



CLOUD REALITIES

CR059

Digitalising Fresenius
with Ingo Elfering, CIO

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Cappgemini's Cloud Realities podcast explores the exciting realities of today and tomorrow that can be unleashed by cloud.

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[00:00:00] It gets that picture across. You're in the team, somebody falls into the water. You get the guy back on the boat, out of the water, you know, that's the equivalent of your OCED moment in a project of her, um, you know, you, you can only see so far what's going ahead and you don't see the boulder under the water and it's so nice to play with all of that sort of thing, but ultimately it's a story of, well, that journey.

That is Rocky is the journey. It's not like you're getting to the lake somewhere. And that's your fun part. Actually, you're in this because you're doing whitewater rafting.

Welcome to Cloud Realities, a conversation show exploring the practical and exciting alternate realities that can be unleashed through cloud driven transformation. I'm David Chapman, and I'm Rob Kernahan.

[00:01:00] And you'll hear that Sjoukje not with us this week. She is on vacation. So you are stuck with Rob and I, I'm afraid.

But. We have got a great guest who is from Fresenius, and he's going to talk us through a tremendous amount of transformation with the cloud at the heart of it that's going on in their organization, that's allowing their tech organization to move up the value chain and move out of the business of plumbing IT and into the business of really enabling what they're doing in their healthcare world.

However, before we get to that, a bit of a different thing this week, Rob, we've, we've actually had a listener reach out to us and make a suggestion about a new feature that you could work on. A new feature? Oh, is this, is this, is this at my expense? Well, I don't know. You can take this any way you like.

Right. A listener of ours called, uh, Danny Delicate. Danny, big shout out to you, has written into us and suggested that you bring up [00:02:00] technical convergence quite a lot. Do I? No. I know as though you start to use it more and more Dave, so I've, uh, you know, I think I've had an impact. You, you may be of influence a little bit, but what he, what he suggested is you could have a feature called the Convergence feature.

Where I talk about converged technology. Yeah. Where I get angry about internet connected toasters and such like. Yeah. And your inability Uber app. Yeah, you are easy now. Come on. But it is very good. Converged technology gets me excited when you go. So I think, I think you've got a little brand. I can see a t shirt.

I can see a t shirt of some description with that one. Convergence technologies. There you go. That's my new business. Convergence. Yeah, no, we could have some, uh, some, uh, mix it with some music festival as well. And I've a bit of a, you know, a converged, converged culture. Dave, you're full of ideas today, aren't you?

I'm quite impressed. Firing on both cylinders. Two stroke chappers, we'll call you, yeah. Anyway, mate, what's confusing you this week? So, [00:03:00] uh, this week, Dave, I'm broadly confused about the future of, if you know the phrase, VLOP. very large online platforms. So this is your, your Facebook Vlops? you like, but Vlops.

Um, I don't think that's been coined yet, but the, uh, you know, like you've got the, um, Instagram, Snapchat, TikToks, YouTubes, you know, Platforms that didn't exist, uh, then existed, are absolutely, totally baked into the core of our lives today and have made like, you know, it's the 16 year old playing Call of Duty that is now an internet sensation and a multimillionaire.

They've created completely new jobs for people and they're under threat. Yep. So what's gonna happen to him? So we've seen legislation coming out in the U S that, you know, tick



tock has been a great raging debate over there. And now there's this big social backlash about the fact that there's potential, it could be banned, et cetera.

But you know, this, these platforms have created whole business models. People on their livelihood off them and all sorts of stuff. [00:04:00] Yeah, it's changing the way we think about commerce and such. The bit I'm confused about is they've expanded massively and they've been allowed to grow. Some would say out of control at times they've massively affected our lives.

I think if not out of control in a way that we don't understand the unintended consequences sometimes. Exactly right. There's lots. I mean, it's the unintended consequence of the algorithm, how it serves technology that we've talked about news agencies dying off the back of them and all sorts of stuff.

And I am now confused about is the backlash starting and we're starting to see legislation more and more kick in. We've seen legislation start to tackle the big tech suppliers, but now they appear to also be going after the these very large online platforms. So broadly, yeah. What's next for them and what do they become and do they get control wrapped around them or you know, do they can continue to behave like they have and I am broadly confused about it.

It's an immensely complicated area, isn't it? Because on one level I'm attracted to the sort of openness. Yeah, [00:05:00] which these things have developed. But on another level, it does feel like the unintended consequence count is higher than you would ideally like it to be. Absolutely. I think the way society has changed, the way we have discourse in society is largely being changed by these platforms.

The way that truth seems to have become ridiculously obscured in a lot of ways. We had this in the preamble chat. You've got facts, and now somebody's invented the concept of alternate facts. And you're like, how does that exist then? What's going on there? So yeah, there's like, it's all change. And I don't, I'm not sure as a society, we've properly got a good grip of, uh, how it's affected us and what's next.

