



# ERIC SCHAEFFER AND DAVID SOVIE INTRODUCE THEIR NEW BOOK

## VIDEO TRANSCRIPT

Hello, I am Eric Schaeffer from Accenture. I lead our Automotive and Industrial Equipment practice globally.

Hello, I am Dave Sovie and I am Accenture's global High-Tech Industry Lead.

So Eric let me start with a question for you, we decided to write this book called Reinventing the Product, why did we see the market demand or market need for such a book.

Well, you know our clients have been talking about how digital is disrupting their industry, which is truly the case and we are well into that pivot. But digital is also transforming their products, their services giving manufacturers or product making companies opportunities to develop new businesses. So digital fundamentally transforming the products and services and to be honest nobody had really written or thought about the implications.

Now if this is happening there are a few megatrends that we have sort of shared in the book. Can you tell us about these?

Yes we did the research, we identified several, what we decided to call, the big shifts. And I'll start with two. The first was moving from selling features to selling experience. Most products historically are very much marketed on what I call feeds and speeds and specifications of the product. And in today's world as the product is smart and connected you really need to think

about the usage of that product over its lifecycle and market based upon the experience.

The second thing is to actually consider changing the very nature of your business model from selling a product which was historically a very much a transactional skew, our clients would make a product sell it to distributor or a retailer and then honestly not know much about what happened to it afterwards. But in a world where there is a smart connected device you need to actually think about whether I should shift to selling as-a-service. Some of your clients talk about tyres as-a-service some of my talk about printer as-a-service but we think every product company is going to ask themselves this question. Shall I think about moving to an as-a-service business model?

You want to share your thoughts on the next two?

Yes, two other big shifts. There is one around, we are seeing products moving from being a product to becoming a platform. Morphing into platform. Which then ties up into setting up an ecosystem. I think there is not anymore a product that can deliver all the end to end value on its own. Products have to interact, connect, work with other products. And its really the ecosystem or the system of products that deliver enhanced value to the end customer. So moving from product to platform.



Then another big shift that we identified is the move from mechanical to artificial intelligence. I mean a couple of decades ago products were a big piece of hardware, a box of hardware. Then we put a bit of electronics into it, we put a bit of software and now there are so many digital technologies in the product. In the product and also outside the product. And as you mention experience, its mere experience is powered by digital technologies.

So when you bring all this together, in the book we have developed a Product Reinvention Grid. Can you tell us a bit about that?

One of the things you want to do is that give a roadmap or a guidepost for clients to think about this. We think about two dimensions in our grid; one dimension we call the Intelligence Quotient (IQ), how smart is the product. Historically, 10-15 years ago products actually weren't so intelligent and they weren't very connected. So first step for most is to just connect them means put some sensors into the product, get some data to come off. The second step is to make the product intelligent. And that's big step for many clients and then some products but not all will become truly autonomous. Where they will actually make their own decisions and take actions on their own.

The second dimension that we talk about is the Experience Quotient or the EQ axis. And again as you're a smart connected product you may move from selling from a product to as-a-service business model. Some may move to a full ecosystem platform which changes dramatically the nature of what you are as a company. So if you combine the IQ axis with the EQ axis you can think about the magnitude of transformation required.

What else might you share in terms of the research we did to make this real and pragmatic for the readers?

In the book there are couple of additional things we did. The first one is we interviewed thought leaders and thought leaders being business executives of your clients some of the clients I have been working with. But also academic in

the US, in India, all over the world. They brought I find fresh insights to help us build this book. The second work stream was all around case studies. And we conducted four case studies. I mean working with companies that honestly have started to make their product smart connected. Connected, intelligent and even autonomous. We worked with Faurecia, one of the leading tier 1 automotive supplier. We worked with Signify, one of your clients. We had the Haier group out of China. As well as a small company, plumbing company out of the US, Symmons. But honestly that brought a lot of insights on what it meant for them, why did they do it and how they did it. And I think lessons learnt is always important.

So I think we're both really very proud of the results of the book. I think we have identified a set of compelling and pragmatic insights that we hope you as the readers will really find useful in your everyday work.

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