportation to build the foundation of tomorrow's smart mobility

CEO & co-founder of Zeelo, Sam Ryan, explores why smart transportation is a must for tomorrow's cities

WRITTEN BY **SAM RYAN**





We're living in an exciting time for smart mobility. Buoyed by recent developments in transformative technologies, such as artificial intelligence (AI), the Internet of Things (IoT) and fifth-generation wireless communications (5G), the vision of fully-sophisticated smart mobility seems closer than ever.

With one eye firmly fixed upon a future where everyday processes and services will become increasingly interconnected, data-driven and autonomous, it's hard not to feel a sense of excitement at the

utopian ideal of a seamlessly integrated, intelligent transport network and the corollary benefits that such a system will bring – to the economy, to passenger safety, to the health and wellbeing of both people and the natural environment.

But while a future-thinking perspective is all well and good, it's important to remember that innovation cannot be built on blue-sky thinking alone. While future smart mobility will certainly comprise an array of exciting forms of transportation – wide scale electrification of vehicle fleets, autonomous vehicles,



fully-connected travel experiences and more besides – we must not lose sight of the practical steps that need to be taken in the here and now to step change transportation for tomorrow. This starts with a fundamental shift in attitudes to travel – namely, away from the singular and towards the shared.

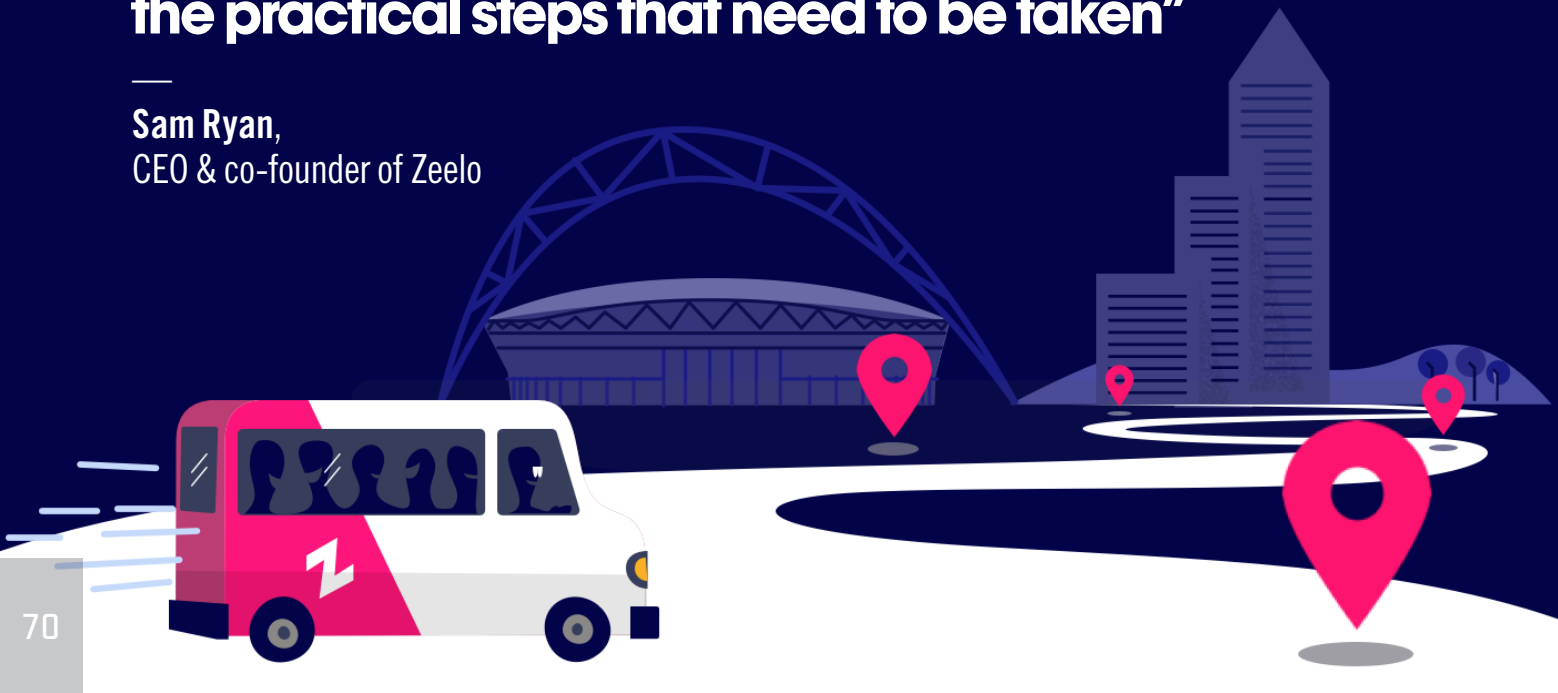
AN INCONVENIENT TRUTH

For close to a century, the car has been considered king when it comes to convenient transportation. In that time, demand has been both fulfilled and

fuelled by ever-cheaper models produced on a hyper mass-market scale, with private car ownership per-capita rising year-on-year in virtually every nation on earth. But while current rates of ownership still far exceed the proportion of one car for every two persons across much of the developed world, a report on disruptive automotive trends from McKinsey & Company suggests the beginnings of a global downward trend in private car ownership. In the face of growing global frustration at excessive congestion on inter-city

“While future smart mobility will certainly comprise an array of exciting forms of transportation... we must not lose sight of the practical steps that need to be taken”

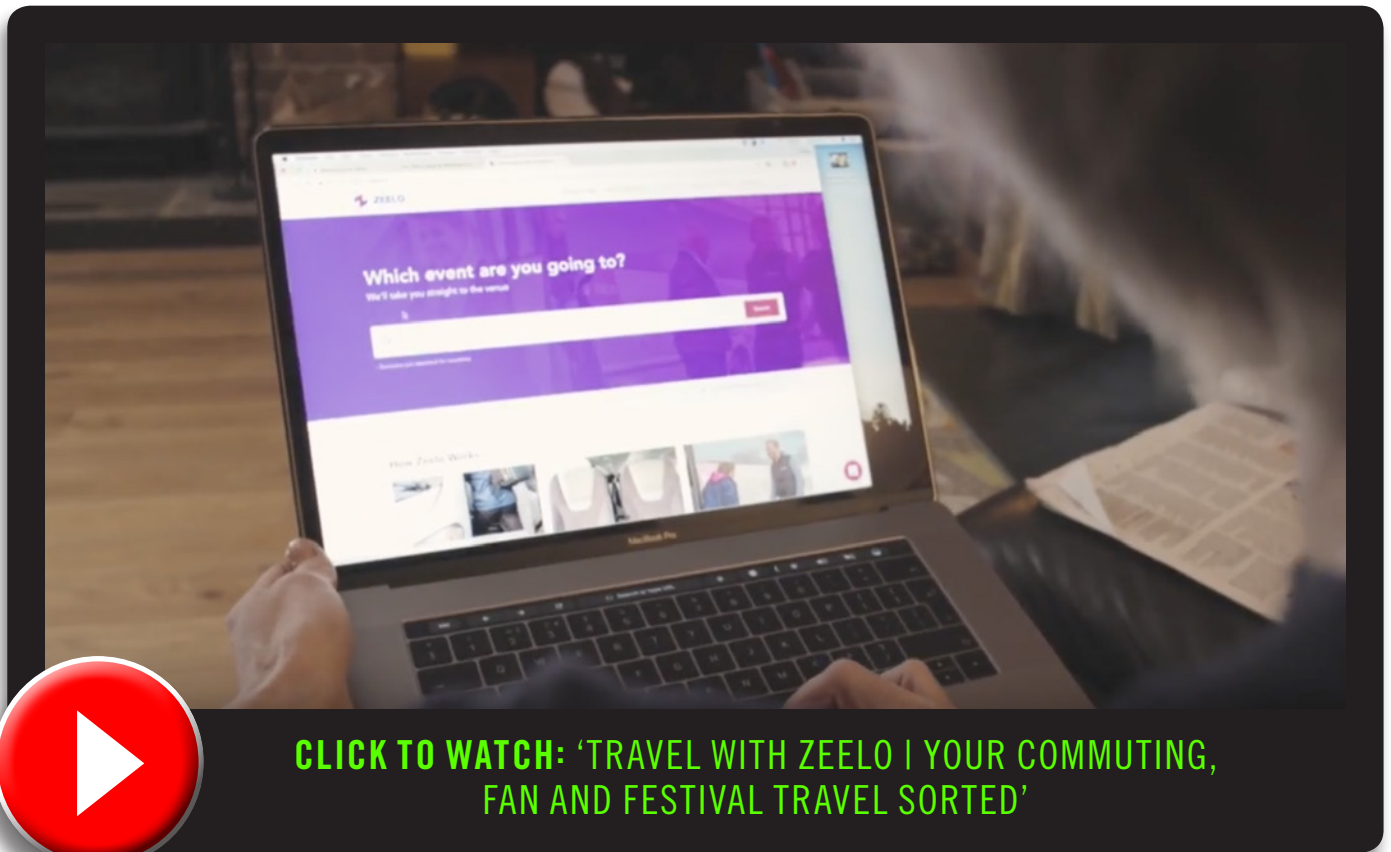
—
Sam Ryan,
 CEO & co-founder of Zeelo



highways and in busy urban centers, and the resulting environmental concerns that such high levels of traffic bring, there is a growing acceptance that private vehicles aren't necessarily the way that people will move in future. Some are already beginning to break the habits of a lifetime and transition towards smarter shared mobility services – though the rate at which this is happening is perhaps slower than it ought to be.

The problems faced by societies on a global scale as a result of excessive car ownership are intensifying. Conges-

tion is getting worse, costing an estimated \$305bn in economic impact in 2017 in the US alone, an increase of \$10bn from 2016. Excessive carbon emissions from traffic are polluting our air to dangerous levels, with the World Health Organisation claiming that transport accounted for almost a quarter of global carbon dioxide emissions in 2010. In addition, people are spending longer than ever commuting to and from work, regardless of how they travel, while the overwhelming need for more car parking spaces is limiting our ability to expand and grow smarter cities in the



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way that we want to. The fact is that while cars have long been seen as the ultimate symbols of convenience, the global overreliance on them means that these efficacy benefits are not only being outweighed by the negatives, but are simply ceasing to exist altogether. Solo travel is starting to seem less like a route to convenience and more like a roadblock.

SHARING THE SPOILS

The idea of travelling together is certainly nothing new, but today's innovative shared mobility services are unlike the

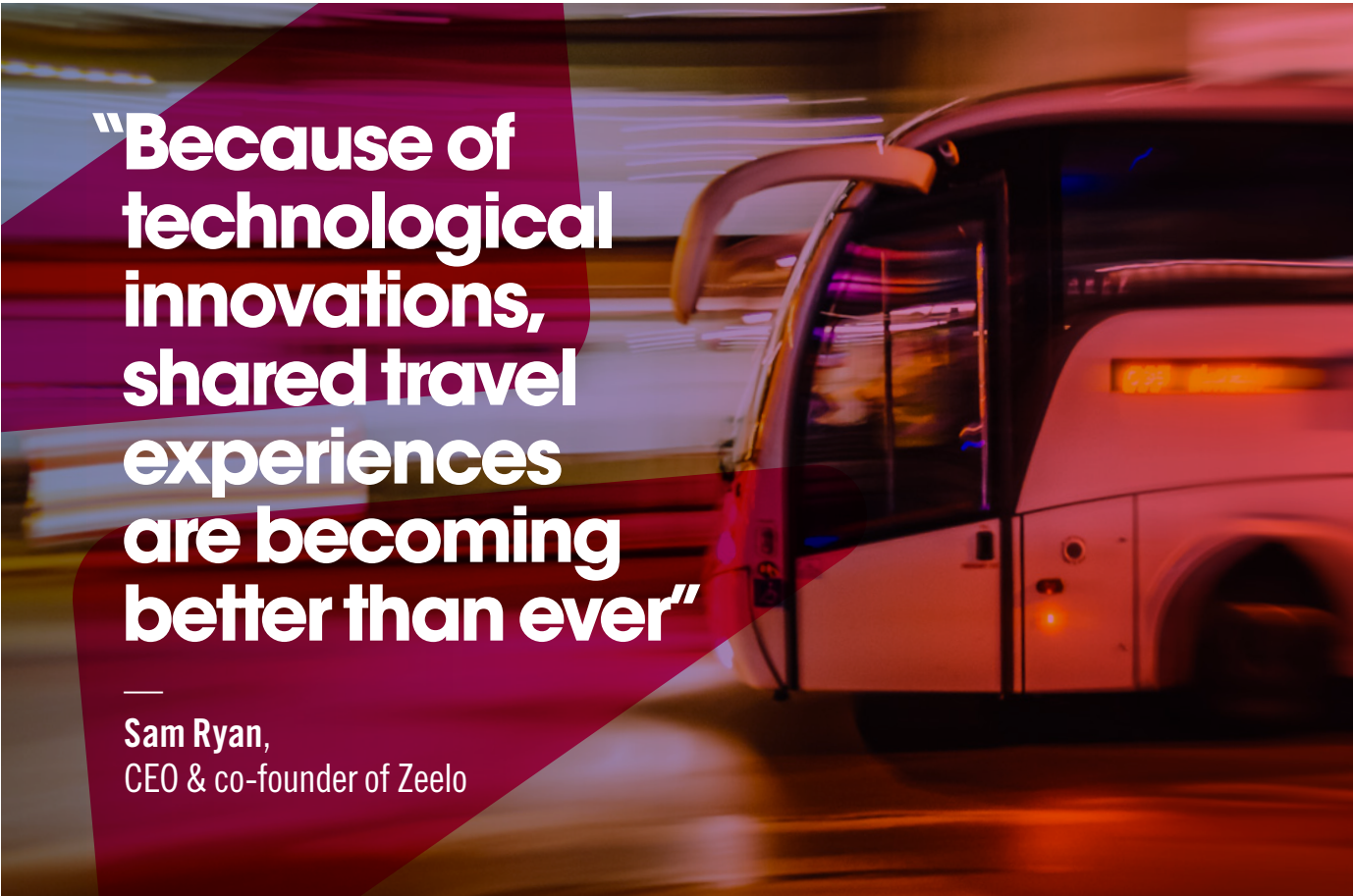
communal travel models of old. Because of technological innovations, shared travel experiences are becoming better than ever – though this, of course, means that expectations are similarly increased. An influx of well-funded ride-hailing startups has disrupted the transport market, while the level of on-demand expediency offered across a range of other industries has fundamentally raised the bar on what customers expect from the services they consume. People want services that are made for them, designed and developed around their wants and needs – and they not only

want them immediately, but they expect them to be affordable. For the status of smart mobility to be truly accelerated, propositions must meet the skyrocketing demands that consumers have now in terms of ease and efficiency.