So. Well, we'll, I think we'll keep a track on it. You're obviously pretty interested in your court cases and the legal ramifications of big tech. That's all I do on an evening, I just read up on them. So we'll keep us posted, Rob. Very good. Very good. So look, let's get on to our main subject of the day. I'm excited about this one.

It is a very complete and fascinating [00:06:00] story of a very large scale, multi threaded, complex transformation. And I'm delighted to say that Ingo Elfering, who's the Group CIO at Fresenius has joined us today. Ingo, great to see you. How are you? And tell us a little bit about yourself. Thank you. Thanks for having me.

Yeah. My name is Ingo Elfering, uh, originally German, but I live in the US for the last, uh, 25 years now. So I like it here very much. Obviously more importantly, this is my third global CIO position. Uh, I've done this a few times now in various different pharmaceutical and healthcare companies. So that's me.

All right. So let me start with a congratulations, Ingo. I understand you were German CIO of the year for 2023 in large enterprises. Is that right? You want to tell us a little bit about that? That is right. Yeah, we have done quite a bit of transformation over the last two years and we applied in the magazine CIO magazine for the [00:07:00] term for the award.

And I'm very happy. Good. Good judgment panel, uh, reviewed multiple submissions for that. And we won. And, uh, it's a nice recognition for me and our team and all the people that



worked on the transformation to really see that, you know, it's seen by the peer community as something that is worthwhile doing and you get that sort of external feedback because sometimes internally it's a little bit more difficult to.

Really judge what right happened. . Yeah, it's, it's excellent validation of the achievement, isn't it? As a, you know, as a retrospective on what you've achieved, you know, externally judged. Great, great accolade. Congratulations. Thank you, indeed. Congratulations. Why don't you just dig into it a little bit for us.

So what do you think it was about what FIUs have done over the course of the last year that that really marked it out in that way? Well, I think we've done multiple transformations that are by [00:08:00] themselves good, large scale transformation programs, right? Moving your whole data center infrastructure to the cloud or so on is a program that multiple companies will do or have done in the past or so on.

We're in Germany. This makes it sometimes a little bit more difficult with data protection and so forth. But we did four of these programs all at the same time. And I think that is a real trick in all of this that we've done. done change on top of change and it all works and it all got executed in that relatively short timeframe.

So that I think is the uniqueness of what we've done compared to each program in itself. Well, let's come back to that in a second, because I really want to get into that and get your insights about how you managed across those programs, but let's take a step back to start with. And let's start with Fresenius itself.

So describe to us, like, not only what Fresenius are all about and its purpose, but actually it's [00:09:00] working within a very disrupted industry at the moment. So just paint a bit of a picture for us, if you wouldn't mind. Yeah, Fresenius is a healthcare conglomerate. So we have four business units under us that do slightly different things in healthcare as a company up until, uh, end of last year where we had some organizational changes, we were 45 billion euros in sales and 320, 000 colleagues all over the world, busy in 150 countries around the world.

And, you know, that's a large scale company. Huge, huge scale. Yeah. It's also, we're in healthcare. We do a lot of different things in healthcare, um, and some of those fun facts are really interesting. So, we, we delivered roughly 100, 000 babies last year in Germany. Now that's a good case. That's a cool stat, isn't it?

That's really cool. What's your target for babies this year? I don't know. I don't know. I don't know. Probably roughly somewhere the same, I guess. The rate [00:10:00] in Germany on this. We see 26 million patients a year in hospitals. I mean, this is an enormous amount of people that we see. We're a large scale provider.

We're a critical infrastructure in a lot of countries, uh, because of the drugs that we produce. And a lot of them are go, uh, are, are being shot into you when you go into a hospital or so when you're in a post, uh, hospital situation and so on. So, you know, for lots of people, it's true that if you go into a, into a hospital and have a operational surgery or so, and you might use one of our, uh, products, right?

And healthcare itself has been radically. Disrupted by both digital product and I guess either startups and challenger organizations that are coming into the space. So how does that manifest itself for Fresno? And how do you guys frame the challenge there? On one side, we have a development [00:11:00] on the product side, right?

We make a lot of different products and we see more and more products coming off patent



and therefore becoming available at a better price point or in a higher availability than they used to be when they're on the patent side. And of course there's an interesting story about healthcare and patent based Uh, innovation and research based innovation.

We're on the delivery side of care through the hospitals and through the products that we make. So access to and affordability are more interesting topics for us to deal with. But healthcare in itself, obviously. Got a big boost from COVID in terms of digitalization, right? During COVID, suddenly a lot of processes became digitally possible that before that for a very, very long time were tried.

Headscare is not the fastest adopter of technology. Usually headscare quite often late to the party in terms of adopting new technology. And suddenly everything had to become digital. So [00:12:00] that is, I think, Driving a lot of change. And you can see that in a lot of different interactions right now, where people are trying out new delivery models, new business models.

