Keys to Intelligent Industry

with **Caroline Segerstéen Runervik** and **Fredrik Gunnarsson**

EP05

Transformation and scaling on a fast-growing market, with Luigi Galigardi, Novo Nordisk

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[Guest] **Luigi Gagliardi**

If you have been operating for 100 years, then those 100 years have an impact on people. They think that they should continue to do what they do. They think that they should continue to use the skills that they've been doing so far. But if what you need is different, then you need to help the organization to create a culture that fits the new way of doing it, including the new way of using technology.

[music]

00:00:28 [Host] **Caroline Segerstéen Runervik**

Welcome to our episode 5 of our Capgemini Nordics podcast, Keys to Intelligent Industry. And of course, with me today, I have my co-host, Fredrik. How are you today?

[Host] **Fredrik Gunnarsson**

Well, thank you, Caroline. Great to be back here in the podcast. And we're actually in sunny Copenhagen today. We are really doing the tour of the Nordics here with the podcast.

[Host] **Caroline Segerstéen Runervik**

And of course, I need to ask you, how was your summer?

[Host] **Fredrik Gunnarsson**

It was a very nice summer, yes. Great weather. Was in Sweden and also a bit here in Denmark on the beaches of Jylland for the summer. So great time with friends and family. And you, Caroline?

[Host] **Caroline Segerstéen Runervik**

Well, I was in France and in the typical red cottage on the countryside of Sweden. I still need to discover the beaches of Denmark. But you know what I've heard? I've heard that the GDP will actually go up 0.5% thanks to that we had a very sunny and nice warm summer. That's great, isn't it?

[Host] **Fredrik Gunnarsson**

No, fantastic. Then we need to thank the sunny Summer and Taylor Swift for the GDP growth then I guess.

[Host] **Caroline Segerstéen Runervik**

Exactly, So coming back to our podcast, which is about the intelligent industry, it's about the IT and OT convergence, it's about discovering much more about the smart factory, the connected products and services. We actually have a quite nice lineup for the autumn, don't we?

[Host] **Fredrik Gunnarsson**

We do, really. Not sure I should reveal too much, but we have a number of interesting guests and topics to discuss during the fall. We will cover software architectures in cars and how to make turbines and wheels spin even faster and smoother, and maybe even how to become more data-driven in telecoms. So you might guess what companies we're planning to meet, but let's see if you're right.

00:02:13 [Host] **Caroline Segerstéen Runervik**

And much more in the making, I can tell you. But let's now come back to Copenhagen, and we are actually sitting in the Silicon Valley of Copenhagen itself. And with that, I would like to welcome Luigi Gagliardi from Novo Nordisk. Welcome.

[Guest] **Luigi Gagliardi**

Thank you very much. Thanks for having me.

[Host] **Caroline Segerstéen Runervik**

So, Luigi, what did bring you to Copenhagen and to Denmark?

[Guest] **Luigi Gagliardi**

Oh, what did bring me to Copenhagen is this beautiful company that I work for, the Novo Nordisk. What happened is that, in my previous experience, I was in consulting business, the business you come from. I've always been what now is called in a fashion way transformation leader. In the old consulting business, it was a bit across IT and also process in many different companies and they gradually transformed into a lot of IT transformation in many of the pharma companies. And then, at one point I was actually for a while looking for the place where my values, my skills, my way of running transformation could match the place that I was supposed to transform.

[Host] **Caroline Segerstéen Runervik**

So you could really implement your learnings.

[Guest] **Luigi Gagliardi**

Exactly. And my learnings in a way that the way I was fitting with the expectation and the values of the company. And then I found that in Novo and I've been hoping to get, you know, in and that was it. And then I never left. And then I've been doing approximately the same transformation kind of role, but from within.

[Host] **Caroline Segerstéen Runervik**

And we're really looking forward to hear about your learnings, but also, of course, your challenges ahead. So if we look at Novo Nordisk, it's a company that's been around for more than 100 years. So it's a company which is special from the perspective that the majority owner is a foundation. So if you look at Novo Nordisk, do you want to share some perspectives of where you are right now, some of your challenges, but of course, those are the opportunities ahead.

