

INTERVIEW WITH GUIDO JOURET

Preparing for a digital world

Guido Jouret, ABB's Chief Digital Officer since October 2016, explains how ABB can help customers realize the efficiency and performance improvements that digitalization delivers today.

It's clear that digital is the way the world is going and ABB is growing as a digital company. But what does that mean for our sustainability objectives? A lot, if we view digital broadly.

Today 55 percent of ABB products already have some digital component, yet digital is about more than just software or connectivity. Only when we look at the big picture can we start to see the possibilities.

Efficiency on the up

The most obvious benefit of digital technology is increased efficiency, which of course helps ABB, our customers and the environment. When we do things digitally, we avoid waste and re-doing work. Digital sensors and the data collected can allow us, for example, to right-size our motors and drives so that customers only get as much product as they really need. An oversized solution is not only an excess cost for them, but also leads to excess energy consumption. By learning more about how customers actually use our products, we can provide more efficient solutions.

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Digital technologies also allow us to study the ABB solutions at work, such as a customer's robot assembly line, and optimize it for energy efficiency, durability, throughput or whatever the customer wants. If the customer has a good inventory of their digital assets, we can figure out how much life is left in them, when the next services should be performed to prevent unplanned downtime and essentially how to extend their lifetime. We would have a way of knowing if a transformer or a motor, expected to last several decades, is still going strong and might be good for another couple more.

Another example is of course the digital platform we're in the process of creating, which is all about efficiency and scale. This set of reusable components, like Lego bricks, allows us to build a new application or

solution tomorrow without reinventing every element of the wheel.

Thinking bigger

Digital technology can spark all kinds of innovation. Because ABB knows how to build very big solutions at scale, we can distill that know-how into smaller systems and bring the benefits to more people. In effect, digitalization can make things local again – and local is good from an overall system and efficiency point of view.

We're doing this already with microgrids. You don't have to wait for the public utility to show up because now you can connect locally and power your village. As we have seen, making everything smaller and more accessible again is very good for industrializing nations.

And what if we could do the same not just for power, but for other industries we are not even in today?

I would say that we should create more awareness of existing digital solutions, stimulate demand for new ones and try to overcome the occasional resistance to the idea of connectivity. The more our products are connected, the more value they create for customers. I actually think we have an opportunity at ABB to spell out why connected devices are a benefit to customers and, critically, what we will do with their data. We need to reassure them by distinguishing between customer identity data – which must be protected – and raw measurement data, which can help their operations run more efficiently and be benchmarked against others.

Our digital journey will help us better understand the frustrations and aspirations of our customers and create new kinds of business models, too.

Reasons for optimism

Ultimately, we know that going digital will bring about a societal transformation. Many jobs will become at least partly cybernetic (computer assisted) because certain tasks, especially those involving diagnosis and valuation, are simply done best by technology. And these innovations will no longer take generations to roll out, but years.



GUIDO JOURET
CHIEF DIGITAL OFFICER

Understandably, there are concerns about whether artificial intelligence (AI) will displace people and automate certain decisions. But it's important to remember that while software may be getting smarter, it will never be smart in the same way that people are. Digital AI software systems are extremely proficient at solving a specific problem, but not at understanding the real reason why.

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This won't go away and the need for contextual evaluation will create new opportunities for education and learning. We'll want people to know more about AI technologies and robots, and how to solve problems, make decisions and collaborate. This is a good thing and nothing less than an innovation opportunity.

Today, ABB has an even bigger opportunity to address sustainability issues in a more efficient way. Digital technology allows us to be a bit bolder, understand where our fundamental capabilities lie, look for new opportunities and hunt them in the right space. We might have to do things a bit differently than before, but I'm a big believer that we can and should be leading the charge when it comes to looking at the primary needs of society – and figuring out how to make the whole system more efficient.