You talk about the late to the party. Is that, do you think a function of there's a higher risk in healthcare? Cause you have to assure things much more and you're dealing with People's lives or is it more of do you think a cultural thing in the industry that they're just having to catch up with what other sectors have been quite successful at?

What would be your view on that? There is a component to the first part, right? Of course, you have to deal with the security of personal data. Is it different than your financial data? I don't know, right? It's still something that in all cases is interesting and important to protect your identity, your financial information, your health care information, but of course, on the product side, it is a little bit different.

We make something that goes into your body and that has to be a [00:13:00] product that is safe to take. And, um. So you, you have processes around this to make sure that you manufacture correctly. A lot of that relies on the underlying technology being predictably compliant to how it's being set up. Let's then go back into Fresenius itself.

So I think I understand that as an organization, then it's complex in the sense that it's grown through acquisition. Over a period of time, it's obviously of a huge scale as you were setting out before, and it exists within this landscape of disruption. So many, many complexing factors in that scenario, and obviously, you know, conservative organization by nature and probably for very good reason.

So within that, then you were running for. very large scale transformation programs. So, let's just start with the conversation you had with your peers and your board around leaning into [00:14:00] something that must have felt very high risk with a huge amount of moving parts. Take us right back to the beginning of the journey.

Did you start off with, right, we're going to run forward, did that evolve over time, and what was that conversation like? Yeah, it certainly is an evolving conversation in its own right. The starting point came from understanding our technical debt, understanding our current approach to management, understanding things like end of life scenarios and so forth.

So you get all these single facts that are a little bit. Easier to understand um and each one can be debated and discussed and you try to find a way of okay so what does this mean from a critical path from a value to the business risk to the business benefit to the business type discussion and you start to shape the streams of work.

And the fact that you then say, well, how much [00:15:00] time do I have, what can I execute in what order? So it wasn't designed, it wasn't somebody said, well, let's do everything at the



beginning, you know, together at the same time, it was more, okay, so this is how this could work and how this could evolve. And I have a choice.

If I want to extend the timeline and do it over four years or five years or so forth, or if I want to bring things closer together, and what is driving that then in the end, are there common, uh, restrictions or milestones that. Make you then design the path in a slightly different way. And you come to a logical conclusion at some point that you say, well, I need to do this in a somewhat overlapping way.

Otherwise it won't technically work, or it won't work from external drivers. And that led us to the situation of running four change programs at the same time. I see. And why don't you take us through each one? So just, just what were the content of each one? Yeah. [00:16:00] So on one side, we had a major transformation of our workforce.

We were very vertically integrated, very centric in Germany, despite our global footprint. So we decided we want to do what, you know, lots of companies arguably have done before in terms of a flexibilization of our workforce, tapping into more talent around the world, changing our organizational structure, becoming a more diverse and international team, transferring some employees maybe to a different type of working relationship and so forth.

So we scoped a program of work on, on that. Second major stream was we were in a older and outdated data center. And that was in a place where construction was about to begin. So, you know, you don't want to be with your main data center in a centralized environment on a construction side. And that is one of these factors as an external date.

Okay. They, they [00:17:00] start construction on this day and you had to be out by then. I can imagine you could have a, how many sleepless nights do you have a metric attached to that situation? So in the existing data center, I've got a hundred sleepless nights a year. I want that down to 20. Well, if you execute a major transition, I think you get sleepless nights for other reasons.

Yeah, those sleepless nights might have to go up. Sometimes it is. Exactly. Exactly. Exactly. So, yeah, but that drove our plan to, uh, to get out of the data center and to therefore scope how we want to get out of the data center, right? Tractor bus everything to a co location environment and be in the same thing, or, you know, rent a data center space.

So we decided we want to move to the cloud. It's something that I've done previous times, uh, multiple times over, but also in the current scenario, I think it's something that you want to do strategically. We [00:18:00] decided we go to the cloud with our data center, then you look at that and say, Oh, I also have a whole bunch of SAP production systems that run my global financial streams that run my global warehouses that run my global production plans and so forth.

And I need to move them out. So now you design a migration of SAP systems to the cloud as well. And then you realize, well, if I'm changing all of that, I need to change my network. And, you know, there's lots of cybersecurity reasons why you want to maybe do something to modernize your cybersecurity footprint and your, uh, and your network from that perspective.

So you said, well, I need that roughly around the same time that I'm out of the data center. Otherwise I can't live in the new environment anymore. I can't have a small plant that utilizes an internet connection for a few video calls right now. And then say, by the way, all your applications come out of the cloud in the [00:19:00] future.

And you need a bigger pipe, right? You need to have done the network project. And those



were the four things that we ultimately did. We did a massive change to our workforce set up and to our lead. Global team and org structure. We then did one of the largest SAP migrations to SAP rise at that point in time with a whole bunch of new requirements around critical infrastructure, good manufacturing practices and so forth.

