

Delivering the Renewable Enterprise

Industry trends – Energy & Utilities





Host Daniel Newman (Principal Analyst at Futurum Research) delves into the work done by Farys with Capgemini and SAP, discussing with Inge Opreel (CIO at Farys) and Kevin DeWilde (SAP and Utilities Sector expert at Capgemini Belgium) about successfully driving innovation, and aligning transformation across people, culture and technology in a seamless and future-ready manner, and how Capgemini successfully delivered the [Renewable Enterprise](#) at Farys with SAP S/4HANA®.

Transcript of the podcast

Daniel Newman

Hello everyone and welcome to Season 2 of the Renewable Enterprise podcast Series where we turn our attention to client stories.

My name is Daniel Newman Principal Analyst and founding partner of Futurum Research and I will be your host today. I'm excited for this episode where we will be talking to Inge Opreel - CIO of Farys and Kevin De Wilde of Capgemini, about the challenges, opportunities and key digital transformation considerations for companies in the utilities and energy space. This discussion provides listeners with a unique look at the work being done by Farys and Capgemini and also a broad perspective of how to successfully drive change in their organizations from people and culture to technology and innovation.

Without further ado, let's welcome our guests, Kevin, Inge, welcome to the show.

Kevin DeWilde

Thank you. Hello, Daniel.

Inge Opreel

Thank you.

Daniel

I'm really excited to have you here for a very important topic, discussing not only the digital transformation in your industry. But so many challenges that are being faced universally by businesses around the globe. So, I'm very excited to gain your insights and hear a little bit about what your organization is working on. But before we do that, I would love to just have a quick introduction of each of you. Inge, if you don't mind please, an introduction.

Inge

Hi all, I'm Inge Opreel, CIO at Farys and I have over 20 years of experience in the utility sector. At Farys I am responsible for the digital transformation and also the collaboration within the Flemish water sector on innovative digital transformation.



Daniel

Great and Kevin.

Kevin

Hi, I'm Kevin De Wilde from Capgemini Belgium. I've been around the utility sector for a bit over 15 years now, currently the utility sector expert for Belgium and a trusted advisor of some of the Belgian utilities companies, mostly in the water sector.

Daniel

Excellent. It's great to have both of you here. It's nice to be able to have both, you know, Kevin you as an industry partner to Farys and then of course Inge who is working directly on facing these challenges head-on. I'd love to start off and get Inge like to start with you here talking just a little bit about what you're seeing as some of the biggest industry Trends in energy and utilities today.

Inge

Well, how I see it is, we are experiencing here many changes right now in the energy and utilities sector. Not only are there a lot of new regulations coming into force but we do have the climate change that has woken up government, people and customers. So, we see that the changes we are facing right now are focused on renewable energy, decentralized energy, water production, circular economy. Only a while ago in Flanders, for example, there has been a big what we call the blue deal which is specific investment plans on enforcing integrated water management. When you look at energy sector you see there as well the local production of, for example, electricity, is really putting a challenge into the distributors of electricity how to cope with those local production and still keep their network sustainable.

Daniel

Yeah. Absolutely. That's a significant number of challenges heard a lot recently of discussion, of course on climate change as the political landscape heats up. We're also hearing quite a bit about the circular economy and the opportunity for businesses to play a bigger role in participate in a bigger way in terms of really helping us overcome these challenges. Kevin, you of course work with various. But you work across the industry with companies in the country. Are there any other things you're seeing in this particular sector, that would be worth pointing out at this time?

Kevin

Yeah, absolutely. First of all, I have to absolutely agree with Inge as well. Push from legislation towards more renewable sources of energy and that's both in water and in traditional electricity and gas utilities, is one of the main drivers at this moment, but next to that I think there's also a big push from the business itself particularly in the in the retail sector where you have a very fierce competition between different retailers old ones and a new ones emerging and they typically have a need for very lean and efficient systems cost efficient as well, yet still very flexible to be able to act very quickly in the market. And then of course, there are a number of technology drivers as well



that are changing the industry at the moment. There's a lot of technical advancement in IoT for example, so you see new business cases arising, you see a push by technology to think outside of the box and to come up with new use cases for example, using censoring devices in the network or even at home which then enable enhanced monitoring of the end-to-end value chain and the network also use cases in security with the European legislation on network security and critical infrastructure, so it is really enabling that and also changing the sector and then lastly of course many of the larger utilities, the established ones in Europe are currently at the ends of a major cycle on their platforms and you're looking to replace their core platforms with new solutions, which typically come with big IT projects and also big business change linked to that so all-in-all I think these are very trying times in the industry sector at the moment and it's very exciting to work in that sector today.

