

## **DigiPodcast Transcript Episode 23**

### **SCM Stories – Looking back on a multifaceted career**

#### **Intro: The DigiPodcast – Digital trends in Supply Chain Management**

**Moderator: Thomas Holzner, Guest: Joachim Scholz**

#### **Thomas Holzner**

Hello and welcome to our DigiPodcast. I'm Thomas Holzner from Siemens SCM DigiNetwork with the DigiPodcast, a podcast on digital and innovative topics for procurement in the future. Siemens celebrated its 175th anniversary this year. My guest today has reached a similarly large milestone. Okay, not in years but in experience: Joachim Scholz. Joachim looks back on 40 years of multifaceted experience at Siemens. As Head of Local Buying and Business Partners, he takes care of the regions and countries for the Supply Chain Management organization – and he also focused on people and supported numerous talents during his time at Siemens. Joachim has one certain quality: He is one of the nicest and most positive persons I know. So, I'm very looking forward to this episode! Hello Achim, I am very happy that you are here with us today and that you are taking the time for this recording.

#### **Joachim Scholz**

Hi Thomas, thanks for having me. I´m really looking forward for that session.

#### **Thomas Holzner**

So, let's start with the beginning of your career. Why did you join Siemens and what motivated you to be a part of it for so many years?

#### **Joachim Scholz**

Maybe, we have to travel a little bit in time because when I started at Siemens, it was 1983, and it was a time where a lot of unemployment was in Germany. And I applied for these apprenticeships within Siemens, as also at many other companies. At that time, it was called KWU – it was the Power Generation Part of Siemens at that time. First, it was one of the big companies within the city where I was born, in 'Mühlheim an der Ruhr'. Second, I heard that this company is pretty much internationally active, and that was something what always touches me, even when I was a young kid or child, I always wanted to explore the world to a certain extent. And the point was: I heard, they are active everywhere, around the world, and I thought: "Maybe I have the chance to mingle around with other cultures and learn much more about the world" and that was the first motivation for me to join Siemens. And, when I look back from today, I think it was a pretty good decision at that time.

#### **Thomas Holzner**

And I think that this was not only a good decision for you, but it was also a good decision for Siemens. And making now the jump into today's area: Can you shortly describe your main current activities and role?

**Joachim Scholz**

Yea currently, I´m taking care about all the regions in EMEA, that means all the regional procurement departments, from Lisbon to Dubai, and from Stockholm down to Johannesburg. This is my area of responsibility. I drive the procurement there in these countries, jointly with my colleagues from Pooling because we´re getting their terms and conditions and we utilize it in these particular countries. But we also with our input of our colleagues from Functional Excellence where we really work on the structures and processes, IT systems, sustainability and you name it. I think, I can add to the list another fifty topics. And for these regions, we are really trying to focus on certain topics and really make the difference in these different countries.

**Thomas Holzner**

Well done! I´m only more convinced but not surprised. Again, you work a lot with people, bring people together, and help them. Looking back at your work at Siemens – what were your highlights?

**Joachim Scholz**

The main highlight was really meeting these people, understanding these cultures, and trying to understand: “What is the value system behind that?” – because as we all recognize when we are travelling, reaching Dubai: they have a different value system than Germany. Or also in Spain, decisions were made in a different way because they have a different value system - or they have more or less hierarchical thinking. When you work with guys in Sweden, you always need consent, and they are discussing until the very end. It takes sometimes months to get a decision, what we are not used to in Germany. But to understand that, respect that, and give the needed space, and also to give guidance in different cultures to reach a certain topic that was quite a challenge but also extremely exciting! It only works if you really connect people by a network. When you drive them and focus them to only a few focus topics and that is what we did! We selected five major focus topics where each and every country can contribute, and what we were trying to do there, was always, to have eighty percent in common but also allowed twenty percent based on the local values and approaches. And that made certain things work what might not have worked in the past with the same speed or in the same quality.

**Thomas Holzner**

I think that was one of the highlights! Maybe you have a short and crisp one?

**Joachim Scholz**

You see, after nearly forty years, there were so many great things where I was able to participate! When I remember, the beginning of my career, there was a big project in building up a factory in Indonesia, where I also had the chance to work there. And building that factory up was a tremendous highlight! We worked like hell! Sixteen, eighteen hours a day! But we could see the progress every day! And, when we started, we were just two German guys starting there, and after one and half years we had three hundred people producing stuff for our powerplants, for example – a big highlight! Times in Singapore: where we introduced travel management with all these facets! That means bringing the card in, consolidating the travel agencies, negotiating the flights and hotels and so on. It was another highlight!

And, when we met, when I was back in Germany, after Singapore, the big procurement projects like re-design of procurement, procurement excellence and building up these procurement network, was also a big, big highlight. And I can also add much more, also from the Shared Service times, of my time in, when I worked in Hamburg. There were so many, and it is clear, after forty years, you have all these experiences! And when I continue that, we will add another three hours only for the highlights!

### **Thomas Holzner**

I think that´s a good idea that we maybe continue next year, in summer, with a highlight and maybe also a low light session. Have you also had some challenges that were not always working in the way you wanted?

