CR116

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Capgemini

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[00:00:00] Yeah. Have you seen the beer? I've seen the self-service dispenser things. Yes, I've seen those. Absolutely. You've got every kind of beer and you just go up, tap your card, pint, glass comes down, fills up, and off you go. Have you seen the, uh, the Simpsons where they've got the duff machine and they, they select at, you know, 20 different types of duff and then it zooms up and all the pipes just feed into one beer pipe?[00:00:30]

Welcome to Cloud Realities, an original podcast from Capgemini. And this week a conversation show about the move to cloud and digitalization within a highly regulated industry that is itself driving an increase in digital collaboration across its ecosystem. I'm Dave Chapman. I'm Esmee van de Giessen and I'm Rob Kernahan, and I'm delighted to say, to talk about a change in such a complex situation.

We've got Danny Polaine, who's the CIO of Thales in the [00:01:00] UK. Danny, how are you doing? I'm good, thank you. Yeah, thank you for inviting me. Our pleasure. It's good to see you and yourselves. You doing well? Yes, very good actually. Yeah, very good. Brilliant. Well, it's lovely to see you. We've got Ez, we've got Rob here.

How are you? Hello, David. I'm, have you been crying, Rob? Yeah, just, I saw you coming and I couldn't help. Does he? He looks, and I'm not sure if it's tears of joy or tears of sadness days. You, you stay up a bit late last night I didn't, no. I was in bed in good time. What time did you go to bed? Uh, it was, it was about 10 o'clock actually.

Marcel, did you sign off [00:01:30] that 10 o'clock seems a bit late to me. Rob, you shall Sure. You're not, uh, choking on the coffee that you bought for yourself and not us. Yes, exactly. Oh, oh, I you brought that up, Danny. So Danny and I are sitting here working quite hard pre-read and then in Wal, I think, I think they Walt, yeah, I was, let's call it waltzing.

Robin Hass carrying nice coffee each. It was nice coffee actually, themselves, I'd say. Absolutely. You know, the best part was it got bought for us as well, so, yeah. I [00:02:00] mean, look at that. They treated us. I mean too, and he didn't, I wonder if you were there. We were being treated.

Yeah, yeah, yeah. Well, you never know. You never know. It's disappointing Anyway. Um, well, I mean, let, let's be honest there. You our relationship Yeah, yeah. Is filled with disappointment. Just constant disappointment. Transaction disappointment. Transactional disappointment. I think with Redescribe, how we work.

So that's cool. That's like everyone's gonna be doing it just another day at the office, Dave. Everyone's gonna be doing it. That's the way work life's going, isn't it? Yeah. That's [00:02:30] it. Well, was just, uh, sell ourselves to AI and off we go. Exactly. Well look, we'll be able to automate transactional disappointment.

Yeah, it, it'll happen faster. Take a lot of weight off us actually, wouldn't it? Yeah, exactly. We could then go and enjoy ourselves. It'll be a burden. I don't have to carry anymore. S How you doing? You right? Doing good. Your coffee. Nice. What did you go pop? Do you actually know that Marshall has a super bladder?

A super bladder? Yeah. Oh, what I found out's What it news? Is it mechanical? He's off made a metal. Anyway, I didn't ask for details, but he's, he really? [00:03:00] Yeah. So how does that show up? What? What's the advantages of such a thing? Well, he doesn't have to visit. The, the toilets, the conveniences. Yeah, the conveniences.

But when he does, he's there for an hour. I dunno, I I'm not timing it. It's like, it's like unloading. We know when you've got a, a mobile home got like a, one of those things where you have to, you know, get an industrial unit of, so it was a situation. It's like standing next to a race horse. Wow. You're calling Marcel a racehorse.

He's gonna be happy with [00:03:30] that, with that meant image. Ringing in our heads now I am crying. What's confusing you this week? Robert? AI privacy nightmare. David. Oh my, good God. It's coming. It's coming. I tell you what, we don't understand it yet, but did you know that people are actually having very long conversations with ais?

I, I've, I've heard of such a thing. And then they get terribly upset when they switch 'em off. No. Well, the, uh, the, the, the younger generation particularly are using them like therapy sessions. Mm-hmm. [00:04:00] Yeah. Right. So they're talking to ai, but they're talking to the AIS for hours. Ah, yes. And you sort of go, what information have you given this AI over the period of this long conversation?

Right. Very true. And who owns that data and what are they using it for? So what they reckon is, if you are talking, I mean, it's all right. You know, we, we all got used to. Talking to the digital assistant type thing. Mm-hmm. But, uh, yeah, there's this, this, these very long, detailed things going on, and it's like a thera and you're like, you think, well, where, what, what is the privacy implication of this?[00:04:30]

I mean, it's a fair point because, I mean, can you imagine if you told an AI or your private thoughts and then they've got leaked onto the internet? I mean, wouldn't be great. Wouldn't be great. It's not a fun day. That one. Is it Dave though? I've actually got an example of this that, that I rolled out IBM Watson about eight years ago.

Um, to the service desk. For the service desk, right? And we were looking through all of the conversations that were going on, and there was one that was around midnight, right, from an engineer that basically said, um, and we call her the, uh, the assistant tally. Okay. That's what we, uh, [00:05:00] we, uh, marketed it as.

So it said, Hey, tally, it's midnight. It's just me and you. Let's chat. That's not a rest of a dialogue. I want to read over that, but, but you are right. It it, my immediate sense is it will allow you to be profiled at a level that. Yeah, yeah. Much deeper than you're currently being pro, already being profiled now.

