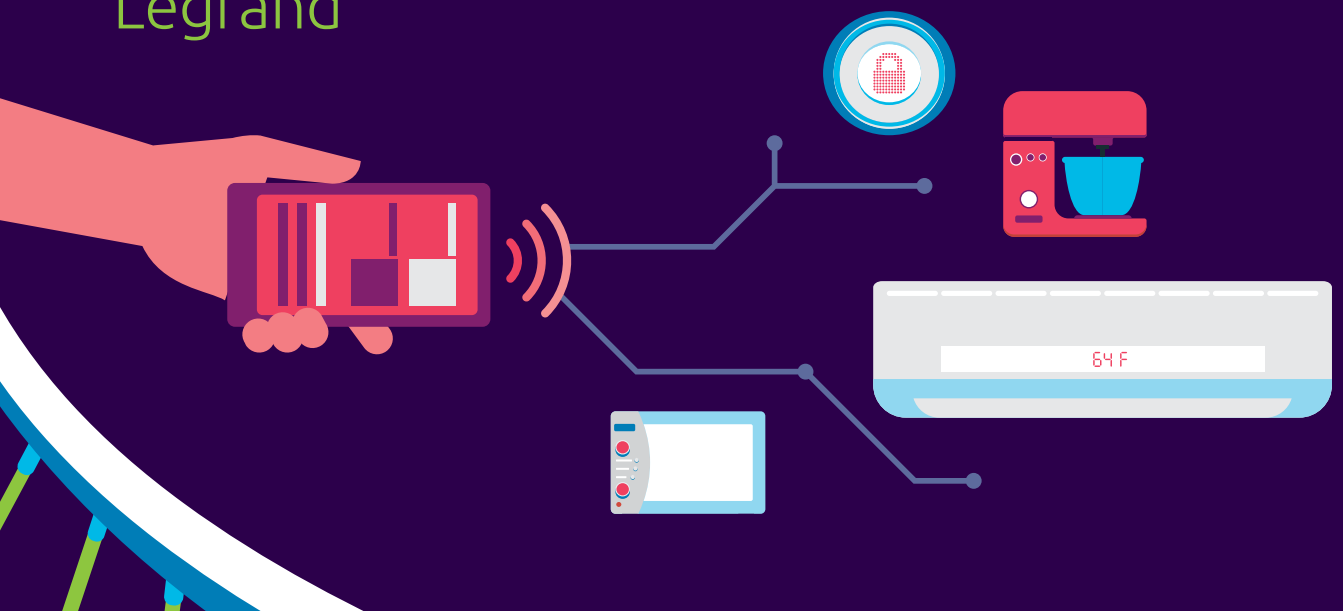


# Digital Leadership

Legrand's journey: how collaboration and culture change have driven new digital innovations

An interview with  
**Frédéric Levoux**  
Legrand



## Frédéric Levaux, Legrand



*Legrand is a global specialist that offers a range of products and solutions that connect millions of buildings to energy, data, and lighting – from energy distribution to digital infrastructures. With a presence in nearly 90 countries – and a workforce of over 37,000 people – Legrand reported 2017 sales of more than €5.5 billion.*

*As Legrand's chief digital officer, Frédéric Levaux is responsible for driving digital transformation across the Group. This primarily covers two areas: using digital to improve and transform industrial capabilities at Legrand and using digital to make Legrand a better workplace.*

*An MBA graduate of HEC Paris, Frédéric is a veteran of digital innovation projects and new ventures. He has co-founded several start-ups, including a venture capital-backed mobile software publishing firm.*

*The Capgemini Research Institute spoke with Frédéric to understand more about Legrand's digital transformation.*

## Legrand's digital transformation journey

### What was the impetus for Legrand's digital transformation?

The history of Legrand is a traditional industrial company focused on manufacturing electrical switches and outlets in a slow-moving industry. Digital was not on top of the agenda. But everything changed a few years back with IoT. A big realization for us was when Google Assistant and Nest emerged. It showed that a company could come in from scratch, create a domestic thermostat, and sell it directly in what was a traditional value chain that involved the manufacturer, wholesalers, installers, and end users.



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We reacted very quickly in 2015 by launching the Eliot program, a worldwide program that aims to accelerate IoT deployment within the Group's product range. By 2017, Eliot had more than 30 connected product families and generated sales of almost €488 million from connected devices.

