

# DIGITAL TRANSFORMATION FOR UTILITIES THE ROLE OF THE CIO

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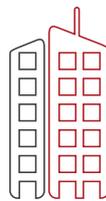
The product of a digital process is data, and that data properly managed will tell us more about our business than ever before. Those of us who capitalise on this insight will have the future edge.

It's fair to say that the digital transformation of the European utilities sector has been underway for a few years now, it's hardly brand new. Sector leaders have been thinking about how to harness opportunities to improve customer interactions and operations; and are already using technology to help with operational performance and insights. But things are changing, and changing fast!

New technologies like Robotic Process Automation (RPA) and Artificial Intelligence (AI) are going to have significant and growing relevance in the utilities sector. Software bots that can process transactions accurately at speed are already delivering benefits in back office operations and are set to improve infrastructure operations. The technology is on the cusp of delivering effective process automation, interpreting incidents and taking action, improving efficiency through a powerful combination of humans, data, advanced analytics and software bots. Ultimately this will allow humans to spend more time on higher value tasks.

Technologies that deliver efficient and higher quality processes, whether that be within accounting and finance or process automation, are with us. The last 12-18 months have seen a massive increase in potential, with the arrival of powerful new technologies becoming a reality across the utility 'trinity' of customers, assets and workforce.

## THE UTILITY TRINITY - CUSTOMERS, ASSETS AND WORKFORCE



### Technology for asset based businesses

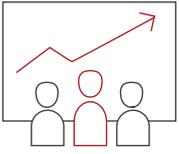
Electricity, gas and water have much in common - not least they are all asset based businesses with complex infrastructures. It's exactly this trait that's encouraging advances in data analytics and artificial intelligence. Technology

that can help utility organisations predict and model how infrastructure will perform in any given circumstance, from population changes to weather systems, is very attractive. Today's analytics capabilities can take data, learn and apply artificial intelligence to create a step change in asset management. Enabling organisations to move to a preventative and proactive model for maintenance whilst improving service delivery and reducing costs.

### An ever more mobile workforce



Utility working profiles consume mobile - they need information in the field. It's been a frustratingly slow start because of the requirement for small yet robust devices. But today, robust wearables combined with high speed connections available create massive opportunities. For example, augmented reality plus technologies like Microsoft HoloLens enable performance data to be taken into the field and overlaid with asset data to present a picture of what is happening real time. More experienced staff, back at base, can 'be there' looking over the shoulder of field operatives and providing advice on demand.



### Increasing customer expectations

Ten years ago, if you drew a picture of how a utility works, assets would sit in the middle. Now, that's where the customer sits. This is not least due to increased competition and ever more challenging regulatory demands that have the teeth of enforcement. Regulators are forever driving operational efficiency with the goal of passing on savings through lower consumer bills as increased competition drives customer experience innovations and improvements. Perhaps just five years ago, customers were more likely to live with a poor service and mysterious pricing. Today consumers want the same level of service and value they experience from other sectors, and expect the sophistication and service level that retailers like Amazon deliver as standard. Increasingly customers are also demanding omni-channel dialogue; starting with an interaction on text and moving seamlessly between email, mobile and text. This is converging with digitally driven processes like chat bots - rather than the traditionally manned call centre.

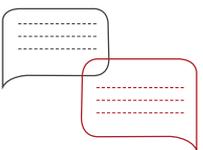
All this means that utilities need to innovate to compete. CIOs need intimate knowledge of the potential of technologies like RPA and AI and also how they might apply to their business, but there are other important dimensions to CIO roles and leadership developing.



### Think big and start small and scale soon

Barriers to entry have never been lower. CIOs need to encourage innovation, looking at new solutions and techniques to pilot and then build out the proof of concept. They need to try things out and do little innovative things.

Thinking big yet starting start small is the approach to take, finding out what works and delivers value and then, when it works quickly scaling it. This sounds like common sense yet it's a very different way of thinking for the sector.