Did a somewhat standard, I think by now, but still in Germany still. Still not very often executed migration of the data centers, uh, to the clouds. And while we're at it, we took our us one and our Asia one into the mix as well. Did you go lift and shift with that just for like a pace and, and cadence of migration, or did you do any modernization?

Uh, we did some of it. We did the typical R factor analysis. Um, in the end you do lift and shift a lot. If you want to do this with a data [00:20:00] center move as a. Sort of strategic driver, not a sort of long term renovate your application landscape. It's a, it's a thing we debate on here, which is the, do you lift and shift because transformation is easier because cloud is, well, makes it easier to operate and make changes more effectively than try and move and transform.

And it's, uh, I suppose it's horses for courses in some ways, but, um, speed definitely comes from the move and then transform. And often the transform has a shorter cycle because of. You got all the funky things that cloud enable you to do differently. But with that comes a very different mindset associated with operating cloud.

You have to restructure your it operating thing, go to platform and products perhaps, but be interested in what you did with your organization shape. I know you said you've taught, you've tackled the people thing, but that, that Pivot to become a new style of operating structure as well at the same time to underpin the sort of cloud journey, but you have to because the way that you manage a traditional data center, [00:21:00] the security in the traditional data center, the management processes, what you even do as management processes is different to what you do in the cloud, right?

And then there are new skills that you need in terms of especially financial optimization of your cloud environment. And then if you develop new software for the cloud, a native cloud software, which yes, ultimately is a goal for a lot of these things, but you know, you need to find a business case for doing that.

Um, and if you then do it, that's a very different skill set to a traditional on premise development environment. So you end up really thinking about a reskilling and retraining program, plus adding new jobs that are for these new types of processes. Yes. And not needing some jobs that are for old processes that you don't have anymore.

So I'm curious, as you were going along, you've developed the four work streams. So you are restructuring the people, thinking about your organization ship, thinking about globalization, creating [00:22:00] a new platform on the cloud, a compute platform with aspects of modernization and putting your SAP on there as well.

And then rebuilding your underlying network infrastructure. Did you have, um, like a vision of a new way of operating? It's a bit of an extension of Rob's. Questionnaire like what did good look like at the end for you so what did you want to try and then be able to achieve with your tech organization that you might not have been able to do before you started the journey.

Ultimately for me the role of a tech organization in a health care company is to support the health care business that's our real business it's not doing technology per se. So broken down, I don't want to be interested and think too much about running a data center because that ultimately doesn't do much for my business.



If I do it badly, it creates an issue for my business. If I do it brilliantly, it may be as good as I [00:23:00] can buy it from somebody else. It won't make a difference to my business. So ultimately, I want to find the mental freedom to work on the. Issues and problems that really drive and differentiate our business and do everything else ideally at the level of market standard.

If that's what I, if I don't need more than that, right? Occasionally, I need more than that in terms of quality or availability or so on. Then I can make decisions if I want to do something in the house or do something differently or something. It's a little bit like Power, right? I don't really care where the power comes from.

As long as I have an outlet where I can pluck the thing that makes value for me. Um, you know, being at the leaf blower or some sort of machine in my house or my nice TV or so on. That gives me the value. I don't. Really want to think about power distribution, power generation, and a lot of I. T. I think is nowadays this way back 20 years ago, [00:24:00] you know, having a good network design made a big difference nowadays you buy a lot of network and, you know, it's usually internet and you don't design much around it.

So, yeah, yeah. What is really driving the value and freeing up the mental capacity, the management capacity, the skill set to tackle that bit is the vision that we're ultimately going for. I think for me, it was the day when it dawned, when cloud came, a phrase that was used a lot was undifferentiated heavy lifting, which is exactly that, which is understanding there's so much toil in the system that you shouldn't really concern yourself with.

Because it doesn't add direct value. That's what I love about the platform and the product based model, because the product gives you the intimacy with the business and you can focus on what true value is. And then the platform takes care of all the things that you shouldn't, you know, the plumbing, however, there's always that side, the engineers.

are naturally creative people who want to play with that plumbing. So it's often [00:25:00] getting them to think, yeah, yeah, don't spend so much time thinking about the wiring, just take that away and, uh, look up there instead. And that can be a bit of a transition of a mindset as well from a technology team standpoint.

Yeah, I think you need people for the right types of jobs, right? So do I, as a pharma company really need somebody who's really good at designing the next generation data center? Probably not. Probably. I don't want to employ that person. That person that wants to work on that probably works with a hyperscaler or with somebody like that, a.

Sort of true technology focused company, but somebody who can think about how I make an AI assistant for a nurse that understands how the nurse works and what the patient needs are and what the constraints from the regulation are in terms of the healthcare setting, that is very much something that Add value to our business i want to shift what we do to those things and [00:26:00] what we don't do and what we buy to the former sex in the execution of four programs kind of alongside each other what stand out for you across the period that you're running the programs is as the bigger phone your challenges that you have to get into and how did you address them.

