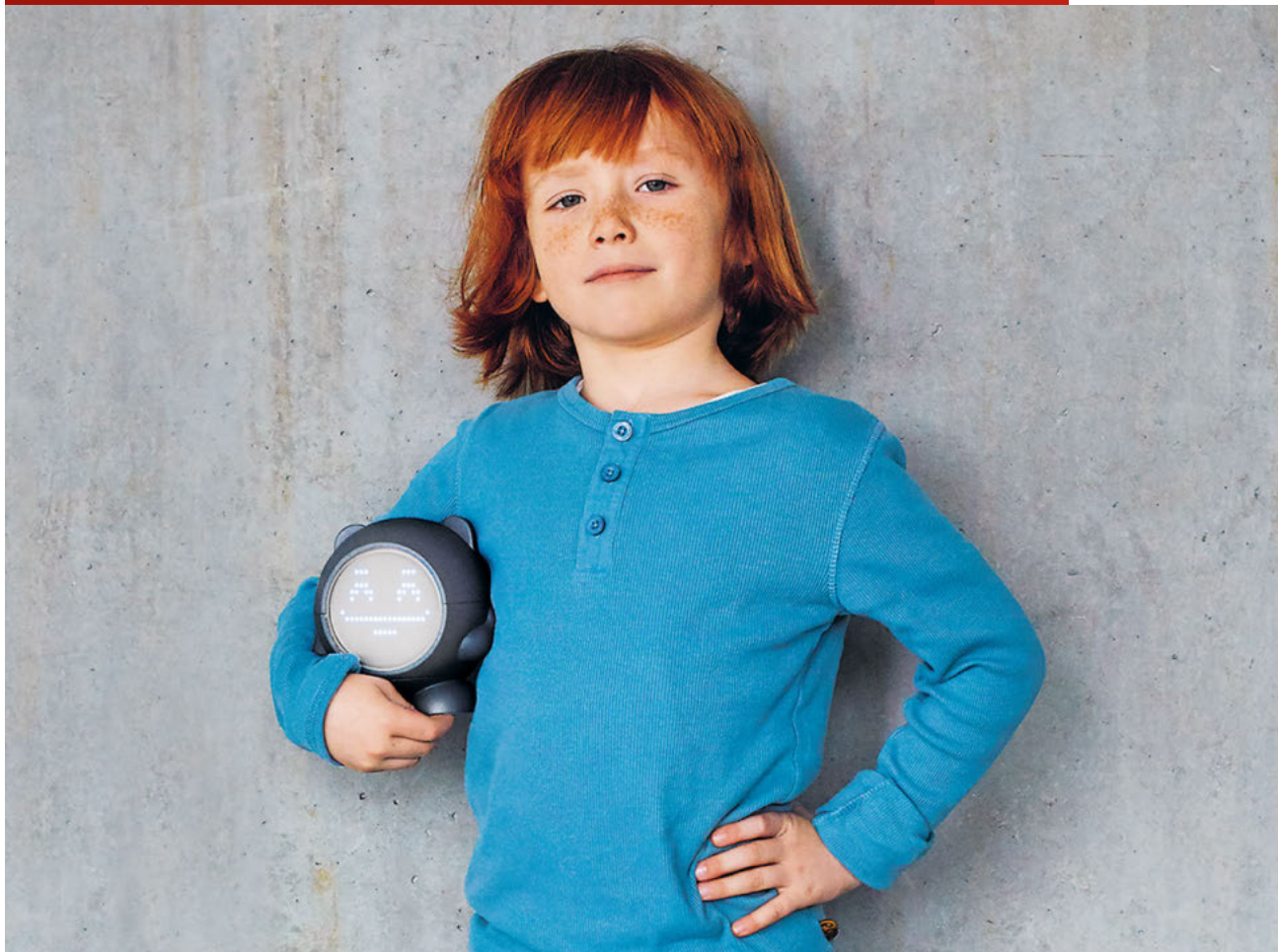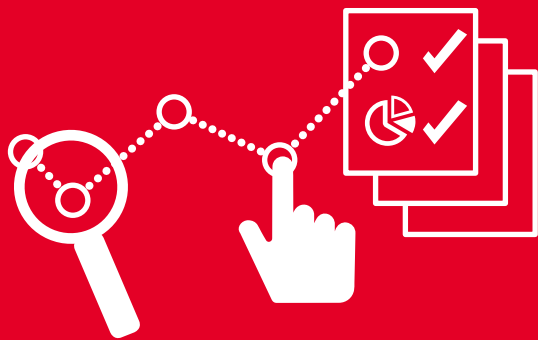December 2017