So if you think about, we all know you are buying habits are profiled at the moment, Robert. So social, social engineering, if I get hold of that data right, [00:05:30] you socially engineer for an individual, I mean, that's quite dangerous. Your, your, your capital are. Or B 1, 2, 3, 4, 5 star passwords are gonna be good.

They will, yeah. But no, because guessing passwords, that's a very good example of it where if I know how you think the words you use, I can maybe tend to understand what you might know. Another AI will be able to do that. Exactly. So what one AI will just be able to, then it'll be able to then summarize you.

That. That's a terrible thought, isn't it Robert? My summary is [00:06:00] probably gonna be quite short. Not much of interest here. The AI will go, I have to stop. I got, I got so bored. Can you imagine if the AI comes around and go, I'm not talking to you anymore 'cause you're so boring. I mean, that's gonna be a bad day in it, that that's a bad day.

You would feel judged. You would feel judged? Uh, yeah. More so. Well, I'm used to it with you, so I suppose par for the course, isn't it? Let's, it's, it's kind of like, you know what, we might come on later on to talking about how you, how people have to change with digital on the weekend when you are not around [00:06:30] and I feel like I need judged again.

I can get the AI to do it. That might actually fill an emotional gap. No. Well, maybe there's something in this research actually showed that the AI is usually very positive. So if you have, I'm really your AI as a therapist. Blow, blow smoke. Yeah, it is. Oh, I can't be dealing with that. I can't deal with positivity.

It's because it's only gonna say what you wanna hear because it understands your thinking. So it's gonna probably, you know, they'll go like, it'll say what You want to sit to level four architecture. It's my [00:07:00] favorite thing. You're brilliant at it. You say stuff like that. Well, maybe that's why the people are talking to AI more 'cause they get like Oh certainly.

Yeah. Co compliments. Yeah. Sort of rein and then, and then it will be able to weed out all your secrets. Yeah, that's it. I'm compromised. It's over. Anyway, I think we've got to the bottom of that. What? That is an AI privacy nightmare. Yeah. Alright. I think, I think the clue is in the question, what you said.

Yeah. Yeah. Telegraph that a bit. Yeah. Sorry about that. That's all right. It was a good one. Have I disappointed you again, Dave? Uh, I, [00:07:30] I, you, I think you might have disturb. You've disturbed me a bit. Disturbed me. I think so. Alright. I'm comfortable with that. I'm comfortable with that. Yeah. Okay. Let's start there.

Alright, let's move on. Yeah, thanks very much. Let's move on to talking to, um, Danny. So Danny, why don't we just start with, just introduce Telus in the UK to us. Okay. So Thales is a, it's a global technology company. You know, it's around globally, 83,000 employees, uh, across 68 countries. We got about 7,800 people in the uk.

And just as a, as a, a little bit of a gauge, we [00:08:00] generated around 20 billion euros in sales in 2024. Right. Okay. Now I describe Thales as that company that everybody uses, but not many have heard of. Right. You know, apart from forums. In defense, uh, and in so and so forth. It's a, it's a company. The technology that we, we produce is used in everyday life.

So where, where would I have come across it, for example? Okay. So yeah, just as an example is from a defense point of view, you know, you're looking at, we designed the Queen of Earth class aircraft carriers. Mm. Um, we're a world leader in [00:08:30] cybersecurity, and one of the ones that a lot of people don't realize is.

We've been in AI for over 10 years, right? We're a leading AI company. It's in a lot of our products. It is prevalent in a lot of our products, but we're not really known for it. But, you know, going on from that, we helped build the International Space Station, but we also produce all of the UK passports, all of the UK drive-in licenses and all of the, you know, a lot of the bank cards that are out there.

So if you pull your bank card out of your wallet, if you look on the back. You'll either usually [00:09:00] see, uh, a reference to either Thales or Jamal tub if it's, it's an amazing array of products. What would you say is the, like, what's the baseline sort of capability that Thales provides on such a sort of diverse range of products?

Well, in the UK we're, we're 70 to 80% defense. Mm. Okay. Um, but obviously we, you know, we've got diverse products, um, that I've already mentioned, you know, like passports driving license. But is it like engineering or is it the fact it's all regulated, secure, or It's an engineering [00:09:30] company. Yeah. But we do so much more than that.

Right, right. You know, and when you look outside of the uk, when you look at, uh, France and various other countries, there's, there's a huge. Uh, a huge array of products that are, and, you know, I've been in Thales for, for nine years now, and when I visited the offices, or I visit the offices around the uk, and there's many of them, I'm still surprised at the different products that we produce.

You know, I don't come from a defense background, right? And I come from, uh, banking and financial services, uh, SaaS, those [00:10:00] kind of, uh, those kind of industries. And when I walk into Thales offices, even now after nine years, I'm like a kid in a candy store. Right? And it's like, wow, look at that. You know, there, there's, there's a guy over there that's actually

you, you know, he's programming or he is messing around with a missile.

Mm-hmm. You know, it's, it's just a, it's, it's a weird thing. But then you look over there and somebody's building a satellite, right? So someone over there, you know, when you go to. Uh, offices where the passports are, you know, the, the array of equipment there is to produce the passports and the [00:10:30] driver licenses and the bank cards is, is amazing.

Classic. Yeah. I did not know we did that type conversation. That goes on, doesn't it? Yeah. Yeah. And then you get back to the more traditional, which is, you know, we, the eyes and ears or the Royal Navy, you know, we produce their sonars, their radars, their combat management systems. And a, again, it wasn't until I saw the documentary on the Queen Elizabeth Aircraft carriers quite some time ago.

And I'm sitting in there and look, that's Thales, that's us. And look, look, that's labeled Ali as well, right? And, and you don't [00:11:00] realize exactly what we produce. And, and your role within it is the, the CIO in the uk. Just give us a sense of your day job. So I look after I see the enterprise networks, okay? So that includes our, our OS network, our secret network, all of the security around that.