We have a vision that, in the future, all the products we make today will be connected and interoperable. Initiating connected products really started the chain of events. In the beginning, as we got these products to market, they started generating data on our end users through apps and websites. We were

able to leverage this data to improve the customer experience and identify ways to connect an entire ecosystem. With this experience, we are now able to connect all the dots and accelerate our efforts. However, I would say that we are still in the first half of our journey. We are now making sure that everything is connected and that we have a single view of our end user and that all the necessary steps regarding security and privacy are taken into consideration.



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### What is so revolutionary about intelligent switches and outlets? What's the benefit to the consumer?

In order to fully answer, you have to understand that connected switches and outlets are part of a larger connected home ecosystem. The fact that a switch is connected has little direct impact on the consumer, however, if you consider that switch or outlet as a set of intelligent sensors, then their role becomes key. These switches are already present in every room of your house, they could integrate temperature sensors, air quality sensors, light

sensors, and microphones. That data will make your smart home assistants more intelligent and will also make your home safer by monitoring any electrical hazard, for example. Coupled with usage data and artificial intelligence, our products could improve your quality of life tremendously in the home as well as contribute to substantial energy savings.



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## What role does design play in your innovation strategy?

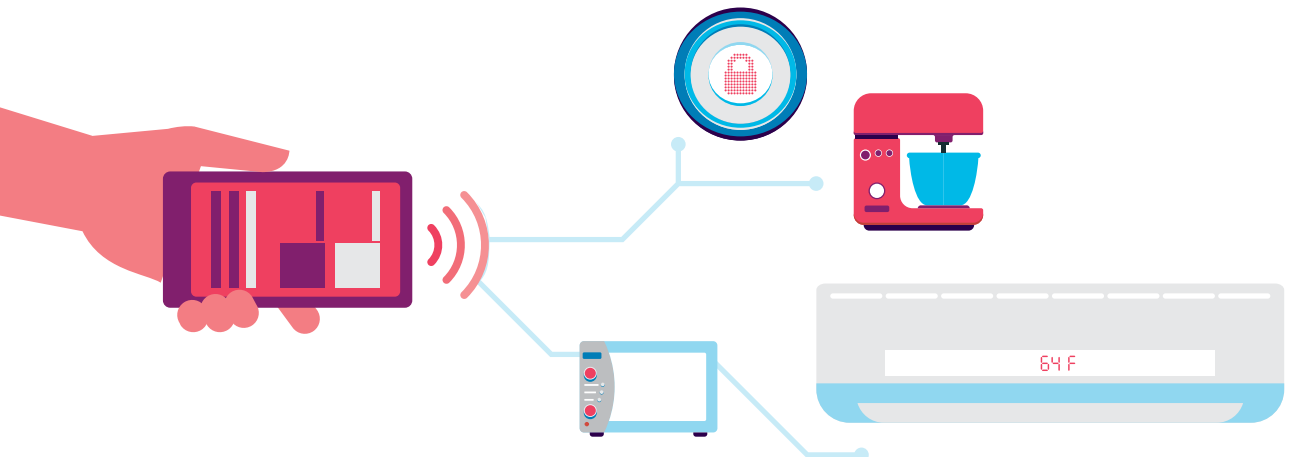
Over the last few years, we have focused on using design as a differentiating factor. When you are in a very commoditized industry like ours – with switches

and outlets – you must find ways to differentiate. Design is a great way to do it. Our design teams now work at the product conception phase with the engineering teams.

We created a Group-level website for collaboration across design teams in Europe, Asia, India, and the US. These design teams employ a user-centered design approach, which is a framework where things like usability goals and user characteristics are studied at each phase of the design process. For example, what do our users do when they come home from work? What parts of their home do they often touch? The designers think about how our end users might interact with our products – through voice, touch, or motion – and how they can use that information to build designs for new user interfaces. We believe that focusing on voice, touch, and motion in this user-centric design approach differentiates us.



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## Leveraging strategic partnerships

### How important are strategic partnerships to your digital transformation?

Early on, we saw the need to build a partnership strategy and so that it is one of the key pillars of our acceleration program – building an open ecosystem where our products are interoperable. We started out with voice assistance because we decided not to build our own voice assistance technology. It is already out there with Apple, Amazon, and Google and we saw potential for partnering as they do not have the products that we offer.



***We have been making sure that our products are compatible with whatever system the customer chooses to put in their house.”***

We make sure that our products are compatible with whatever system the customer chooses to put in their house. In addition to technology partners, we have many business partnerships. For example, we are partnering with Marriott International and Samsung to launch the hospitality industry’s IoT hotel room. The IoT Guestroom Lab explores concepts that have the potential to elevate the guest experience and create more efficient hotel room design and construction. It has multiple responsive IoT systems, creating devices with sophisticated voice control technology that allow the guest to alter lighting, arrange a wake-up call, and even turn the shower on at the desired temperature. The lab helps the industry serve guests better and optimizes hotel operations.