ceo

The magazine for decision makers

Trust in the
Digital Age

pwc

Data – the raw material of the future

Data are intelligent in their own way. High-tech analytics and machine learning make it possible to mine an enormous amount of valuable ore – in the form of knowledge and observed experiences – from the mountains of data that span the globe these days. This knowledge can be used in countless beneficial ways; for example, in the healthcare system for more effective therapies. But those who compile, process or use data must ensure the integrity and security of that input, especially when it comes to personal data. Alas, Big Data and today's dependence on computer technology offer cybercriminals fertile ground. This is why the security of data, IT systems and processes is at the top of corporate executives' agenda.

The inside cover photo offers a peek behind the curtains at Open Systems Ltd, a firm that ensures the security of its customers' IT infrastructure.

We asked our interview partners what the three hashtags might be that describe them best. Their answers can be found at the beginning of each article.

The opinions expressed by the interviewees may vary with those of the publisher.

This issue of our "ceo magazine" is available in German, French and English.

FSC
www.fsc.org
MIX
From responsible sources
FSC® C007447

climate neutral
powered by ClimatePartner°
Print | ID 11665-1710-1003

Trust is regarded as the ne plus ultra of any interpersonal relationship. And successful business partnerships are formed from trusting ties. Trust emerges only over time, yet it can be lost in a heartbeat. And in the Digital Age, trust is the number one success factor – in every respect.

Urs Honegger
CEO PwC Switzerland

We have devoted this issue of ceo Magazine to a very special topic: trust. Trust is in high demand, but low in availability. According to our global CEO Survey 2017, more than half of those surveyed express concern about today's dearth of mutual confidence. There are many reasons for this scepticism: new digital technologies, social media, competitors from outside the industry, and today's seemingly bottomless seas of data.

Ever faster, ever vaster, ever more networked – digitisation has fundamentally changed the playing field. Top-down becomes peer-to-peer. The boundaries between the physical and virtual worlds blur. And despite it all: offline survives. Whether the uniqueness of interpersonal encounters can be fully virtualised is one of the big questions of the future.

Along with the digital means of communication, the way co-workers interact changes, too, as do corporate cultures. It comes as no surprise that good performances are the direct result of motivation and identification. Hence companies these days permit modern working nomadism, install transnational and interdisciplinary teams, as well as invest in the workplace of the future.

Our interview partners come from various industries, represent both start-ups and global corporations, and apply fundamentally different business models. But each of them relies on the trust of their customers, business partners and employees. Because they are fully aware of the importance and driving force of trust. And all of them view the digital transition as an opportunity – a chance to solidify trust. This by using data in a value-adding manner, creating transparency, implementing innovations, enhancing quality, monitoring risks, assuming social responsibility and developing sustainable solutions.

We wish you a mind-broadening read.

Urs Honegger

Internet of Things

Physical objects embedded with sensors, software, and network connectivity capture and analyse information to fulfill business objectives.

Artificial intelligence

Machine learning has potential to create new products and services.

Blockchain

Distributed electronic ledger has potential for prevention of fraud.

Robots

Automate, augment or assist human activity.

Drones

Provides new modes for surveillance, survey, and delivery.