To do this, we can start to focus on a number of things. Firstly, transport operators and providers can invest in better onboard experiences to help solve the wellbeing and productivity challenges associated with stressful journeys. By improving communal travel experiences, whether for work or leisure, operators give people the

chance of actually making the most of their travel time. Secondly, transport providers and planners must work together to bridge the current gaps in the network, as the current reliance on personal car transportation is primarily driven by a lack of genuinely compelling alternatives. Gaps in the transport network can be quickly and dynamically filled by new, connected and data-driven mobility services, which are a precursor to the ultimate goal of seamlessly connected travel experiences.

Finally, and where feasible, we must look to interlink existing travel options,



“Because of technological innovations, shared travel experiences are becoming better than ever”

—
Sam Ryan,
CEO & co-founder of Zeelo



with a particular focus on solving the challenge of the first and last mile. If people cannot get exactly to where they need to be via shared transport, they will often begrudgingly turn back to the private vehicles they are trying to leave behind. Local municipalities and regulators have a key part to play here, as it is only by enabling the provision of data between all parties in the overall travel experience and ultimately beginning to break down the existing barriers between public and private transportation that we will start to see real progress made.



FACING THE FUTURE

Improving the performance and viability of today's shared travel options will lay a bedrock upon which to start seriously building the smarter travel networks of the future. True smart mobility isn't here yet, and there are many hurdles to overcome as we progress towards the ultimate goal – including building the infrastructure for electric and automated vehicles, working out how these next-generation vehicles will properly interface with the human world and solving synonymous challenges in other sectors such as mobile networks. We

will eventually overcome all these hurdles, and the dream will one day become reality, but hurdles do, of course, come in sequence. We cannot scale them all at once, and without overcoming the challenge of making shared mobility more attractive than solo travel, we run the risk of the remaining hurdles seeming increasingly insurmountable. ■





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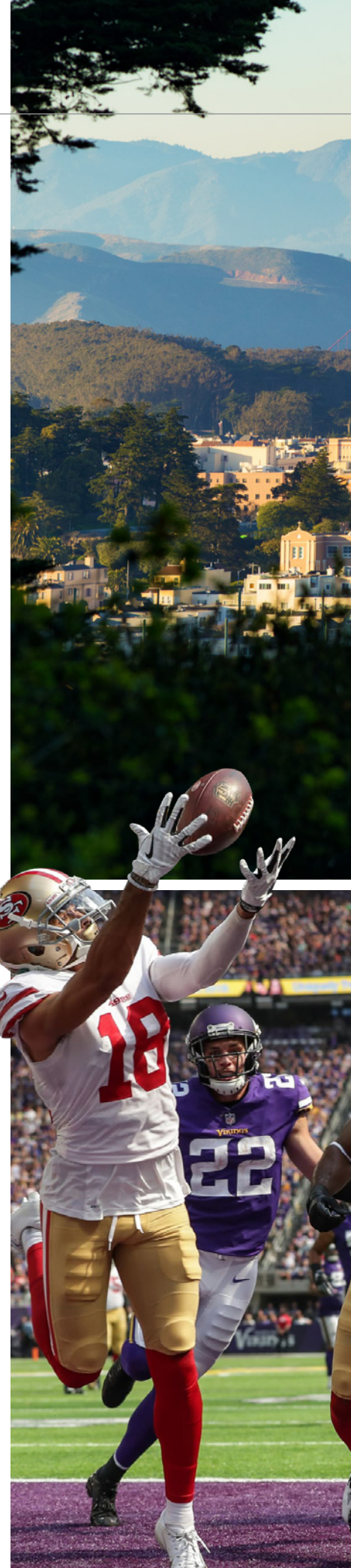


Business Chief explores San Francisco. A centuries-old hub of innovation that's always looking to the future, San Francisco is home to some of the US' leading tech giants and a thriving SME and startup scene, attracting over 24mn tourists each year

San Francisco is renowned as Northern California's center of commerce, finance and culture, and this is far from a recent accolade. In spite of how the city has hosted many modern advancements in technology, its reputation as a mecca for innovation goes back centuries.

San Francisco was named in the 1700s after St Francis of Assisi, a notably astute and valiant friar with a knack for opening minds and growing ideas. Even in these early days, the city and its people demonstrated a flair for energy, prolificity and aspiration. The patron saint of merchants and stowaways, among other things, could not have been awarded a more apt namesake.

If there's one thing San Francisco does, almost by instinct, it's reinvention. Even the devastating earthquake and fire of 1906 couldn't hold back San Franciscans: the city was rebuilt at record speed, to the specifications of its citizens, who were eager to get back to their everyday lives. Since the construction of San Francisco's now-famous façade, the city has been a magnet for emerging trends and grassroots dreams, welcoming new cultural waves every ten or twenty years whilst still retaining its eclectic past.







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CLICK TO WATCH: 'GLOBAL STARTUPS, ENTREPRENEURS AND CHANGEMAKERS'

NEW WAVES

Throughout its history, the city has proven itself to be a nucleus of developing culture: the Gold Rush of 1849 established a hardy banking and finance district which was later paid homage to by the San Francisco 49ers football team; the beat generation of the '50s established a keen literary following that exists to this day; Haight Ashbury served as commune to the pilgrims of the late '60s hippie culture. However, most recently, it has served as the breeding ground for Silicon Valley.

A capital for both the 'Dot Com Bubble' and the social media whirlwind, San Francisco is the stomping ground of many an internet startup, and a veritable hive for entrepreneurs of all kinds. The Bay Area is home to the USA's largest concentration of venture capital firms, with annual VC investments averaging \$6.5bn.

Today, San Francisco provides the backdrop to hundreds of big businesses, spanning every industry. From movie wizards LucasFilm and Industrial Light and Magic, to global food producers

Del Monte and Diamond, businesses flock to the city to make their mark. While the giants of the social media world, including WhatsApp, Twitter, Facebook, Craigslist, and of course Google, call San Francisco home, its major role in the high-tech world does not mean that it is reserved for the elite.

A STARTUP CITY

Notably, 66% of San Francisco's population is employed by the city's many independent businesses, giving way to numerous coalitions and networks aimed exclusively at supporting and nurturing the city's SMEs. A thriving community of small and family businesses provides the cultural backbone of the city, with independent clothing and furnishing boutiques, cafes and restaurants, bookstores and handmade gift shops attracting both locals and visitors on a daily basis.

The torrential commercial success that has come to define San Francisco is far from coincidental, thanks to its unique combination of people and places. Boasting upwards of 300 schools, and more than





35 colleges and universities in the Bay Area alone, the city's educational landscape is vast, and its results clear: the population is the second most densely college-educated in the country, with more than 344,000 graduates in residence. In turn, it is an employment hotspot, with a diverse service economy that spans almost every industry, and an abundance of work opportunities for citizens of all backgrounds and trades.

In this way, San Francisco has nurtured a delicate balance that sees it function as a self-sustaining hub of talent and innovation, giving locals the tools they require to gain sellable skills, which they can then put to use within the city's thriving economy.



TOURISM

Such is San Francisco's worldwide appeal to businesses and individuals alike that tourism counts for a major portion of the city's income. Welcoming upwards of 24mn visitors every year, local companies have a steady stream of custom in the form of tourists, who are eager to experience everything the city has to offer.

\$10bn

Generated from
tourism in 2018

66%

Employed by
independent
businesses



The likes of the Golden Gate Bridge and Alcatraz Island prove endlessly appealing to visitors hoping for an insight to San Francisco's rich history; the bounty of parks, waterfronts and picturesque landscapes – complete with the trademark fog – offer plenty of space for exploration and relaxation; its famed nightlife and boutique shopping ensure that good times are had, and that the perfect souvenirs are taken home. The promise of a ride in the iconic cable cars, and the chance to see the sights from favourite movies and television shows, sees tourism on the rise every year, with travellers injecting almost \$10bn into the local economy in 2018 alone.

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San Francisco continues to show the societal and economic resilience that it has developed a reputation for, as a place that can't be held back: not by financial recessions, or natural disasters. Whether as a place to visit, live, study or go into business, San Francisco shows no signs of slowing down. ■







TOP 10 Largest companies in the US

The United States' GDP has continued its resurgence, re-establishing the nation's status as the world's largest economy. This article examines the 10 largest companies leading the world's strongest economy



10 General Motors

\$157.3bn

General Motors is an automobile company that manufactures a variety of vehicles from full-size trucks to electric cars under eight different brands: Chevrolet, Buick, GMC, Cadillac, Holden, Baojun, Wulin and Jiefang. Founded in 1908, the company sells automobiles in 125 countries across 19,000 dealerships. The automotive leader posted revenue exceeding US\$157.3bn in 2018. Led by CEO Mary T. Barra, General Motors plans to refocus its SUV and truck options in order to return to profitability after the closure of plants in the American Midwest.

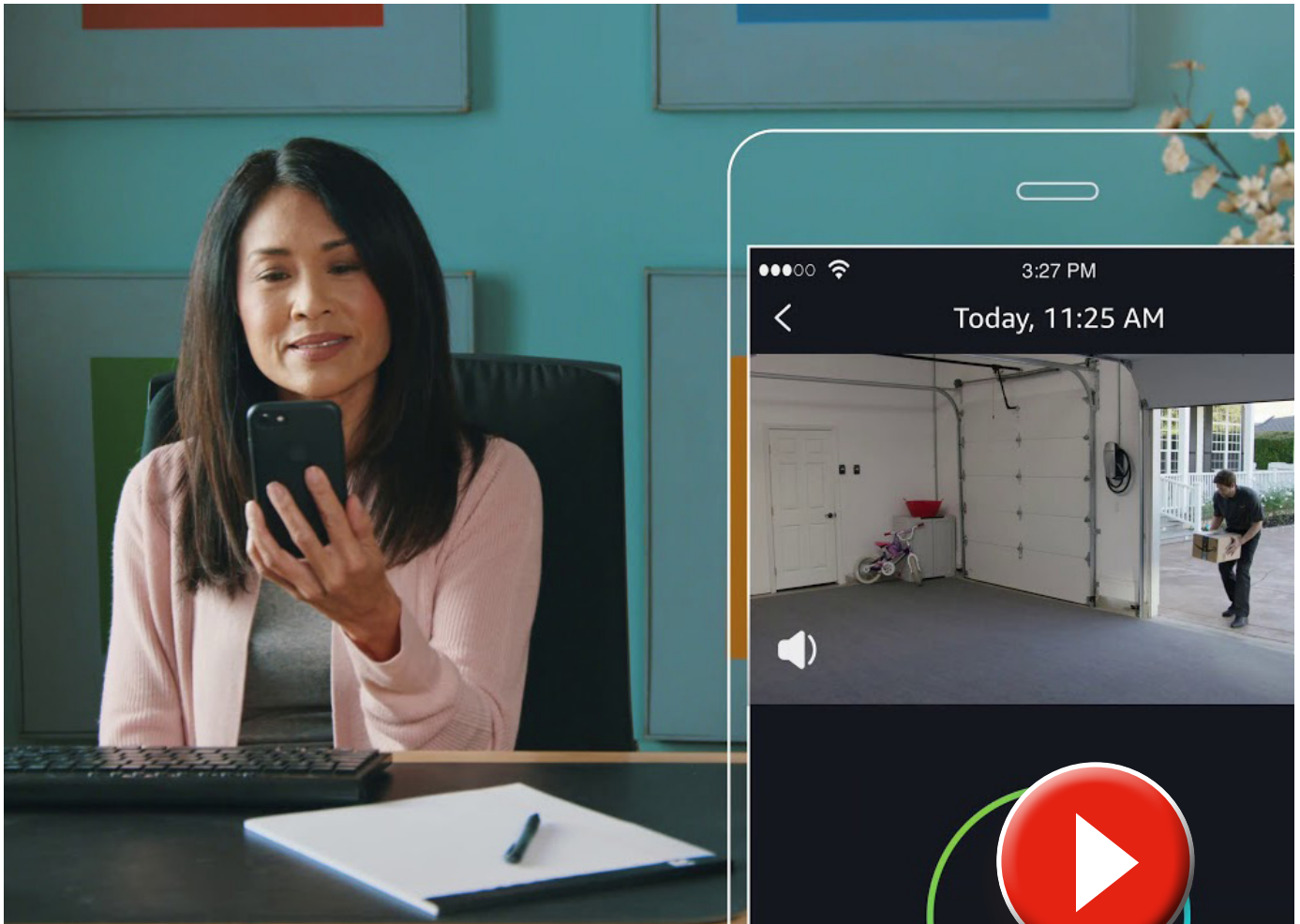




09 AT&T \$160bn

Founded in 1983 and headquartered in Dallas, Texas, AT&T continues to be the United States' telecommunications leader with \$160bn in revenue and profits exceeding \$29.4bn in the last financial year. Led by CEO Randall L. Stephenson, the company managed to turn a reduction in revenue into a 127% profit positive this year. With services in all 50 states and a diverse employee base exceeding 254,000 people, AT&T shows no signs of slipping to the telecom industry's number two spot.