Daniel

Kevin you started to allude to some of the things I wanted to ask about next. So that was a great transition and you start talking about IoT and some of the Technologies. Digital transformation is a whole is a really big topic. It's something that every business is facing prior to this year's Global pandemic companies were already under an immense amount of pressure to be able to transform to invest in new technologies to be able to adapt to changing customer needs and demands. So, as you mentioned for instance data coming from IoT is one route to make this happen in a recent study. We did we had actually found that COVID really accelerated investment in cloud and big data and you mentioned also security but, in the industry and Inge I'd like you to go first here, where is digital transformation impacting your business the most, in your industry the most? I'd love to hear both broadly and of course within Farys.

Inge

Well, I think if you look at it at the moment, I see a lot of peers in my industry struggling to get a certain speed into digital transformation. This is, as Kevin already said, that many companies are still looking into replacing their old Legacy platforms and getting equipped with modern technology platforms to start the real digital transformation with big data, with IoT. So, you see that there are, in the sector, companies with different speeds those who already have made the jump to the new technology platforms and can now start building on top of that and those who still have to start their path to replace them. And what you see also from that, is that it opens also a way of collaboration which in let's say a few years ago you didn't see between utility companies as much as you do today. We are more reaching out for each other, trying to collaborate, trying to set up new processes, new use cases, new services on Big Data, IoT together and not separately. I think that's one of the really changing things I see in the industry sector, but I also see is that digital transformation and COVID as giving it a boost. Also, COVID gives a lot of opportunities to digital transformation. What we saw for example, is that the customers easily found their way through the digital commerce channel to replace the complaints, order things. So, I think the challenge for the utilities industry is take the opportunity you have from COVID to keep on that digital path. What we also see is that some companies are ready to go into digital transformation and use cases but, we still see that not the technology platform is not on all aspects as its mature as it should be. So that's something which also defines the pace you can make in digital transformation.

Daniel



Yeah, you make a lot of great points the speed of change was forced to go faster. And as you suggested, so many companies were really in a position to have to turn the knob to move their digital projects more quickly, but concurrently there were resource constraints, revenues could be impacted, now the energy and utilities sector Kevin, I imagine saw a slightly different revenues impact, than, you know say an industry like a retail or manufacturing but there was still stress and pressure as every company look to be more efficient to be more cost-conscious right now. How are using digital transformation impact the industry.

Kevin

Yeah. I think first of all typically the energy sector particularly the regulated parts of the energy sector are less susceptible to changes in the economy for their revenue flow. So, they have a pretty stable revenue flow which for some companies in the past might have been a pitfall not to work lean enough and to invest enough in in a continuous improving landscape. So, I think particularly in those regulated companies you see many companies that are now struggling to move to new systems because they have very heavy and bulky infrastructure today and there are more or less stuck in the old ways of working and old ways of doing business and I agree that the COVID crisis might have been an accelerator or an eye-opener even to some companies to move to digital. They were forced to go digital. I'm sure many of them have quickly implemented digital solutions on top of or next to their current landscape. The challenge moving forward now will for those companies will be to have a really integrated solution and a sustainable way of having that digital transformation in the future and usually companies that want to go for a full digital transformation, they have one of two options today, either you go for a green field approach where you completely reinvent your business processes and you reinvent your take on IT, which obviously gives the most possibilities to go agile in the future or you stick to a more of a brown-field approach while you try to convert your current landscape and try to modernize your current landscape. Both ways might be possible to achieve a fully digital core and a gel system. But usually the companies that are able to achieve that agility, those will be the ones that will keep doing business in the future. They will be the ones that come up with new ideas that are able to implement new business opportunities quickly and basically, they will be able to continue transforming in the future because today we talked about the digital transformation and probably over the next couple of years. We will be talking about a new kind of transformation and yet another way of doing business. So, the way ahead is definitely an agile way of working being on top of your it in a in a lean and cost-efficient way where you have your very stable core and then you can innovate and transform your business there, where needed in your IT landscape

Daniel

So, let me ask you Kevin, to build on that a little bit because I want to pivot to exactly where you started going, about the ability to be diverse and take advantage of opportunities. But I'd love to understand, what do you think it takes, what makes companies capable of being all those things that you just mentioned?

