

Transcript DigiPodcast Episode 10

Talking out of the box: behind the scenes of the SCM DigiNetwork

Moderator: Christiane Weidendorfer, Guest: Thomas Holzner

Intro: The DigiPodcast – Digital trends in Supply Chain Management

Christiane Weidendorfer

Hello and welcome to our DigiPodcast. This is Thomas Holzner from the SCM DigiNetwork... Upps, no, ha - this time it's Christiane Weidendorfer from Siemens Supply Chain Management Communications. Usually, you are listening to our Moderator Thomas Holzner, but today we changed the roles and as I am normally the producer of the Podcast, I am today your moderator. So, welcome to our special DigiPodcast Episode with Thomas Holzner himself, the founder of the SCM DigiNetwork, he's passionate about Digital Transformation and he was CPO of several units. Without him the Siemens Supply Chain Management Organization would not be the same as it is today. So hello Thomas, thanks a lot that you accepted the challenge changing the roles and being a guest today. You have been part of the Siemens family for over 20 years now. Quite a long time with a lot of inspiring moments, right? What have been your most exciting experiences so far?

Thomas Holzner

Thanks and hello also Christiane. And before we go to this, the thank you is being my reverse mentor for digital communications. I think it is always important to change the roles and therefore that's a good opportunity for me to feel now like my guests are doing. And regarding my most exciting experiences so far - I think, they are threefold. I think the biggest or the most exciting experience is being the father of my two sons, and I think that's sometimes more than exciting. In business, I think nearly everything is and was exciting. It's only depending on the point of view. As a CPO, I had various jobs and the job at Siemens Windpower was maybe the most innovative one so I could set up Cost & Value Engineering together with my team and 2013/2014 where nobody else had something like this and we covered much more than one billion PVO. We started also Supplier Innovation competitions – so very innovative. At Siemens Transformers, a very traditional business, we had a merger with an Austrian company, and it was a huge positive experience to, to accompany a merger with this size. And for example, in South Africa, I had the chance to build up a procurement organization from the scratch. So three different topics, the different exciting experiences.

Christiane Weidendorfer

Oh, wow, South Africa. A country I ever wanted to visit. But coming back to the core topic. You said something about supplier innovation, Cost and Value Engineering, topics which relate directly to supply chain management. But one area you didn't mention so far. Digitalization. I know that this is an important area for you and you are focusing on this a lot. What are the reasons for that?

Thomas Holzner

Originally, I studied engineering, but I was always focusing on computer integrated manufacturing. I was a tutor, I did some experience on a cut system and then I had the pleasure to work at Mercedes Benz, also with new innovative systems. But the first real push regarding digitalization I had when I was responsible for the production of Herlitz: Implementing a group ware workflow system in the production area based on Lotus Notes. Long time ago but this was my first experience. And during all the jobs at Siemens like in the consultancy for 5 years, I was responsible for e-procurement. And we did a lot of good things together with the center of e-excellence at that time. Implemented something that is coming up now in the US with Siemens medical. Or then later with Transformers we had also some cost & value engineering first steps and then last but not least in the operational business Windpower. But hardcore digitalization started in 2015 with being responsible for the purchase to pay program for Siemens including PLM, product life cycling management interfaces, with setting up with Celonis the purchase to pay cockpit. And then last but not least also setting up and building up the DigiNetwork.

Christiane Weidendorfer

I understand now why you are so passionate about this topic. With the background of digitalization, you implemented a lot of successful projects. I would like to focus now on the SCM DigiNetwork. You are the founder of it and digital transformation is really the core of the network, but that's not the only thing. We come back to this later. First of all, I would like to know: Why did you set up such a network at Siemens?

Thomas Holzner

It was not my idea. It was something where the SCM management team said: I think we also have to do something bottom up to integrate people in the big IT digital transformation programs. And then I got the challenge to do something new because I am always open and experimenting and therefore, we started with this bottom up approach in 2017 and this was in the very beginning a typical blueprint with a very enthusiastic phase in the first four to five months where a lot of people joined and then they left and then the core team of about 5 - 6 people set together and said what we are doing now? And I think that was the really real origin of the DigiNetwork. Where we said now, we start doing things in a different way. And this different way and bottom up is I think that's very important for Siemens SCM.