You know, what did you take away as being the one or two big things that stand out for you personally, as like learnings from that process? Yeah, there's only so much that you can plan. And this is one of these things that has multiple, So you start the journey with an organization that isn't what you want at the end of the journey.

It lacks some skills, it lacks some, uh, some experiences and so forth. And you can try to get



all of that at the beginning of the journey, but it's really, really difficult. So you are sort of building an organization and learning and [00:27:00] adapting to the future environment while you're getting there. And you can't have all of this in perfect set up at the beginning, right?

That's, that's a real difficulty when you think about, okay, so who designs what you sign off on, on a contract? Because they. Probably not really understanding what the future world is going to look like if you're really lucky you have all of that future team when you start the journey I've never seen that really work and you you're there for more of your team as you go through the journey and in an idea world you would have it up front but I don't.

I think that's really realistic. No, I think you can only do that in a, I think in a situation where the journey you're about to go on is it's hyper mature and really well understood, you know, like third generation outsourcing, for example, it became very clear to how you specify that, how you go to market for that very straightforward in the sort of journey you're going on.

It's a much more complex learning [00:28:00] journey and you only really know what the end looks like sort of when you're there, you know what I mean, and I loved your point about you can only plan so much. One of the things we talk about. On the show quite a bit. I don't know whether you're familiar with it.

There's a really good bit of work in the Harvard Business Review called the Kneffin Framework, and it's a, you know, four sector grid that sort of differentiates between the world of the complicated, which is really hard, but actually with a limited number of unknowns. So you can plan it, and therefore you would be able to go, right, the team I need at the end has got two of these, three of those, and five of those.

Let's go and get them and go on the journey. Versus complexity, where actually you might have to provoke the market a little bit to actually understand what you need to do next. And therefore you go like in more of an iterative learning style. Is that what it felt like to you? Uh, there's certainly some truth to that.

I know a similar concept about the learning cycle [00:29:00] that goes from, you know, you, you don't understand and you can't do to the exact opposite of that through four stages, right? And it's quite often described as somebody driving a car until they really should get out of the car because they don't do it anymore.

Right. And all the stages in between, starting with the teenager that, you know, Can't even drive the car at that point, um, but doesn't quite understand that he can't do that. Or, uh, and I think you have a little bit of that sort of journey as well in, in a transformation like that. Yeah. There's, there's the thing is there's the unknown unknowns, things that are going to happen that you just can't plan for.

And then there's the, you're unconscious about. The capability that you're actually missing and it's moving to that consciously understanding you're missing the capability to then being able to build it to know that that's what you need. So you start off, you don't actually know what you need until you've found an issue and go, ah, let's adapt.

Exactly. There, there is. A lot to that. And of course you find a lot of things, [00:30:00] especially in your highly decentralized environment, you find a lot of things along the way that by no means you had a chance to pre plan for because you didn't know them. So it goes exactly into this unknown knowns and those are things that that makes the journey difficult.

And the only thing that really helps. And help us in managing through this is to maintain that forward movement in these transformations to we never called something a pilot we always



called something wave one maybe wave zero but never a pilot because a pilot mental model is you stop after the complete yeah.

We're, we're sort of, okay, so we, we do this and then we learn and then we adapt and then we do the next wave and then we learn and then we adapt. And especially on the SAP RISE migration, that was a lot of what we did because we moved the largest systems at the end of the journey. And of [00:31:00] course that gives a sort of unequal load profile as you get very technically between your on prem environment and your cloud environment.

But you've done it so many times by then, we've moved 130 different systems and landscapes that you then know what you should be doing. Yeah. And also, uh, you've adapted a lot, right? So if something unknown does happen with the major system move, your entire team is much more capable to respond. Whereas if, you know, so it's that creating the muscle memory in the team to respond to change fast and cloud allows you to do that as well, doesn't it?

It's just building that into the, the organizational psyche. Which is important.

So you're at the end of the transformational period. You've now built your platform and completed the underlying network changes on your workforce [00:32:00] changes. I guess the big question is Ingo, like what next? So what does that allow you to now do and start to innovate on behalf of the organization? I would say we're not at the end.

We've merely finished wave one to keep with the theme here because we're now in a phase where we'll look at the rest of the world and the other environments that are not in our traditional data centers. We have lots of plans. We have lots of localized offices. We still have quite a bit of decentralized IT organization.

So we'll look at how do we do that? How do we bring all of those components into the fold? That's the next wave of transformation. The other wave that we're doing is The whole rethinking of how to support our business. Now we have everything and we have everything very, very visible, very transparent, very metrics based.

So we can start to see what we want to do from a application perspective, rationalize the application portfolio, look into [00:33:00] more of this R factor analysis. What really makes sense for, uh, the, the future of our manufacturing processes, so OT environment and so forth. So there's a lot of that. Additional wave of transformation.