### **Joachim Scholz**

Pretty a lot! But you said I´m a quite positive person! And I intend to forget these things and overcome it to a certain way. But yes, I also had some negative experiences. That was mainly with one of my bosses I had, where I didn´t share the same idea of working conditions. Actually, just an example: we had to prepare the budget for the board discussion and this gentleman, at that time, was travelling in the US. He called me at 11 o´clock in the night, we went through the slides, and he wanted me to prepare everything until three o´clock in the morning. But we had, still, eight weeks to go for the budget presentation where I refused to continue and said: "No, this is not necessary!". And it ended up in certain hick ups on the personal level where I then, after a certain period, after three months, decided I think it is the right time for moving and going to the next step in my career. That was a very personal situation. Others. You see, Thomas, I always try to drive change – but we also know, Siemens is a big company! Not every project, not every idea, I was able to drive the change! A lot, but not all!

### **Thomas Holzner**

I think that this is nothing bad, because we are only human and as you said: we are a huge, huge company! I think, we are now a little bit more flexible, but in the past, there was always room for improvement, and I think there is still some. Thank you that we have people like you! Link to your highlights which you have just mentioned. You worked abroad for quite some time, maybe you can shortly describe where you´ve been and maybe you should share or could share one local takeaway?

### **Joachim Scholz**

My first time abroad was 1989 to 1991, that was in Chiliagon, Indonesia, some hundred eighty kilometers west of Jakarta. We built up a factory there in the middle of a rice field, there was nothing around. There was even no power, electrical power, we had to maintain our own power plant. And we onboarded the people from the regions. And they were rice farmers in the beginning. The first three months we were really training them on how to operate machines and these things. And it was so excited, that you really ... you´re building your own company there. Yes, Siemens was in the back, they give you funds and all the things. But we had to reinvent everything on our own. And after leaving this spot in Indonesia, we had 250 people working for us and we had a revenue of 18 million US Dollar. And that was quite a great challenge, but I was selected. Since before I went to Indonesia, I was the procurement buyer, the buyer who bought all the machinery and then they decided to send me there, so you bought everything now you get everything out of customed, and you build it up.

That was part one and the second part was, Singapore, where I had the chance to be the Commercial Head Logistics IT and Travel Management Head for Southeast Asia. But to go to Singapore, was a special story, because I had a business trip for three weeks to the US and I was fascinated from working abroad, came back to my boss, I told him: "You know what, it was so great, I will go abroad". And my boss said: "Jaja. Please continue now here in Germany". And then I recognized, he didn't get the message. So, four weeks later I went to him and said: "Here you have this tape with all the numbers" - you know in Germany we call it 'Maßband'. And I said: "You see here, there are six months on it, 180 days, and every day now I will put you a number on the table because latest when this is zero, I will move on, either with your help or without your help".

And then sometimes luck and opportunity meet. When we were working on personal exchange ideas, my big boss entered the room, and I told him: "Hey do you know, that I'm going abroad?" Where my boss said "Jaja don't take him so serious". And my big boss said: "Hey, that's a good idea, I need somebody in Hongkong". I was in business at that moment. So, it was planned to go to Hongkong for three years and on short notice, everything was already settled, flat was already selected in Hongkong. Then I got another call from my big boss. He said: "Ah I changed my mind, I don't need somebody in Hongkong, I need someone in Singapore, would you also go to Singapore?" And I said: "This is a decision, a family decision, I will not take it by myself. I first need to talk to my wife". Where he said: "Fair enough". But within 20 min, the decision was made that we will go with our small kid, our small daughter, move on to Singapore. And the best outcome out of both situations abroad was the widen of the horizon, to accept that it's not always the German way how to approach things.

### **Thomas Holzner**

I think especially for the younger ones, that are listening to our podcast, I think that is really valuable. That going abroad for longer time, not only for 6 months or a kind of paid holiday, is a very interesting experience. And reflecting this, is there something you would do differently, back in your early years, with the experience you have now?

### **Joachim Scholz**

Earlier no, it was okay because, I started '83 with my apprenticeship, I became a buyer in '86 and then going abroad '89 was good, because then I had enough foundation and know how the game works that was good. And then another experience later, first in corporate procurement and also a job in between where I worked with HR. Singapore was also okay. But later, maybe after the return to Germany in '98, 10 years later, I would have been ready also to go again abroad. But there was no opportunity what would fit, also in the family situation at that point of time. I can only recommend to each and everybody, if you have the chance to go abroad, do it, because you come back as a different person; you have a completely different horizon in that. And this is a real enrichment in life.

### **Thomas Holzner**

Regarding this living abroad I can only agree, and I think what's interesting, is the step-by-step approach, how you build experience. I think that's not normal nowadays. Regarding this approach, and the changes, how did, from your point of view, Siemens change within the last 40 years?

**Joachim Scholz**

I think we were changing from a pretty much administrative focused company with very stagnant rules into a much more dynamic company, much more open, less hierarchy, everybody approachable and this is a completely different company. When I remember the beginning, it was even clear, how big your office should be, whether you have curtains or not, everything was regulated. And this is gone completely.