All of the, you know, the, the, the service management, the service desks, you know, it's an enterprise CIO role. Okay? So servicing 7,800 people who are very demanding. They're engineers. Now, they also know [00:11:30] how technology works as well, aren't they? They're the worst type of end user. 'cause they, they, they, they think they can do better.

Best type ends you. The best type of, uh, end user. I have to be very careful. Um, they have an inkling on technology and they have a view. Yeah, they have a point of view. I think every engineer has an opinion. That's definitely for sure. They're not, they're not shy and giving feedback. Absolutely. Absolutely.

And you're talking about some very, very intelligent people. Okay. So, you know, we try and do the best we can. It as a whole, you know, [00:12:00] if you look at it, it, it's something that I always say that you measure your success. On how many complaints you don't get. Right. You don't go into it expecting price. Okay. So if we are keeping a good baseline, keeping our services up and running, making sure the engineers get what they need, yeah, it's success. You know? Yeah. We breathe and we go into another day. As long as the printers are working, keep the printers working. Wow. That, that's a mute subjects. I've taken a lot of the printers away, but hey.

Yeah. Yes, yes, but, but it's a very good point. Iner in service [00:12:30] particularly. The basic services like the network or the desktop or whatever, you can't win. A perfect day is a quiet day and every other day can be chaos. And you only hear from people when they're not happy. Yeah. And even if it's a system that you know, you don't look after, that's something like teams, it's still your fault and it's still our fault.

Yeah. You know, it's that whole perception thing you've, you've gotta. You've gotta keep that perception. It's so important. Yeah. It's like service desk people. People ignore the service desk. People think they're irrelevant. They are absolutely not. That's your [00:13:00] front door into your organization, into technology organization.

Okay. And they're so important, and that's where you develop. Your future engineers with the service desk or a call center, phoning up and being angry never gets you anywhere. 'cause it's not their problem. They're just trying to help you. That's the first thing that people should remember is this human on the end of the phone is trying to do something to make your life better.

And when you're nice to them, they generally. Want to go that extra mile, they try and do

extra things. Why have you showered them? Then it's like, it's like sending a steak back in a restaurant. Yeah. Yeah. It's like, dunno what goes on behind the [00:13:30] scenes. Yeah, yeah. You're like, oh, don't do that service there.

Hey, I think that's where the British have perfected it, where we just don't complain and we just sit there and they go, is everything all right? And you go, yes, absolutely. Perfect. Thank you. Even though it's the worst thing you've ever eaten in your life, it's also your, your, the best way to get feedback is your service desk.

And I see that so many companies do not use that as like the funnel and, you know, what is it that they're actually. Complaining about, it's where you're gonna get the true sense of how your service is being experienced. Absolutely. And they can ask follow up questions. Uh, they can say, you know, [00:14:00] just if you have one minute, what is the thing that bothers you the most of what you're working with?

Absolutely. That's a perfect funnel. You know, one of the most important things for me on, uh, on a service desk is getting out there and talking to the people on the floor that are using your systems. 'cause if they weren't there, we wouldn't be there. And that's such an important message. Okay. User experience is everything okay?

We don't put in it for it. Yeah, we put it in for users who, who make things, sell things, pay the bills, and [00:14:30] keep us in employment. Okay? So unless we are understanding what our users are experiencing, and if they're getting a good service or a bad service, then we are failing. So let's use that as a, as a bit of a bridge into the transformation that you're, you are driving at the moment, which is involving things like moving to the cloud and workplace.

What's prompting the move, particularly within the industry you are in, which is highly regulated and complex to do technology transformation in? I think there's a, there's a [00:15:00] number of reasons, right? So if you look at cloud in defense as a whole. There's a big move to the cloud. If you look at the MOD, if you look at the sdr R that's, that's come out recently.

It, the, the messages are pretty clear. Uh, you know, they wanna do business with companies that are in the cloud. They want to be able to collaborate with partners with SMEs that are in the cloud. Okay. And there's not enough companies in the defense industry that have truly adopted cloud. Mm-hmm. So from a, so they're trying to shift [00:15:30] the whole ecosystem.

Absolutely. Yeah, absolutely. So, you know, you've got that side of things in defense, but you know, from an internal point of view, we want to give our engineers, our users, that autonomy to be able to do things quicker. Mm-hmm. To be able to be more effective in their job, to create opportunities for revenue.

Okay. Right. And I think that from a, you know, a cloud point of view, that really does. Okay. And if you look at it from a pure spend point of view. [00:16:00] We all know that cloud doesn't save you money in the short term, okay? Mm-hmm. When they first, when Hyperscalers first came out and started marketing, oh, we'll save you money.

You are not going to, okay. That's a, that's a message that's clear now, but. If you look at spend of it against revenue and the opportunities that it provides mm-hmm. For revenue increase. Okay. You look at the percentage of it spend, that should really go down because your revenue's going up and your spend [00:16:30] is not going up at the same rate.

And I mean, that's key. And I think that, but that's a, that's an awkward conversation that has to go on, isn't it, with the chief financial officer, which is, you can't just take the IT budget. As a thing and squash it. 'cause that's what you do. You have to sort of blend the understanding

that it's not spend to save it's spend to grow.

Yes. And I think that's a clunky conversation. It doesn't happen enough. And the beleaguered, CIO in the corner that can't or push out that space as quite a frustrating job to do. [00:17:00] Well we, we, I mean the, the advent of cloud is really the beginning of. Trying to change the conversation about technology from being a cost centric conversation to being a growth driving conversation.