[Guest] **Luigi Gagliardi**

Absolutely. You know, Novo Nordisk is, you can say, an old lady with still a bright future and a very modern, I would say, way of seeing this future. Probably due to this and due to our ability in science, we see in front of us a really phenomenal success. You probably have heard about it in the press.

[Host] **Caroline Segerstéen Runervik**

We do every day.

[Guest] **Luigi Gagliardi**

Yes, maybe a little too much sometimes. So we see in front of us high demand for our products. One of the reasons this has become to this point is probably because of the purpose and the strategy that we have. What we want, and you can speak to anybody in the company, they will tell you exactly the same with the same emotional level, what we want is to defeat serious chronic diseases. You know, the word defeat is very ambitious.

[Host] **Caroline Segerstéen Runervik**

Very, very strong purpose.

[Guest] **Luigi Gagliardi**

Yes, very strong purpose, very appealing. And we do that in the areas of diabetes care and obesity, recently developed into significant business for us in rare diseases. But that ambition of defeating is very much there. That's why I'm here as well.

[Host] **Caroline Segerstéen Runervik**

And then if you look into your role, because I don't think everyone knows when we say you're head of manufacturing IT, what does that mean?

[Guest] **Luigi Gagliardi**

Before exactly describing the role, I could just spend one word on what are we talking about with manufacturing. So manufacturing in Nova Nordisk is contained into an organization that is called Product Supply. Product Supply basically is responsible for the entire value chain from taking the product that have been sort of developed as a molecule and then starting to produce them, getting the ingredients, producing, distributing all the way down to where the affiliates, the sales affiliate in the local areas take it. That is where we leave it. My role is to have the responsibility of the automation and IT layer that is within this value chain. And then what the role means evolves over time. And what the role means today is supporting this part of the value chain to transform the business and to transform the ability to deliver at a much bigger scale than we have ever seen before, which comes with part of the technology that I deliver as well.

[Host] **Caroline Segerstéen Runervik**

And you being very passionate about transformation, and that's what you started your career with, right? Now, transformation is so much more than only technology, if you want to, in your manufacturing IT role. It's also a cultural change. It's also, of course, getting the full organization end to end to sort of mobilize. So do you want to elaborate a bit more on that?

[Guest] **Luigi Gagliardi**

Yeah, I don't see any... technology transformation happening on its own. If you think about it, when you have to do such a thing at scale and at the scale that the minorities is seeing today, just thinking that there is a good idea out there in the market from a technology perspective that you want to put on, and you think that by experimenting it, would actually create a transformation, maybe you won't go that far. So what has to be done in an organization like Product Supply that has 27 plus factories in all the countries of the world, where my team is 2,000 or more people, only the IT team, and the team that I support in Product Supply is 20,000 people, then you need to think holistically. And #1 is culture. If you have been operating for 100 years, then those 100 years have an impact on people. They think that they should continue to do what they do. They think that they should continue to use the skills that they've been doing so far. But if what you need is different, then you need to help the organization to create a culture that fits the new way of doing, including the new way of using technology. So culture is #1.

How do you do that?

[Guest] **Luigi Gagliardi**

Yeah, cultural seems to be a fluffy word if you look at it from a little bit of the outside. I actually have learned that it's not. To do cultural transformation, it cannot happen without science, actually. You need to know where you want to go, which culture you need in your target model. You need to have clear view of what culture you have today, why that happened to be there. And then you need to have designed very clearly and scientifically which are the steps that you need to have to move from one place to another. And follow up. And don't give up. And don't let it go when you think you're done because, you know, probably.

[Host] **Caroline Segerstéen Runervik**

So it's about follow through as well.

[Guest] **Luigi Gagliardi**

Yeah, it's science, using science, using a designed and then follow up throughout the transformation. Then it's culture, but it's also skills. I guess this is going to be a theme for the next many years. It's new skills. It's also how we recruit people, but it's also what do we ask them to learn. The transformation in itself requires that people actually are comfortable in changing. And they have to be comfortable with learning. But they have to know also the business part of what they're going to do. Otherwise, their changes will become irrelevant.