08 Amazon

\$177.8bn

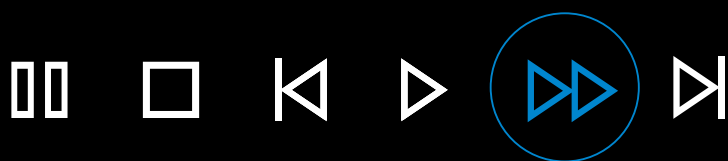
Headed up by the world's richest businessperson, Jeff Bezos, Amazon – the world's premier e-commerce marketplace, a leading tech company, cloud services provider and manufacturer – achieved revenues of \$177.8bn in 2018. Amazon revenues and profits have surged by more than 30% and 27% respectively. Overseeing the opening of its new secondary headquarters near Arlington, Virginia, Amazon has expanded its US operations significantly in 2018. The company employs approximately 566,000 people worldwide. Based out of Seattle, Amazon continues to grow its global presence in markets such as India.





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The 5G switch made easy.

With automated provisioning and insight-driven service assurance, Ericsson Dynamic Orchestration simplifies operations, moving you closer to the zero-touch experience.

This means greater savings and shorter time to market.



07 CVS Health \$184.7bn

Following a series of major 2017 maneuvers including the acquisition of Omnicare, CVS Health posted revenue of \$184.7bn in 2018, with profits topping \$6.6bn. The Omnicare deal saw CVS take control of Target's clinics and pharmacies. Additionally, the company's \$69bn merger with Aetna spells out the Rhode Island-based organization's goal to become a US financial leader. Led by CEO Larry J. Merlo, CVS employs upwards of 203,000 people and has been ranked on the Fortune 500 for nearly a quarter century. Its 4.1% revenue increase is buoyed by a positive 24.5% profit shift.





06 McKesson \$198.5bn

Although this San Francisco wholesaler employs a relatively small team of 64,500 people, it has enjoyed banner revenue of \$198.5bn as a pharmaceutical middleman. Led by CEO John H. Hammergren, reliable distribution and logistics abilities helped increase revenue by \$3.1bn and profitability to \$5bn. McKesson appears to be an industry climber based on its profit numbers and a growth rate of nearly 125%.





05 UnitedHealth Group \$201bn

With a year of high-profile mergers such as the CVS-Aetna deal happening in the healthcare sector, UnitedHealth Group has made more subtle moves on its way to posting revenues of \$201bn and \$10.5bn in profits. Led by CEO David S. Wichmann, UnitedHealth Group deftly acquired profit-drivers such as DaVita Medical Group. DaVita added approximately 300 clinics to a corporate portfolio already boasting a network of 30,000 physicians. Due to its keen deal-making abilities and 260,000-strong employee base, the Minnesota-based company enjoyed a 50.5% profit increase in 2018.

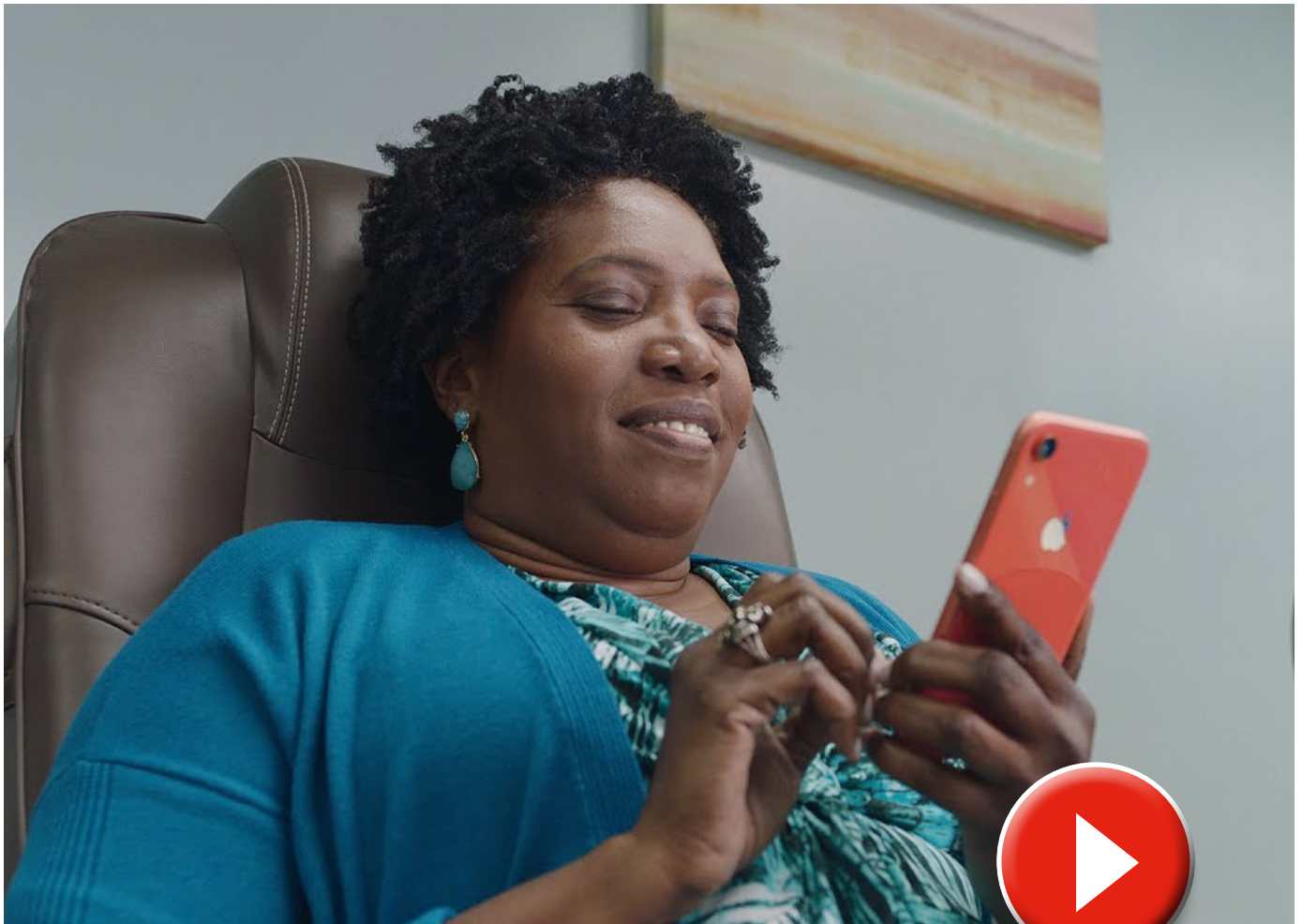




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04 Apple \$229bn

This internationally recognized electronics leader earned \$229bn in total revenue while posting profits exceeding \$48bn in 2018. Led by CEO Timothy D. Cook, Apple continues to saturate the global market with prized products and innovations. Based in Cupertino, California, Apple employs approximately 123,000 people worldwide with smartphones laying the foundation for its continued upward mobility. Apple Pay, facial recognition technologies and Apple Music helped drive its 6.3% revenue growth over the past year. Industry insiders see no signs of Apple's success slowing as it faces Samsung as a significant international rival.





03 Berkshire Hathaway \$242bn

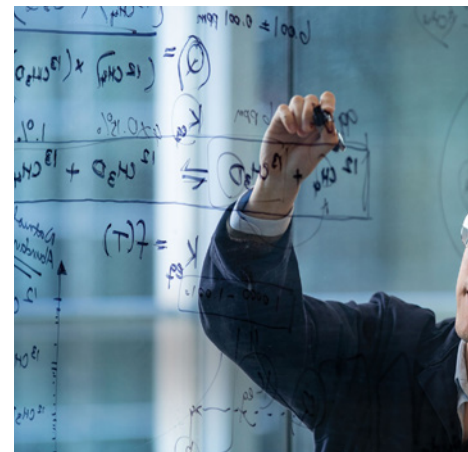
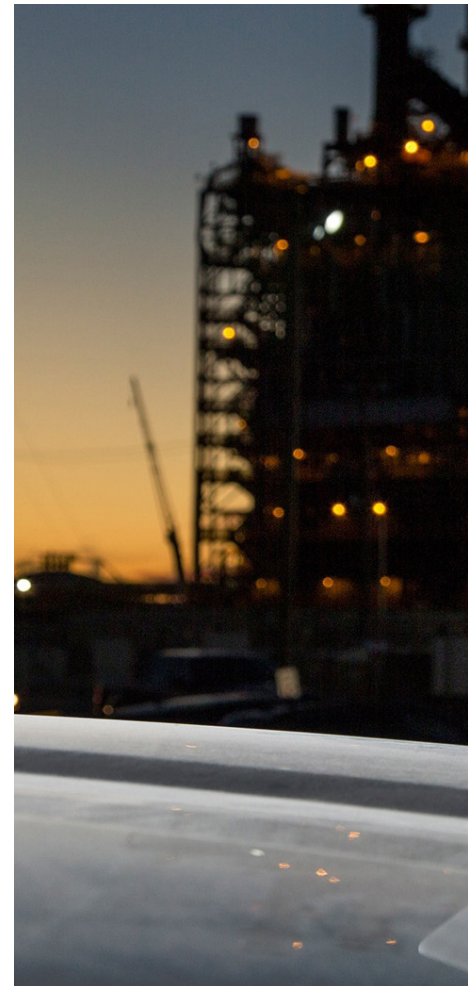
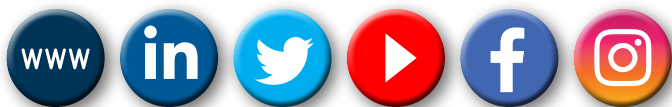
Founded and led by renowned business veteran Warren E. Buffett, Berkshire Hathaway slipped back from the number two spot this year, despite posting revenue of more than \$242bn and \$44.9bn in profits. Berkshire Hathaway experienced a profit uptick of 86.7% in 2018, with savvy investments that shifted away from low S&P performers such as IBM to stock champions like Apple. Considered comparatively agile for a large corporation, Berkshire offset tough hurricane-related payouts in recent years by brokering a world-record \$10.2bn policy with AIG.



02 Exxon Mobil

\$244bn

ExxonMobil is the largest publicly traded international gas and oil company in the world. The company posted revenues of more than \$244bn, with profits exceeding \$19bn in 2018. Headquartered in Irving, Texas, Exxon Mobil has seen revenue rise by 17.4% and profits have skyrocketed by a staggering 151%, due to the US oil boom of recent years. Founded in 1859, when Edwin Drake and Billy Smith drilled an oil well in Titusville, Pennsylvania, Exxon Mobil is led by CEO Darren W. Woods. The company employs upwards of 71,200 people and has made bold intentions to ramp up oil production to 600,000 barrels per day by 2025. Woods reportedly plans to invest \$1bn in research and development to combat carbon emissions.





01 Walmart

\$500bn

Consistently posting the world's highest revenue, Walmart topped \$500bn in 2018 and once again managed to outpace China's top three state-owned companies. What began as a mom-and-pop discount store in 1962 has blossomed into an international retail giant. Led by CEO C. Douglas McMillon, Walmart operates through more than 11,000 brick and mortar facilities in upwards of 28 countries and has a significant online presence. The Arkansas-based company posted profits of nearly \$10bn while employing 2.3mn people. Its growing e-commerce profitability and global expansions have the organization tidying up its portfolio. Walmart reportedly sold off underperforming assets in Britain and shuttered 63 Sam's Club facilities in the U.S. On the growth side, Walmart is ramping up its footprint in China and India among other locations.





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World Vision: procuring aid for the world's most fragile communities

WRITTEN BY
HARRY MENEAR
PRODUCED BY
DENITRA PRICE



Tim Covell, Supply Chain Director of World Vision's Gift in Kind operation, discusses the ways in which his team pushes itself to continually provide aid more efficiently to deprived communities

In 1947, Reverend Bob Pierce gave the last five dollars from his pocket to help care for an orphaned girl from China named White Jade. Three years later, Pierce founded an organization dedicated to helping children in dire need of care around the world. Over the next 65 years, World Vision has grown into a powerful and tenacious non-governmental organisation (NGO), striving for the elevation of deprived communities out of poverty. Today, it works in nearly 100 countries and in just five years, together with partners and donors, has impacted the lives of over 200mn vulnerable children by tackling the root causes of poverty. “Our strategic vision is to step into the most fragile countries, in the most fragile contexts, to help people and communities out of poverty,” says Tim Covell, Supply Chain Director at World Vision. “World Vision is focused on the twin pillars of humanitarian community development and disaster relief. There are a host of programs that work together under those two





“We’ve grown from 30,000 pallets to 84,000 pallets over the last three years”

—
Tim Covell,
 Supply Chain Director,
 GIK, World Vision

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pillars, including sanitation, bringing clean water to communities, health, education, agriculture – helping a community break the cycle of poverty over the course of a 15-year program.”

Covell spent the two decades preceding his move to World Vision in the private healthcare technology sector. “I loved the technology, loved the teams – I really had no intention of moving on,” he recalls. “As I was thinking about my life, I realized it was time to use those skills I’d learned over the years serving in a humanitarian organization.” In December 2016, Covell jumped at the opportunity to work for World Vision and has since led the company’s Gift-in-Kind (GIK) operation. “A GIK is where a corporation will donate products instead of cash,” he explains.

Every year, Covell and his three major teams work tirelessly to process, allocate and distribute tens of thousands of pallets of donated goods – ranging from bicycles and wheelchairs to clothing and school supplies – to some of the world’s most isolated and fragile communities. “We’ve grown from 30,000 pallets to 84,000 pallets over the last three years,” Covell says.





