Optimizing How People Work, Achieve, and Excel with Capgemini's Elisabetta Spontoni

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[00:00:20] **Richard:** I'm Richard Howells, and in this week's episode, I'll be chatting with Elisabetta Spontoni about people and how to optimize people's work, how to improve their abilities, and how they can excel in this digital age. So Elisabetta, maybe you can introduce yourself quickly and your role at your company.

[00:00:38] **Elisabetta:** Sure. Thank you. Hello everyone. My name is Elisabetta Spontoni. I'm from Rome, Italy, and I lead service offerings around enterprise transformation based on ERP packages for the Capgemini group. Sub technologies are at the heart of it, and I also have a passion for talents, [00:01:00] so I also lead the strategic learning and certification initiatives in our SAP practice.

[00:01:06] **Richard:** So maybe we can start with an easy question. What are the business challenges that companies face today as they look to digitize their operations?

[00:01:15] **Elisabetta:** Well, it seems to be an easy one, but maybe not super short my answer. We all see how fast the market environment is evolving. And how fast technologies evolve, too. So if you think of all well-established companies that have been in the business for many years, they have built their strengths on a predictable market, on clear people's skills. Now, take, for instance, a buyer in an automotive company 10 years ago. He or she would have a well-established base of suppliers of components for the automotive 00:02:00 industry with well-established communication channels. EDI exchanges long-term contracts and agreed schedules. Now the car has become an electronic device. The sustainability regulations create new needs, including traceability requirements. There is new competition from pure electric vehicles, very agile, fully digital companies, and huge cost pressure to stay competitive. The buyer would need to significantly change the supplier base, taking into account the new electric car technology, for instance, but also much more electronics in

general software. And all these elements evolve at a pace that is completely different from the old-style technologies of the cars, right? So, require completely new [00:03:00] skills. They keep changing, too. There are also constraints coming from geopolitical tensions and other similar crises that require much bigger flexibility in sourcing strategies, fast reactions to avoid delays in the supply chain. So, in this kind of context, the applications that support the business have to change radically. To cope with this new market scenario, they also need to keep changing to keep pace with the changes in the market. So our poor buyer has a difficult life, right?

[00:03:37] **Richard:** That change has been sped up considerably. The clock speed of change has happened so fast in the last few years as well. And we hear a lot about companies looking to do a digital transformation. So why are you seeing companies embarking on this digital transformation now, and why in the cloud?

[00:03:59] **Elisabetta:** Yeah, good [00:04:00] question. Clearly, cloud technologies are the right answer to many of the challenges I just mentioned before, and especially related to the core applications that help manage the business. The technology evolution is ensured by the software vendor. When you are in the cloud, the interaction with the partner ecosystem is much easier. The access to market data is also easier, and this helps to have the right insights to make faster decisions. Still, our buyer would like to spend most of its time in finding the right supplier, negotiating the best price, and not really dealing with constantly evolving applications to run the business. So I strongly believe that technology has to make people's lives easier, and sometimes we forget about it because we are 00:05:00 excited by the potential of the technology in solving complex problems. We over-engineer solutions that nobody's able to use, right? Business users like our friend in procurement. In the right use of applications and making them simple and intuitive is key for the success of a transformation to cloud, and AI has strongly stepped in as the tool that can make this really happen.

[00:05:34] **Richard:** Maybe we can bring. People are now in the discussion, and the buyer that you've been using as an example. I heard that Capgemini presented recently, and they talked about unleashing human ingenuity and intelligent business. So what does that mean, this unleashing of human ingenuity and tying it to an intelligent business? What does it mean in the context of today's fast-changing digital [00:06:00] landscape?

[00:06:01] **Elisabetta:** I mentioned AI because this is one of the enablers of that concept. So the way we see AI is more to augment people rather than replace.