[Host] **Caroline Segerstéen Runervik**

Absolutely. So maybe one more topic coming back to our pod, the Keys to Intelligent Industry, when we introduce this idea to you. So what does intelligent industry means for you?

00:09:47 [Guest] **Luigi Gagliardi**

Intelligent industry, I would say one could be tempted from the idea that 100% automated factory or warehouse is the most intelligent thing you could hope for. I don't think so. For me, intelligent industry or intelligent automation, as somebody else calls, is to have in mind what's the ultimate value that you're generating in the business that you're serving, to choose the right level of technology support to get there, to do it in a sustainable way, and then to think about scale. Because as I say many times, it doesn't matter if you find the one fantastic solution that brings efficiency to 100% of one piece of the whole value chain. It matters if you do it the right level, but you can apply it to hundreds of lines at a big corporation like no one or these guys.

[Host] **Caroline Segerstéen Runervik**

And the key word, I think, how do you get the value out of the fact that you make the industry more intelligent itself, right?

[Guest] **Luigi Gagliardi**

Yeah.

[Host] **Fredrik Gunnarsson**

Really interesting, Luigi. Thanks for sharing.

[transition sound]

[Host] **Fredrik Gunnarsson**

If we're looking at the journey you have ahead of you when it comes to the production, both scaling, ramp up, acceleration linked to the overall success of Northern Nordics. In your role in manufacturing IT, what are you then prioritizing in terms of key investment areas?

00:11:10 [Guest] **Luigi Gagliardi**

That's an excellent question. You know, I get that question every day. And that's, and I like, actually, I like that I get that question every day, and I like that line of business keep asking me. I like that the finance, of course, support keep asking me, because that is where the focus should always constantly be. So now, it depends from the situations where you are. And if I have this answer from of a notice today, the answer from of a notice tomorrow can be different than other of the colleagues that are listening to this. They might have, they might be in a different situation. ,So my answer is valid in my context, which is the key. And what we are prioritizing today, so Novo Nordisk will have more patience than we have so far. That means manufacturing has to scale to another level. So what I'm prioritizing is expansion of the manufacturing capacity. Approximately 10% of every construction project of a new factory is IT, and we are constructing and building like there is no tomorrow. You can imagine that that's a pretty obvious prioritization, right? So that is 1, capacity expansions. Now, before you arrive there in the farmer business, there is a long way, years, and the plants can be validated and so on. And you can't wait years. So I also have to focus on making sure that the current footprint is as efficient as possible and as lean as possible. And third, I have to make sure that nothing happens. Which means the life cycle management, the

good old, keeping the house in order is still a very significant investment and still very important. So 3 areas, this is my very clear prioritization.

[music]

00:12:50 [Host] **Caroline Segerstéen Runervik**

An interesting aspect, I think, looking at Novo Nordisk today, one of the main challenges, or the main challenge, is how do you actually increase production? There is a tremendous need, as you have said, and it's increasing day by day. So how do you do that trade-off with increasing the production day by day, at the same time keeping in mind compliance, keeping in mind I want to automate, work smarter, getting my full organization aligned? What's the trade-off? How do you manage that?

[Guest] **Luigi Gagliardi**

It's an interesting question, actually, very, and anecdotally, it just happened a few days ago that I was asked by management, OK, Luigi, why is this plan of, you know, implementing the last version of XYZ system? Why is it so slow? I was a little bit got by surprise and then said, oh, well, if you want it faster, let me go back and check, because that's the answer you have to give. But in reality, those plans have consequences on production. They have consequences on scalability. They have consequences on budgets and so on. So what is the right trade-off? It depends from the situation. In our situation, it ended up actually becoming even slower than I resented at that time because it was obvious that in some cases we were actually occupying capacity and budget maybe a little bit too much. And that meant we distributed the plan differently. Point is, in the cooperation between the business functions, the IT, the rollout, the suppliers, to be always open to find the right balance and to have a flexible organization that can adjust to that. If your organization is too locked, then you end up never having that balance in place. But if your organization is also able to adjust, then with priorities of business, you can adjust. So to the question, it doesn't exist that precise thing. The answer is dynamic organization that can adjust to that.