CLICK TO WATCH: 'WORLD VISION USA – REACH OUT WITH US'

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“It would be impossible to handle that degree of growth without continuous improvement and change to the way that we operate and drive our processes.” Covell sat down with us to discuss World Vision’s GIK operations, and the ways in which he and his team push themselves to continually improve and better serve those in need.

Unlike a traditional procurement role, the GIK supply chain operates in response to donated items from large corporations around the world. “We position ourselves as a business solution to corporations to deal with

excess inventory, reverse logistics, or whatever their business challenge might be,” says Covell. Dealing with this influx of donations is the role of the first of Covell’s three teams: Capacity & Integration. The team interacts with the various local operatives around the world in order to establish what each community needs to better progress towards becoming self-sustaining. “Each year they reach out to countries around the world in order to understand what kind of products they can use to facilitate their ministry. Then we create a global demand plan that predicts how





£1.5bn+
Approximate
revenue

2002
Year founded

1,800
Approximate number
of employees



many containers will ship to each country and which product types they need to contain,” explains Covell.

“In the world of GIK, as opposed to the world of procurement, it’s distinct in that we can’t predict 100% what kind of product we’re going to get,” he continues. “We start with a demand plan and then, as we receive donations over the course of the year, this team will do their best to align the products that were donated with the demand that was placed on them by the various countries.” While the GIK model creates unique challenges in terms of

logistics, Covell notes that the donation process makes for more efficient “acquisition” power on behalf of World Vision. “We want to make sure that every product that we ship and spend freight dollars on is going to help a community and facilitate ministry in whatever capacity it’s being used for,” he explains. “GIK is a powerful element of the overall ministry, because it’s such a magnifier.” Covell’s department ensures the value of donated items is efficiently distributed, allowing for even more aid to be provided to those who require it than through traditional procurement NGO



practice. “For every dollar we spend in freight, there’s almost \$20 worth of product that we’re shipping and being able to bring into play for ministry utilization,” he maintains.

The second team handles logistics, both domestically and internationally. Covell praises this team for its role in overcoming geographic hurdles during the ‘last-mile’ before delivery. “This team has a very challenging role, because the countries where we operate typically have inadequate infrastructure, and trying to get products to communities in need

“Missionary Expeditors are a fantastic asset to us in being able to crack the code of accessing some of these very challenging countries”

—
Tim Covell,
Supply Chain Director,
GIK, World Vision

EXECUTIVE PROFILE

Tim Covell, Supply Chain Director

Tim has a BS in Operations Research/Systems Analysis from West Point Military Academy, and a MS in Engineering Management from Milwaukee School of Engineering. After some time serving in the Army and then leading operations in transportation services, he spent over 21 years at GE Healthcare in Milwaukee, WI. During that time, he had experience in a variety of roles from Mfg and Materials leadership to New Product Development and Advanced Mfg Engineering. He recently joined World Vision in Seattle, WA to lead the GIK Supply Chain operation and has been serving there for two and a half years.



WORLD VISION



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“GIK is a powerful element of the overall ministry, because it’s such a magnifier”

—
Tim Covell,
Supply Chain Director,
GIK, World Vision

means you’re typically required to go far off the beaten path.” In order to aid in the delivery of supplies to the farthest corners of the planet, World Vision has established a decade-long partnership with freight forwarding business Missionary Expeditors. “They are a fantastic asset to us in being able to crack the code of accessing some of these very challenging countries,” says Covell. “As an NGO, we’re obviously looking to be very frugal, but a relationship with a trusted partner that knows its way around getting freight into challenging areas is also essential.

Missionary Expeditors just ticks all the boxes; we're very pleased with our partnership with them."

The third team Covell oversees is the GIK division's distribution center in Pittsburgh, Pennsylvania. "They have a significant space there where we store and then sort products. That's where the magic happens," Covell explains. The center uses numerous volunteers to sort, package and dispatch items to World Vision's entire network. Given that the workforce is largely made up of volunteers, the Pittsburgh center is the perfect demonstration of the need for clear, unified processes in order to produce consistent results. "One of the things that I'm really passionate about is having good documentation, as well as work instructions that really establish a foundation for what we do and how we do it. Every day you have a different group coming in, so we need to have a standard mechanism," says Covell. "Having a consistent process is really the foundation for continuous improvement. If we're all working the same way and with the same output, we can build upon that platform to create and implement changes and then improve our working structure;









WORLD VISION IN 2017

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- Treated 118,000 children for acute malnutrition
 - Distributed over 10.9mn malaria treated mosquito nets
 - Responded to 170 emergencies in 56 countries
 - Trained over 58,000 teachers
- Provided more than 1.4mn small loans
- Sponsored over 3mn childrent.



“For every dollar we spend in freight, there’s almost \$20 of product that we’re shipping and being able to bring into play for ministry utilization”

—
Tim Covell,
 Supply Chain Director, GIK, World Vision

so process control documentation creates the foundation for future continuous improvement.”

Continuous consistent improvement is reliant on clear communication and coordination, and Covell stresses that technological advancements over the past decade have been essential to that process. “Recently we invested in the Microsoft Dynamics Enterprise Resource Planning system,” he says. “It’s been a powerful tool to be able to synchronize different portions of the team, in the US and internationally.”



Covell describes this, along with a new Transportation Management System, as “a real game-changer”. “Being able to manage large donors, having the transparency and the communication efficiency between the logistics teams and the various warehouses around the country, has been a real asset,” he reflects.

Looking to the future, the GIK operation has cause for celebration. “In June, we’ll be shipping our 5,000th container,” Covell says with pride. The project is far from over though, and the

GIK team will continue to leverage every tool at its disposal in order to continually improve its ability to deliver vital supplies to improve the quality of life of the people who need it most. “Our journey ahead is continuing to figure out how to be good stewards of the freight dollars that are donated to us and support World Vision’s ministry operations.” ■

World Vision 



Logix Federal Credit Union's digital transformation driven by customer experience

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WRITTEN BY
HARRY MENEAR

PRODUCED BY
ANDY TURNER



Logix Federal Credit Union is harnessing the power of digital transformation to make members feel welcomed, significant and engaged

For firms in the grips of nosediving profits, disgruntled customers and unsustainable business environments, the steps to effect positive change would be as obvious and simple as flipping a switch. However, for a credit union, which has grown its member base by 89% since 2011, has in excess of US\$6bn in assets, and was named the number one credit union in California by Forbes Magazine, the next step might not be so obvious. For Logix Federal Credit Union though, an insightful and experienced leadership team, dedicated to intelligently implementing the latest technology while taking full advantage of a highly engaged workforce, is poised and ready for the future. “We are fortunate in that our members already love us,” says Edward Chuang, Executive Vice President and Chief Information Officer (CIO) at Logix. “The important thing is not to rest on our laurels, because we know that the banking industry is changing, and we know that consumer expectations are changing, too. So, ‘how do we stay number one?’ is really the challenge we’re facing.”





© Photos Jennifer Kukawski

“We have an interesting problem to solve, which is that our members already love us”

Edward Chuang,
EVP & CIO, Logix

In the constant race to stay relevant and with a desire to relentlessly pursue innovation, Logix is undergoing a top-to-bottom transformation. “Logix is going through a very exciting transformation right now, and that began with Ana Fonseca taking the helm as the new CEO of Logix in January of this year,” says Chuang.

A veteran of the finance sector, with 27 years under her belt at Logix, Fonseca stepped into the role of the company’s President and CEO in January 2019. Striking an ever-present balance between the adoption of new

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CLICK TO WATCH: 'HONORING THE PAST, LOOKING TO THE FUTURE.'

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technologies and managing the experience of both members and employees, Fonseca is excited to apply Logix's award-winning customer service to its online presence. "We already have a really great member experience, especially in our branches, and so we're driven by wanting to make our members feel welcomed, significant, and engaged," she explains. "What we're trying to do is take that feeling and replicate it across other channels: on our website, within online banking, and throughout our mobile app."

Chuang adds, "Bundled in this

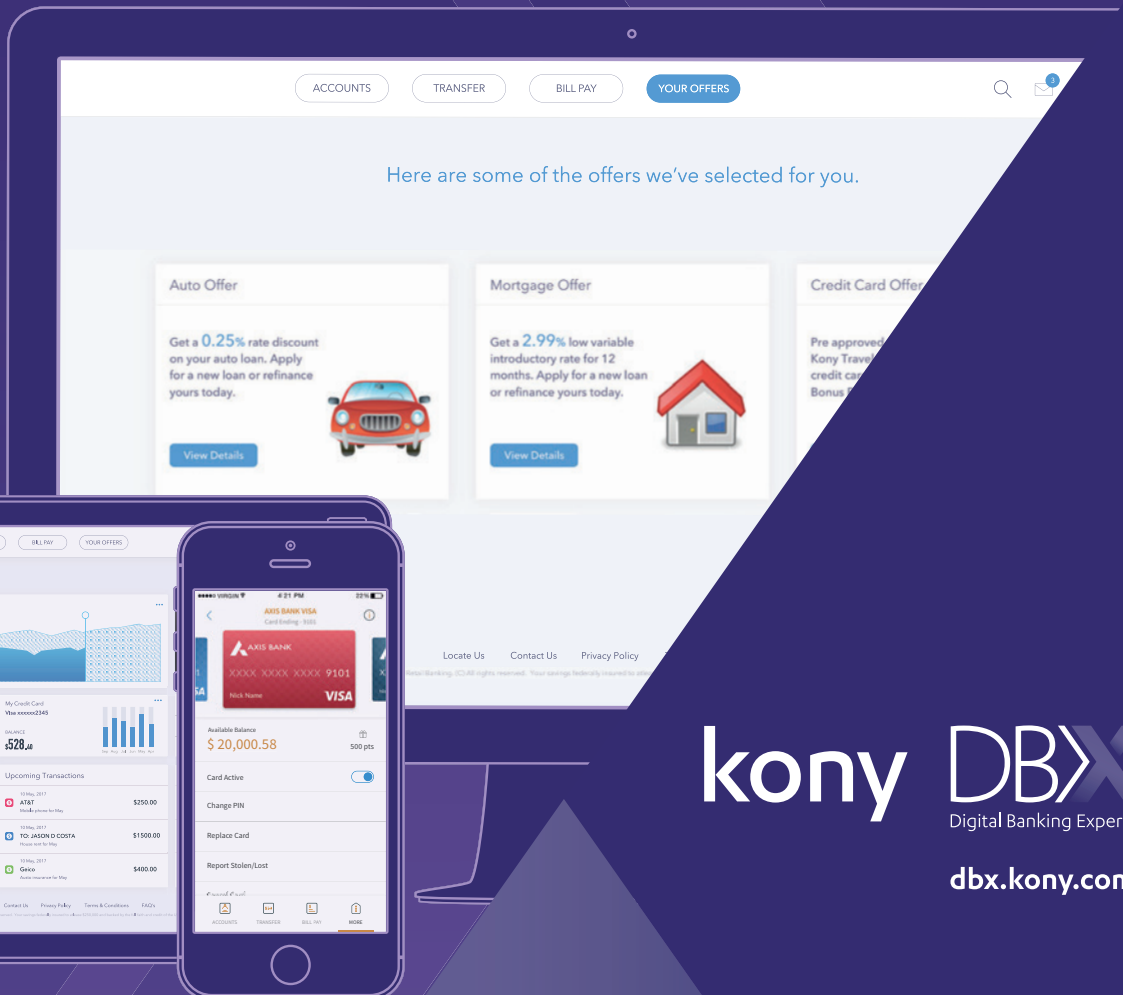
transformation are a number of initiatives that are really poised to take us to a whole new level. We call it Logix 2.0 and it includes a brand new headquarters building about 30 miles north of our current location, a state-of-the-art data center built from the ground up, and taking one of our core strategic principles – consistently excellent member experience – to another level. We're aiming to address all of the ways we serve our members and make those interactions seamless and easy for them."

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2019: It's a digital banking "now or never"

Leaders of financial institutions are in the fight of their lives. Giant banks are investing hundreds of millions of dollars to perfect digital banking experiences and stealing market share. In short, the competitive pressures for customers and deposits are creating a "now or never" moment in digital banking.

These moments have often produced some of the greatest innovations in American business. If played right, 2019 could be the year that smaller banks and credit unions reclaim their rightful leadership role as the default choice for financial transactions and services.

In particular, there are three key advantages that these financial institutions can – and should – leverage in order to attract and retain customers through digital banking: personalized digital service, the power of partnerships, and organizational agility.

Be Number 1 in Personalized Digital Service

30 years ago, local banks and credit unions dominated the market because of convenience, ease of access, and personal relationships. The local branch was the most convenient option at the time. But as technology ushered in new and faster alternatives, consumers gravitated to efficiency and convenience. Digital access gave mega banks and fintechs the upper hand in terms of convenience and ease.

For this and many other reasons, banks and credit unions must focus on digital transformation. The authentic human touch remains a fond memory for many consumers, and most Americans prefer to bank locally; they just want an efficient digital experience.

Regional and mid-sized banks and credit unions should focus on amplifying their unique customer brand across all channels. A great example of deploying digital to create closer connections is the "go-to" solution by Umpqua Bank. Their mobile app allows customers to select a personal digital banker and have secure, one-to-one conversations with their banker at any time through a familiar chat-like interface. Your personal digital banker knows who you are, understands you as a consumer and stands ready to assist you through your financial journey in life.

Don't Out-Spend Fintech or Banking Giants, Out-Partner Them

Consumer demand has put massive pressure on banks and credit unions to innovate. As financial institutions first began to evolve, the vast majority of them took the safe road into digital banking by choosing the pre-packaged solutions offered by core providers. Their apps looked identical to the competing banks, but it was the low-risk and cost-efficient choice at the time.