There are many people who ask me, I have a job tomorrow with all this AI around. Right? And I always do the same example. Would you have imagined 10 years ago that there would be a job called Drone Pilot? I wouldn't certainly. That's an example to say that new technologies may drop some jobs because they make those jobs less relevant. But on the other hand, they can also create new jobs. I tend to see technology as augmenting human capabilities rather than replacing them. And there are actually multiple ways in which AI can be leveraged in [00:07:00] a human-centric transformation. I would say first of all, it accelerates the transformation itself. So there are a number of tools already on the market. We have developed a number of them as well that help accelerate the delivery of projects that are part of a transformation program. Think, for instance, of scripting meetings, summarizing meetings, creating specs, generating code out of a spec, creating data for testing, and creating test scripts based on the most critical scenarios. All of that can be produced using AI. And this means that on one side, the work of the user is less heavy. And on the other hand, the transformation lasts shorter [00:08:00] timeframes. The second way AI can help, in transformations, is really making the work of the business users. More efficient, more effective, let them focus really on what makes the company successful in the market, rather than reconciling data or spending time analyzing such data. This is where AI really helps a lot. So it's about making processes very efficient and high-quality outcomes as well. And finally. The third way in which AI helps is in reducing the risk and increasing company resilience because it allows you to simulate scenarios, and so you can prepare your response plans before this disruption occurs. So it means the company will become more resilient in a crisis. So these are all the ways I see [00:09:00] AI augments human capabilities.

[00:09:03] **Richard:** Who would've thought that all of those hours that my kids spent playing on gaming devices could be a job moving in the future, being a drone pilot. I love your comment as well on AI augments people, not replaces them, because I strongly believe that we need to embrace AI to improve efficiency and productivity. And the examples that you gave were spot on. So maybe you can give some advice on how organizations can foster a culture that empowers the workforce, improves productivity, and drives human-centric transformation in this digital age.

[00:09:41] **Elisabetta:** Absolutely, and as I mentioned earlier, we never have to forget about the individuals in a transformation and people, because these are the elements that make a transformation. Succeed or fail regardless. How good is the technology that is [00:10:00] implemented if people are not onboard and are not well enabled, and prepared programs fail? First of all, it's important to identify the key impacted roles and functions when there is a change in the process of a new business model that is being established. And also equally

important is to identify the stakeholders that can support the change and the ones that will fight the change, right? So that you can manage their expectations. You can address their challenge with the right communication enablement plans, you can document key decisions, measure sentiment, and all elements can be collected and managed with digital features as well. And this is why we have decided to also create a platform to digitally manage the change in a transformation and [00:11:00] also, have plans built based on facts and traceable elements. So we call it the Digital Acceleration Navigator. So it's like the name of a person, right? Yes. And one of the key components of it is called the change adoption platform. It digitizes changes in a transformation with such a feature.

[00:11:26] **Richard:** You mentioned that some people will fight change, and it's funny, I did a lot of implementations in my earlier career, and you usually find that if you can convince that person who fights change that this new process, this new technology is good for the business. Then ultimately, the biggest advocate over time.

[00:11:44] **Elisabetta:** Absolutely. And there is a reason why they fight. So if you can address that reason and find the value for them as well, then you get another one who will support the program. So, absolutely, it's very important to be aware of those [00:12:00] elements for the success of the program at the end.

[00:12:03] **Richard:** That challenge and necessity of bringing the people with you when you implement new models, new business processes, is critical. And it's also critical when you talk about innovation.

[00:12:16] **Elisabetta:** Mm-hmm.

[00:12:17] **Richard:** What steps can companies take to enable continuous innovation by leveraging the intelligence of technology and people?

[00:12:28] **Elisabetta:** First of all, you need to think smart, right? You have to plan your transformation and the solutions that support it in a way that it's future-proven. So, architecture is key. Having an architecture that is open to change is really important. So, 's The concept behind enterprise architecture has completely changed and shifted from the, let's say, the eRP-centric, monolithic ones into composable [00:13:00] architectures on the cloud. And these kinds of architectures are much more flexible, open to change. Of course, the overall integration becomes a much bigger topic, so it needs to be thought out in the right way. I would say, on top of the architecture and identifying the technical solution, there are other elements you mentioned as well, right? Processes for

sure. It's important to focus on the ones that drive the value for the enterprise and identify the elements that make the company unique in the market. And then focus the investments on those elements. The other important one is data, right? So, how good is your data, and do you have the right data governance? Considering the data will flow among multiple applications, you want to have consistency and the right outcome. Do you all [00:14:00] need all the data you have in your system? That's another good question because in the cloud world, the more data you have, the higher the cost, right? So, having a smart way to plan how you manage your data and historical data is an important consideration in a transformation. How good is the data? Should you go for an exercise to clean it? It is usually one of the tasks that drives the timeline of a transformation. So our recommendation is to start looking into data 12 months before the transformation actually starts. So you have enough time to clean, reorganize, and establish the right ownership and governance around that. And to reduce the size as well. And then of course, people, what skills need to be developed, which personas [00:15:00] are impacted? What kind of impact do they have? What changes are needed in journeys to design to ensure they will be ready once the transformation is live? So, processes, data, architecture, and people are all key areas to watch, and my big recommendation is to start thinking about all those elements upfront and not rush into the transformation without having good plans for all of these elements.