00:15:00 [Host] **Fredrik Gunnarsson**

So if you look at that capacity expansion to start with then, what does it mean for you in manufacturing IT? How do you engage and work with the capacity expansions with the rest of the Northern organization? And what do you then implement in terms of solutions and tools?

[Guest] **Luigi Gagliardi**

We had to learn something very different, which I guess other industries, that is not pharma, has learned way before us, but for us it's a little bit new. And that is that suddenly the requirement for this capacity is exploded. At the speed that is unseen in a pharma type of business where everything is very slow because of the regulations. Or we are pushed to be very slow because of the regulations. Now what we have to do is to do it in a different way. And the only way to do it is a more industrialized way. So just thinking case by case like we were doing in the past doesn't work. What we have to do is create a target architecture, building blocks that we will implement repeated time after time after time in all factors. This is also a cultural change for the company. You know, a 100-year-old lady, that have been doing very, very well, has a lot of legacy of people that rightfully say what I've done for years makes sense. And they all want to continue in that way. And when I'm going there with a different approach that says, guys, you're going to get this Lego brick, of course you can get some resistance. But the fantastic thing that is everybody has realized that this is the purpose towards which we are working together and everybody has accepted this new way of working. And that is fantastic. That makes me very optimistic that we can build these Lego bricks and put them everywhere.

[Host] **Fredrik Gunnarsson**

But that's assume a different strategy, right, in terms of harmonization and reusability across the factories?

[Guest] **Luigi Gagliardi**

One target architecture everywhere, no discussion.

[Host] **Fredrik Gunnarsson**

Interesting. And we see that strategy from quite a few companies. But it's proven to be hard in many other places to get that adherence and follow through. How do you work to get that alignment across the organization?

[Guest] **Luigi Gagliardi**

You know what makes, I might sound a little bit too optimistic guys, but you know what makes a difference is the purpose of Novo Nordisk. It's very clear for everybody who are we working for. And these are the patients. The patients are waiting for us to deliver these products. That makes, you know, the discussions a lot less complicated. Because if we want to do something in a significant portion of the time that we've been doing so far, that's the only way that people understand. And people accept that it took a little bit of time to get here, but I think we are there. And yes, we can do it to facilitate that. You can put funding principles to help that. You can put organizational design that facilitate the accountability on me of this and facilitate the decision process, you can make processes that are leaner and... decision process slimmer, that helps, but only if the purpose is clear.

[Host] **Fredrik Gunnarsson**

But if we stay on that expansion part first as well, when we are expanding some part of designing and implementing new factories, we work a lot with the digital tool simulation, virtual process modeling, et cetera. What's your role in the early phases of establishing a new factory coming from manufacturing IT?

[Guest] **Luigi Gagliardi**

You know, beside the fact that having this target architecture kind of Lego brick approach that I dump on every factory the same, we are using, I mean, to see it in a positive way, we are using also this chance to build the architecture of tomorrow. And among the different tools that we have identified that are needed in the architecture of tomorrow is also this being able in the future to simulate before doing. It's a key enabler for the future flexibility of those lines, for the future possibility to limit the shutdown time when those lines will be in operation and so on. So it's part of that, we have implemented, for example, in the infrastructure layer and we are doing it also extended in the automation layer and even in the construction part. So it's a significant part.

[Host] **Fredrik Gunnarsson**

About the target architecture, do you want to share the big bricks in the architecture, which is the foundation across the factories?

00:19:18 [Guest] **Luigi Gagliardi**

Simple. Infrastructure, that's one of the elements, the same for everybody, isolated, protected for production. Then a layer of key systems, we call it so key systems, and trust me, they are not more than four on five. You can argue SAP, the MES, some of the laboratory systems, four or five very key systems that are on top of the infrastructure that are no discussion. They are just basis. And then on top of that layer of differentiation, where actually we can adjust the type of application, the amount of application, the customization of the application according to the exact business area where we implement. These are the three layers. And we invest in all the three in the same way. But if you ask me, it comes, the priority goes from the bottom to up.