The legacy core processing providers simply weren't orientated to create differentiated solutions for each financial institutions; they were focused on the opposite model of creating a simple app they could easily copy and paste for every bank and credit union. As smaller financial institutions experimented with the product sold

by their legacy core providers, giant banks and fintechs gained further ground by innovating and siphoning off customers.

In summary, in 2019, make an honest appraisal of your offering. Determine if you have the expertise or bandwidth in-house for true digital transformation. Typically, it's only the mega-banks that have their own fleet of engineers, but you can compete effectively by teaming up with proven outside experts with a track record of success in digital banking.

Choosing the right strategic partner is immediately accretive to your bottom line. You instantly ingest their capabilities and deploy their expertise as your own. The right choice can put you ahead of your competition, increase efficiency, and pay for itself with greater assets under management.

Leverage Agility and Your Unique Brand

It's not easy to transform a financial institution into a technology company, but although multi-national banks have unlimited resources and access to talent, smaller organizations have a distinct advantage: They can more nimbly make decisions, test ideas, and execute changes.

There is another advantage to being a smaller bank or credit union: As the pace of innovation increases, there is a growing consumer hunger for brands that don't innovate themselves into a brand drift. Successful financial institutions maintain their warmth, accessibility, and customer service throughout all channels. Digital banking should amplify your organization's identity while delivering convenience and efficiency.

True digital transformation is a corporate culture shift. Leadership must be firmly on board with both feet. Project engineers must remain focused on the end-user's digital experience. Look at everything through this prism and audit your process to ensure it results in your organization becoming easier to transact with – without drifting away from the core brand that attracted your customers in the first place.

As 2019 unfolds, follow the "digital banking hockey puck" to where it's going, not where it is. Anticipate your customers' needs and deliver solutions. Your customers' digital banking experience will be directly tied to your organization's overall performance.

**By Jeffery Kendall;
Executive Vice
President & General
Manager, Kony DBX**





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Union is the largest credit union in Los Angeles County and the seventh largest in the state. It provides banking services to over 202,000 members, access to over 30,000 surcharge-free ATMs, and operates 17 branches in Los Angeles and Ventura counties. Logix has outgrown its current headquarters building in Burbank as its employee count exceeds 725. “We offer nearly all of the banking services that any large bank would, but we’re different. We’re here to help members thrive, not to increase shareholder profits,” says Chuang.

As Logix’s CIO, Chuang’s role is

closely tied to keeping the company abreast of the banking ecosystem’s development. “In the last 10 years, digital banking has gone through multiple miniature evolutions as digital platforms have matured,” he says. “Last year we established a new data analytics and business intelligence department. That group is chartered with pulling together numerous data sources, whether it’s mortgage lending or payments transactions, and creating useful insights about our members and our employees.” Logix’s commitment to harnessing the power of data is



enhanced by the construction of its new data center. “We’re using some out of the box products from key strategic partners, but ultimately the data lake we’re creating is specifically for us with our own data and only for our usage,” explains Chuang. Logix recently implemented an Advanced Reporting for Credit Unions (ARCU) system powered by Jack Henry. “It allows us to create an advanced reporting database; we take a daily snapshot of all of our transaction data from our core and the analytics team goes to town on it,”

says Chuang. “They pump our data into a number of AI or machine learning-enabled products to derive useful reports of member behavior.”

Adopting new technology to better gather and utilize data is key to Logix improving its member experience even further. “It’s all about helping our members thrive,” reiterates Fonseca. “We want to provide them with value and make sure we’re offering products that make sense for them. This data is going to help us understand what life stage they’re in and what products make

EXECUTIVE PROFILE

Ana Fonseca, President & CEO

Ana Fonseca is the President and Chief Executive Officer for Logix Federal Credit Union in Burbank, CA, which serves over 202,000 members and has \$6.2bn in assets. Prior to becoming CEO, Ana served as the organization’s Chief Operating Officer and before that, served as its Chief Financial Officer. Ana holds an MBA from The Graziadio School of Business and Management at Pepperdine University and completed the Executive Program at Stanford University’s Graduate School of Business.



EXECUTIVE PROFILE

Edward Chuang, EVP & CIO

Edward Chuang is a highly innovative and recognized senior technology executive and a veteran in leading technology teams and digital transformation for some of the largest financial institutions in the world. Edward currently serves as Chief Information Officer at Logix Federal Credit Union and is responsible for strategy and execution of the company's information technology platform and project management office to support growth, innovation, and improving the member experience. Previously, Edward was head of Online and Mobile banking technology at Navy Federal Credit

Union, the world's largest credit union with over \$103 billion in assets, where his team created award winning applications that serviced over 8 million members across the globe. Edward holds a Master's degree and a Bachelor's Degree with Honors from Carnegie Mellon University and a Post Master's degree in Information Technology and Telecommunications from Johns Hopkins University.

"We truly aim to provide the best possible banking experience that our members can have"





Faster and easier



CLICK TO WATCH: 'THE NEW LOGIX MOBILE APP'

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sense for them. For example, if we see they're shopping at a home improvement store, we might be able to offer them a home equity line of credit, because they're probably working on home improvements or maybe a major remodel." With the data landscape in constant flux and exponential expansion, both Fonseca and Chuang recognize its importance to the continued success of Logix. "Data will be the key to winning, and if we don't leverage it, that will be our downfall. This realization is really informing how we're using data," notes Chuang.

Logix employs data gathering and analysis not only to provide its members with a sublime member experience, but also to help foster and maintain a positive internal atmosphere. "Even though we've gone through a lot of changes, one thing that's very important to us is that we preserve the culture we've cultivated over the past several years. I would say that one of the things that's really noticeable about our culture to new employees is how fun it is to work here," says Fonseca. "From dress-up days on Halloween to annual award ceremo-



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“We’re driven by wanting to make our members feel welcomed, significant and engaged”

—
Ana Fonseca,
President & CEO, Logix

nies at venues like the Los Angeles Zoo, Logix ensures that the happiness of its employees is maintained.”

Logix’s leadership team also recognizes that maintaining positive and open relationships with its employees is a powerful tool for improving business strategy. “The other important aspect of our culture is that we foster open communication,” adds Fonseca. “Our employees have access to everyone on our senior management team, and they are encouraged to submit ideas for things



that we can do better for our members and for employees.”

Looking to the future, Chuang is certain that the future of Logix is in safe hands. “With the visionary leadership of Ana, I think the willingness to transform is something that no strategy can spell out on paper,” he says. Fonseca and the Logix team are ready to enter 2020 with a more seamless digital experience for their members, a constant dedication to enhancing Logix’s technological capabilities – with solutions ranging

from automation to intelligent ATMs and teller-less branches – and a continuing mission to make the members of California’s leading credit union continue to feel welcomed, significant and engaged. Chuang concludes: “We truly aim to provide the best possible banking experience that our members can have.” ■

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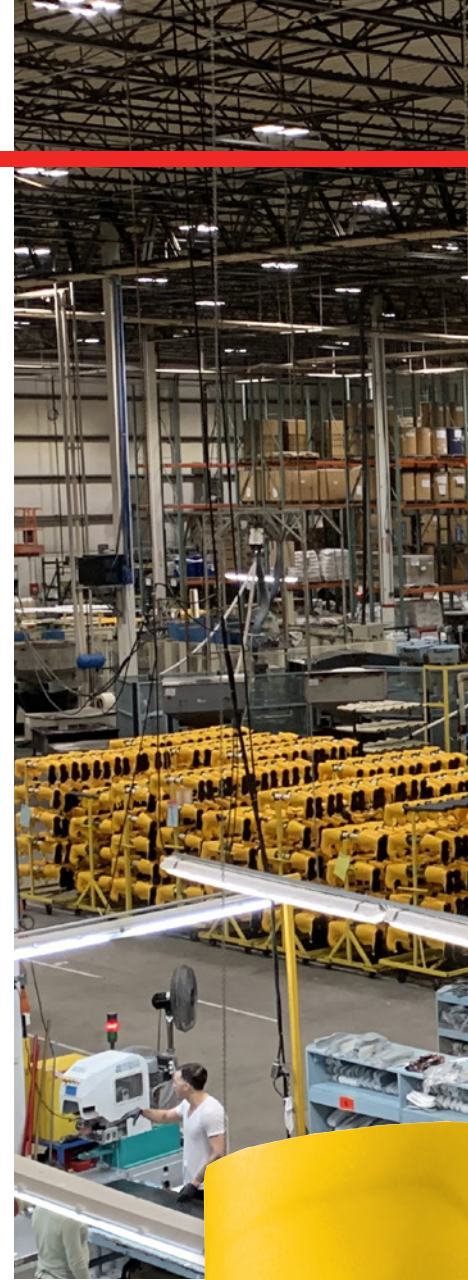
DUNLOP BOOTS: MANUFACTURING THE FUTURE OF PROTECTIVE FOOTWEAR

WRITTEN BY
HARRY MENEAR
PRODUCED BY
TOM VENTURO



Mary Steinebrunner, Managing Director USA, and Colin Clark, Director of Marketing at Dunlop Protective Footwear discuss the past, present and future of a company focused on digital transformation, industry-leading products and staying ahead of the curve

It's rare to find a manufacturing company born in the first half of the 20th century with the vibrant enthusiasm of a Silicon Valley startup hunting for its first investment. However, that insatiable desire to embrace the future, invest in people and product, and never stand still is alive and well at the heart of Dunlop Protective Footwear's vision. "We're 80 years old and we're just getting started," enthuses Colin Clark, Director of Marketing, USA, who joined the company in 2016. Mary Steinebrunner, the company's Managing Director USA, and a 20 year veteran of the protective footwear industry, agrees: "The key is to evolve to where the market is going. Had we stayed still, we probably wouldn't be here today, but our ability to be nimble and train our team members to be flexible with regard to the market and technology, and to build products the market desires, has allowed us to grow with the market."





“We make everything in house, all the way down to our PVC pellets”

—
Colin Clark,
Marketing Director, USA,
Dunlop Protective Footwear

Steinebrunner joined PVC footwear manufacturer OnGuard Industries in 2000. “Three years ago, we were acquired by Dunlop Protective Footwear and it has been the best home for this business. We were the US leader in manufacturing protective footwear for the US and Dunlop is the global leader in that market. So, the combined business truly became a global powerhouse.” The acquisition of the USA by Dunlop brought access to Dunlop’s proprietary material Purofort®, an expanded innovative product line, designed specifically for end users and markets that the USA business had never been able to access before. Allard Bijlsma Dunlop CEO “the USA business had an extremely strong manufacturing heritage, and a robust distribution network in the food processing and industry segments built out. We knew we could expand the core business with our investment in the Made in USA Purofort® FoodPro and reach new consumers in new markets with our best in class Purofort Product range.”

Clark adds that “I joined right after Dunlop purchased OnGuard. I was really excited about that place in time,





CLICK TO WATCH: 'DUNLOP COMPANY MOVIE 2019'

because we got to bring the powerful Dunlop brand to the USA, as well as relaunch our product line and go-to-market strategy. It was, and has been, a really exciting entrepreneurial time.”

Dunlop Protective Footwear is a global manufacturer of work boots serving multiple markets and verticals around the globe. The company’s head offices are located in Raalte, The Netherlands, and its second production plant is based in Leiria, Portugal. At the company’s US headquarters in Havre De Grace, Maryland, Dunlop is experiencing a period of significant,

transformative growth. “We’re growing in the double digits every year and continually evolving in every facet of the business,” says Clark who, along with Steinebrunner, sat down to discuss a transformation that is both internal and external. Powered by the company’s global expertise, proficiency and dedication to innovation, and proprietary technology, Dunlop is creating products that are second to none. Behind the scenes, the company is embarking on a digital transformation to reshape its manufacturing process to remain ahead of the curve,

“We’ve gone from being very anecdotal to being analytical”

Mary Steinebrunner,
Managing Director, USA,
Dunlop Protective Footwear

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and tackling change management head on, every step of the way.

As manufacturers of protective footwear for almost every conceivable industry, Dunlop’s product touches workers in a wide array of industries across more than 50 countries. “You don’t generally look at a PVC or polyurethane boot as a market driver, but it truly is because we provide the makers and the doers of the world with innovative products to tackle the issues they face each day,” explains Steinebrunner. “The people that make

our oil, our power, our food - we reach every one of them. So, in turn, we’re affecting every segment of those industries.” The acquisition of On-Guard by Dunlop infused new energy into the company with the investment of the Purofort® manufacturing process into the USA plant. This factory inside of the factory creates Dunlop’s proprietary, lightweight, thermally insulating material called Purofort. Developed in 1980, Purofort allows Dunlop to twin safety with comfort, in industries where the choice



of one often means sacrificing the other. “With Purofort technology, we can now build a boot that is lighter, wears better and fits better,” says Steinebrunner. “So, in an industry where people traditionally don’t want to wear protective footwear, because it’s heavy, hot and uncomfortable, we can build something that workers actually want to wear.”

The addition of a Purofort manufacturing machine to the Maryland plant “allowed us to have a good, better, best assortment of products, and expand

our reach,” says Clark. “Now, we have products for segments we’d never reached before: Agriculture & Fishery, Food processing, Industry and the Oil, Gas & Mining sector.” Purofort innovations have allowed Dunlop to continue to grow into verticals that the company has served for decades. “We’ve traditionally been a market leader in food processing,” says Clark. “By introducing our Purofort FoodPro boot to that space, we’ve seen our numbers almost double every single year in our most saturated market.”

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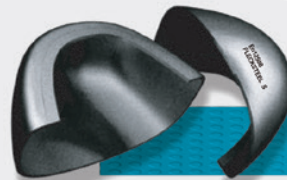
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Growth across old and new markets has been so pronounced that Dunlop is adding a second Purofort machine at its Maryland facility, with space for a third, in order to support further growth and expansion into Canada and Mexico. “We want to have a full North American reach for product and manufacturing to better serve our customers,” says Steinebrunner.