[00:15:34] **Richard:** I could not agree more with that because if you start off not knowing where you're going to go, if you don't have a good plan, how do you know when you get there? How? If you've got bad data. All your business decisions are made with an erroneous foundation to start with. I wanted to go back to some of the business challenges that we talked about earlier, and some of the biggest things that we've talked 00:16:00 about over the last four or five years are that supply chains and businesses need to be more resilient. They need to be more scalable, and increasingly, depending on which geography you're talking about. For right or wrong reasons, it becomes more important. They need to be more sustainable. So why is it important for businesses to develop a resilient, scalable, and sustainable operating model? And what advice do you give on helping companies achieve that?

[00:16:30] **Elisabetta:** The ability to keep innovating your business is important. Sustainability is a big topic, especially in Europe, I have to say, it's been driving a number of transformations, as one of the main reasons for that. It's clear that when you focus on sustainability, you also focus on efficiency. Because at the end, reducing carbon footprint means having a [00:17:00] wise use of resources.

[00:17:01] **Richard:** It's good for the environment, and it's good for business.

[00:17:03] **Elisabetta:** Exactly. So there is always a double outcome from a sustainability focus, which is on cost excellence and vice versa. If you focus on cost excellence, you also have a better carbon footprint. When clients are raising the sustainability topics, we often build our solutions and process models considering sustainability KPIs embedded in the design. So you design a process already having it as a KPI, not only. A certain performance of the process. It could be, I mean, time to market or time to execution or a number of errors, et cetera, et cetera. But also, what KPI in sustainability does this process impact, and what's your target? Okay. So having [00:18:00] the two views helps in achieving the two results of cost excellence and sustainability at the same time.

[00:18:09] **Richard:** And it all comes back to the data as well.

[00:18:11] **Elisabetta:** Of course, you generate. Typically, the ERP applications are where all the data that matters for the carbon footprint is generated, right? So if you are able to track that in the individual transactions, you already have the right base to analyze what your performance is in terms of sustainability as well as in terms of business KPIs, of course.

[00:18:40] **Richard:** That data is also very often in your supplier's ERP system and their supplier's ERP system as well, and having that business network and visibility across your supply chain becomes critical, especially with the emissions.

[00:18:55] **Elisabetta:** Absolutely. That's one of the advantages of cloud architectures [00:19:00], to connect with the ecosystem of partners. So it, again, it's not only about supply chain, and of course, that's a great enabler for supply chain visibility across the ecosystem, right? But also in terms of sustainability. Of course, you need to take into account the carbon footprint of the products that you buy because this will be part of your sustainability footprint. So absolutely, the cloud is a great enabler for that. Cloud applications.

[00:19:38] **Richard:** Yes, indeed. We've talked a little bit about AI already, but I want to dig into that a little bit. How can companies best leverage a framework to harness the full potential of AI in their operations?

[00:19:50] **Elisabetta:** We have a point of view there, of course.

[00:19:54] **Richard:** I wouldn't, if you didn't have a point of view, please share it.

[00:19:59] **Elisabetta:** So [00:20:00] first of all, the era of the box is finished. We don't do box; we really embed AI as part of the design of solutions, and we take a very systematic approach through an end-to-end process. So, for instance, now we are looking into all possible types of automation we can do in order to cash and procure to pay. And automation can be done with different tools. It could be RPA, it could be embedded AI, it could be a custom AI agent. So the combination of all of that is what can make the process really. Efficient and impactful. And of course, the other challenge we see in the adoption of AI is the proliferation of initiatives, which are a little bit disconnected, right? Every team creates its 00:21:00 own AI tools. And that, of course, is not the optimal way for AI adoption. You need some guardrails at the company level. You need some rules to protect the data of the company, the IPs, etc. So, we are helping to set up AI factories where all these frameworks are created. Templates for prompt Garla are already embedded in the technologies. Cost excellence is again an important factor. The costs of using AI can really go up very fast if you don't manage the technology properly, right? So this is what we see. I mean, the companies are starting to look into AI as a, let's say, a structured approach with clear rules. And this helps, of course, scaling, keeping the [00:22:00] costs under control, and also fulfilling the regulations and reducing the risk, the cyber risks, and the data protection for the company.