Yes, and it's, yes, cloud is one of the drivers of that, but also I think I, I sort of think that over the. The period of, of probably the post-millennial period, it as an industry managed to get itself into a position where we'd may, you know, and I include myself in this, we'd maybe spent [00:17:30] too much and not delivered enough value, and therefore it was being framed as something that you actually had to manage down or manage in a very controlled way.

And it almost became like. A supplier management piece versus where we are post cloud, we're in a position where the digitalization of business, no matter what that business is, is now, is now an existential conversation for a business. Yeah, and I, I think. If, if you look at, you know, our engineers, the business, the business have all have historically always looked to it [00:18:00] as an overhead.

Mm-hmm. Yeah. It's a cost overhead. Okay. Every year you go into the same conversation, why has your cost gone up? You know, what am I actually getting for that? I get a laptop and a printer. That's it. Yeah. What else do you get? Yeah. But it's changing that narrative so that you become an enabler. Not just an overhead.

Okay? You work with the business so that you are providing them with opportunities to be better for revenue growth, all those good things, rather than just an overhead, right? And that's a. That's a difficult thing [00:18:30] to do. That narrative is difficult to change. Okay. Because it always comes back down to the number each year.

Yeah. Yeah. So it needs people with a bit of vision to understand that, hey, if we invest a bit more, we can do a lot more. So it's that. It's that return on investment versus the. Betting the future or the return on what the future will be, which is, it can be very difficult 'cause somebody always wants a transactional business case, P times Q, this, I get that.

Whereas actually when you're building this type of momentum within an organization, it could take a couple of years to get the, the, the, [00:19:00] you know, the very dramatic results out at the other end. So it takes a bit, it's not leap of faith, but it takes a little bit of digital understanding, doesn't it? It it is also, yes, it does.

And, and it becomes a much more systemic conversation than you might imagine. Where, where in kind of last generation. So it slash business relationship had a certain form to it. Mm-hmm. And to our conversation earlier, one of the main touch points to that were, were things like the help desk and support services.

Mm-hmm. In a, like a next generation IT business [00:19:30] interface that blurs very significantly, doesn't it? Yeah, absolutely. I, I think one of the key here is you need leadership that have vision. Yeah. Yeah. Okay. They have to, they have to buy into this. If they look at this from a traditional standpoint, it doesn't work.

Okay. It requires investment. It requires a little bit of a leap of faith. Mm. You know, there's a bit of courage. Absolutely. Yeah. Uh, so beyond the ecosystem that, that Talls and the UK are part of, what else is driving the decision making of the board as you [00:20:00] are talking to them at the moment? So what are the, what are the main challenges that you are hoping to, trying to address with the.

Increasing the digital conversation. Um, well, I think group as a whole, within Thales, there is a big push to move to the cloud. Mm-hmm Yeah. But it means different things to different countries, right. So, mm-hmm. You know, there probably was a thought in the beginning that we could create a global cloud that everybody could move to, and we are all sitting there as a nice, happy family and or smiling and singing hands in hand in hand.

Yeah, absolutely. That is why it's [00:20:30] taken it. Yeah, you, you would probably look at Europe and say, particularly in Europe, we're slightly more fragmented than you might hope. Let's just leave it at that. I just, how does that come about, Rob? It's a lot of, uh, well, I don't know that, yeah, a couple of thousand years of history always helps, but Yeah.

Yeah, yeah. Yeah. Exactly. Yeah. Yeah, yeah. Yeah. I think, you know, from a, you know, we are, we are a, a French owned company, uh, and France are really pushing the boundaries from a, uh, from a global cloud point of view, but they're obviously within sovereign countries. Especially within the [00:21:00] uk we have a need for, uh, for country eyes only, os all those good things, which means we have to keep our data within the uk, right?

Yeah, right. You, you can't get away from that, right? We've pushed the boundary, we've looked at it, see how can we get our data into a more global solution, which, you know, makes sense. It always makes sense to use a global social media and cloud providers are responding to that requirement. Absolutely. Yeah, absolutely.

It's the tension though, isn't it? 'cause you want cross nation state collaboration with engineering. You need that to [00:21:30] develop what you're developing. But then there is a requirement to say certain data has to stay or it needs to stay. Yeah. For the other reason. And you say, well, just, just handling the orchestration of the data alone makes your head hurt.

Yeah. And it is, it's really difficult and I've not experienced it in any other company. And because it's defense, because you are working on projects that are CEO and have to say sovereign. You're in a situation sometimes where you've got a project, it's in the uk, you've got your French counterparts coming over saying, what's [00:22:00] that?

You say, I can't tell you. Yeah, of course. Yeah, yeah. Even though you're part of the same company. Okay. Which, which makes life. Difficult sometimes, Dave, we should use that as the new corporate excuse. Can't tell you. I'm sorry. Yeah, no, you can't. I think I'd be brilliant when they poke. So I'd love to share with you, but I'm just not allowed to.

Yeah. Computer says no, the computer says.

So what are the, what are the other dynamics that you are dealing with at the moment then that the, the move to cloud's gonna help with? Uh, so I think that. Yeah. Cloud will help in many [00:22:30] situations. Okay. From a security standpoint, you know, we are, we are heavily accredited and, and, uh mm-hmm. And governed.

Mm-hmm. Okay. By rules, whether it be cyber essentials plus zero, uh, dev stand, 0 5 1 3 8, all those things and, and the requirements. Um, for that accreditation are growing and are getting harder, right? Yeah. It's not getting easier, is it? No. No. It's absolutely getting harder. Okay. So to run an infrastructure on premise and try and keep up with that regulation is difficult.