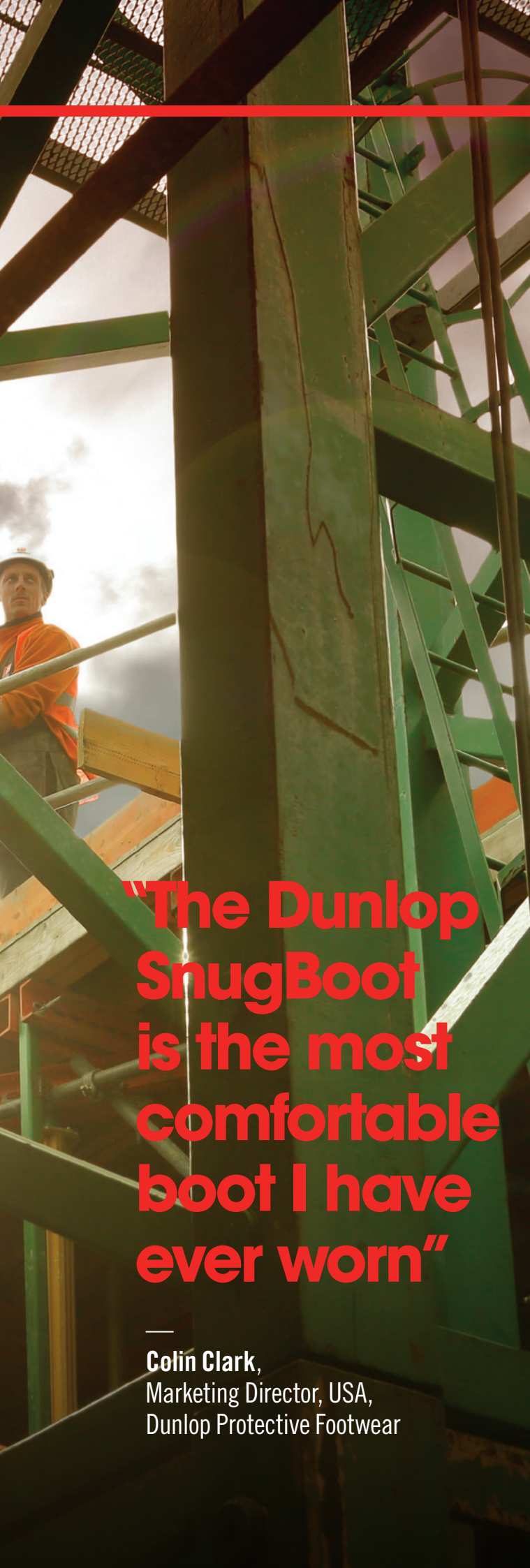
At the heart of Dunlop’s mission to create superior products is its commitment to an in-house manufacturing supply chain based close to the

markets that they serve “We make everything in house, all the way down to our PVC pellets,” says Clark. “A recent example of that are our ‘made in the USA’ Chesapeake Boot, which is our entry level, PVC, black boot for general use. Other manufacturers import their version of this product from China, Mexico, etc; we were able to keep manufacturing here in the US, while making an innovative, lighter boot that we developed alongside our global innovation team, tested and put through its paces in our world class

Portugal plant.” Steinebrunner recalls that “we made the Chesapeake more protective, better looking and as efficient as possible to produce. The finished product is phenomenal and a credit to the collaborative efforts of a global team that believes in creating products worthy of the flying Dunlop D.”

Dunlop’s human expertise and drive to succeed is being further enabled by a cultural, methodological and technological shift behind the scenes. Flexibility and enhanced process transparency, as a result of the company embracing new technologies, are helping to propel Dunlop into its next stage of development. “We’ve gone from being very anecdotal to being analytical,” Steinebrunner explains. The company is harnessing the power of digitalization, both externally to reinvent its customer and supplier interactions, and internally. Measuring efficiency, building preventative maintenance into the business strategy, and using technology to enable the company’s human resources are, according to Steinebrunner, key to Dunlop’s transformation. “In the last two years, we’ve come so far,” she says.





“The Dunlop SnugBoot is the most comfortable boot I have ever worn”

—
Colin Clark,
Marketing Director, USA,
Dunlop Protective Footwear

Dunlop is managing the change in its organization by not only digitizing its processes, but taking the data gathered from those processes and democratizing it in order to empower its employees. “Our new ERP system helps from a sales projection planning standpoint to an MRP planning standpoint to what pellets we’re making in what machines,” lists Clark. “We’ve really advanced, from analog, pen and paper, hallway conversations to having this ERP systems help give us the tools to help fuel our growth.” Steinebrunner notes that “It makes the data more accessible and visible. We have regular meetings so that we can take staff input and use it to drive efficiency. We’re merging our human capital along with all the technology and all the innovative capital that we are putting into the business.” Both Steinebrunner and Clark are thrilled at the employee response to Dunlop’s transformation. “We have employees whose mothers, uncles, grandmothers have all worked here. For them to be enthusiastic about where this business is going, it’s amazing. To see a 30 year employee come in and say, ‘hey this

COMPANY FACTS

- Purofort is the unique Dunlop material with millions of evenly distributed air pockets making it lightweight and thermally insulating, plus a cross-linked structure that provides flexibility and strength. Developed by Dunlop in 1980, Purofort boots are up to 35% lighter than PVC, rubber or PU boots; prevent heat loss and provide thermal insulation down to -20 Degrees Celsius; and are stronger and more flexible than competing materials.





what we need to do next. `It's just intoxicating," says Steinebrunner.

Looking to the future, Dunlop is looking to expand its business model, shifting to a more omnichannel approach to customer service and digitizing more heavily. The next step on its journey that is most exciting to Steinebrunner and Clark, however, is the company's entrance into the retail footwear market. Scheduled for launch later in 2019, the Dunlop SnugBoot "is the most comfortable boot I have ever worn," confirms Clark. Dunlop's future, both internally and externally, is set to be an exciting one. Steinebrunner concludes: "We're always looking to 2022 and beyond. In the US, we'll double our business' size by entering new channels, by leveraging talent and an omnichannel approach, and by reaching new markets and customers with new products and technology." ■

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Deloitte: delivering strategic sourcing transformation empowered by digital analytics

WRITTEN BY
OLIVIA MINNOCK

PRODUCED BY
ARRON RAMPLING



With procurement increasingly gaining a seat at the executive table, Deloitte consultant Natascha Schijven says having the right digital analytics and diverse talent in place is key to transforming sourcing operations

Management consultant Natascha Schijven has witnessed the changing procurement landscape for around two decades. Now a Partner for Supply Chain & Manufacturing Operations at Deloitte, she began her career in manufacturing for a multinational packaging company in the Netherlands. Even though the local manufacturing environment was exciting, Natascha wanted to make use of a background in international business and language studies. “I wanted to make sure I would work on projects that were more complex, spanned geographies and leveraged my languages and international business background so I moved from manufacturing into strategic sourcing,” she recalls. Schijven sourced direct materials in packaging across Europe and indirects for a global specialty chemicals company, but started to feel her work lacked challenge. “At some point I got bored with the repetitive nature of my nine to five job and wanted to find something more challenging



“Next generation sourcing managers need to be trained in advanced analytics and be knowledgeable of the technologies empowering them”

—
Natascha Schijven,
Partner, Supply Chain & Manufacturing
Operations, Deloitte

and versatile”, she says. Schijven moved into consultancy, first with A.T. Kearney and then for Deloitte. Having previously worked with consultants herself, she was ideally placed to understand the situation from both sides. “Having been on the receiving end, working with several consulting firms, allowed me to understand where the client is coming from. It’s a very different world as a client: you effectively have your own day job, plus then all of a sudden you need to manage a consultant coming in.”

Assisting some of the world’s largest organizations in Fast Moving Consumer Goods, Retail, Pharmaceuticals and Industrial Products to transform the way they source and manage costs, Schijven argues that what makes Deloitte different is the way it works as a true partner for its clients. “We are there hands on from A to Z. We’re in the trenches with you – we’re not here to tell you how to do something and then leave you to go ahead and do it,” she explains. The global consultancy’s methodology, and indeed Schijven’s experience to put herself in the clients’ shoes, has proven to resonate well with clients the world over. “It comes down





**Business
Chief**

NATASCHA SCHIJVEN, PARTNER SUPPLY CHAIN & MANUFACTURING OPERATIONS AT DELOITTE. 'DELOITTE AS A PARTNER'

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to being authentic and truthful, speaking from one human to another. That helps clients not to just see consultants as guns for hire, or cyborgs coming to take jobs away from them.”

Deloitte, Schijven adds, is more than just consulting. “We have a variety of critical business lines. We have breadth and depth. We have a lot of technology empowering us and a bench strength in advanced, digital analytics that I had previously never come across. Deloitte has a whole practice built around digital and digital disruption.”

Indeed, Deloitte’s AI practice, Deloitte Omnia, is armed with next generation, disruptive solutions from Internet of Things (IoT) to Deep Learning, Machine Learning solutions and many more. “We can offer clients ways to take cost out through strategic sourcing sustainably – to accelerate time to value and truly optimize on total cost of ownership for our clients – across departmental silos. After we’ve transformed an organization, Procurement is no longer just seen as a cost cutter.”



**Business
Chief**

NATASCHA SCHIJVEN, PARTNER SUPPLY CHAIN & MANUFACTURING OPERATIONS AT DELOITTE 'DIVERSITY OF THOUGHT'

PROCUREMENT CHANGES

As industries become more competitive, the way procurement is viewed is indeed shifting, with businesses understanding a greater focus on cost management is needed in order to succeed: "Focus is very much shifting in the CFO space toward cost control. The world is rapidly becoming more competitive and there's a lot of disruption fueling mergers and acquisitions. If you don't get ahead of that, you're not going to be able to monetize. You'll miss the boat.

"Strategic procurement has always

been one of the best ways in which you can rapidly control costs," Schijven continues. "We're seeing a shift from not having to worry about cost to that being the principle concern – there is less flying below the radar in high-margin environments, so you need to get it under control. The past decade or so has seen the shift from procurement being a back office, cost-cutting function, to a function that truly delivers value cross-functionally and increasingly has a seat at the C-level table."

As the function shifts however, there will inevitably be those organizations



which are further ahead, and the landscape has yet to smooth out and catch up. “It’s a journey,” says Schijven. “That’s what makes this space so interesting. You’re always pushing the envelope because you’re working with clients who are starting out in the ‘beginner’ phase, as well as clients who are absolute leaders in the space – you have to have the exhaustive content and disruptive innovation capability to show both of them how to reach the next level, and get the next double-digit cost reduction or multiple base point value enhancement.”

WHAT IS DIGITAL?

A key challenge Schijven sees procurement professionals face is the shift to digital, with one simple question on their minds: “What is digital? What is this all about? I’m hearing this buzzword flying around, but I don’t have a clue what it is. I’m Googling it and getting around 400 definitions.” According to the consultant: “The key challenges are really around how to capitalize on a world where everything is connected through different levels of technology, as well as understanding advanced analytics that allow you to harness

EXECUTIVE PROFILE

Natascha Schijven is a senior leader with deep experience in large scale cost and strategic procurement transformation across food & beverage, retail, pharma, chemicals and oil & gas in Europe, North America and Asia. She was recently recognized by SCMA as one of Canada’s 100 Influential Women in Supply Chain. Schijven is considered a thought leader in analytics-empowered/digital cost transformation and is an experienced panelist and public speaker. She is passionate about enhancing workplace diversity, mentoring and advancing women leaders. Schijven currently leads the Direct Materials Management offering for Deloitte Canada.







\$43.2bn

Approximate
revenue

1845

Year founded

286,200

Approximate number
of employees

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“Strategic procurement has always been one of the best ways in which you can rapidly control costs”

—
Natascha Schijven,
Partner, Supply Chain & Manufacturing
Operations, Deloitte

and effectively deduce the core gist required for more accurate and accelerated decision making. That’s what’s needed to survive in the new Industry 4.0 era.”

For Schijven, then, what does digital mean? “To me, it’s all about the conversion of data into key ‘nuggets’ of information, so inherently it’s all about the analytics, harnessing the ability to have everything that used to be on paper digitized, empowering centralized cross-functional analysis. It means leveraging Big Data technology and having the latest advanced analytics get to work on all those petabytes of data to inform short-, mid-, and

long-term sourcing decisions. This is how we help produce insights clients never dreamt were possible before, because all the data that was decentralized across hundreds of laptops, different enterprise systems and thousands of bits of paper is now in one centralized database or stack. That’s what it means to me.”

