

Digital Leadership

Bayer: Advancing digital in health and nutrition

An interview with
Saskia Steinacker
Bayer





Saskia Steinacker, Bayer



Saskia Steinacker, Bayer's global head for digital transformation, is responsible for driving the digital mandate across the group together with the Digital Excellence Council, a cross-divisional/functional group of executives. She has played a key role in developing the company's digital agenda with a focus on new business models to accelerate growth. The digital agenda enables the organization through a shift of mindset and culture, optimized technology, rapid processes, effective partnerships, and expert knowledge on data.

The Capgemini Research Institute spoke with Saskia to understand more about Bayer's digital transformation to foster new solutions in the areas of health and nutrition.

Bayer's digital transformation journey

What is your mandate as global head of digital transformation at Bayer?

Bayer is organized into three divisions – pharmaceuticals, consumer health, and crop sciences. To drive the digital agenda across the Group, we established the “Digital Excellence Council,” which has a sponsor from the Board of Management and executive representatives from all the divisions, countries as well as from group-wide functions, such as IT. This council covers the entire digital agenda – from driving the digital mindset and leveraging data to building infrastructure and fostering partnerships required for digital growth. My role is to drive the Group-wide digital transformation together with this council.



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Where is Bayer today in its digital transformation journey?

We are in the midst of our digital journey, and we are learning as we go in this fast and iterative process. Today, technological advancements and evolving customer needs and expectations are compelling organizations to think of new and innovative business models. For our digital transformation, we are focusing on three things: firstly, digitizing the customer experience; secondly, digitizing our operations; and thirdly, new business models.

What does that mean for our customers and patients? In the area of crop science, we want to help farmers make better decisions based on the insights we get from data provided by sensors or drones. In the area of health, we want to bring new medicine to patients more efficiently and much faster. We want to tailor treatments to individual patients, assist healthcare professionals in getting to the right diagnosis, and offer new non-pharmaceutical solutions.

Operations are becoming digitized across our entire value chain to have effective and cost-efficient functional areas. For example, at our pharmaceutical manufacturing site in Garbagnate, Italy, we deployed a digital twin-based scheduling program to drive improvements in our quality-control lab. The site was just recognized amongst the nine world-leading smart factories by the World Economic Forum.



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New business models to maximize the value for the customer

How has digital changed your relationship with customers?

Digital has given us an opportunity to have multi-directional interactions with our customers. Newer digital channels enable us to co-create with the customer – take clinical trials, for example. We could use the data of smart health devices to monitor a patients' health. The patient could stay at home and would not need to come to a clinic for health checks.



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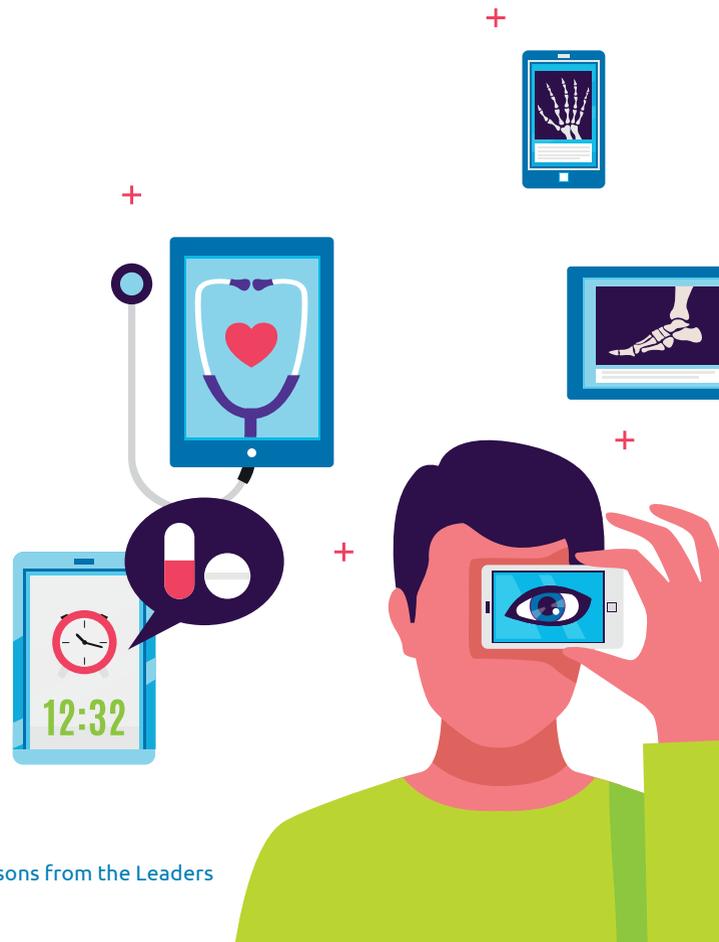
Our vision is to get closer to the customer. In our digital health space, we have apps to help our patients manage their conditions. For example, the myBETApp helps people with multiple sclerosis manage their injections. We also have the Skin Peace app, which is a tool for patients with eczema that calculates the right amount of topical treatment needed.



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In the future, digital technologies will make it possible for us to identify diseases and illnesses at a much earlier stage with the help of artificial intelligence that recognizes patterns. Then, when people are ill, we can provide more individualized treatment.