[Host] **Fredrik Gunnarsson**

Interesting. Again, thanks for sharing.

[music]

[Host] **Fredrik Gunnarsson**

If we look at the middle part of what you said of your mission, mean optimizing the current footprint, the current factories. What are the key levers for optimization of the current factories and how does that impact your back to the digital tools and IT? What are you trying to achieve there? We had just an example, we had a research here recently from the SCW, a company providing OEE solution, equipment efficiency measurement, suggesting that the average OEE for pharma is 37%. Obviously, a bit up and down, and we can debate how they actually measure that. But if we assume that it's a bit low compared to other industries, also indicating that what we have seen as well elsewhere, quite a few farm industries invest in trying to increase, especially availability of the machine line, because they're quite some cumbersome setups and cleanup procedures, but also quite a bit of exposure to equipment and… Is that a focus area for you, or do you have other things which are more important when it comes to sort of improve the efficiency of the…?

00:21:27 [Guest] **Luigi Gagliardi**

No, it's absolutely a very important area, you know, in the middle part where we make the current operation more efficient, without agreeing or disagreeing on the outcome of that analysis, whether it's thirty-seven or not, percent or not, it doesn't really matter. It's a relative term, right, compared to the way we measure. And we definitely see opportunities in improving our efficiency in many aspects on the production lines. We are also at the same time, it is even more relevant for us today because we are moving from a very stable demand to a demand that is more similar to what you could see in a consumer industry, so very fluctuating or where predictions are more difficult. That means we need to be able to utilize the line at the max. You can see this maybe in a little bit of a simple way. Bottom line, this is a cooperation between IT and automation and business people. This can only happen if we are very close to each other, we know exactly what potential solution we can have, and we have the knowledge about the issues. It's only in the connection with these two worlds that you can actually do something relevant. And then where is it relevant? From a logic point of view, if I need to oversimplify, there is a part that can be made more efficient while the line is running. There is a lot of technology you can implement or tooling to understand what is happening and predictive maintenance and all that. And there is also a way to make more efficient the, what we call batch changeover. So the passage is between 1 batch and another one to make it as short as possible. You know, in the pharma business, this is an extremely serious business because avoiding the product get mixed up and so on is a key element and this process can take hours and hours.

[Host] **Caroline Segerstéen Runervik**

So, and thank you for this. And listening to you, it all starts and it's all about the cultural change and having the same purpose. And it sounds like you've been able to actually make this convergence between IT and OT to

happen.

[Guest] **Luigi Gagliardi**

That's an overstatement, I think. Or it's an optimistic way?

[Host] **Caroline Segerstéen Runervik**

There is still some way to go.

[Guest] **Luigi Gagliardi**

There's a way to go.

[music]

00:23:37 [Host] **Caroline Segerstéen Runervik**

My understanding is you have a very high level of automation already across all your factories and you are actually building new factories all the time, right? You're also buying new companies. So how do you take the next step in form of level of automation and how do you bring in the Gen AI element and where do you see it actually helps you but maybe also can prevent you?

[Guest] **Luigi Gagliardi**

That's a big one.

[Host] **Caroline Segerstéen Runervik**

It's a big question, yes.

[Guest] **Luigi Gagliardi**

You have a half an hour. Sure, maybe to your first statement that we have already a high level of automation, so the point is that level of automation maybe is not as spread as I would like that to be.

[Host] **Caroline Segerstéen Runervik**

So there is room for improvements.

