

In conversation with

The Industrialist

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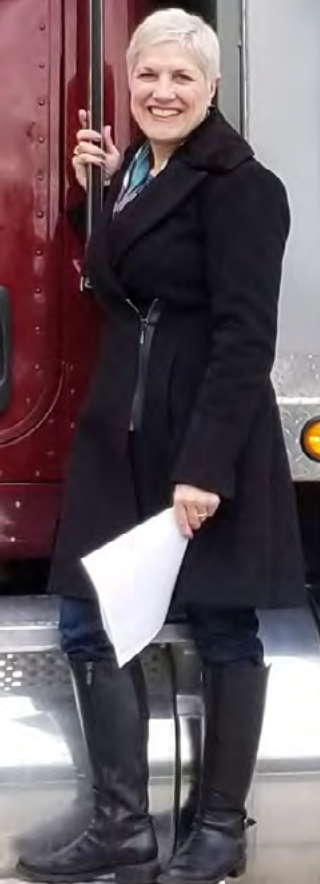
Julie Ragland

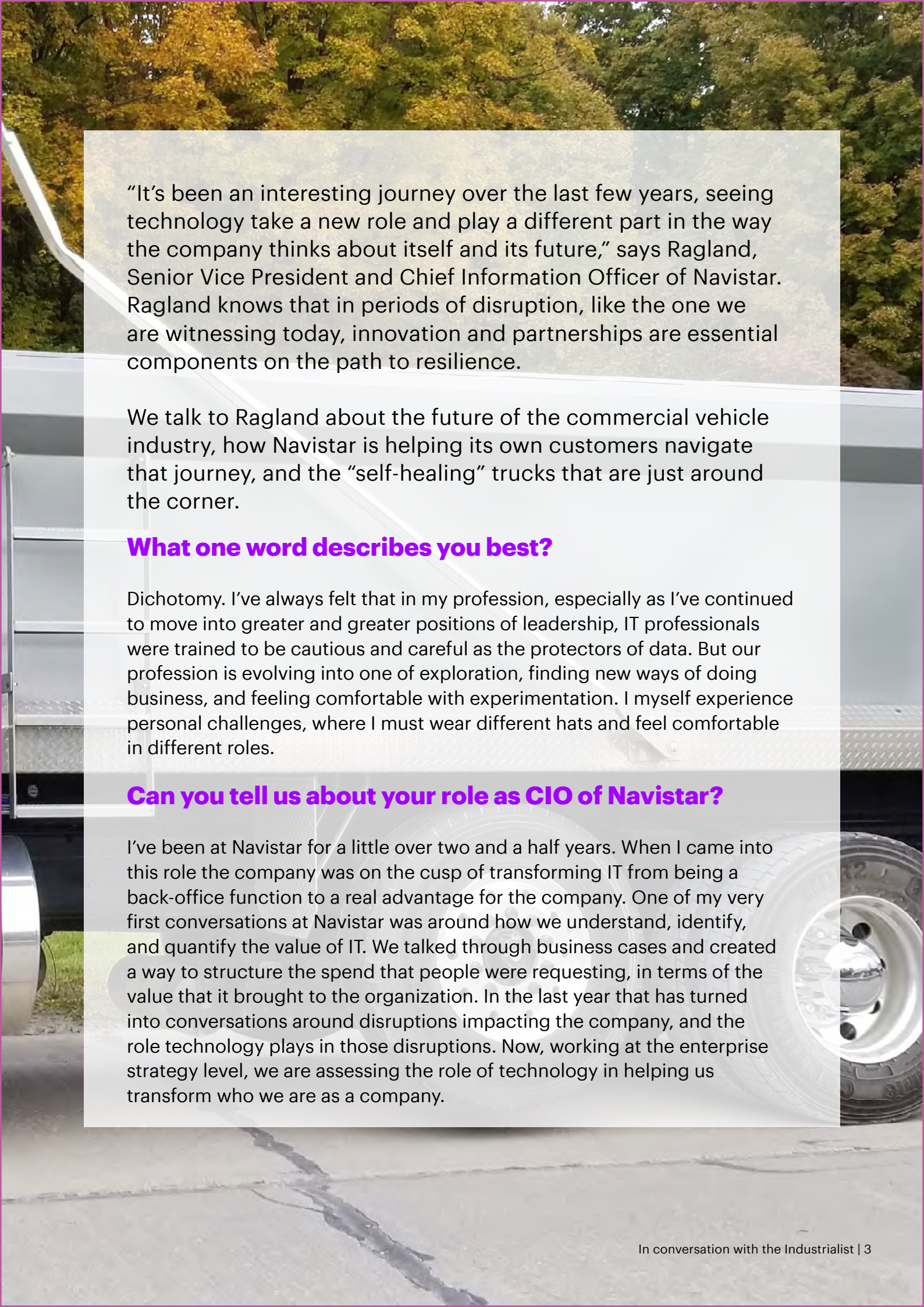
Senior Vice President &
Chief Information Officer
Navistar



The road to resilience is paved with partnerships

In less than three years, Julie Ragland has transformed Navistar's approach to technology innovation. Where once the US truck and engine manufacturer viewed IT as a compulsory back-office operation, it is now looking to a future where Navistar does not simply make and sell trucks but offers a smart-city ready suite of trucking solutions.





“It’s been an interesting journey over the last few years, seeing technology take a new role and play a different part in the way the company thinks about itself and its future,” says Ragland, Senior Vice President and Chief Information Officer of Navistar. Ragland knows that in periods of disruption, like the one we are witnessing today, innovation and partnerships are essential components on the path to resilience.

