

Transcript Episode 25

Intro: The DigiPodcast – Digital Trends in Supply Chain Management

Moderator: Thomas Holzner, Guest: Franziska Seewald

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. Good advice is expensive, as the saying goes, but does it really have to be? Or, to put it another way: How do you buy good consultants in the first place? What that actually means when purchasing is not buying parts or materials, but services, explains my guest today: Franziska Seewald. Franziska gives us an insight into this exciting area of purchasing. She is the global head of purchasing at Siemens for management consultants such as BCG and McKinsey, or the typical other suspects. So, I'm very happy and curious about this episode! Hello Franziska, I am happy that you are here with us today and that you are taking the time for this recording and speaking in English.

Franziska Seewald

Hi, thanks for having me.

Thomas Holzner

So, can you shortly give me and our listeners an overview of what you are doing exactly? How can we imagine your daily work buying consulting services?

Franziska Seewald

I can give it a try. To start off, I'd say there's no such thing as an average day. However, the role description will probably be that whenever someone in this company needs a project that is supported by external consultants, the guys in black suits, the guys that come with a high price tag - you mentioned the usual suspects, McKinsey, BCG - but it can also be the second row or the big four companies. Then we step in in order to drive up the quality of the project or to bring down the price as far as possible. And it's not just me. There's a team behind me because we do this globally and the pipeline is growing. I'd say that all project requests have one thing in common, which will be: something needs to be improved.

So, either cost needs to be brought down or revenue up, or the organization as such needs to change or a merger or acquisition has to be digested with synergies attached. Whatever the case, then people will call and say, we need someone to help us. Who's it going to be and how much is it going to be?

Thomas Holzner

And coming now to the business, let me prepare: We also want to talk about different kind of problems. And to be honest, I was one of the problems when I was CPO at Windpower. Because we had a similar track like most of the others, we talked to the one consultant we thought would work best. And then we asked Franziska, we have something for you, how deep are you in the process? And then like Jack out of the box: If you presented two or three other companies and at the end it was the other company, that was selected, so the value add was there. Can you maybe tell a few stories from your life within the real business?

Franziska Seewald

Sure. I mean, basically all requests should follow a process, but no one likes the word process, or they don't follow it. So, you know, in a perfect world, there will be a description of the project that you're looking to procure. And then you take that description, go find procurement and go find a consultant. But it's not always the case.

But you would come in and together with my team and myself, we have a look at what kind of product you're looking for. And then we request a written offer from firms that we consider capable of doing the job. And then the strong written offers are being invited for pitch round, that is one of my favorite moments along the process.

I'd say we're four, five, sometimes six firms are being invited to actually pitch their team and their approach on site in a room. And then I'll be there to lead the session and the internal project team will be there to look at their options and who applied for the job. And then at 5 or 6 p.m., when everyone's very tired already, but you also grew as a team over the day, the door closes after the last one comes out and leaves and then it's just a very open word on what was good or what was bad. And then I'm there to encourage people to actually make their gut feeling move the needle, say, this is this is a firm that we want to spend time with, and this is actually a firm that we disliked or that this was a bad vibe in the room and so on and so forth. So, very exotic meetings and I like those days, they are very intense and the pitch days, there's nothing like it for me. And the second favorite moment that would be - we touched upon that already - The final negotiation, because after the pitch day you would normally come down to one to really also three firms who could handle the job.

And then it comes down to pricing and also, you know, tiny little details. And then I would go and talk to them to come to a final price tag. Sometimes there's no process to begin with. Sometimes people - like you did to some extent - when we met one another, run off and then they talk to consultants and they think they got it and they say: 'Yeah, we already brought down the price and it's awesome', and then we look at it and say, 'That's rubbish. That's not the best price you can get. And it's not even good quality from what we see on paper because it's not just money. And that's something I really enjoy. To be the red phone that rings when something went horribly wrong. And then they bring me in and say, come on, fix a situation that we think can't be fixed no more.'

And then I try to go fix it. So, because then you sit down with a consultant, you have a very, very honest word behind closed doors and it's slate clean, and you find a solution. And I, I really like that I would bring money to be able to do that as a job. To be honest.

Thomas Holzner

What I took away from our discussions is, that you're not a procurement guy. You're more a coaching, consulting guy. And we have a little bit of, say, Baywatch inside, meaning there is also lifesaving involved. Now coming to the difficult part of the story, what is your experience so far? So, we have two different views. One is the internal view this year, dear colleagues and the arrow of the year consultants.