But the interesting thing that happened, and of course, nobody planned for this, is that in the middle of us doing our transformation, this whole thing, AI really exploded. That old chestnut arrived on the horizon very fast. Fast. Didn't we were a 34 minutes into the recordings. That's pretty good going.

That's quite good. Yes. But it is something that, you know, we were suddenly able to execute on. Previously would have been, well, let's set up some cloud environment and move a bit of data there and see how we do this. And suddenly we were in a position where it was, well, that's our mode of operation.

That's what we have already solved for. We have some people with [00:34:00] the skill. Decisively remember a session with the business where they were talking about how the hell do I do cloud based patient data in Germany. How does this even work and so forth and that they were experiencing their world as I knew it and I put a slide up that said, by the way, we moved to Germany.

Petabyte wise data and have 10,000 machines in the cloud and every application will have every color, including everything that you can do with patient data. What do you think? Shall



we do your problem as well? Of course, it's totally part of the conversation. Yeah, yeah, no, but that, I mean, the business, uh, that's must have been a lovely moment as they realize that all the complexity they have foreseen.

Uh, naturally I'd all got away. And then they can just discuss about how you solve for a business issue to make something better. That means something to an end user or a different experience. Well, it's been quite pleasing to be in the room and putting that slide. I'm going to the fixed all that. Now let's go on with that. [00:35:00]

Exactly. Especially since you know, these are long held beliefs or how complicated this all is and so forth. And then you have access to people with the skills and the capabilities. And you can very, very quickly turn out proof of demonstrators, concept models, and so forth. That work in the real environment because you know, your data is safe.

You don't have any of these issues that sometimes people have when they set up AI experiments. And of course, everybody wants to do something. You made the joke yourself in terms of how long does it take nowadays to talk about AI on what's in minutes, seconds, so to speak. But the point is you can actually.

Deliver on this sort of stuff in a very, very quick turnaround. And we did that over the, uh, the, the winter break. And that was a second aha moment for the teams that they said, well, not only is it possible because we've solved all the problems naturally, because we moved all the data centers and all that sort of stuff.

But it also now is possible to do this in a very quick turnaround way, [00:36:00] where they had some pilots last year, of course, and they were, um, they were doing stuff, but now it's so much easier, so much faster that we can do things. So that's benefit. That must've built some excellent advocacy with the business because they see this capability to solve.

What they would probably think is very complex and lots of structural things that plumbing and now they can just get on with that. Have they now got a bit more excited and come to you and say, how about this? How about that? How about this? You know? And then I suppose there's the natural thing is what has that done for any organization which is shaped like yours, which has there is a reasonable amount of shadow it floating around within the midst.

Is that that changed the narrative for you with the business? It's certainly changed that we started to have a different dialogue on topics, right? That we're getting more into innovation and so forth. We have a long way to go. I'm not saying we're perfect on any of these sort of things. I think every IT organization sometimes [00:37:00] struggles with, you know, are you really a partner to the rest of the business?

Are you really working with them or are you really running infrastructure and, you know, doing a little bit of programming somewhere for something that Most people don't understand or so on, but what it certainly did, it is a game changer in my eyes for, uh, the interaction with the business leaders and the recognition because move to the cloud and, you know, you've done something that gives you a more resilient environment or more stable environment or, you know, reduces the cost by X percent or so on is mildly interesting to the business, right?

So the time that he can talk about, Hey, I can. Actually help you drive better quality in patient care or I can really drive a different cost portfolio or very different customer experience that is where I said in the beginning, I want the organization to be a partner in the dialogue and you then have to have the skills and capabilities to do that and if [00:38:00] you can have that then in a way where it's fast and efficient.



easy to access and quick in the time that you get something done, then, you know, I do think it changes the dialogue. So you mentioned that the Gen AI is something, you know, that you're looking into much like many other organizations. Now you're starting to move the conversation up the value chain, so to speak.

And into really business impacting tech innovation, what excites you about the next phases that are coming along in terms of what you what you're now going to be able to do for the business as I said, it has done quite a bit for digitalization of healthcare, but healthcare always has been, uh, very paper based, very slow and turn around.

you know, lots of complicated processes, um, customer experiences that are not that highly rated quite often from the patient, uh, complicated paperwork for physicians and nurses. COVID [00:39:00] has put a lot of that into focus and allowed people to find some interim type solutions for that. I think what we'd see in the next wave is much more appetite to do these things.

And that appetite translates into fusion teams, join teams to say, let's really design this together. Let's really think about what we can do differently here. To me, that's where the real value for patients and physicians really come in the future. On that COVID point though, before we, before we move on, I just want to ask a question about that because we we've observed quite a bit of COVID certainly accelerated a lot of change in the world.

In digitalization in many industries, actually, not, not just in healthcare. The other thing it seemed to do, I think, and I'd value your view on it, is it opened the eyes of board members and decision makers in the business who frankly might have [00:40:00] become a little disillusioned by it and the pace that it often run at.