Mm-hmm. It's, it's, it [00:23:00] was difficult before, but it's getting more and more difficult. It takes a lot of resource, it takes a lot of feeding and watering. To do what we need just to stay compliant. Okay. So I think cloud helps in that regard and long gone are the days when companies would look at cloud and think, oh, it's not in, we can't see it.

We can't see it and feel it. Yeah. So it's not secure. Right. I think there's a general perception

now. These hyperscalers know what they're doing. Okay. Yeah. This is their bread and butter. Yeah. If they're not doing that [00:23:30] standard security piece, the patching piece, that I'd say they're above average of technology.

Absolutely. Yeah. Yeah, yeah. So you know, absolutely you there's, there's more of a trust. Yeah. So I think from a compliance point view, it makes it a lot easier. Okay. So let's talk about then in that space, what the critical success factors tend to be. And what you are thinking about in terms of your technology transformation and making it successful within such a, a complex environment.

So what are, what are the things that stand out for [00:24:00] you as things that you are, uh, that you are losing sleep over? So I think the organization and culture. Oh, key. Yeah. Okay. We've gotta change mindsets of not only those in it, but those in the business as well. Yeah. Okay. And, and I don't think there's many that actually realize.

What a pivot this is. You know, we we're going from going left to going right. Because if you, unless you've got that organization right, and the culture Right, and that mindset Right. You know, we're gonna fail. Yeah. [00:24:30] Um, whatever we do, what, what I found when, when I've worked with organizations and also run cloud transformations myself, is that the, the, the ripple effect of it.

Is really very significant. It certainly changes everything that an IT organization does and what it's about, particularly if you're trying to drive value from it, rather than just take cost out, as you were saying earlier, but also to your point. That ripple effect doesn't, doesn't stop at the edge of technology.

It redefines the relationship and the [00:25:00] conversation that business and tech technology need to have. And there's a point there where the, um, something dramatic happens in the business through a technology change or a cultural change, and then everybody looks up and goes, how did they do that? And then you go, aha.

The secret of, uh, all this new tech and cloud comes in and you can turn it around much faster. Light housing. Light housing pioneers is that It is though, but it is a bit like the Oregon Trail, isn't it? That you have to cross over to get somewhere new and it can be painful. Yeah. Uh, so, but let's, you know, something as simple as, as [00:25:30] copilot, you know, the, the amount of people that have come to me and said, we need copilot.

We really need copilot. Mm. You know, why do you need copilot? Because it's great. Okay, but what you gonna use it for in a work contest? Well, I use it all the time at home. Okay. But what you gonna use it for in a work contest? So copilot, absolutely. We want to roll, copilot out. It's something that we're, you know, it's, it's one of our priorities to get it out there, but.

If we don't teach people how to use it properly Yeah, and they don't utilize it, then what's the point? I [00:26:00] was in this conversation, but like literally yesterday with the analysts and going about licensing ramp up of AI productivity tools, et cetera, and their usage, and you get this spike and then it comes down and the whole point is.

If you don't bake it into the mindset to use it on a daily basis, people forget it's there and use it in the right way, and yeah. Yeah. Yeah. Not using it just like you would Google. Mm. Okay. You know, how do you use it? What's the right things that you've gotta ask for? What are the things that you can ask for?

Mm-hmm. Okay. Uh, and giving them that freedom, but the training to be able to [00:26:30] utilize and get the most out it, and, and it's a, it's a, an always on thing, reminding them, poking them, saying, don't forget to use it. Why haven't you used it today? You should be doing it for that. But I, I think when you story tell about how AI helped a human.

And it's a worked example, it works a lot better than absolutely. You know, like the, the more abstract discussion. I think that, I think as well, beyond the conversations you have to have around the, like new possibility, new ways of working, all of the things that are gonna connect to it. The, the, there's an important thing as well, I think in terms of [00:27:00] unleashing it and creating the right autonomy is to think about how governance works in the organization and how empowerment works Now.

D difficult, I would imagine in an organization that's regulated. So how are you, how are you threading that needle? So, so governance, autonomy. You know, a hey, for those that can't see me, I've got notes here, so I'm gonna refer back. Very wise. Very wise. Does the governance committee tell you, you had to say exactly what they told you to say?

We believe in empowerment within guidelines. Let me just [00:27:30] get to page 74. Yeah, some, uh, subsection D, paragraph nine. Yeah. So, you know, governance and autonomy to your point. Okay. You've gotta balance autonomy with control. Especially in your world. Absolutely. And that's, that's a really difficult piece because I want to give our engineers the autonomy to be more efficient.

Mm, okay. To, to stand up that server that they need to do the testing of their, you know, debrief flip, uh, that they, they take two, three months at the moment. But could [00:28:00] take half an hour to an hour and get them up running, producing product quickly. But you've gotta do that in a controlled environment because you can't forget that we've got security, we've got financial implications here as well.

Right. So that balance is quite difficult. Well, one of the, one of the things that we talk to organizations a lot about is when you get to the cloud and everybody's bought into, uh, metrics like, we are gonna reduce your time to market and increase your innovation. And people go, well, we went to the cloud.

[00:28:30] And our time to market's about the same. It's like, how's that working? And it's like it's, it's because they haven't got the empowerment shift. Right. Yeah. They still have to fill in a form to get their server. Anything else about what they do? It's just they, their processing is now running in a different data center somewhere, but they're doing all the same things.

How important is that shift in your business to want to increase the rate of innovation and reduce the time to market in in a regulated industry? Are the conditions still the same? Can you still create the same empowerment [00:29:00] around your product teams, or are you thinking the framework's a bit different here?