73%
63%
63%
54%
11%
3%
14%
5%
15%
31%
7%
12%
15%
10%
17%
24%

Virtual reality

Abolishes logistical limitations and opens new possibilities for simulation.
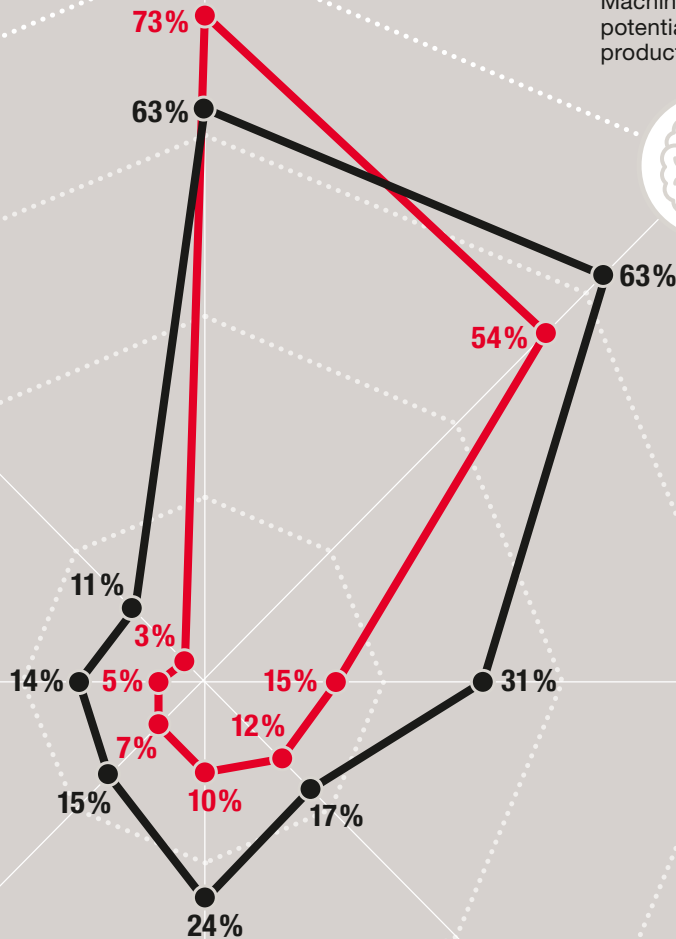
3D printing

Potential to turn any business into a factory.

Augmented reality

Blending of physical and virtual world presents new business opportunities.

The Essential Eight – Investments in Key Emerging Technologies* today and 2020

Which of the following technologies are you making substantial investments in? (All that apply)

— *Today*
— *In three years*

* Technologies that will sustain revenue growth and enhance business operations. This is measured by the following criteria: the technology's relevance to companies and industries; global reach; technical viability, including the potential to become mainstream; market size and growth potential; and the pace of public and private investment in them.

Source: Based on PwC 2017 Global Digital IQ® Survey

Courage and responsibility in balance

PwC experts Reto Häni and Andreas Eschbach on the success factors behind a leap into the digital age.

Digitisation has changed the business world from the ground up. What does it take to be successful in this era?

Reto Häni: Courage, speed and responsibility. It takes courage to use digitisation in a way that creates something new and different. Swiftness is important as well: try something out quickly and accept the risk that it won't work. Moreover, companies need to protect their customers' data as they would a precious physical asset.

Andreas Eschbach: Above all, companies must be able to anticipate. Every organisation needs employees who can grasp not only the technological changes and opportunities, but also their risks, and evaluate the chances for their applicability to their own business model. And this not just every three to five years; rather, on an ongoing basis.

How can the right balance be struck between the opportunities of digitisation and the dangers associated with digital progress?

Andreas Eschbach: Businesses shouldn't turn a blind eye to the new. Instead, they should embrace the credo "Learn fast, fail fast". In this regard, an innovation centre can be a good place for enabling employees to develop innovative approaches and – here, too – take the inherent risks into account in the overall evaluation. But not everything that is technically doable is also meaningful. I advise companies not to get involved in every hype that comes along.

Reto Häni: On one hand, it's right to forge bravely ahead with digitisation. It offers many opportunities: from automation and higher efficiency to entirely new business models. However, it's just as important to be aware of the potential pitfalls on every step of the way. Data protection and security don't belong at the end of this process – those measures are part of the process, always.

How can companies secure the trust of their customers and business partners?

Reto Häni: By making them aware that their data are valuable and, as such, are being treated with the utmost care. Transparency is fundamental to creating trust. Companies should clearly indicate what information they collect, as well as how they handle and protect that data.

Andreas Eschbach: In the B2C business, portals help to ensure transparency – at least in terms of price, service and customer satisfaction. However, the security of customer data is usually not addressed here. Certifications are confidence-building, as they attest to a company's compliance with international safety standards. But in the B2B sector, companies need a sophisticated security concept. Only the fewest companies we analyse for the first time are continuously and optimally protected in a way that is ideally suited to their business model, their geographical business activities and their corporate structure.

You plead the case of using risk management as a strategic tool. How does that function in actual practice?

Andreas Eschbach: One example is real time risk assessment. Most companies conduct quarterly or semi-annual risk assessments. However, those who follow the risks in real time can readily identify trends and possible threats. This allows the company to react proactively instead of reactively, which in today's world gives the business a strategic edge.