[Guest] **Luigi Gagliardi**

There is room for making it wider. So to scale it. And that's difficult in a moment where we have so much higher pressure on the demand, right? Because you need to pick the right moment where to do it and so on. So that balance of defining the value that you get out of more automation and the cost that they will have also in terms of shutdown is even more difficult today. So that journey is impacted by that. You have asked also to whether the addition of different way, different technologies can change, can then move one level up, also all the rest, like AI. And to the optimistic technology nerd that I am, of course, yes. But then the realistic part says, We have a duty to our patients to deliver and to deliver with the highest possible quality. So those steps and those journeys have to be done carefully. We are actually among the first companies to test AI into some very, very deep processes with success. And what I've learned from that is that anytime you need to put a new technology that is so new into a business where this has not been a thing before, cooperation even with the authorities is key. So we actually need to get into another level of cooperation with them and study together with them how can we implement this. Because at the end, this implementation of technology can not only add speed and efficiency, it can also add quality, like the MES journey has been, right? There was that assistance a long time ago from even the authorities and internal in the organization that making those processes not anymore paper-based would decrease the quality, but everybody has realized that actually quality is significantly better, and now the authority itself expects us to do that. And we are cooperating with the authorities and another level on those things, but we also have to be aware that there is a journey together with them and also internally and the quality management system have to be adapted. But gradually we will get there. I'm quite sure it will be in the same situation as MES. Some of those tasks would actually have to be done like that.

00:26:37 [Host] **Caroline Segerstéen Runervik**

So maybe coming back to the skills topic, and we talked about it in the beginning, the fact that you, I mean, you have a huge organization, only year to date, Novo Nordisk has recruited 12,000 people. How do you secure that you get access to the right skills? And I suppose, for you, it's not about Copenhagen or Denmark. It's on global scale. So how do you do that? And maybe also what is it that you see are the most important skills to add right now to your organization?

[Guest] **Luigi Gagliardi**

Another $1,000,000 question.

[Host] **Caroline Segerstéen Runervik**

We only come with that.

[Guest] **Luigi Gagliardi**

Which what is the… The reason why I believe that we have been able to and have recruited the best people that I can imagine is because I think we have invested into making transparent why people should join and for what purpose. As it was appealing for me when I joined, I sense it's something that sort of sells to others. Keeping that identity is a fundamental part of our recruitment abilities. The second part where we are lucky is that we are in a massive transformation that is a once in a lifetime situation. So convincing people to be part of this journey.

[Host] **Caroline Segerstéen Runervik**

Who would not like to be that?

[Guest] **Luigi Gagliardi**

Who would not like to do that, right? And doing this job for a good purpose, that is defeating serious chronic diseases. I think that helps. And 3rd, global company, I can hire anywhere. Creating the flexibility across different countries is also another element that we can use. So I'm lucky because of these three things where we have been good as using these three things. And then, when people join Novo Nordisk, they also see that this is a very inclusive place, is a place where you find yourself and you perform because of you and so on.

[Host] **Caroline Segerstéen Runervik**

You're actually picking up something that I wanted to ask you about because I've heard that you actually put a lot of effort into a sustainable organization.

[Guest] **Luigi Gagliardi**

Yep.

[Host] **Caroline Segerstéen Runervik**

And what does that mean for you and how do you really show that in every day?

[Guest] **Luigi Gagliardi**

I guess that's valid for you as well. I mean, when is it that you perform at best? It's when you feel comfortable, when you feel that you are growing, when people help you to improve, where there is no fear but there is a wish to contribute to things, where your skills can be used, whatever skills they are and they are optimized. Where you see a future, where you can develop and so on. So this is where you perform.

[Host] **Caroline Segerstéen Runervik**

And I'm a bit curious, as we started off by discussing the important topic of IT and OT convergence, how do you see, are people actually moving across in the organization? And if not, how could we make that happen?

[Guest] **Luigi Gagliardi**

It should happen more. But it is happening. We are opening some of those doors, but again, I don't want to sound like everything is done. My enthusiastic answer to yes, it's happening should not be taken as it's done, but as we have, you know, we have a very deliberate intention to make it happen. But we have done something that is facilitating that, is actually following this convergence of IT and automation by merging the teams together. IT and automation are together, in most of the cases. The higher you go in the organization, the more those roles merge, and then the more you can call those things move between the two worlds. But I tend to see them as one.

00:30:05 [Host] **Fredrik Gunnarsson**

If we look ahead, even 5-10 years ahead as a company, or you are part of the company, where you would like to be.