### Collaborate to innovate

This new landscape and the new expectations mean that the CIO organisation needs to respond and

collaborate better to become more dynamic, progressive and agile. Our new digitally knowledgeable workforce, drives shadow IT. If the central IT department can't do it, the business will just get on and do it themselves, so pace,

agility and collaboration are as important as apps, platforms and devices. This paradox means that in governance the CIO has a real challenge. There's a need to respond quickly in progressive technologies and yet secure data and maintain the right levels of control.

## CIOs - TECHNOLOGY, BUSINESS AND THE BOARD

CIO leadership needs a business head as much as a technology awareness because the transformation here is about people as much as technology. These changes need strong leadership. Utilities can be quite traditional and cautious. To some degree that has merit because they are essential services, on the flip side in the past they haven't moved fast enough to embrace and capitalise on the technology. There's now a compelling call to action and a blurring of the lines between business and technology leadership. There is a need to turn up the dial in these areas, seize the opportunities, be more ambitious and push the business forward.

The tidal wave of technology means that the successful utility organisations will be those with a technology aware CIO at executive level. The focus on technology at the C level remains too narrow. Utility businesses need to fully understand the significance of digital transformation and recognise the strategic impact of the CIO role. Organisation's need a business strategy fit for a digital world. There will of course be CIOs that feel more comfortable sticking with a more traditional role, focused on important technologies like cloud and IT infrastructure. Then there will be CIOs that step up to command executive status striding out to transform. Progressive companies are appointing digital non-executive directors to the board, separate from traditional technology leadership.

Value from progressive technology entails consideration behind the scenes too.

In the last 50 years, utility companies have managed to deliver an adequate service. But now they must focus on new expectations. There is a wide and sophisticated ecosystem of technology to deliver; hybrid and multiple cloud, niche, applications, third party services, in-house teams - with market players increasing in numbers. This means relationships and collaboration are core. CIOs need to conduct an IT orchestra to build the services and provide

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the capabilities their companies need and, continuing with the analogy, create beautiful IT music. However, underlying all of this is data quality. To be progressive and introduce advanced processes for both the workforce and customer interactions, the quality of the data used is critical. In most cases a much better understanding of the power of data and what levels of control and governance are needed is required. The techniques to understand what is and isn't important data, how it should be used and how it should be securely stored all need to be honed.

Unprecedented growth in unstructured data is inherent in today's unprecedented technology innovation. Adopting

new technologies means the use and generation of data, data that is absolutely critical in delivering on the innovation promise. Why innovate and automate if you don't have the right data to share with your customers, inform your asset infrastructure or to help your workforce problem solve in the field?

Talking about robots and augmented reality is exciting, it's progressive and trendy technology. But data is the work horse behind it, and it's critical to make sure innovations delivers value.

### ABOUT MYRON HRYCYK



Myron is a highly successful business and IT Transformation professional, a former FTSE 100 CIO, SME CIO, Digital and ERP Programme Director equally capable of operating strategically at board level or with sleeve's rolled up delivering specific tasks in large and small organisations.

His experience spans a diverse range of business sectors including, Financial Services, Publishing, Automotive, Logistics/Supply Chain and Utilities.

Myron was voted by his peers in 2011, 2012, 2013 and 2014 as one of the top 20 CIO's in the UK for his impact on business transformation including workforce mobility, customer digital experience, business process change and IT pace and agility.

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#### About Veritas Technologies

Veritas Technologies empowers businesses of all sizes to discover the truth in information—their most important digital asset. Using the Veritas platform, customers can accelerate their digital transformation and solve pressing IT and business challenges including multi-cloud data management, data protection, storage optimization, compliance readiness and workload portability—with no cloud vendor lock-in. Eighty-six percent of Fortune 500 companies rely on Veritas today to reveal data insights that drive competitive advantage. Learn more at [www.veritas.com](http://www.veritas.com) or follow us on Twitter at [@veritastechllc](https://twitter.com/veritastechllc).

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