

GOVERNING INNOVATION GURU VIDEO

Emmanuel Lagarrigue with Vedrana Savic

VIDEO TRANSCRIPT

Vedrana Savic: What accomplishments would you like to see Schneider Electric achieve during the next decade?

Emmanuel Lagarrigue: Ten years from now, we would imagine Schneider being a contributor to a world where electricity is being generated, transported, shared, used in a very different manner—and all this enabled by digital technologies.

Vedrana Savic: Why do you think companies struggle to allocate innovation investments in a more balanced manner across their portfolio of businesses?

Emmanuel Lagarrigue: When you're in a large corporation, especially if it's a public company, it's relatively easy to invest even put more money in what is known, what will for sure give you a return. This is a world of predictability. This is a world of delivering on what you've committed to the financial markets.

If you're talking about disruptive innovation, you're jumping into the world of the unknown. The time horizon is radically different. It takes 5 to 7 years to build a startup, to build a unicorn, and there's no exception to that.

So, if you're going for a sure bet and for incremental innovation, you may want to bet as much as possible because you're sure of the return. In disruptive, at the beginning, you're going to start slow.

Vedrana Savic: Under your leadership, are you advocating for more extensive innovation governance at Schneider Electric?

Emmanuel Lagarrigue: Yes, we are aspiring to have more governance in innovation, but let's be clear: the governance you need for what we call, **Innovation at the Core**, incremental and breakthrough innovation or for **Innovation at the Edge**, disruptive and radical innovation, are two different governances because we're talking about two very different games. In one game, again, you want to be the best in class company in your industry, disrupt your competitors-

In the other one, you want to try to figure out who are going to be your next competitors? Who are going to be your next partners? What are the technologies or the business models you would need in the future?



So, the people you will have in both initiatives are going to be radically different, behave in a different way and, obviously, the governance will have to be different.

Vedrana Savic: Do you think that large companies will become even more obsessed about innovation in the future and why?

Emmanuel Lagarrigue: Definitely large companies will be more obsessed because they may, at least that was our experience and our journey, coming rapidly to a conclusion that if you want to generate sustainable long-term growth, breakthrough innovation and disruptive innovation are going to be a must.