And they, they saw in lots of organizations, literally over the weekend, everybody would move on to zoom or move on to teams and had a realization that tech effectively removed what could have been an existential crisis for that organization. And they almost had a An epiphany that we're in a new era of tech now.

Do you recognize that? Did anything like that happen in your organization? Yeah, I imagine how the 2019 sales call for Zoom goes. Yeah. Let's move your whole organization on Monday morning to a Exactly. Remote working solution. Yeah, exactly. Go away. I don't buy that. So I do think there's some truth to this.

Organizations have learned that technology can actually do something quite significantly different for them and reshape processes [00:41:00] significantly. And when I look at it, you know, talking to your physician through a mobile phone or on your computer and so on. How many people did that before 2020? And now it's such a mainstay for lots and lots of people already.

It has way more room to grow. Absolutely. But it is a nice way that I think has changed how you interact with physicians quite often and even. you know, online services, online experiences, ordering something, getting a new prescription, filing it, being able to track it, doing a payment for it, and so forth.

Lots of that sort of stuff has changed, and I think there's so much more room in processes in pharmaceuticals and in hospitals for this. You know, there's, there's endless innovation for us to be had and to work on. Yeah, and when you think about things like Fresenius manufacturing businesses and hospitals themselves and connecting all of that up.

What's [00:42:00] your sort of vision for the next couple of years? Yeah, I think on the hospital side, you have to compare that to your shopping experience, right? Years ago, you



went to more. And hopefully the right stores were there and you got, and hopefully they had the right stuff, uh, there on the shelf for you and so forth.

And it's a little bit like the hospital environment in the past. You, um, get a scheduled appointment, you go there, um, that sort of thing, where nowadays it's a lot more fluent, right? You can do a lot of your interactions in a Somewhat hybrid type setup and that will continue and I think that experience is different around the world, right?

So I live in the US. I see a lot of that. I can do a lot of things that I can't yet quite do in Germany. I don't know when I saw the last time a script, you know, it's not on paper anymore and it's been so for years I can. Get to my personal medical record. I can share it between different hospitals and so forth.

There's [00:43:00] lots and lots of stuff that we can still do in certain parts of the world. The healthcare system is very localized in that environment. So we have lots of opportunities there. And on the manufacturing side, I think, you know, we have a lot of opportunity around digitally understanding our products, our manufacturing processes, our supply chains, our warehousing, a lot of what To do with never running out of stock.

You don't want to be in a situation where a medication is not available for a patient. So a lot of that can be supported with technology to make sure you produce the right thing. You don't have failures there. You optimize your processes. You take money and cost out of that processes. And, you know, ultimately medicine is moving towards more personalized treatment.

Not only in the way that it's, that your treatment is coming. What I described was that sort of more hybrid setup maybe, but also in terms of the products, right? And so something that gets personally [00:44:00] manufactured for you, batch size equals one, as I say, is a very, very different process for a pharmaceutical company and for the delivery of that health care, then something that gets mass produced and, you know, you buy off the shelf.

So again, I think there's lots and lots of innovation on the medicine side as well. I think there's a data explosion on the individual as well around personal monitoring of your own healthcare. You know, the smartwatch that can now do amazing things, blood oxygen, blood pressure, blood, you know, it goes through, right through the list.

It, it, it, that will at some point People will probably want that data to enter the ecosystem to personalize the care and the diagnostics associated with the individual. I suppose it's your view on that about us taking more responsibility for the data that we can collect to provide better diagnosis when you actually do go face to face with the clinician.

Data and healthcare is such an interesting world in itself, right, because there's so many different legacy systems, so many different data formats, [00:45:00] lots of separate infrastructures and environments, localized infrastructures, different applications, and you look at how cloud services, Based data analytics and AI and ML tools on top of that are reshaping how you can combine data, right?

And a few years ago, I built the data warehouse and, you know, you sorted the data and so forth. Nowadays, you're much different technology available. If you're in the cloud and you can access your data from a cloud based environment. And then you have the scalability and the tools to manipulate and analyze the data, which are very, very hard, you know, a single hospital was an on premise server and, you know, an AI based ML data lake that is not going to really happen.

Right. And so you need to be in the cloud to actually do all of that. And again, healthcare



is information rich inside poor that is changing in the industry because [00:46:00] it's also. Easier to combine data with these newer tools than it is with the old traditional ways of doing data. So AI conversation on what insights you gain from data in the hospital, how that combines with your own data.

An endless world again on opportunities and you need, and I think this is a story that comes through this, you need some precursor enablers to be able to do all of this, right? I can't do this if my hospital is on a small dial up line, so to speak, for, for internet connectivity. I can't do this if everything sits in the basement and, you know, it's not accessible to some of the more modern platform.