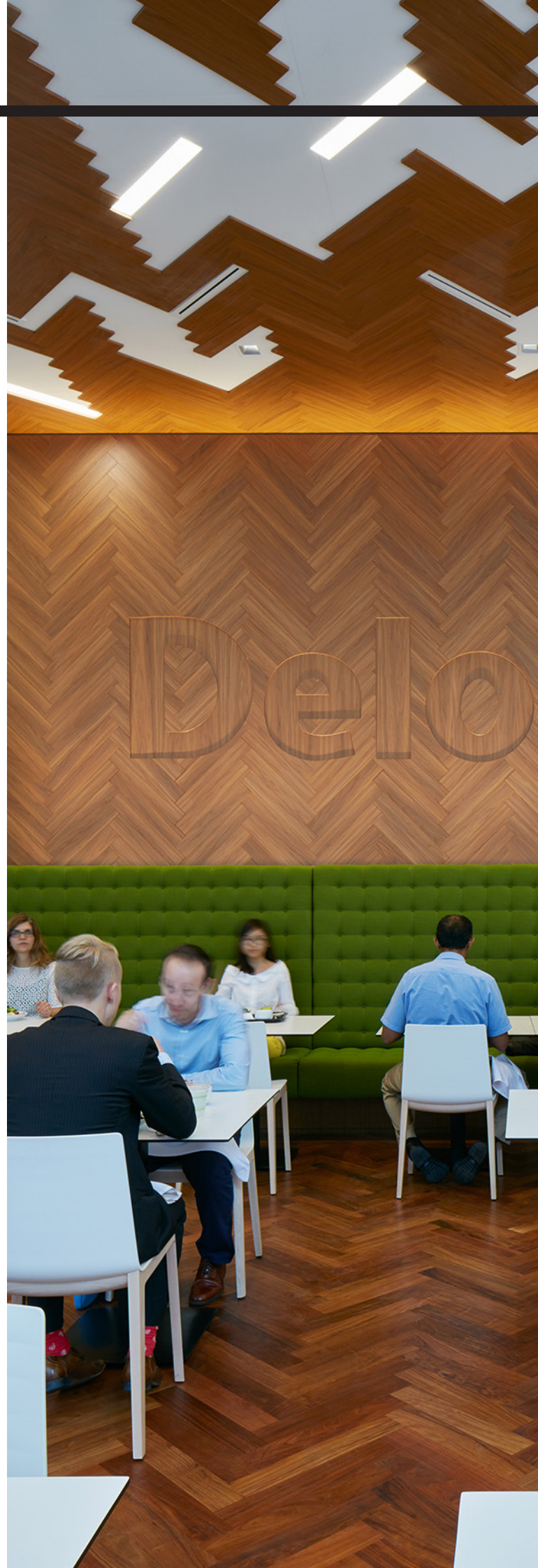
Looking at strategic sourcing more specifically, digital means “having everything from your PDF material and artwork specs, through to your policies, contractual and operational procurement data centralized”. “Putting statistical, optimization and other digital analytics to work within a rigorous strategic sourcing process on all that combined to rapidly produce exhaustive insights human intelligence never could – that’s how I would explain the benefits of analytics empowered strategic sourcing to a CPO,” says Schijven. In order to effectively capitalize on digital in strategic sourcing, a key priority is to have the right talent in place. “There’s a big shift in capability; the skillset required to extract value is vastly different. Next generation sourcing managers need to be trained in advanced analytics and

be knowledgeable of the technologies empowering them. This is key next to other critical enablers such as transformation enabling governance and change management.”

DIVERSITY OF THOUGHT

When it comes to getting the right talent, Schijven comments: “I would advise organizations to look broadly, step outside of your comfort zone. What has surprised me is that it’s not always necessarily folks with a business or engineering background who’ve got the right stuff. I’ve been pleasantly surprised by people with completely diverse backgrounds, from microbiologists to historians. Have a healthy mix of diversely thinking people,” she advises.

Diversity of personal experience, such as having a mix of genders, will also be useful. “Women and men see things inherently differently – we’re just wired differently. Again, in the end what you should strive for is diversity of thought which is fueled by diversity across multiple dimensions; different genders, racial backgrounds, educational backgrounds, sexual orientations, etc. People who have walked life





differently have different ways of viewing problems and coming up with solutions. You will not be able to build a high-performing team equipped to excel in the digital age with only engineers or only business folks. We're all myopic because we're all 'molded' to be who we are today through our gender, culture, upbringing, education and so on. Businesses should ensure a diverse pack if they don't wish to keep coming up with the same answers."

A WELL-ROUNDED ECOSYSTEM

Another way Deloitte achieves diversity of thought is by leveraging its network of carefully selected partners – and this comes down to Schijven's key philosophy of being authentic.

"We're never going to be everything to everybody," she says. "If you try to run a business like that, it's sub-optimal and it would be excruciatingly costly. Being true to yourself and saying 'this is something we don't do, but we have a really good partner that can offer this, and we will help drive it' is the right way to go about it. No person or company is omniscient; being humble and self-aware enough to recognize this is key to success."



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“We have a broad range of consulting capabilities but there are always areas we don’t want to invest in or dive deep into. It’s a symbiotic ecosystem really, for example we have a network of software partners that provide the enabling, empowering technologies below some of our core capabilities. In the end, we want to authentically do what’s best for our clients so it’s critical to know which partners to work with and how best to leverage each other’s skills.”

ENABLING TRANSFORMATION

“Some clients, and even some consultants quite frankly, believe cost transformation means a consultant comes in and like a tornado or ‘gun for hire’, goes around taking all the costs out with bare bones left and then leaves,” Schijven comments – but this isn’t the Deloitte way. “The problem with that approach is that it’s not sustainable – cost will creep back in. So, if you truly want to do strategic sourcing transformation, holistic cost transformation – or any transformation for that matter – you need to embrace the fact that it truly is a transformation. It’s not something you do to an organization; it’s something you do collaboratively





**Business
Chief**

NATASCHA SCHIJVEN, PARTNER SUPPLY CHAIN & MANUFACTURING OPERATIONS AT DELOITTE 'PROCUREMENT HAS CHANGED'

"I believe procurement will gain more and more of a seat at the executive table - and that's the way it should be"

—
Natascha Schijven,
Partner, Supply Chain & Manufacturing
Operations, Deloitte

with an organization. Transformation enabling change management is critical or it will not 'stick' and people will revert back to the way they used to do things. You need a carefully orchestrated communication and issue mitigation plan, agreed upon, visible executive sponsorship and clear transformation governance set up to help people through it. Interestingly enough many times it's merely about treating each other as humans: actively listen with your undivided attention, repeatedly engage and communicate,



involve and ask advice from those most affected. People want to be valued, acknowledged, heard and recognized.”

With this commitment to change management, Deloitte guides its clients through transformations that last – and as the importance of procurement continues to increase, this will remain key to each one of its clients. “Cost pressure is going to keep increasing,” Schijven says. “As strategic procurement is one of the key direct influencers to that cost, I believe it will gain a more important seat at the

executive table – and that’s the way it should be. If you want to take control of something – not just your own costs but those of your suppliers and the full interconnected value chain, which is what we’re dealing with in a digital world – you need to empower those you put in charge with the appropriate level of decision-making authority.” ■

Deloitte.



ALTERNA: DIGITAL BANKING WITH A SOCIAL PURPOSE

WRITTEN BY
OLIVIA MINNOCK
PRODUCED BY
JAKE MEGEARY

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WITH A 110-YEAR HISTORY, ALTERNA HAS MOVED WITH THE TIMES TO TAKE ON BIG BANKING PLAYERS – CEO ROBERT PATERSON EXPLAINS HOW IT STILL RETAINS ITS COMMUNITY VALUES

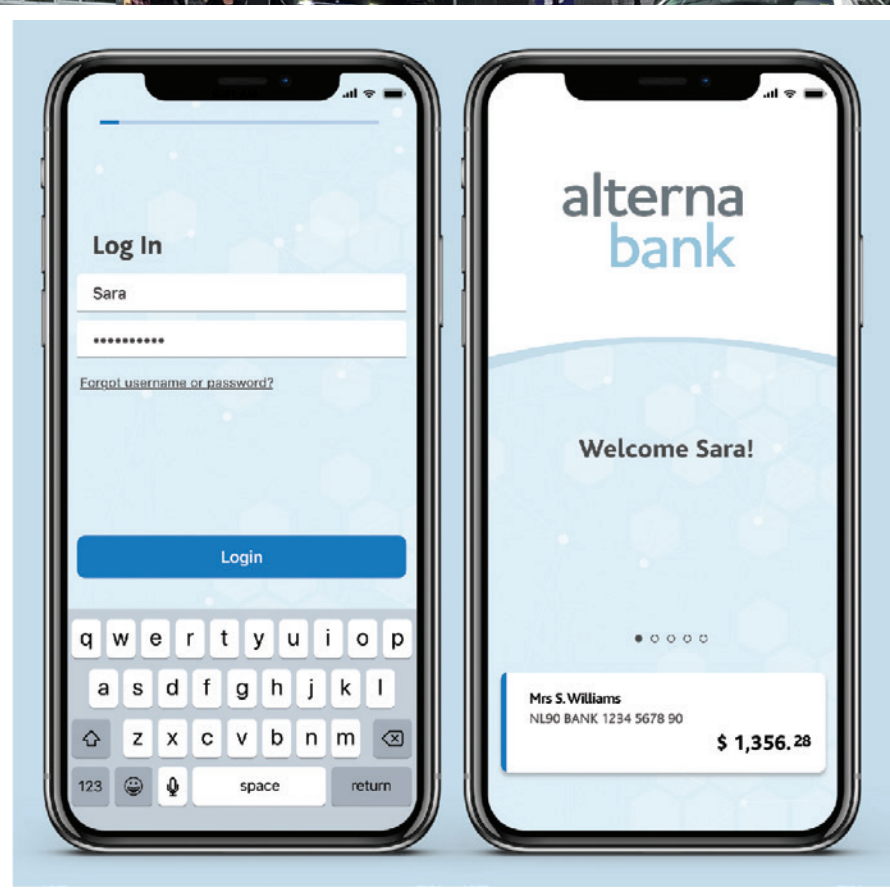
Describing himself as a ‘career banker’, Rob Paterson has been in financial services for almost 30 years. From building a bank in Vietnam to working for names such as JPMorgan Chase and CIBC, his latest role is President and CEO at a Canadian Credit Union that is developing a truly digital experience from the foundations of a century old legacy. Founded in 1908, Alterna Savings offers services across a network of 35 branches in Ontario – not counting its digital offering, Alterna Bank, which is available nationwide. Alterna, Paterson believes, can be David taking on Goliath in the banking world, all thanks to digital transformation and disruption of the status quo.

“I’ve grown up around the world,” Paterson comments. “I’ve always been looking at technology and the evolution of banking on a universal and global scale. At Alterna, it’s helped me take on this organization that’s 110 years old and use my knowledge and relationships around the world to start looking at the next 110 years. In the last three





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“I’VE ALWAYS BEEN LOOKING AT TECHNOLOGY AND THE EVOLUTION OF BANKING ON A UNIVERSAL AND GLOBAL SCALE”

—
Rob Paterson,
 CEO, Alterna Savings
 and Alterna Bank



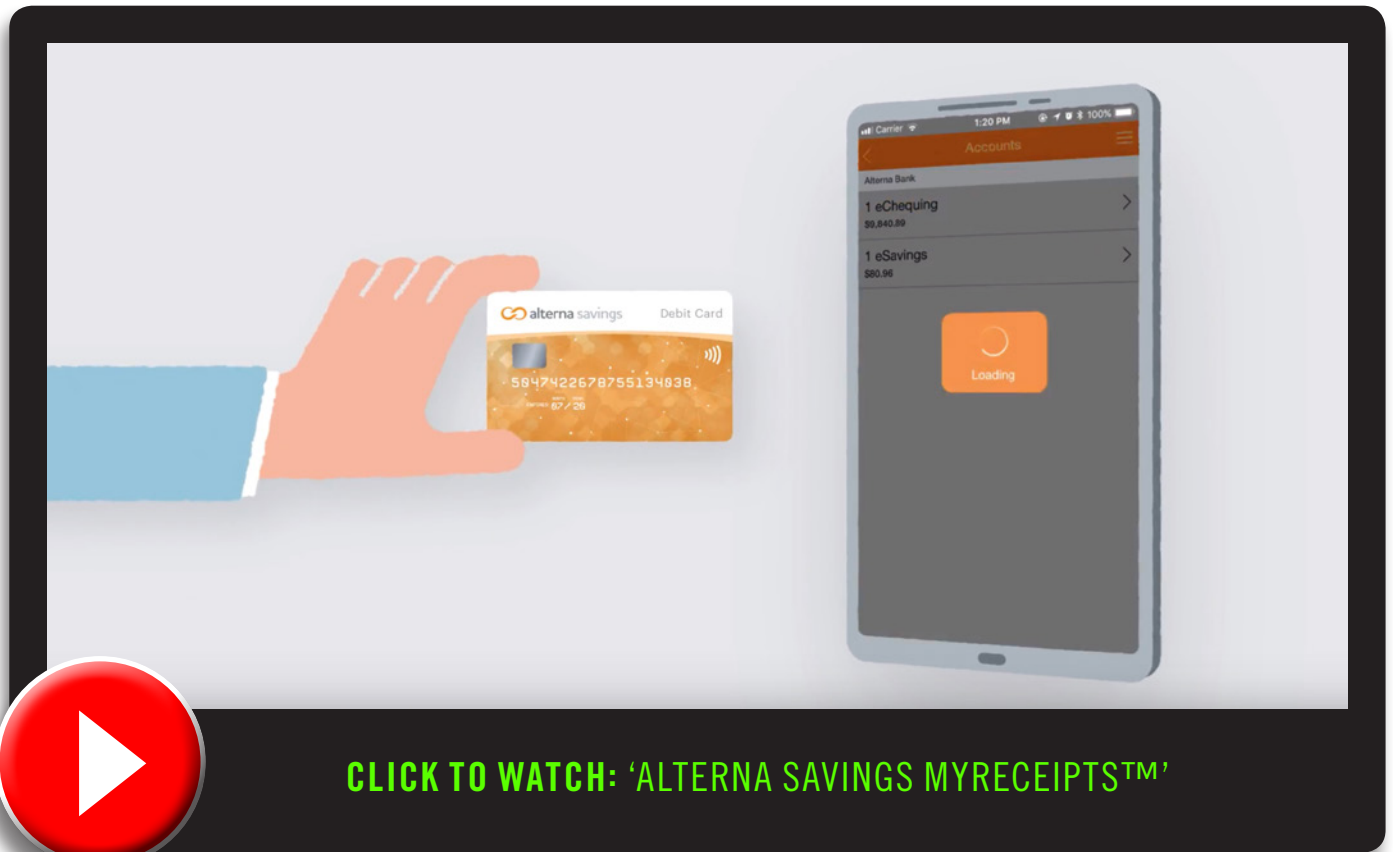
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years, we’ve shown we can reach every province. Canadians really resonate with our unique digital banking experience and our philosophy of being the ‘good in banking’. We’re very much focused on trying to help Canadians reach their home ownership and retirement needs, and doing it with a social conscience,” he adds.