Anyone who follows the media can't avoid getting the feeling that cyber attacks have increased significantly in recent years. Does this impression match with your experience? And what is the greater risk factor: the human being or the IT system?

Reto Häni: Yes, cyber attacks are increasing significantly these days. Frequently, companies don't even notice they're being attacked – and the number of unreported cases is still high, despite the greater visibility. Moreover, the attacks today are so professional that the lone hacker is no longer the primary risk. Investment in security technologies is therefore becoming increasingly important.

#passion_for_security
#curiosity #candour
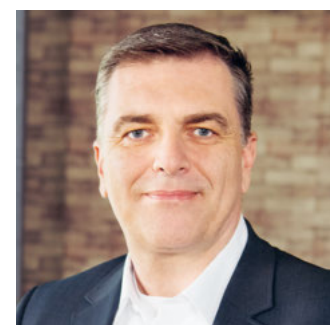
Reto Häni
Partner and Head
of Cyber Security and Privacy,
PwC Switzerland

#TechGeek #tinkerer
#entrepreneur

Andreas Eschbach
Partner and Head
of Risk Assurance Services,
PwC Switzerland

"Trust has to be earned each day – and with everything we do."

Susanne Ruoff
CEO of Swiss Post

Despite digitisation, personal trust is key

Without trust, relationships can't be built and success can't be achieved. This applies to every company, of course, but especially to banks. **Urs Rohner,** *Chairman of the Board of Credit Suisse, discusses why trust is the cornerstone of a bank's very foundation and what it takes to earn that trust.*

Urs Rohner (born 1957) has been Chairman of the Board of Directors as well as head of the Chairman's and Governance Committee of Credit Suisse Group Ltd since 2011. A licenced attorney, he joined the company as a member of the Executive Board in 2004. From 2000 to 2004, he was CEO of ProSiebenSat.1 Media Ltd. Prior to that, Urs Rohner worked as a practicing lawyer in Switzerland and the USA. The former track-and-field hurdler has four children.

Text: Editorial staff "ceo"
Images: Marc Wetli

How would you personally define the term "trust"?
Trust is the basis of every type of longer-term interpersonal relationship. Similarly, a company cannot succeed in the long term if it doesn't have the trust of its clients. That's particularly true of the banking sector, where additional aspects of trust come into play. For example, a trusted banking institution must have a solid capital base as well as a functioning infrastructure with state-of-the-art security precautions and trustworthy employees. Along with trust, confidentiality likewise plays an important role in the banking industry.

It's frequently said that trust is the new currency in the financial world. How do you see things? What role does trust play for your company?
As I just mentioned, trust is the cornerstone of any long-term business relationship and is obviously nothing new for the financial world – it has always been the basis on which we operate. However, it's no secret that our industry has been suffering from a loss of trust ever since the financial crisis. At the same time, new market players such as innovative fintech start-ups are catching up in terms of gaining client trust. That's why

we are making huge efforts to further increase the level of trust shown by our clients. At Credit Suisse we nurture a corporate culture in which our values are clearly articulated and our business principles are also systematically implemented. What's more, we create internal incentives for client-centric, rule-based conduct.

Banks find themselves caught between the traditional relationship business and innovative technologies. Where does Credit Suisse stand on that front, and where is it headed?
The way in which we support our clients and the way we communicate with them is indeed changing due to digital solutions. Our range of services is continuously being expanded and banking is increasingly morphing from a physically anchored service business into a virtual-dominated service platform that can be accessed via multiple channels. Even so, it's still very much a people business. So I don't regard digitisation as a potential threat; instead I see it as a key prerequisite for a broad-based offering that's accessible at all times as well as a way to improve the client-friendliness of our services.