Christiane Weidendorfer

Okay, digital transformation and this bottom-up approach are also related to a mindset change, right? What about growth mindset? Siemens is focusing on this now a lot as it is part of the new strategic priorities. How is growth mindset integrated in the network?

Thomas Holzner

We are totally happy and also proud about our company that they started now with four key priorities. Two of them people related, like growth mindset and empowered people. Because this supports also our approach. In 2017/18 we were not aware about growth mindset. We were trying to be very open, open for growth and we had several activities. The last, I think most successful activity is digitalMIND and this started also in 2019. And the DigiNetwork has three targets, and one is being the go-to place for digitalization, drive digital transformation and being also an incubator and think tank for future solutions. And this is all now supported by this topic growth mindset.

Christiane Weidendorfer

Okay, so we have digital transformation, we have growth mindset. But I know that the network also features a start-up culture. So what's behind this?

Thomas Holzner

When we started the whole show, we were also thinking about: we want to be the go-to place for digitalization topics. And did we achieve this? I think yes, in a different way because the go-to place for hardcore digitalization, for the data architecture and for the data lake doing our colleagues from functional excellence in a brilliant way. I think here we also have a best practice example outside Siemens what the colleagues are doing there. So if it comes to software and IT structure. Regarding the startup culture, we have several legs there and the most important leg is the kickstarter. The kickstarter is a process where we copied "Dragon's Den" or "Höhle des Löwen". Something we do as an incubator, as a business agent where people are invited to present ideas, apply for some funding and we support if the voting is positive and vote can everybody of the DigiNetwork. It is not important if it is a working student or myself everybody has one vote. And then we subsidize 50 percent of the resources, we make also up channels to IT or to other needed support functions and we created in [the] meantime more than 25 kickstarters and more than 10 of them are totally successful. They are implemented in different organizations like blockchain solutions or the digital leader or, now coming to growth mindset, digitalMIND, where we cover now more than 1.000 people on voluntary basis. So startup culture is crucial for us.

Christiane Weidendorfer

Ja Thomas, well, what I can say is what you and the whole SCM DigiNetwork Team did is really impressive and also a best practice regarding collaboration. I'm sure that a lot of companies would like to achieve this as well. So let me ask you one more question: What are your future plans? And do you have some advice for companies who would also like to start such a network?

Thomas Holzner

First of all, I think it wasn't me. It was always the team. Without this diverse team and I think that is crucial also for somebody who would do something similar. The biggest success factor is diversity. And here you have to bring together the wild old ones and the experienced young ones. And for example, when I think about my peer "Katze", he was about sixty years old and without him we wouldn't have been so successful. So the most important topic if somebody would like to copy something similar, be divers, diversity is crucial. And look inside your company. There are enough people there, you have only to look for them and give them the opportunity. So it's not about that you have to hire expensive consultants. You can hire us, we can accelerate and help you, but we don't look for people outside, we look for people inside. One important topic we are thinking about is the ecosystem topic, the new buzzword. We want to create a knowledge ecosystem where we discuss with open minded people outside Siemens about digital transformation. I hope this long answer covered your original question.

Christiane Weidendorfer

Yeah, thanks a lot for your advices and your insights. Before we come to the end of our podcast, let me ask you your own favorite question. Let's talk about you. Who is Thomas Holzner personally and what are you doing next to Siemens?

Thomas Holzner

I'm the proud father of two young men who are studying, and they are totally different. So it's always a challenge to deal with them but I see them also as my mentors for digitalization because they are growing up in a totally different way. If I look at myself, I love to spend time in the nature on my mountain bikes, both bio or e-bike. I swim whenever I can, I love reading but we found something new. With my spouse, we bought a camper van. After travelling my whole life, I'm really enjoying driving into the Bavarian Forest and enjoy the silence and the air. And together we are sitting sometimes only there with a glass of water, sometimes wine. And thinking about how beautiful mother nature can be if we don't destroy it. Therefore, think about sustainability.

Christiane Weidendorfer

Thank you, Thomas for all your answers and I am sure you will have a lot of exciting trips with your new camper van. To all our listeners – I hope, you enjoyed this special episode of our DigiPodcast. If you have questions or you want to find out more information about the SCM DigiNetwork, reach out to our internet page: [siemens.com/diginetwork](https://www.siemens.com/diginetwork). Hopefully you will be there at our next episode as well! See you soon, yours Christiane Weidendorfer.

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