So, if you have these precursors, you can suddenly move a lot faster and do a lot more in those spaces. Mason Well, I think that brings us quite nicely full circle then on the transformation story and, and what's next. But I wondered, just before we end our conversation today, let's maybe have a little bit of a [00:47:00] conversation about the humans.

that are in the middle of all of this, and they've gone on the journey with you. The world that was probably 18 months, two years ago, compared to the world of, you know, data centric innovation are very, very different from each other. How did you go about taking your organization with you? Were you describing end states?

Did you just do it in little chunks? How have you mobilized the Organization around it and, and I'm guessing driven fairly substantial culture change in there somewhere. Yeah, I, I would say that is probably the most difficult part in all of this and I'm not sure that there's any sort of secret recipe on how to do that better than in other areas.

True fact is you need to talk with a lot of people because there's lots of fears from different angles. People fear for their future job. People fear for the data privacy. They, they're employed to fear because they are a lawyer and want to look at the risks and so forth. And you want them [00:48:00] to look at the risks and educate them.

Uh, so, There's lots and lots of different aspects of what you have to deal with from a personal, emotional, not understanding, not having maybe bought in or just not knowing or unclear. So a lot of that can only be done by dialogue at various levels in the organization. And I don't think that. Painting an overall picture of a nice cloud and, you know, we go there, does anything, right?

That, that's not that important. Um, and in a lot of places you can only talk about the process while you're in the middle of the transformation. You can say, we'll move the system next month or, you know, this is the next step around your employment or those sort of things that are not satisfactory to people.

They want 42, but you don't know. That it's that, right? And you can only say, I'm [00:49:00] going to ask the big machine, and we'll churn out the answer at some point or so on. So dealing with that sort of emotion and then affecting, as you said, the cultural change and the new skills. So you bring in new people, they have to bond while they're executing a big project.

You need to shift some of the soft skills around when you say, I want you to maybe not. Hug your server and you know, do that sort of lower level technology. I want you maybe to talk to a nurse or a physician or a business leader or so on. These are all things that you need to do at the same time. So it tends to be a big part of the project, but I don't think there's a silver bullet for it other than communicate, communicate, communicate, and do that some more.



Ingo, thank you so much for spending time with us today. today and sharing quite a tremendous [00:50:00] story in terms of not only the amount of change you've made in a short period of time, but how you're already starting to think about how you're leveraging your new compute platform to drive value for a business in a very disrupted industry.

It's been a fascinating conversation. Thanks for your time. Now we end every episode of this podcast by asking our guests what they're excited about doing next. And that could be, I've got a great plan for the weekend, or it could be something in your professional life. So Ingo, what are you excited about doing next?

Well, on the. Professional side, the next big change for us is really about where do we take Fresenius, right? What is happening? We've gone through quite a significant change with our business by the end of last year. We're now in a phase where we're defining the future. So that has to be and is interesting, is a big opportunity for us to think about what we're going to do in the future.

That's the important thing there. Uh, On, on the private side, I really don't know what to do for vacation this [00:51:00] year. It's a tricky problem. It's a tricky problem. It's a tricky problem. Have you got at least the couple of weeks you're going to take off identified as a step one? Absolutely. You have to recharge your batteries.

You have to disconnect. You have to read something that you're interested in or do something that you're interested in. My wife would like to see me again as well. So, you know, it's, it's important things in life. Um, I feel like. You know, this year and last year, you know, everything that you try to book has become horribly expensive.

Oh, ridiculous. Right? And I, I'm not quite, you know, which one of those options do I take, or do I take something that, you know, is off the, Beaten path somewhere. You want to go, are you thinking beach or city? No, that's too easy. Oh, I'm trying, I'm trying to create a, maybe a two by two sort of framework. You love your Boston matrix.

Don't you? I do. [00:52:00] Absolutely. My other access was going to be activity versus rest. Well, I've been on all seven continents. So I do the access of some strange place on the world to go, or. hyperlocal. Right, right. I think we may end up doing hyperlocal as in a cross america car trip and, you know, just stop at weird places to take some fantastic photos.

Oh, I'd love to do that. That's the fantastic thing about America though. The country in itself has huge diversity in the types of things you could do. So you can stay local and still feel like you got away and did something quite exciting. Exactly. Exactly. Brilliant. We'll look. We wish you all the best, not only on your holiday, but actually choosing what you want to do.

Uh, it sounds like your road trip to me actually seems like a dream. I would love to do that. And of course we wish you well with where you guys go next in the professional world.

[00:53:00] Perfect. Thank you. So a huge thanks to our guests this week. Ingo, thank you so much for being on the show.

Thanks to our mystical producer Marcel, our sound and editing wizards, Ben and Louis, and of course, to all of our listeners.

We're on LinkedIn and X, Dave Chapman, Rob Kernahan, and Sjoukje Zaal. Feel free to follow or connect with us and please get in touch if you have any comments or ideas for the show. And of course, if you haven't already done that, rate and subscribe to our podcast.

See you in another reality next week.

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