We are also working with start-ups to build an ecosystem around the start-up community. Most recently, we acquired smart home start-up Netatmo.

Based in France, Netatmo had already collaborated with us in 2017 on “Céliane with Netatmo,” our smart switches and power outlets solution. The solution could allow you to build a house with a smart electrical installation from day one and is compatible with many technologies, such as Google Assistant and Amazon Alexa.



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### Is there a particular initiative you are most proud of?

As a result of our partnerships, we decided to open the ecosystem with a program called, “Works with Legrand.” This is a website where any developer can download our APIs and build their own app to pilot with our products. It has been up and running for a year. Deciding to open everything up was a big cultural change. Opening the Legrand ecosystem has resulted in many more potential partners. Through this program, we have carried out projects



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with companies such as La Poste, Renault, and BNP Paribas. We see companies and developers who we would not have thought were interested in

connecting to switches, but who are now looking for these sorts of connections and data to build new services.

## Promoting internal collaboration and developing talent

### Are you also navigating a cultural change in your digital transformation journey?

For us, digital means more collaboration internally. In the past, when products were not connected, employees did not naturally reach out to their colleagues in other departments. This was because we had very distinct products with sometimes different distribution channels. Now that our products need to talk to each other, we need to have standard protocols so that the data can be shared. This means employees must work together from the initial product conception. Culture change is primarily about driving the greater collaboration that our digital transformation requires. For this, we launched an initiative to change our ways of working – to increase collaboration and to increase sharing of knowledge and data. We are accomplishing this through working groups, seminars, and using workplace collaboration tools.

The other big cultural change for Legrand is to move from a product mindset to a solution mindset. This means that instead of thinking of a product in isolation, you must think of it in the full product lifecycle, including software, data, upgrades, and servicing. In order to accomplish that, we must improve the skills of our workforce and bring in



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new skills, such as software development and data analytics skills.

### What are some specific initiatives that you have in place to develop your current talent?

In one of our projects, “digital training and skills,” we’ve put in place an internal digital platform to train employees on the different steps of digital. In the first phase, we are training 9,000 employees. It is a collection of massive online open courses (MOOC), which are gamified with quizzes and challenges so that employees can earn points and feature on a leader board.

We also offer specialized training by function. For example, a sales person could be trained on social



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selling, a marketing employee would have training on how to use CRM efficiently, and a finance employee would participate in training on how to leverage robotic process automation to improve their productivity. Our goal is to increase the overall level of awareness around digital and then give employees practical tips and tools to leverage digital in their everyday work. The program has been piloted for six months and we hope to roll it out globally to 20,000 employees in 2019.

## Looking to the future

### How do you see digital transformation helping Legrand evolve in the next 10 years?

In the next five years, I hope we will be able to achieve a lot of our plans in terms of setting up the infrastructure and rolling out connected products. This means that in the next 10 years we could be one of the biggest consumer home data producers in the world. I think at some point there will be a shift where software will become Legrand's main focus and first source of revenue as the mechanical parts become less and less important. What will remain important is the user interface, the design, and of course, the intelligence around user habits contained in the home data captured by those switches and outlets. I can envision a future where we might be selling insights to other companies to build better homes or energy management systems. The opportunities are many and I believe we will be a key player in providing data to create larger connected environments, from connected buildings to connected cities.

### Why do you think many organizations today are yet to make substantial progress on digital transformation?

I think trends do not move as fast as they appear to, particularly in our traditional B2B industry. For example, we've talked about digital disruption for the past 10 years. However, when we look at IoT adoption in connected products, it is still not significant. I believe only about four percent of the total market is connected products versus non-connected products. We are still selling a huge majority of non-intelligent switches and outlets.

Therefore, since growth rates are not doubling every year, many leaders tend to have the perspective that it is okay to go slow.

### What key recommendations would you give other large organizations on how to maintain momentum during a digital transformation journey?

My number-one recommendation would be to drive the digital agenda and have sponsorship from the top management. It will not work without that. The CEO must be the strongest advocate for change. He or she must be convinced and believe in digital. Secondly, top management needs to set the example – meaning they have to know and practice what they promote. If leadership tells the organization that it must digitally transform – and that employees need to understand data better, attend training, build mobile apps, and so on – they must also do these things themselves. Otherwise, the workforce won't be on board. We strongly believe that our leaders must lead by example.



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## About Capgemini

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of 200,000 team members in over 40 countries. The Group reported 2017 global revenues of EUR 12.8 billion.

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