Kevin

I think first and foremost it takes vision to do so, it takes a clear vision of where you want to go with both your business and your IT. There's nothing more difficult for an ideal landscape or an IT Manager than not knowing where your business wants to go. If your business vision is clear, then you can prepare your IT landscape for the business plan of the upcoming five years for example,



you can do the right Investments up-front and you can always look ahead and you don't have to worry about the problems of today, but you can already start thinking about the problems of tomorrow and do the right Investments that are always future-proof always in line with the business roadmap, also with a product road maps of the systems that you are using and then you can always be one step ahead basically of both your competition and also your internal organizations. So, I think by far the most important thing is having a clear vision of where you want to go so you can really act upon that vision and always keep looking ahead instead of having to focus on the issues of today and just solving what's right there in front of your nose.

Daniel

Yeah. Absolutely. Inge, I'm about to pivot this conversation a little bit to talk about some of the work that Capgemini and Farys is done together around SAP around a digital core, but I would love to just hear your thoughts as a CIO on what do you think has been really a catalyst or an enabler within Farys to help the company start making these moves in speeding up its digital transformation?

Inge

Well, I think one of the biggest enablers is and will always be the people you have. I think Farys has been able to have this Speed that it has today because this is a company that is used to transformation. When I started working in this company over 20 years ago, its unrecognizable where we stand now, we have always had, working from a clear business vision, we always had Transformations going on, setting up new activities becoming a modern company and it all has to do with of course this is now a DNA in our employees. Our employees are not risk averse, there is not a big hierarchy, there are no silos in the company. Farys has always been a company that really worked on the end-to-end level through the company and was able by doing that to get through transformations. Digital transformation is one of the latest but, enabled it is of course a bit DNA we have in the company but also that we all from the start and in 20 years ago when we started becoming a modern company, we always worked, as Kevin also reminded as very important thing, starting from a business vision and a strong it vision to support it. So that we can always as it be one step ahead of the business projects that need to be executed. And that's important because then you get confidence from the business because they know, if we want to do something we don't get the answer, oh well let's wait a year or two because we have to do a technical IT transformation before we can deliver something. So that's one of the key aspects that far is that enables digital transformation?

Daniel

Absolutely, and I love that you mentioned the people engaged because all the research I've done over the years have found that there's such a significant link between the people and the ability to adapt and adopt new technologies. I'd like to pivot here Inge and have you talked a little bit about the digital core. Farys work with Capgemini to really work on its own transformation and it really started with the development of this digital core. You just introduced what it is and what this was what this project really sought to do well?



Inge

Well, the digital core for us was getting an uplift of our platform. We had until that moment, that was really a ERP process driven platform to get it to the, let's say, the newest version, really technology platform where you have your digital core which supports your business needs and enables you to quickly plug-in other applications or other solutions you need to drive Innovation, for example, to easy plug-in a Commerce Cloud platform or easy plug in an IoT platform. So that was what digital cordless for us. It was not about improving the internal processes in the big sense of the word because we are we were a company that has constantly been working on efficiency and so on, but really shift or core to enable us to plug in new applications or to enhance functionalities in our digital corn.

