

Digital Leadership

Daimler: accelerating digital innovation by transforming culture, collaboration, and talent

An interview with
Sabine Scheunert
Daimler AG



Sabine Scheunert, Daimler AG



Sabine Scheunert has been heading up the new digital unit at Mercedes-Benz as vice president Digital and IT Marketing/Sales Mercedes-Benz since July 2016. This newly created function brings with it responsibility for the whole range of associated IT-based marketing, sales, and after-sales activities – and for the entire scope of digital customer experiences for the Mercedes-Benz brand.

In addition to the continued expansion of the company's pioneering IT landscape, Sabine's remit also includes the development of new and profitable customer-centric digital services. The digital unit operates on a global scale and cooperates with a wide range of incubators and start-ups – right around the world. She is also the CIO of Mercedes me, the Mercedes-Benz personalized customer portal.

The Capgemini Research Institute spoke with Sabine to understand more about Daimler's digital transformation and the important role played by culture and talent.

The Daimler digital transformation journey

Digital is at the core of Daimler's strategy. How has your journey in Mercedes-Benz evolved over the past few years? What is the initiative that you are most proud of?

Having come from a marketing and customer relationship management background prior to my role at Daimler, I find it exciting to be a pivotal member of Daimler's digitalization. In saying this, I mean that the role of IT changed fundamentally by enabling and educating us towards a digital and tech-driven company. Therefore, it is an essential driver of the digital change. With our internal initiative, "digitalONE," we established a program that I am extremely proud of. Through applying new working methods – driven by the spirit of co-creation – we brought business areas and IT together like never before. digitalONE provides a genuine added value for Daimler and contributes to a successful digital transformation.



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What was the impetus for creating the new digital unit at Mercedes-Benz in 2016? How has it helped to drive success of your digital transformation?

Creating the digital unit, digitalONE, was momentous – it was an embodiment of a changing organization where silos are being broken down, teams and disciplines are merging, and a new common mindset emerges. digitalONE encapsulates our strategy, a team of people, as well as our spirit and mindset. We brought digitalONE to life through various projects, initiatives, and events that supported our transformation.

Connectivity, mobility, autonomous and electric cars are a key part of your strategy. How have these priorities helped to transform your customer experience and your operating model?

What you mention is our strategy – "CASE" – Connected, Autonomous, Shared, and Electric. As our chairman, Dr. Dieter Zetsche, said: "Each of these has the power to turn our entire industry upside down. But the true revolution is in combining them in a comprehensive, seamless package.

"With digital services, for example, we are absolutely at the heart of our customers' experience. So much so, that we consider our customers to be not only Mercedes-Benz drivers, but anyone who has experienced any of our services and apps. Ultimately, Mercedes-Benz stands for the



'CASE' – Connected, Autonomous, Shared, and Electric."

highest standards in luxury mobility. And, with the new Mercedes-Benz mobility services, we have conquered new customer groups for the brand. This way, we are evolving from a traditional car

The digital vision

You've expressed that Daimler's purpose is to develop services, products, and experiences that truly move the world. Can you elaborate on this vision? How did you mobilize Mercedes-Benz around this vision?

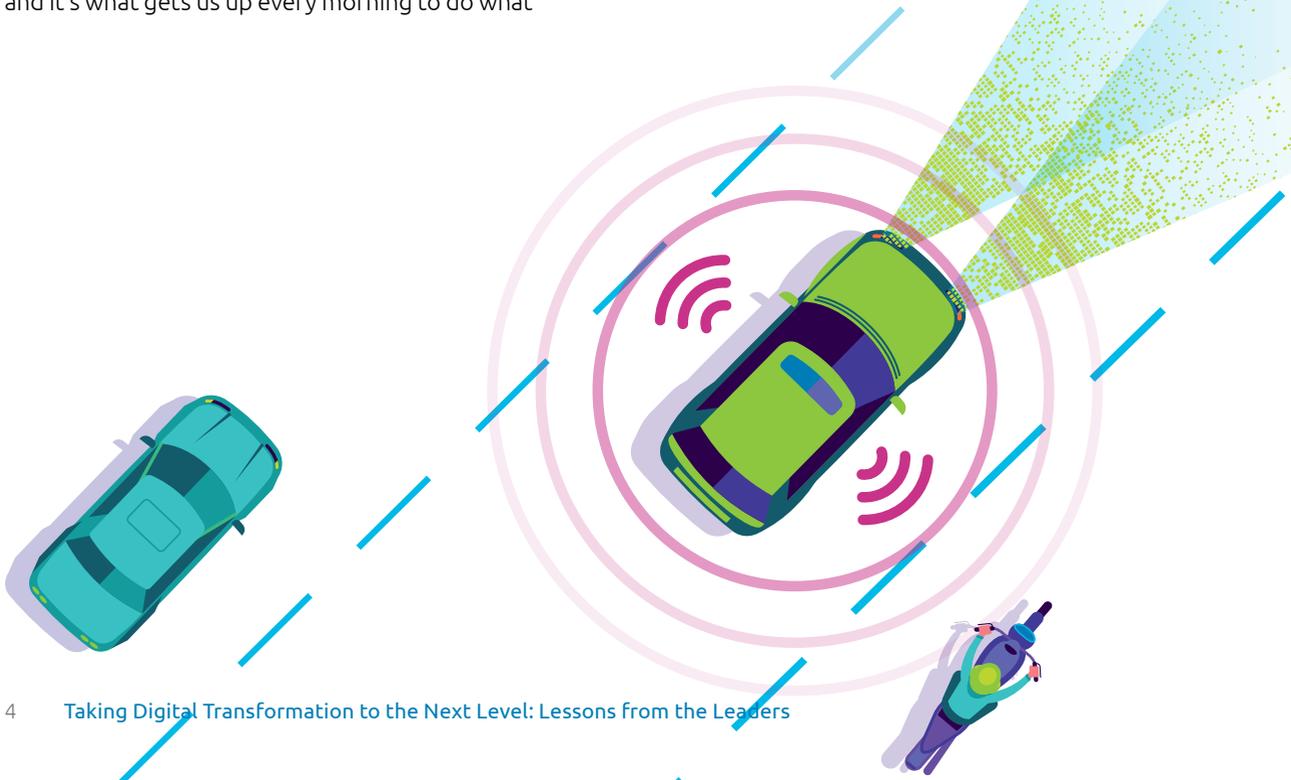
Since its inception, Daimler has always stood for pioneering inventions that have progressed humanity forward. This is not only our core ethos, but a benchmark we set for ourselves for every new digital service we create for people. To be more precise, the company's purpose is more than a "vision" – it's what drives each and every one of us, and it's what gets us up every morning to do what