It's, it's more difficult in our environment, in defense. Absolutely. It's more difficult, but it's achievable. Absolutely. Because I think if you look at companies in the defense industry, you know, Tali included, they've got some very, very old ways of doing things. Mm-hmm. Okay. And a lot of the time we do things 'cause we've always done it like that.

Okay. And it's one of the most annoying things I ever hear. Why do you do that? 'cause we've always done it like that. Okay. But you can do it in a different way. But we've always done it like that. Yeah. [00:29:30] You know, so there is, I think. Personally, there's more opportunity to change in this industry than there probably is in any other, because other industries have moved forward a lot quicker.

Yeah, yeah. Leapfrogging, absolutely. Yeah. Yeah. You know? Yeah. So we are, we are so below that baseline in this industry. That, um, we've gotta catch up in order to move forward. So there, there's so much scope. It's a funny balance as well 'cause you build some of the world's most complicated things, right? So literally the hardest things to produce that do [00:30:00] very important jobs.

And yet some of the sort of ways of working in the mindset still set a little bit too far in the past. But yeah, the leapfrog point is you can learn from everyone else's mistakes. Yeah. And bounce over them, can't you? It's, it's a good opportunity. Yes. Patterns and understanding, and I mean, things like finance must play a role here too, because one of the other aspects that, that shifts much big in a much bigger way than you might imagine when you move to the cloud is the financial framework for your technology shifts from being a, a [00:30:30] CapEx in it, you know, intensive investment profile to, uh, a diff an opex shift.

Yeah. Yeah, absolutely. It's quite well talked about that, but it doesn't make it any easier that it's well talked about. I, I assume. No, no. It's, it's always a difficult conversation. Yeah. You know? Yeah. Our, our multi-year budget processes are set in stone. Right, right. So it's difficult to change that mindset that we're gonna move, we're gonna pivot to a completely different way of working.

Yeah. A different way of charging the businesses. Now, what that ultimately does is [00:31:00] it puts more onus on the business to forecast far better what they're gonna spend. Let's be honest, from a business point of view, they've got a lot of concentrate on, you know, they've gotta get their product out, they've gotta hit their ebit.

So why all of a sudden do I need to think about it? Yes. That's your job. Yeah, yeah. I'm not doing that. That's your job. So it's, it's a. It's a difficult conversation. It's a difficult process to go through. I mean, let's be honest, most CFOs would probably be glad if cloud didn't exist, so they can keep a nice CapEx five year depreciation [00:31:30] cycle.

So their spreadsheet looks perfect, but unfortunately it does. And that's the, yeah, yeah. To mention a 5% year on year reduction. Yeah. Yeah, exactly right. Yeah, yeah, yeah, yeah. There's a, yeah, that, what do you mean? When you turn the light on and you don't turn it off? We're gonna get charged more. Yeah, yeah, exactly.

Well, that's the thing though. We've lived with electricity metering, water metering, gas metering. It's like this is just compute metering, but it suddenly just causes chaos. I, I think there's an element here of something we talked about earlier, which is, uh. Like, hang on, now I've got to worry about all of those things that [00:32:00] previously you did.

And if I don't get any more value out of that, yeah. Then why should I take? It's just a headache, isn't it? So I think it connects to, for me, it connects to, well, what are they gonna get for that? So yes, they, you know, the, it's not now just about the printers and the interface through the support group. Now it becomes about like true digital enablement.

So I've now gotta think about that. Okay, I'll take that on. But that then has to show up in my product sector, doesn't it? Absolutely. Yeah. And there, there is a huge onus on the business to take advantage of. [00:32:30] Let's look at cloud and, and what it's gonna do for you. It's gonna save you time. Okay? Yeah. But unless you utilize that time in a way that enhances your revenue and your time to market and those things, then what's the point of having time if you go outside and have another fag during that time that you've just saved, what's the point?

Right? So there's a, there's an onus. On the business, on the engineers to utilize the time that's saved with the technology you've given them to actually do something with it. That, that reminds me one of the best business [00:33:00] cases ever I saw, which was somebody took like two minutes off the boot time of the laptop.

And said times to buy a hundred thousand in the workforce and just said, I'm gonna get you 80,000 mandates back. And it was just like, but that's not how humans behave. Right? They still get the coffee or go out and speak to whoever. That was the foundation of one of my previous businesses.

Let's, let's bring us to a bit of a conclusion and maybe come full circle on, on notions of [00:33:30] regulation, particularly within this. Specific industry and trying to drive transformation in the industry. If there, if there is, uh, organizations out there that are trying to thread the same needle, what are the couple of bits of advice that you would give?

Based on the journey you've been on so far in terms of making that change and making the argument for that change. So making the argument for the change. I think I've alluded to that previously that I think it's important to make that point upfront. This isn't a short term cost saving. Okay. When you are, [00:34:00] don't compare the cost that you have right now and say in one, two year time, they're going to be lower.

That's not going to happen. Right. So there has to be a realistic conversation that you've gotta look at this in terms of. The cost is going to go up, but it's gonna present with you better business opportunities, okay? Which have the opportunity to grow the revenue and grow the ebit. Which is, which is what is important.

Okay? You know, from a CFO's point of view, and actually I'm not a CFO, but I'm sure they [00:34:30] will. If they see the cost going up, but that percentage of overall revenue going down and their revenue is going up exponentially, they won't care. Yeah. Eventually though. But it, there's a, there's a lag effect, isn't there?

Yes. You've gotta spend money now. Yes. There's a bit of a it should happen, and then you've gotta wait and then it, it kicks in. Yeah. And it's that period, maybe, I know, 12 months, 18 months or whatever, where Yeah. Is it gonna happen? But the other piece is. Yeah, organizational structure and governance, which we've already mentioned, but the organizational [00:35:00] structure and the skills that you need for cloud are completely different than what you need for an on-premise environment, A traditional it.

