

Transcript Episode 15

SCM around the world – news from India

Moderator: Thomas Holzner, Guest: Simon Jaeger

Intro: The DigiPodcast – Digital trends in Supply Chain Management

Thomas Holzner

Hello and welcome to our DigiPodcast. I am Thomas Holzner from Siemens SCM DigiNetwork with the DigiPodcast. A Podcast on digital and innovative topics for procurement in the future. Digitalization is becoming increasingly important for every company. At Siemens in particular, digitalization is a fundamental element for success. Siemens is a really international company with around 300.000 employees around the globe. The technical expertise and comprehensive portfolio are helping to be a pioneer in sustainable future across the globe, also in India – and this since 1867. So, India is important. But more important is that I have somebody from India here as a special guest. It's the Head of Supply Chain Management in India. Hi, Simon!

Simon Jaeger

Hi, Thomas! Thanks a lot for having me and thanks for the invitation.

Thomas Holzner

It's a pleasure. And it's really great that you take the time in these turbulent times. So, come to the point – what's Siemens India and what are your key tasks of Siemens India and for example how big is your purchasing volume there?

Simon Jaeger

Alright, about Siemens in India: For the entire Siemens group, India is one of the most important regions - or we call it lead country. We have additional several assigned countries as well which we are managing from India. As of today, there are around 20.000 employees located in India supporting all the businesses for Siemens. And currently, we are operating 20 factories and 40 offices. About our purchasing volume which we are managing: You can say roughly 50% of the revenue – plus or minus, depends on the business type – is purchasing volume. Since we are a listed company here, all the figures are accessible on our homepage. Additionally, we support value forcing activities with our strong supplier base from India for Siemens operations outside of the country. And if you ask about the key tasks... what is our key task? Our key task as procurement is of course to focus on generating value through and with our supplier base and partners for the company and the society.

Thomas Holzner

Thanks, that was Siemens India in a nutshell. Now we know roughly about Siemens India and Siemens SCM India. Thanks for this comprehensive summary. And now coming directly to you as Head of SCM. What are your biggest challenges in India?

Simon Jaeger

Thomas, yes, we have a lot of challenges. Let me try to separate internal and external influence challenges. For the internal side, I would say it's sometimes slightly better for us to influence and control, to improve and to overcome. On the digitalization side, when we are looking to this, I personally would say the potential biggest challenge is our own mindset and change management. Some colleagues might be afraid of - if we digitalized processes – like: "Is my job still secure? Do I have the right skills? Why should I change - because we did that the last ten years like this?" And further, this digitalization achieves transparency. And transparency allows benchmarking and comparison. We need to accept this. But with this of course, we can identify efficient processes or maybe not so efficient processes. Data does not lie. And here as well as a management, we need to support to actively approach and allow such culture and mind shift changes.

Thomas Holzner

Sounds similar to all the other countries: Data doesn't lie, fear of losing your job – so these were the internal ones. What about your external challenges?

Simon Jaeger

Well, when it comes to external challenges, we are just in an improving phase from the pandemic situation. India had one of the longest and strictest lockdowns. Except essential operations, the entire country was shot down. Our own operations, the supplier operations, the logistics have been interrupted. We had a really challenging situation here. The health system was massively stretched. But here, the Siemens global procurement network was immensely supporting, like delivering essential products for the country.

Thomas Holzner

Good to hear! This sounds like you're doing something good for society, but you're also doing other things extremely well. And that's about the SCM DigiNetwork. You are one of the pillars of the DigiNetwork. Could you please share your experience regarding DigiNetwork and digitalization experiences?

Simon Jaeger

Of course, Thomas! Yes, we have a branch of the SCM DigiNetwork in India and I have to say we required two attempts to form the DigiNetwork. One was a top-down-approach of the DigiNetwork. To be honest, it didn't really work out because of various reasons. I don't want to go into all the details here.

But what I can say: A bottom-up approach, so meaning by a group of like-minded people formed newly the SCM DigiNetwork here for India as a self-managed, self-organized, without hierarchies. A group, focusing on digitalization, innovation, and mindset change.

Thomas Holzner

That's great! I was several times invited, maybe you share one or two examples to the listeners.

Simon Jaeger

Yes, of course! This group did a fantastic job and just to name "Digi-Chai" for example or "Failure KNight". What is "Digi-Chai"? This is a platform the group created to focus on concrete smaller challenges and problems within the organization and to identify quick solutions for the country. And this provided fast processes the team can be proud of. Or "Failure KNight" which is a very important and famous ... let's say initiative here in India meanwhile. "Failure KNight" is a session, a platform, where senior leaders share their stories about their career and the failures which happened. Why do we want to promote this? Because we want to promote this culture that as well also younger colleagues understand a failure can happen. And they should not stop to try and explore new things.

Thomas Holzner

And your team does it very professional because I was also invited to be one of the victims on the hot chair at "Failure KNight". So, thanks Simon for this great summary about India and the DigiNetwork in India. And now the – last but not least – important question: Who is Simon in a nutshell?

Simon Jaeger

Who is Simon? Well, yes, I am a Siemens person I have to say. I've spent my entire work life with the company. It's just a great company. And I always wanted to work internationally and decided therefore straight after my A-levels to join Siemens. And I have to say the company allowed and offered me three international assignments: One to Egypt, one to Qatar and now to India, which is around ten years together abroad. All I can just say: You need to be ready when someone offers you a change. Don't think too much, just do it!

Thomas Holzner

And it is not only his professional set-up, but also his social set-up. I have the pleasure to work for a long time with Simon. He is a very global citizen and I'm really impressed how he is managing all these challenges. So, thank you, Simon, for all your insights. And thanks to our listeners. I hope you enjoyed this episode of our DigiPodcast.

If you have questions or want to find out more information about SCM DigiNetwork reach out to our Internet page [siemens.com/diginetwork](https://www.siemens.com/diginetwork). I'm looking forward having you as a listener again at our next episode. Yours, Thomas Holzner from Siemens SCM DigiNetwork. Goodbye.