The bank’s ethos has been omnipresent through its digital journey, with Alterna leveraging the latest technology to create the best possible experience for the customers and communities it serves. “We wanted to see if we could take our cooperative background, modernize and transform it into the digital banking world.” Rather than tempting new customers in with teaser rates and gimmicks, Paterson is keen to highlight that Alterna maintains high rates on deposits and low rates on lending.

A FULLY DIGITALIZED EXPERIENCE

A key achievement for Alterna has been delivering the first ever fully end-to-end digital mortgage in Canada. Paterson argues this didn’t happen in spite of Alterna’s relatively small size, but because of it. “As a unique small



CLICK TO WATCH: 'ALTERNA SAVINGS MYRECEIPTS™'

institution, we were able to do something that none of the Big Five banks had been able to deliver: the ability to purchase your home completely on mobile or tablet, without having to come into a branch or even get on the phone.” Throughout this process, Alterna applied its strong principles by ensuring it was as informative as possible, and only gathered necessary data from clients without overreaching.

Even those who do not apply for a mortgage are still offered useful insights. “We can help you be a better

informed customer around how much debt you should take on, neighborhoods you want to live in, choosing a realtor and finding the home of your dreams. That’s a win for us.” Keeping customers and communities informed about their money is paramount to Paterson and to Alterna. “We’re trying to be stewards of what banking used to be, which is something that helps promote the wellbeing of its customers and the communities they live in. A bank should be a catalyst to the growth of Canadians and their communities.”



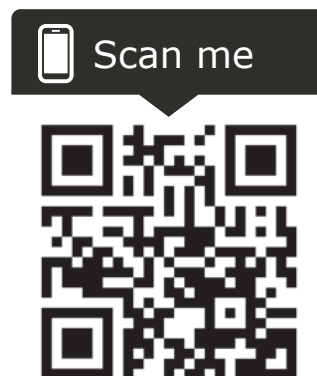
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CREATING JOBS FOR CANADIANS

With this community focused drive, Alterna took on the mantle as one of Canada's only 'cannabis banks' – a venture Paterson says none of the Big Five would support. "The cannabis companies were licensed and legal, right?" he argues. "We didn't have the right to say no: these are organizations that will employ Canadians. It's a growing sector of the economy. We really took it on as a cause because we felt this was what was wrong in

banking: the Big Five could say no because they had other interests globally or in the US. Three years later, we're proud of that. We've helped some of these companies grow into some of the biggest Canadian corporations, creating employment in areas where it was badly needed." This is where, for Paterson, being a 'David' pays off yet again. "We don't have the SVPs and EVPs of 'no, you can't do that'. We don't have all the politics and bureaucracy that goes with big corporations."



GROWTH THROUGH PARTNERSHIP

As the bank grows to compete with the Big Five, Paterson is keenly aware that Alterna can't do everything by itself. Now, the bank is renowned for its collaboration with startups as well as larger software giants. "We've built a tremendous reputation in the industry with fintechs, both domestically and globally," he comments. "They see that we are advocates for them. We're not like the larger institutions that say: 'If you deal with us, you can only deal with us exclusively in the Canadian marketplace.'

"We realize it has to be a win-win and we don't overcomplicate agreements. This allows us to get to market quickly on things that are going to create less friction in the banking experience. That has become a core strength. For our staff, it's fantastic to have the experience of working with other agile, innovative companies," Paterson adds, noting that the company is approached proactively by fintechs on a regular basis.

A key partner for Alterna has been Backbase, one of the premier UX interfaces for mobile and web, with

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EXECUTIVE PROFILE

Robert Paterson

Rob is President and Chief Executive Officer of Alterna Savings and Credit Union and Alterna Bank, positions he has held since April 2013. Prior to joining Alterna, Rob worked in financial services for over 25 years and has held executive positions within such companies as CIBC, JP Morgan CHASE, Aon Corp, and McKinsey & Company. He sits on the Board of Directors of the Co-Operators, Central 1, Alterna Bank and Enactus. Furthermore, Rob advises many Fintech start-ups across Canada.



1908

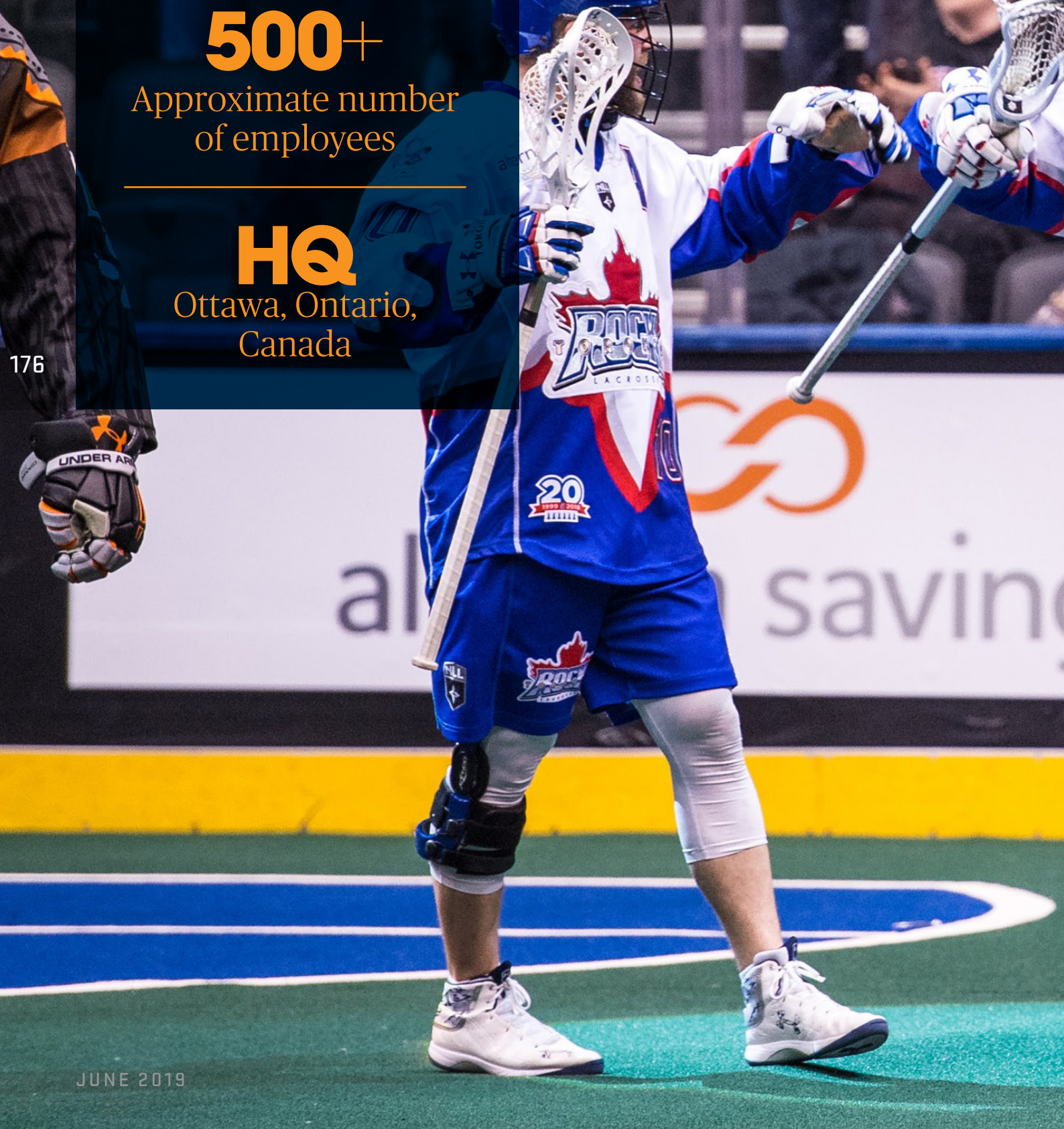
Year founded

500+

Approximate number
of employees

HQ

Ottawa, Ontario,
Canada



176



Intern
bank

ROCK
MONTREAL
LACROSSE

25

25

97

ROCK
MONTREAL
LACROSSE

milezone

which the company enjoys “a phenomenal relationship”. “Our partnership with Backbase has helped us to form an understanding of how to develop a more dynamic digital and online front-end,” says Paterson. Backbase’s widget concept provides a holistic digital channel platform that supports the evolution of specific products and services, and allows businesses to be part of an ecosystem that drives digital operability. Through the partnership, Alterna will deliver the first multi-tenanted instance of Backbase in Canada.

“Backbase really understands the importance of the cooperative system in Canada, and has really openly partnered with the credit union space here to allow us to accelerate our digital capabilities,” says Paterson.

Meanwhile, Sensibill is a domestic Canadian fintech transforming the way businesses and consumers deal with receipts. “They’ve taken what a lot of people would view as a non-tech category and developed it into a real value-added solution.” Alterna has branded Sensibill’s solution for its own members as MyReceipts. “It allows you to keep track of your spending,” explains Paterson. “Whether you’re





“WE DON’T
HAVE ALL THE
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BUREAUCRACY
THAT GOES
WITH BIG
CORPORATIONS”

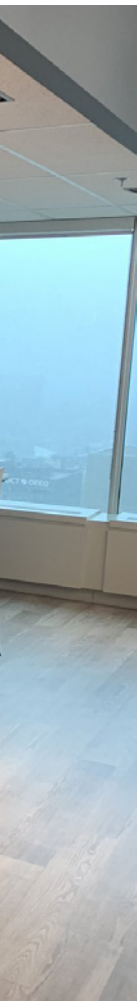
—
Rob Paterson,
CEO, Alterna Savings
and Alterna Bank

a small business owner or an individual consumer, you have the ability to digitally capture any receipt for any of your purchases through your smart-phone’s camera.” Paterson enjoys a long-standing relationship with founder Corey Gross, who he came into contact with through various Money20/20 and Finovate conferences – together, the pair are working to evolve and develop Sensibill’s solutions.

“Corey has worked with us on an endless cycle of feedback and support,” he comments. “We view him as a great Canadian success story.”

Alongside innovative startups, reliable global organizations such as software provider Salesforce are also key in helping Alterna build scale. “The Salesforce ecosystem allows us to be bigger than we are,” Paterson explains. “It allows us to plug in partners at a much easier rate. When we developed Canada’s first digital mortgage, we tried to enrich our understanding and knowledge of our members and customers – Salesforce was a great agile partner with an endless series of tools.”

In addition, Salesforce was able to help Alterna connect with other



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“WE DON’T WANT YOU TO TAKE OUT THE BIGGEST MORTGAGE YOU QUALIFY FOR IF THAT MEANS YOU CAN’T TAKE THE FAMILY ON VACATION, CARE FOR A LOVED ONE OR BUY YOUR KIDS THEIR NEW BIKES”

—
Rob Paterson,
CEO, Alterna Savings
and Alterna Bank

companies. “We were able to have conversations with those peers about their digital journeys,” says Paterson. The relationship with Salesforce serves to highlight how businesses look for more than just a piece of software from their partners. “Technology in and of itself isn’t the end state. The ability to get access to thought leaders, an ecosystem that will be co-developed by hundreds if not thousands of individuals across the globe, and to be able to see where they’re going in the future – you can’t put a price on that.”

A DIGITAL CULTURE

“When we started talking about going digital and building out the bank globally, you naturally worry that people will be concerned about leaving the legacy business behind. Within our organization, there was actually extreme excitement,” Paterson reflects. “Our employees saw this as a great way to stay relevant.” Alterna has gone to great lengths to develop a positive and forward-thinking culture among its staff, celebrating such wins in 2019 as being named one of National Capital Region’s Top Employers (in Ottawa), and scooping the Platinum level status on the Aon Best Employer list.

Paterson is also keen to highlight the impact of technology in the office. “We’ve moved to digital training and education for all our staff – now, they can learn on a mobile device anywhere at any time. We’ve changed the physical aspects, moving people into open, tribe-like settings of working with their fellow team members, building in electronic desks so they can elevate work surfaces at different times of the day.” The CEO is also keen to highlight the positive impact social media has had on his staff, making



himself available to answer questions on Twitter – even on weekends. “It makes everyone feel good that when they have a question, they can ask it, and they’re going to get an authentic, honest response.”

BUILDING ON SUCCESS

Having unlocked the cannabis market, developed the first digital mortgage and scooped a plethora of awards,

Alterna shows no signs of slowing down. Over the coming months and years, the bank will continue to transform the way it serves its customers. “The big focus for us going forward is to really build out our CRM capability so we can create more intimacy. Then we want to deliver better content. We want to improve on the digital dialogue that can happen with the customer in terms of chat capability.”



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The bank will also remain true to its strong principles throughout its journey, striving to have honest conversations with customers. “It’s not so much how much debt you can afford, but having the right amount of debt so you can live your life,” Paterson emphasizes. “We don’t want you to take out the biggest mortgage you qualify for if that means you can’t take the family on vacation, care for a loved

one or buy your kids their new bikes.” Despite – or perhaps because of – technology transformation, this is something that won’t change. “We want to have that conversation with you digitally.” ■



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This was my first year attending and I was very impressed. The content was fantastic and the size allowed for great networking opportunities. I left with several great ideas and contacts for events we plan to run this year.

– Mohan G., Vice President – IT Staffing, **HCL GLOBAL INC**



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