Uh, department. Okay. They're different. They're completely different. And you need people with the right mindset to be able to take that on. Okay? And you need the governance framework in place before you move to cloud. Otherwise, it always run out of control[00:35:30]

as, yeah. So. Danny, you've been talking about so much when I've been actually reading an article in the Financial Times. It not, it's not about me, is it? No. Uh oh. I didn't spot your name. Would that be in the Financial Times? Probably not. Action. No. Let's dive into that. No. Um, and it's talking about software defined everything in defense, arguing that the biggest obstacle isn't [00:36:00] technology, but it's humans adapting to new ways of working.

And I think it touches upon what we already talked about in the conversation throughout. Could you say that, you know, systems can move to the cloud, but actually cultures migrating, cultures and mindset is way more difficult. It's always more difficult, you know, and that goes back 20, 30 years, whatever you've tried to change in an organization, from a technology point of view, mindset, people, organizational structure, [00:36:30] that that's always the most difficult thing.

Mm-hmm. And I think it's the thing that a lot of the time it is taken for granted or it, it's that the emphasis isn't put on it, that change management team to make sure that those changes that you are doing are with. The, the business with the company and not to them. Okay. And, and it's a huge point. And you know, I've made that mistake in the past of thinking, Hey, we'll roll that tool out.

Everyone's gonna use it 'cause they want it and they love it. And you get it out there and then, you know, a [00:37:00] year later you look at it and no one's using it. Okay. Yeah. So unless you take people on that journey and you're gonna fail every time. There's a, there's a big opportunity though with software defined, right?

So going back to regulation and compliance and all that exciting stuff we need to deal with, you can codify it. And so as long as you know, you've used that codified structure to create what you're trying to do, so allowing the engineer to fire up the, the service. If he uses curated software to find things that you've provided and you know that's good, it's integrated, observed, it's got identity access installed and all that [00:37:30] sort of stuff, you can pass that autonomy to them.

You know, you've used sensible software defined structure that we know meets compliance and regulation and security standards. So you can just go on with it and then you can monitor that in cloud and say, when people do something silly, you can auto correct it and things like this. So there's now this opportunity to say, I can give you the autonomy because the risk profile's changed, and if something does go awry, I can fix it really quickly.

But then still, I think the emphasis on, I, I understand the change management, what you see a lot in companies as well is that no, the changes are [00:38:00] managed by the change management system. Mm-hmm. And then leadership is like, well, maybe they see a dashboard of the changes or not, but you know, in the end, who's responsible of the real transformation.

Yeah, absolutely. And it goes back to what I said, um, you know, at the beginning. Which was you, you need leadership with vision. Yes. And you need leadership that, that buys into the changes that you are implementing. Because if the workforce don't see that in their leaders, then think, well, why are we doing it?

You know? What's the point? Software defined defense. The [00:38:30] specifically, I guess, what is that, for those who haven't read the materials on it, what, how does that show up and, and what does it mean in terms of influencing the transformation that you're doing? Um, I'm not sure that I can probably allude to how it's influencing the change that we're, we are going through, but, you know, SDD from an MOD point of view is so important to them.

Okay. You know, it's given them flexibility. Because hardware is, is slow. [00:39:00] Okay. It's costly trying to get your hands on the hardware to change something rather than having just some software that you can change on the fly and it changes how something operates is so important, especially in the battlefield.

Okay. That battlefield is changing and SDD is a key component of that, you know, rapid innovation, deployment and enhanced security. Mm. Okay. So from a security standpoint, if you are, you are finding that your, your product is insecure. With SDD, you just change it. Yeah. And you just change it on the fly and you make it more secure [00:39:30] overnight.

You know, with a historical hardware, that's very difficult to do. Yeah. 'cause if it's fixed, when you send it out, you have to be very confident's going to work. Whereas if it's software defined and it doesn't quite do what you need it to, you can change it. Uh, you just go change it, change it, change it, change it.

So it's sort of bringing the power of what we know from cloud into, you know, that that space, it's not only that, but you can also change. What a product does. Okay, so historically you build a bit of hardware and there you go. You throw it out there and it does one thing, okay? And that's it. Yeah, you wanna do something else.

You build another bit of hardware and you [00:40:00] throw that out there. But SDD, you can, you can pivot and change what something does. Uh, you know, as an example, we got something called Storm two. And Storm two was originally designed to, to counter radio controlled improvised devices. So IEDs. Okay. So to block that signal so that it protects, you know, the boots on the ground from, uh, from the explosion.

But we've redeveloped that now it's a Telus product, we've redeveloped it, and now it's there to block drones. Okay. Right. But that's been done very rapidly and deployed [00:40:30] very rapidly into the, uh, into the battlefield. Okay. How did you get the people in that mindset? Because the technology evolved. But how did your, your teams, how did it get into that mindset of Oh, it can change, it can actually become everything that we say we want it to be.

'cause it's easy to do. Okay. Yeah. Um, you know, the historically you would've, it would've taken years. Mm-hmm. Okay. Because you would've had to get the hardware and you develop the hardware and build the hardware and throw the hardware out there and support the hardware. You know, with SDD it's easy to do.

Okay. So, you know, [00:41:00] an engineer always wants to make things better. It, that the only thing, it's just now that it, technology is, it's possible. Technology's enabling it. Yeah. And it's not that people need to widen and open up their, you know, just getting the used to the idea that. There's so many possibilities right now.

Yeah. Technology is driving change. Yeah. Okay. That, that's the key. Technology is really driving change, especially in the defense industry, and it is going so quickly, and I think engineers now naturally understand that [00:41:30] unless they keep up, they're gonna fall behind. And, you know, companies like Thales is the same thing.