In digital farming, we already have a solution, which makes it possible for the farmer to calculate the right time and appropriate dose of fertilizer or crop protection needed for every square meter of ground. This is not only making farming more efficient, but also much more sustainable.



You spoke about the potential of AI. How are you leveraging emerging technologies to improve outcomes for customers?

We are doing a lot of work in areas such as artificial intelligence and machine learning. Our innovation centers – including our Life Sciences iHUB in Silicon Valley – focuses on these emerging technologies. Established in 2015, the LifeScience iHUB forges collaboration between tech companies and Bayer to find uses for innovative sensors, AI/machine-learning and digital apps for human health, animal health, and agriculture.

Bayer Grants4Apps (G4A) is another global program that offers support to startups and companies that are developing innovative solutions in health and care. We offer mentoring and coaching, office space, networking, and financial support. This year,

six new startups focusing on AI, IoT, and data and analytics, among others were awarded funding and expert support in this accelerator program. For example, one German start-up, Zencorlabs offers a smartphone software and device that uses artificial intelligence to warn patients of heart failure.

We are also implementing artificial intelligence and machine learning to process patient safety-related data such as side effect reports more efficiently and faster. To that end, we've partnered with the professional services firm Genpact for the development and have embarked upon a multi-year agreement for artificial intelligence applications in pharmacovigilance. Going forward, the application of AI in pharmacovigilance has the potential to uncover new drug-related side effects earlier, and therefore could potentially further improve our ability to better ensure patient safety.

Culture and collaboration – key building blocks of digital transformation

How do you mobilize your digital vision across the organization?

We focus on making people understand that digital is not a thing in itself, but it is a means to contribute to our vision of feeding an ever-growing world population and fostering health. Showing concrete examples where digital has created a larger value, such as the ones we have in our digital health and digital farming space, is a very crucial step for people to understand how digital technologies can help to achieve a better life for our customers. The plan for implementing this vision is through our concrete

enablers of digital customer experience, digital operations, and digital business models.



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Digital culture is often the single biggest hurdle to successful digital transformation. What are some of the things that you have done to develop the culture Bayer needs to be successful?

First, we understood that there are employees who are excited, there are employees who are somewhat undecided, and there are some employees who are resistant to change. We knew that we could not have a communication and change plan based merely on sending a daily email saying: “we are on digital journey.” We needed to guide people through the different phases of change. We do this by making them part of the vision and showcasing successful tangible examples of how digital has improved the lives of our customers. We tailored the communication to the specific groups and ensured that the messages resonated with them.



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One of our key initiatives was recognizing individuals who brought in an amazing innovative idea – either in serving customers better or making operations more efficient. Our “Digital Innovation Award” was a very powerful step, as it not just makes brilliant people visible, but also motivates employees to be excited about the change. We also offer a lot of training opportunities – for example, reverse mentoring to foster our digital culture. We know this will be a long journey, but we are pleased with the progress we have made so far.

How do you measure the success of your cultural transformation?

One of the key questions posed in every transformation is: “what is the KPI?.” Of course, we use some quantitative measures. For example, measuring the success of digital training in terms of completion rate and interest levels. Or measuring how we increase effectiveness and efficiency in our functional areas. However, the key metric is how successful we are in rolling out our business strategies and driving new models on global and local levels which ultimately provide maximum value to our customers.

We often see collaboration as a key stumbling block for large organizations. How do you ensure your teams are collaborating and working across silos?

We focus on being agile to drive our new business models in our cross-functional teams. We started an initiative called “5x5” (Five by Five) in 2015 for example. This is where five people from different functions and backgrounds come and work together for five weeks on a specific business challenge or opportunity. At the end of the five weeks participants present their final solution, often a prototype to the business unit sponsor. The program provides our employees with an opportunity to step out of their function or business unit and to understand the dynamics of cross domain teams. We have even filed some patents for prototypes that came out of this program and have launched and commercialized new businesses.

Our DevOps pilots are another example. They show that we can deliver better quality digital solutions much faster when we bring people together in cross-functional teams instead of working in a traditional setup. In one of our pilots, colleagues from R&D and

IT develop a digital platform to support drug target

identification. The results are not only better, but it's also more fun to work like this!



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Leadership and what the future holds for Bayer's digital agenda

How important is it to invest in leadership capabilities to drive digital transformation?

We need to have leaders who not only have the ability to understand the complexity of the task at hand, but can also motivate and drive people towards the common goal in a systematic way. Liam Condon, president of our Crop Science Division, is a great example of that. The way he talks about our vision to feed a growing population in a sustainable manner, and links it to the need to have new business models in digital farming, gets people excited.

What are the next steps for Bayer's digital transformation? Where do you see the company in the next five to 10 years?

One of our important priorities is to focus on our health and nutrition businesses. There are a lot of market opportunities and to realize them we need to come up with business strategies that are aligned to market and customer needs. This also ties into having the right capability, the right people, and the right skill sets. The changing dynamics also calls for optimizing ourselves in structures and setup. When I think of the next 10 years, I wouldn't say there's a concrete 10-year plan. Instead, as we progress through our journey, we will have to be flexible and iterative to achieve the vision we have outlined. Our focus will continue to be creating excitement among our employees to contribute to this transformation.



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