Daniel

Yeah. Absolutely. There's a lot to it to being able to react respond be proactive make changes - Kevin you worked closely in this deal what sort of drove you know, the digital core. I know SAP S/4HANA was a big part of it. I love to kind of hear how you worked together to make a smooth migration meet Farys' needs, you know, and of course, you know, I'd love to hear a little bit about the importance of this partnership that exists between an SI and a vendor and in a user, in this case Farys

Kevin

I think one of the key success factors in many of the projects we do with Farys is basically the long-lasting relationship we have with Farys. So, we already know each other very, well. We know the strengths and weaknesses of each other and that always helps the interaction in any projects that we do, particularly for this this upgrade to the newest version of SAP and the digital core. We already had a history of successful upgrades of the previous versions of SAP at Farys. So basically, we were not starting from a blank piece of paper there. We headed the basic script already in place to do upgrades and to push upgrades through the landscape and what we usually do is we prepare and we do the initial troubleshooting of such an upgrade on a separate sandbox system so that no ongoing developments are impacted and that's definitely very important to do. So, when moving to a digital core and really innovating your back-end system, because that's usually where you find the issues and you have to do most work. So, if you can prepare that already on the separate system, that's very handy. And it also enables you to then do the upgrade through the real-life landscape a lot faster afterwards. Now, this this upgrade of a full integrated utility company to the newest digital core version of SAP was basically a world-leading exercise that we did. It's fair to say that that we were the first in the world to do an upgrade of a utility system plus a full ERP system plus the CRM system to the new digital core version and that also required some interventions of SAP themselves because this kind of complexity was not yet anticipated by SAP. And there it is the second relationship, mainly that between SAP and Farys themselves also comes into play. So as Inge can maybe explain afterwards, Farys and SAP also have a very good relationship and a close collaboration which means that both we and Farys get direct access to the important people at SAP that are able to help us quickly whenever there's an issue and that makes sure that Farys is gets the right amount of attention when doing such a high-profile project for SAP. And I think one of the one of the lessons learned there is even though some sometimes there's a clash between SAP and Farys, or between us and Farys, but it's always important to keep talking and never burn bridges in a relationship because in the ends or contacts that you have and all relationships will always pay off.



Daniel

Yeah, I think that's a that's a great point and Inge I imagine in your role, this type of collaboration is commonplace, but maybe this size and level of collaboration is something that isn't done often, you know, I'd love to better understand, A. sort of how you see the importance of being able to work together as Kevin mentioned with SAP and with Capgemini, and I would also love to understand a little bit more about how you're starting to see the benefits in terms of these investments within Farys?

Inge

To give a bit of context, Farys is a utility that is obliged to follow public tendering and you can work in two ways either or not you're obliged to the public tendering, you can always go for let's say the one-stop-shop for either applications or projects and try to get the best price, but the vision of Farys always has been we want good quality for the right price.

I think that's the first thing you have to start with and then from there and you if you want to be able to have speed and agility, you want long-term relationships so that you can predict the future in projects in resources and that the, for example, Capgemini knows what to expect from us in the next coming two or three years. Long-term relationship for me is also something about trusting each other not blindly of course but there's also a lot of trust and partnership only works when all parties get benefits out of it. It cannot be only giving or taking from one side. And this is the way we work together with SAP, we work together with Capgemini and, it's a bit like Kevin says, of course you have disagreements you have clashes, but if you keep talking and you keep the bridges open, no bridges burnt.

First of all, what does it benefit first of all the long-term collaboration with Capgemini has a huge benefit for us because we also have, let's say, the buy-in from Capgemini to keep the resources that know our company also available for our company. So, sometimes there are Capgemini consultants who have a longer CV in working for Farys than some of our employees, which makes it very easy to explain things. Capgemini knows how we work how we always work and that's maybe one of the important things are Farys always look in the things in an end-to-end way. We never work in silos. So that makes it easy for us like you're an employee, but you have people who know your business and that's key knowing your business. For SAP. It's a bit the same, from in the beginning we try to build up a good relationship with SAP where of course there have to be mutual benefits for both of them and build up a network within SAP. You keep looking at the future, you have the right information from SAP, sometimes even inside information. So you make the right choices on technologies and platforms, so that the choice you make you are sure that it is future-proof, which is one of the important success factors of Farys, having a future-proof platform so many more reasons but I think that partnership is also about knowing each other being able to talk to each other and trust each other.

Daniel

It's a great set of points and I laughed, and I smiled because you said future-proof and I actually wrote a book called Future-Proof. So, it felt like a nice little promotion for me. So, thank you for that.