We talk to Ragland about the future of the commercial vehicle industry, how Navistar is helping its own customers navigate that journey, and the “self-healing” trucks that are just around the corner.

What one word describes you best?

Dichotomy. I’ve always felt that in my profession, especially as I’ve continued to move into greater and greater positions of leadership, IT professionals were trained to be cautious and careful as the protectors of data. But our profession is evolving into one of exploration, finding new ways of doing business, and feeling comfortable with experimentation. I myself experience personal challenges, where I must wear different hats and feel comfortable in different roles.

Can you tell us about your role as CIO of Navistar?

I’ve been at Navistar for a little over two and a half years. When I came into this role the company was on the cusp of transforming IT from being a back-office function to a real advantage for the company. One of my very first conversations at Navistar was around how we understand, identify, and quantify the value of IT. We talked through business cases and created a way to structure the spend that people were requesting, in terms of the value that it brought to the organization. In the last year that has turned into conversations around disruptions impacting the company, and the role technology plays in those disruptions. Now, working at the enterprise strategy level, we are assessing the role of technology in helping us transform who we are as a company.

How did you change the perception of IT at Navistar from a back-office function to something more transformative?

Many companies that have long, strong legacies like Navistar have employees who have committed large portions of their career to the company. One of the first things we did was explore “the art of the possible” with them. We brought in vendors and partners and started listening to what other companies were doing. We explored new ideas to see if they could be incorporated into the way we viewed ourselves and our business. We needed to break out of our legacy thinking and reimagine things that people hadn’t taken the time to look at for quite some time.

We still need to embrace a culture of experimentation, and incremental ways of changing things, rather than trying to create huge monolithic initiatives that are costly and difficult to sell. In my department, we’re working on becoming ambassadors for innovative ideation throughout the organization.

How does Navistar approach innovation? And what steps are you taking to drive innovation in electrification, reduced emissions, and other areas of sustainability?

Innovation is a core initiative that I head up as part of our [Navistar 4.0 strategy](#). We define innovation as having two key pillars. One is an innovation-centric culture internally: how do we use the practices of innovation to drive breakthrough thinking and improve the way we work? The second pillar centers on new businesses and new ways of doing business. While technology breakthroughs do come through in our products, we know that we also need to think about our business in completely new ways. We are trying to help the organization build this capability, in order to drive new business.

I think what differentiates us when it comes to electrification and zero tailpipe emission vehicles is that we view this as a new business model. The way we refuel, service and maintain vehicles is going to fundamentally change, along with the vehicles we choose to operate and where. As a result, we’ve created a new consulting business called [NEXT](#). NEXT provides consultation and assistance to our customers and helps them understand how they’re going to enter this new world of zero tailpipe emission vehicles.



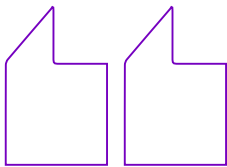
What is Navistar doing to differentiate from its peers?

Companies that survive in these disruptive times build and foster partnership networks. We've taken the same approach when it comes to building capabilities around disruptive technologies. One of the best examples is the way we've gone to market around hydrogen fuel cell technology. We've entered into a [partnership](#) with General Motors around their fuel cell technology; we've brought in OneH2, which has the ability to supply hydrogen in the supply chain; and we have a customer onboard ready to put hydrogen fuel vehicles into production. This network of companies has come together, each bringing their own strengths and abilities to build new capabilities. We believe that when you bring strong partners together in disruptive times, you build capabilities that are more responsive and agile—that's how we differentiate ourselves.

How are you embedding digital technologies into your products and how is that enhancing the value proposition for your customers?

Our trucks have had telematics devices embedded in them for decades. This has fostered a system of one-way communication—the truck reports back to the hub and we use that information to pinpoint where the truck is and collect health information on it. In our current generation of technology, we've put two-way communication in place. It means we can track the truck and provide it with instructions.

Our early explorations around this capability focused on updating the parameters on the vehicle or recalibrating our engines, so they don't need to come in for servicing. But as our trucks start to interact with sensors in smart cities, those capabilities will need to change. The ability to have trucks respond in real time will be core to the future of our vehicles.



Fairly soon, we will add “self-healing” capabilities to our trucks. We will be able to diagnose things happening on a truck while it’s in operation, and possibly even fix it before the truck needs to come in for service. All these new capabilities come from our ability to connect the vehicle.

As an IT professional, I talk about our trucks being edge computing devices; our trucks will interact with smart cities and smart highways. Autonomous vehicles are reliant on the ability to sense and respond to the environment, so the connected part of a vehicle will become core to how that vehicle operates when it comes to new, smart-city ready business models.



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Where do you see Navistar, two to five years from now?

First, we have a very exciting merger that we're working on. Volkswagen AG's heavy truck division, TRATON, is set to acquire [Navistar](#). This is super exciting in terms of opening new doors and helping us access technologies and markets. But key to our future is understanding how these digital disruptions and technology trends have the potential to significantly change the role of an OEM. Are we offering our customers a truck, or are we offering a set of services and the truck happens to be the vehicle for which we deliver those services? I think we are seeing more and more that services are the core of our business, and the truck is just the mechanism by which we deliver them.



What inspires you?

I have always loved to see people working together and rallying around a purpose. I, myself, am very purpose driven. I love to see teams embrace a common objective and celebrate with one another as they see incremental steps along the way. In my career, the moments that I look back on and the moments that continue to energize me are the times when I see my teams working together like that. I enjoy being able to recognize and celebrate success and I continue to challenge our teams to keep working toward the future.

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