[Guest] **Luigi Gagliardi**

Where I would like to be as my part of the company is I'll be happy if I have been able to keep up with the progress on the capacity expansions. Basically, I have delivered all those factories with the architecture that it was designed for, or the one that will be relevant at that time, and they are sustainable factors. I would be happy if, meanwhile, I have secured that we could still operate and improve what we had today, and I would be very, very happy if, at that time, whenever horizon you put, I have kept the house in order with the lifecycle manager and protected the company from, you know, hackers and the like, which are a really significant challenge these days.

[Host] **Caroline Segerstéen Runervik**

And how do you actually work with that challenge today?

[Guest] **Luigi Gagliardi**

Beside having worked a lot in protecting crown jewels and the manufacturing facilities with significant investments, we also have a very, very good operation team internally that is monitoring, doing intelligence, is suggesting improvements, is having even the power in the company to influence what we prioritize. And that is very, very important. My good friend, the CISO, is sitting in the right tables at the right time. He is even at the board of the company sometimes to give a state of the nation and so on. So this is a topic that is a top priority in the government. That helps a lot when I come with my investments.

[Host] Fredrik Gunnarsson

Coming back actually to the three areas you mentioned before of your responsibility, the expansion, the optimization of the current footprint, but also then keeping the lights on, the stable production. That third area, when you introduce the architecture models you talked about before, when you invest in new tools, when you do all those changes, the competence, new people coming in, the stability part, keeping the lights on in the factory, how do you, is there any tips and tricks you can share for how you actually introduced the both technology and competence change into the production line, keeping it rolling while doing the transformation?

[Guest] Luigi Gagliardi

Maybe one that I could see that had changed the dynamics is who is accountable. It's a clear definition of accountability for this.

[Host] Fredrik Gunnarsson

And who is accountable?

[Guest] Luigi Gagliardi

Me.

[Host] Fredrik Gunnarsson

Okay.

[Guest] Luigi Gagliardi

Right. So I don't want anybody in my organization to turn somewhere else and say this is someone else's responsibility. Whatever it is, it is in our own turf, it's in line of business, wherever it's anyway, we feel accountable. Then it has been a long journey to agree with the line of business that as much as you need to maintain a mechanical line. And it's a world of engineers. So it was very easy to understand why you need to keep a clean and degrease a good old mechanical piece. But it was very difficult to understand that a computer have probably the same needs. And we have spent a lot of time to create that sort of awareness. I have to say that is not a topic anymore. Now they know. And this makes my life a lot easier. But if you don't invest in that change, it's never going to happen. They are still like, why should I upgrade? It's working. You know, that famous sentence that a lot of my colleagues in the podcast would have heard millions of times, it's working, why would you want to upgrade?

[Host] Fredrik Gunnarsson

Interesting. What advice would you give to leaders with similar roles as you?

[Guest] Luigi Gagliardi

Any type of transformation. Start with culture. That no type of transformation can succeed if you don't have clear in mind what is the common value that the IT organization share with business. And that at the bottom of all this is not only technology, but it's people as well. If you don't have all these elements together, it doesn't work. The best target architecture or technology would never do anything if you don't have the other elements. The other advice is you can be, if I'm entitled to this advice, and only history will tell, we can decide that in 10 years when we go and check if I said the truth, is that you can be very excited about one specific technology that is going to improve a certain piece of the organization, like a production line for 100% performance. You can be very excited about that, but it's much more powerful if you are able to scale a smaller ambition to all the factories. So I would say think scale from the beginning and not afterwards.

[Host] Fredrik Gunnarsson

Good advice, yes.

[Host] Caroline Segerstéen Runervik

Thank you, Luigi. It's been really great here today to listen to how you drive the transformation in your organization, what an IT manufacturing head actually has as responsibility. But finally, the fact that it's all about a clear purpose. It's all about having a very, very strong culture and a very, very strong and simple foundation. So thank you for bringing us here today and for bringing us to what I've heard is the Silicon Valley of Copenhagen and all the buzz around us. Thank you.

[Guest] Luigi Gagliardi

Thanks a lot for having me.

[Host] Fredrik Gunnarsson

Thank you, Luigi.

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