Inge

You're welcome.

Daniel

but I'm about to wrap this up and it's been a great discussion just to hear about the whole company, the industry the transformation. But I want to kind of circle back to something, when we talked about what was enabling companies to transform quickly and both of you alluded to people and technology. And so, I'd love to have you, Inge first, talk about how the Investments and enhancements have driven the transformation from an employee standpoint driving greater satisfaction all the things that you sort of mentioned. And then Kevin, I'll kick it back to you for sort of a last comment on how you see it overall these investments helping companies in their entirety. But Inge, if you don't mind I just you know, you mentioned all the tech enhancements, but you talked about the people and the importance. Are the people at Farys able to better perform their work, are they more satisfied based on these investments and how it helps them do their jobs.

Inge

I think people are satisfied in general, if they see the benefits of what they are doing or what is the purpose of what they're doing. So thanks to the digital transformation projects we have gone through in the last years, It was also an enabler for younger people who had less experience in Farys to get involved in these projects and get the end-to-end view on what are the activities far as doing, How is far as working, how do we interact with other divisions, how to other divisions interact and maybe I will have to do a bit more effort. But, if I see that the other division or department can save a lot of time or money, or our customers are more satisfied by that giving him them few that insight, that's the key to build employee engagement. But also, it's important is that it gives you kind of proudness not a boasting proudness, but more a modest proudness of your employees. They know they are working in a modern company; they feel a bit proud when they go home and can say for example, we are working with iPads for the field workers. There's also the fact that for example, when COVID hit it only took us 48 hours and everybody was able to work from home with the right support and devices so, that gave them a sense of proudness. And it also shows off broader than Farys so, I know finding the right employees and keeping the right employees is often quite difficult, but from my experience when I search for people for IT, for example, or a Business Analyst, we have a broad set of people who want to come and work for far is because they see that it's a modern company we're going forward to have a certain pace and I'm not talking only talking about IT, but also all the activities we are doing next to let's say what a production and distribution. So, it attracts people and there's always something exciting to do in forests if you want to, so we have also a good retention of people. I think that is what transformation and digital transformation can do on greater Employee Engagement. Transparency, really getting transparency in the company.

Daniel

Translating so quickly and having so much depth to offer, I think some really valuable insights, as someone who spent a ton of time studying transformation you are giving some great real-world within the business examples and I hope everybody out there that's listening is really getting a lot



from that. Kevin, we only have about a minute, but I'd love to just give you, one, a chance to sort of circle back on those thoughts and across the industry how tech enhancements are really driving Employee Engagement? And with that then we'll wrap up.

Kevin

I think from Capgemini we have a very clear vision of what a digital core should look like and what it can bring to our customers. If you keep the core clean and simple and you do your investments in the right place and in the right tools around your core, then basically as a company you can build a lot of speed and be very flexible in any needs that arise. And I think that that relates to what Inge says, if you work in a company that's always on the Forefront of innovation and technology that is able to offer the newest tools to their customers or to their own employees and you're able to go home or you're able to go to the pub and talk to your friends about the newest and greatest app that company you work for has released. It gives a lot of pride for the employees of a company and ultimately proud Employees are happy employees happy employees or productive employees and It ultimately benefits the company again in the end.

Daniel

Absolutely and I think that's great and Kevin and I put you on the spot big topic to end the show on there's just been so many examples and thoughts both getting the on the ground real world within the business from Inge, and Kevin you of course with the broad industry perspective working at Capgemini, but Inge and Kevin I want to thank you both for providing your insides providing the experiences from within the walls of Farys and I hope everybody out there really got a lot of value out of this podcast. So, Kevin and Inge thank you very much.

Kevin

Thank you. It has been great doing this.

Inge

Thank you, Daniel. It was a pleasure joining today.

Daniel

And with that Farys and Capgemini, thank you both, all your teams for the great work the great example on all that's going on with the transformation, digital core and the business challenges, opportunities and Investments. Hope you got a lot of value out of this conversation in the show. There will be more of these in the future, but for now, I've got to say goodbye. Thank you. Everybody have a great day.

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