manufacturer to a connected mobility service provider that is able to offer its customers the right service, at the right time, in the right place.

we do. "First, move the world" expresses that our actions should change the world in a positive way. And, our horizon is not limited to Mercedes-Benz customers – we strive to create a positive impact for everyone in this world. Communicating the purpose and ensuring it's part of our core organizational value set is necessary to mobilize Daimler people.



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Transforming the culture

We've found in our research that culture is the number-one hurdle to successful digital transformation. Is it your experience as well? And if so, how are you changing your culture?

Within most organizations, culture is often determined by its leaders. They must embody the values of the organization – and most importantly act according to those values. Leadership 2020 is our set of principles that all leaders (and of course the whole team) adhere to. They define how we communicate and operate and lay the foundation of culture at Daimler. Customer orientation, for example, is one of those eight principles. The beauty of Leadership 2020 is that it also provides a yardstick for hiring new talent.



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How do you accelerate innovation efforts in the digital age? How do you encourage people to experiment and accept a very iterative process?

Extolling the benefits of an iterative development process, that includes our target user in the process, is something that needs to be demonstrated – rather than just communicated. When pilot teams are successfully, effectively, and quickly rolling out products and services to market in an agile fashion, it becomes a clear case for the rest of the

organization that iterative processes, in autonomous non-hierarchical teams, simply works! That is the best internal promotion you can do to create sweeping change across an organization.

The principles of Leadership 2020, again, serve as the perfect basis since they speed up innovation. We, for instance, see our principle “empowerment” as crucial for bringing good ideas to the market quickly. The success proves us right. A good example, which demonstrates that we at Daimler already live by these values, is our “Digital House.” In this sub-unit of digitalONE, we work in a swarm of almost 200 employees in a creative, inspiring, and agile environment.

You've mentioned your team works in swarms. What is this and how does it help to transform your digital culture?

Swarms work autonomously, are self-organized, set goals and roles, have complete end-to-end responsibility, and include a diverse range of people across functions and skill sets. They thrive on two-way engagement and constantly shift and adapt to the changing landscape. This bold step positions us to intercept upcoming trends on the digital horizon and even predict and anticipate customer needs.



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Indeed, we operate the biggest swarm within Daimler and have implemented this working model, where the team works in an empowered atmosphere with a flat hierarchy and in a customer-centric way.

How do you ensure that teams collaborate across silos, product lines, functions and regions?

Technology plays a big role here. We aim to transcend geographical boundaries through open lines of communication such as video, instant chat, and online collaboration tools. Ensuring key players across departments are part of the development process (either regularly or at key intervals and milestones) is critical to ensuring collaboration and effectiveness. Our swarm working model I mentioned above is a great example of this. Cross-functional players come together to collaborate and focus on delivering a specific project. This is the future of work, and a blueprint we want to roll out to the entire organization.



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Attracting digital talent

How is Mercedes-Benz addressing the challenge of hiring, developing, and retaining digital talent?

We need to position ourselves as an extremely attractive workplace for digital talent. Our competitors are clearly not who they used to be – we have tech giants and startups alike to contend with. Establishing a positive, non-hierarchical, productive, and exciting working culture, as well as new working

How are you measuring success of your cultural transformation?

That’s a great question. In fact, there are no hard KPIs that can measure the success of cultural transformation. However, I believe that speed is a good starting point, which gives you an idea of how far changes have already come in your company. For example, working in our digital house swarm, which I mentioned before, enabled us to roll out “OneWeb” to 42 markets in less than 18 months.

So, we believe in the power of pilot teams, which means to test new methodologies and working models in a smaller group to evaluate the possible impact for the whole organization. Regardless of the methods you decide on, the most crucial success factor is transparent and open communication equally through all levels.

methods, coupled with ground-breaking projects, that “move the world,” is key to both attracting and retaining talent. We have always been represented at the innovation centers of the world – for example, we opened locations in Silicon Valley and Bangalore more than 20 years ago. And we now have locations at all the new digital hotspots such as Seattle, Tel Aviv, Berlin, and Lisbon. We go where the best talent is to be found.

As Mercedes-Benz moves more towards a networked mobility service model, what type of skills and experiences are more critical now than ever?

Automotive experience is not a fundamental criterion to entering the Daimler fray anymore. We need people from a diverse and global background, people who are problem-solvers, people who have an empathy for the human condition. We need people who can bring in new perspectives. After



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all, we are here to progress humanity forward with inventive and innovative mobility solutions.

Looking to Daimler's future

What are the next steps for Daimler's digital transformation?

We are constantly working on new digital services and innovations to offer our customers a great experience through all channels. By using newer technologies such as AI, or even Blockchain and Quantum Computing, we want to ensure a dialogue based on our customers' needs and therefore improve their journey at every touchpoint.





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