Franziska Seewald

Everyone has a cliché picture of consultants, I guess.

Thomas Holzner

Yes!

Franziska Seewald

You do. Yes, consultants are rich, but they also spend 80 to 100 hours a week working. There's only one party you can dance at. Yeah, they used to wear the black tailored suits and the fancy watches, but that changes a lot because they also now discovered a balanced way of living, having more females on top of the organizations.

So, the whole consulting business is undergoing vast change at the moment. Less and less people want to become consultants, to be very honest. At the same time, their pipeline is exploding, and they need people to start projects with. So, they are struggling. And I'm a woman and most of my key accounts - all of them, to be honest - they are male, older than me, richer than me. But it doesn't matter. I don't feel like they care. I feel like me being a younger woman, I get away with more things in negotiation. I also have to be prepared very well. If you just run in and try to be the funny kid, then they don't take you seriously. That's not enough. You have to do your homework.

But other than that, I feel like they trust me, and I trust them. And we are always on a second name basis, because I'm a huge fan of keeping my distance in formal ways, but then being very, very honest and straight to the point in all other ways. And I am young and kind of overstepping the line sometimes orally.

So, I better at least address them with their family names. So that's the balance I bring to the table. And that helps a lot. It's a very trustful relationship on a second name basis, and that's worth way more than a very distant first name basis. But I'm still fascinated with the people. They're all very bright minded.

They are quick. They do things overnight that you and I will never be able to do overnight, and I get to spend the majority of my time with them. And that's an asset. It's like a second salary.

Thomas Holzner

It's a nice explanation. We heard now a lot about this difficult job as a consultant who is buying consultant services, who works as a coach or as a moderator for the internal business. And you come from an area where you have interesting neighbors because we are coming now to my most favorite question. The last but not least, who is Franziska?

Franziska Seewald

You know, I try to give an answer. There's not a definite one, I guess. I'm not really trained to do this, to be very honest. I didn't even study business. And almost by chance, I was able to do an internship at one of the larger consulting firms. I was fascinated by the people and also, let's say, the business as a whole. So, I was looking for something like David Hasselhoff and Baywatch. Like I wanted to be on the sidelines of the beach. I wanted to have proximity to consulting without having to do it myself because I hated doing it myself. And then procurement is sort of one way to go about it. When I started off with another large company here and in Germany, there was one moment that really made things click.

It was a negotiation training with a guy who used to negotiate hostage situations over here with the Bavarian state law. And the whole training was far away from business cases. It was really... You had to negotiate against him in a hostage situation. That's what he made me do it. And I never thought I could. But it actually was very eye opening and also very extreme.

But that that's something that changed my entire track, I guess, because I found out that negotiating is basically something very personal and something that you do with your own means and not just with a list of phrases that you bring in. And yeah, that's what got me hooked to the job. And it still does, to be honest. I'm from the north of the country northeast, and the area was very rural. It's close to the Baltic Sea. There's basically nothing there. It's just wind and water and a couple of people, but not too many. I'm good with plants around the house. Everything is green and doesn't talk back. Works well with me.

Thomas Holzner

And why this special podcast with Franziska? Because we stumbled about something that you are producing your own podcast.

Franziska Seewald

You laughed at me already because it's not even online yet. Like we had a camera team filming us in the outskirts of Cologne at a bar, and we interviewed a senior partner of one of the large consulting firms. And that bar was really like a gangster bar. And the idea was to sit down with top managers and not just talk business, but also talk personality.

Like, do you listen to Metallica? Is it true that you only get to see the kids on Saturdays? From what point of salary on does money become boring? And so on so far. So, the things that everyone seems to have on top of their minds but doesn't dare to ask and I did the asking. So, that was fun but it's not online yet because they are struggling with the audio part but it's coming at some point in 2023. I guess they will put it online but not yet.

Thomas Holzner

So, Franziska, thanks a lot for joining today. I had a lot of fun. I enjoyed it. Thank you, Franziska, for shedding some light on the consulting business. It was very, very interesting and I hope you all enjoyed it. To all our listeners, if you have questions or if you want to find out more about the network, 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.

Outro:

The DigiPodcast, Digital Trends and Supply Chain Management.