**Thomas Holzner**

I can only share you opinion, but what is your estimation on the current market and especially on the future?

**Joachim Scholz**

When I see what's currently happening, and I hear that from my colleague from pooling and also from the business, yes, we have shortage in a lot of material fields, and I have never experienced that. I think we are at the dawn of a big change. In the past we pooled everything, as much as possible with one supplier and sometimes we had two, but especially the last 3 years have shown, that this strategy might not fit in the future anymore. Also seeing US, China, decoupling to a certain extent, I think, we need to move more responsibility into the regions because we might need to build up parallel supply chains. Maybe there will be a supply chain for the US, maybe one for China and maybe some for Europe. And we need really to utilize the potential of the local market much, much more. Not saying, that we should localize everything but wherever it makes sense from the material structure, there a more regional focus in my opinion needs to be done.

**Thomas Holzner**

Two comments: One is again, your heart is beating for the regions, and I think it's now your time and your turn. And you mentioned before the 80/20 approach, so maybe it's in the future the 60/40 approach, where we have the more local topics. From a very senior guy, for the more junior ones, good indication what could happen in the future. But enough about the hard-core supply chain topics. I know that we share a quite similar passion, and that's about people and talents. And it would be great if you could share a little bit of advice for young talents or also some elder talents.

**Joachim Scholz**

So, when I deal with people, the first thing what I try to do, I try to see the persons holistics. Not just as a worker or contribution to work, we need to see the entire person. So, a person is driven by feelings and as long as we can create an environment where the people feel well, they will be ready to give as much as possible. That's point one. Point two, we have to accept the people as they are. So, we should not, try to change any kind of character, yes, we should build knowledge but not change the attitude. The attitude is the most important thing. 3rd thing, when people want to move on in their career, I have a certain theory, I call it always the 3-leg theory. And it was introduced to me, when I started my apprenticeship. And my boss at that time, a very wise lady, told me, if you want to go for career, you should have three steps. You should cover a factory, you should work in a factory. You should work in a sales department or in a region and you should work in corporate. Why? Why doing that? That means you can connect networks. You are the biggest knot in the network. And being a knot in a network, means you can gather information from different angles. That is one thing, the other part of the 3-leg theory is: try to work in 3 different departments.

I did this commercial apprenticeship, so when I started, I started in procurement after that I worked in HR for people's development, and I was Commercial Head of certain organizations and then I shared services. So, the more diversity that you bring in, the bigger your network is, the more input you get from different angles on overseeing a situation. Because at the end of the day, once you enter the management and you have to take decision you anyway have maximum 60% of facts and the rest 40 % you need to make yourself sure whether you can deal with the risks. And what can happen if this decision is wrong, and then you need to have a mitigation plan, how do you act once something goes wrong. So that was bit in a nutshell, I think I could continue for that for hours, but this is my idea, what I would recommend. And especially when you are young in your career you are not that expensive for the company and its easy to move on. Believe me, the more expensive you are, the harder it is, to get an interesting position. But when you are young, you build up a unique selling point for that later, and it makes you really relevant and interesting for the company and also for the employment market.

### **Thomas Holzner**

Achim, I can only confirm. I think I wasn't aware of your theory; I think it was also in several locations, departments, and regions. I had different departments and companies and especially when you are young you are not so expensive, so you can move a little bit faster. And especial nowadays the new generations have sometimes a different approach and I think that's also interesting. Maybe we can continue this again in our second podcast next year with some, say, reflection time in between. Because, that goes to the next question, what happens next with you, Achim? What are your plans for the future?

### **Joachim Scholz**

So, what happens next? I will come back, celebrate Christmas, new year and so on. Then we will have a lot of travel, my wife and me, because we are in a luxury position, that she is also not working anymore, so we can spend a lot of time. And on top of it there was a consultancy company, who asked me whether I could support them with certain senior advice, in a senior advisor role and here and there I will support them with those customs especially in the field of procurement and shared services. That would be a role. And the rest is the total freedom, I do not have a schedule anymore. So, I can decide every morning whether I wake up at 7 or at 10. I can decide every morning whether I read only the first three pages of the newspaper or the full newspaper and so on. So, that is the big luxury what I have and I'm really looking forward. Nevertheless, I always loved to work for the company and work with the people and that's also what I will miss.

### **Thomas Holzner**

But Achim, I'm convinced, you won't miss the people because the people will come to you. So, we have now a very special podcast and I think we are breaking every time boundary so far but for me it was worth it, was really very, very insightful. Thank you for sharing 40 years of broad experience with your wonderful positive personality. Before we end, I have to say thank you to Christiane and Sina, who recorded this episode together with Joachim on site in Munich. To all the listeners: I hope you enjoyed our episode of this DigiPodcast. If you have questions or if you want to find out more about the SCM DigiNetwork, reach out to our internet page [siemens.com/diginetwork](https://www.siemens.com/diginetwork). I'm looking forward to having you as a listener at our next episode. Yours Thomas Holzner from the SCM DigiNetwork, Goodbye.