Unless we keep up with these things and AI and all those good things that we've mentioned before, unless we keep up, we are gonna fall way, way behind. Because it's not just the traditional defense partners now that are producing all of this, that you are getting new companies on the market all of the time.

So, uh, trying to keep up with that 10 RG you, you've gotta, the engineers have gotta keep up with what they're doing. To your point Es though, I think through the conversation when others arrive and you see [00:42:00] what they're doing. Uh, you know, seeing is believing and you understand it. I think that's a big cultural shift, inspiration shift for organization.

You get inspiration from others and you go, well, if they're doing that, we're really good at what we do. We can do that. Yeah. Not only doing, doing it quickly as well. Yeah. Mm-hmm. You know, overnight there are, there are new players in the market just just coming out the woodwork. So, you know, as a traditional organization, you've gotta change, keep you on your toes.

Absolutely. Otherwise you lose. Simple as that. What do you see in terms of cross collaboration with [00:42:30] insight organizations? 'cause usually they're very linear. Well, collaboration's a key word at the moment. Mm-hmm. Within, uh, within defense. Yeah, absolutely. I mean, again, if you look at the sdr r. It's all about collaboration between, you know, suppliers.

Okay. And it's gotta improve. Uh, and one of the drivers to that, and one of the things that's come out of that report is a move to cloud. 'cause it makes collaboration easier. Yeah. Okay. And, but there's not enough suppliers out there at the moment that are truly embracing cloud to enable that improvement in collaboration.

[00:43:00] Now that supply chain has to collaborate better. In order to make it more effective, what would you think is the biggest obstacle to get that done? I think supply chains historically worked. Isolated. Okay. Yeah. Um, and they've always looked out for their own, um, their own advantages. Okay, so collaborating with others, opening up your doors is a, is a, is a pretty difficult thing to do and embrace, but building trust in that is, is tough.

Yeah. So you're potentially [00:43:30] working with competitors and things like this, it's, it's uncomfortable. Relationships have to be built and you have to learn to trust each other to

get it to work, don't you? That's a big part of it. That's one of the reasons the MOD set up. The, uh, the D-S-C-C-P, uh, another acronym they throw in nicely named, we like that.

Yeah, let's go for that one. I've got no, how many do we need? I've got no notes in front of me to refer to what that actually means. Um, so that's the Defense Supply Chain Capability Program. Okay. So that was created to create resiliency and collaboration within the supply chain within defense, okay? [00:44:00] And underpinning that is cloud.

Okay? Mm-hmm. That's, you know, that's one of the big, big things about that. And, and they've run a number of war games. And one of the war games they ran was with Thales. So what they did is they looked at and simulated an increased demand for the LMM, which I've mentioned before, which we make in Belfast.

And the test was to test the resilience of that supply chain. Okay. And it's not the only war game that's been run, there's been many others, but we, that one was run with Thales and what came out of it was what we've been saying all along today, which is, [00:44:30] um, collaboration is needed within the supply chain.

And to enable that, a move to cloud is essential. On that note, let's close our conversation for today, and, uh, Danny, uh, thank you so much for spending some time with us and giving us insights into your day-to-day challenges. Thank you for inviting me. There's a lot going on there. There is, there's a lot going on.

Well, good luck with, good luck with that move to cloud and the digital transformation that comes with it. But before we let you go, we end every episode of this podcast by asking our guests what they're excited about doing next. And that could [00:45:00] be, you've got a great restaurant booked at the weekend, or it could be something in your professional life, or a bit of both.

So Danny, what are you excited about doing next? Okay, so I'll give you a bit of both. And the first time, the first one's about work and it's, it's gonna be a bit of a boring one, but, Hmm. Yeah. I, I'm truly, but you're excited about it though. I'm truly excited about, you know, the role that I'm doing right now.

It's a great time to be doing it, and especially within defense industry, things are moving technology wise so, so quickly. You know, cloud defense, all those things. Right? Its, I think I'm [00:45:30] privileged to be in the role that I'm doing. Okay. I'm near the end of my career. I think I've probably got about seven years left unless, uh, my wife keeps spending, which might, but I think it's a great time to be doing what I'm doing from a personal point of view.

I, uh, I got married in March. Oh, congratulations. Congratulations. Shout out to Kirsty. Definitely will not be listening to this. Oh, shall I bet. I bet you'll be surprised. I might make her listen to this. Yeah. Um, but we've got, so we've got a number of holidays booked. I think one's in a week and a half's time.

So I'm like, just looking, [00:46:00] looking forward to chilling out a little bit. So how did the wedding go? Tell us about it. Uh, it was, it was good. Yeah. What, what a what? We did a, we did a twilight wedding. We had, uh, one of those singing waiters. Oh, right, okay, cool. Which was fantastic. Nobody knew about it apart from us.

Two, he got me up dancing and anyone knows me, I have no dance moves, but where they came from, I dunno, maybe a, a bottle of wine helped. Yeah. Well there you go. That does help. That does help. Bs Yeah. I'm just looking forward to, uh, to getting away a little bit. Well many congratulations and enjoy your travels.

Thank you [00:46:30] very much. If you would like to discuss any of the issues on this week's show and how they might impact you and your business, please get in touch with us at

cloudrealities@capgemini.com. Roll on LinkedIn and on Substack. We'd love to hear from you, so feel free to connect and DM if you have any questions for the show to tackle.

And of course, please read and subscribe to our podcast. It really helps us improve the show. A huge thanks to Danny, our sent editing visits, Ben and Louie, our producer Marcel, and of course to all our listeners. See you in another reality next [00:47:00] [00:47:30] week.

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