[00:22:10] **Richard:** You mentioned, uh, you're working with a lot of customers. Maybe we can get some examples of how data-driven change management can unlock value for organizations. Do you have any real-life examples that you can share?

[00:22:24] **Elisabetta:** We do have many, I mean, I, I, I don't know if I can share the names, but there's a large beverage company in Europe that we are helping with their overall transformation. They are adopting our platform for change management. They consider this a great enabler for their team to manage this aspect of the transformation properly. We have many others. We have more than a hundred who are approaching the data-driven change approach using our platform. Of course, as soon as we go through the [00:23:00] journeys with them, we keep announcing the platform as well with their feedback and find the exciting new features with AI to augment the features.

[00:23:14] **Richard:** That's right. AI can help in so many different ways, and it helps us as well.

[00:23:18] **Elisabetta:** Exactly, exactly. I just keep flowing here, and we have releases every three months.

[00:23:23] **Richard:** I think we're only limited by our imagination sometimes with, with how we can leverage AI.

[00:23:28] **Elisabetta:** But let's remember to keep it simple and make sure that we help people, to leverage technology and make their lives easier.

[00:23:36] **Richard:** Yeah. For people who listen to this podcast a lot, they'll know what I'm about to say, but AI can't be a technology looking for a problem to solve. You've gotta start with the business problem and then work out which technologies you need to leverage to solve that problem. And AI is quite often part of that.

[00:23:52] **Elisabetta:** Absolutely.

[00:23:54] **Richard:** We've been through a lot of topics today. As we come towards the end, maybe I can get some advice from you. [00:24:00] So, what advice would you give businesses embarking on their digital transformation journey to make sure that it's a success?

[00:24:08] **Elisabetta:** As I mentioned before, first of all, prepare upfront. So do the right thinking around all the dimensions I mentioned, processes, data, architecture, and technical depth. That's a great point to look at. How many complex solutions do you have that can be simplified? How features in cloud solutions can replace your complex custom solutions. And you would be surprised. But in most cases, we find out that 50 to 60% of the custom code developed in ERP solutions is not used. And this drives me crazy because it's the most expensive piece of the transformation and the one.

[00:24:55] **Richard:** But it gets upgraded every time a new release comes out.

[00:24:59] **Elisabetta:** [00:25:00] So it's, really worth looking into that and then of course people and adoption because many of these custom solution are just because we didn't manage the change with people so that they just want to keep doing the same things they are used to and not always the best way to do to get the same result. There may be other ways, right? But of course, we are humans. We don't like to change. We want to be comfortable, so we need to make them comfortable in the new environment.

[00:25:36] **Richard:** Exactly. That's great advice. We're coming to the end of the podcast. We've been talking for almost half an hour. It's amazing. But I have one question I ask all the guests. So, in a sentence or two from your perspective, what's the future of ERP?

[00:25:51] **Elisabetta:** An AI-enabled cloud ERP. It would be the team of colleagues who can [00:26:00] help business users like our buyer to do their job more easily, efficiently, and effectively to ensure continuous company performance, resilience, and growth.

[00:26:13] **Richard:** That's a great summary. Elisabetta, this has been a great conversation. Really interesting. I've really enjoyed it. Hopefully, it hasn't been too painful for you as well.

[00:26:21] **Elisabetta:** Not at all. I like these topics. It's my favorite, uh, arguments.

[00:26:27] **Richard:** I'm sure we have kept talking for another half hour.

[00:26:30] **Elisabetta:** That's for sure. For sure. Thank you for inviting me.

[00:26:33] **Richard:** You are welcome, and I'm sure you'll be invited back. Thanks, everyone, for listening. Please mark us as a favorite. You can get regular updates and information about future episodes, but until next time, from Elisabetta and me, thanks for discussing the future of ERP.