"Without its customers' trust, no company can succeed in the long run."
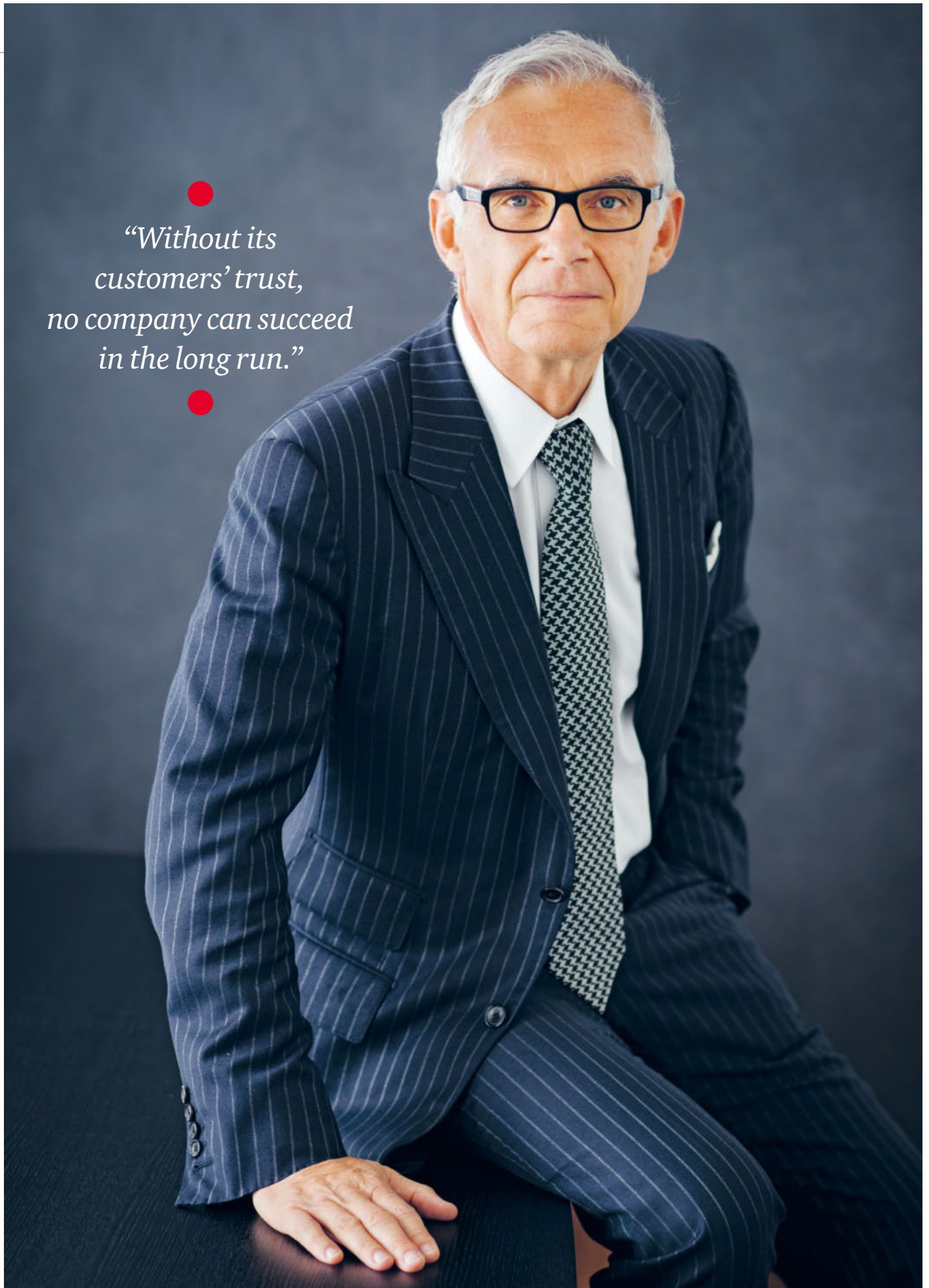
According to media reports, Credit Suisse is now using machines to help its employees answer simple compliance questions. Are these "chatbots" important for Credit Suisse? If so, to what extent? If not, why not?

Automated solutions are already used for more straightforward inquiries in a large number of industries. Just as self-help software can help identify and solve simple problems, cognitive computing systems can provide our clients with digital support – whenever and wherever. They will undoubtedly generate major added value for the industry, but they can never fully replace the client advisor.

How important are innovation centres within an organisation to the development of new digital strategies?

A number of approaches can be used to boost an organisation's innovative capacity. I don't think there's a simple, one-size-fits-all approach. In our case, an integrated model coupled with strong external support has proved successful: We promote innovative thinking within the organisation, though partly also with support from our Credit Suisse Labs start-up in Silicon Valley – which is outside of our business structures.

According to our annual "PwC CEO Survey," dealing with digital data will be a differentiating factor in the future. Is that also the case for Credit Suisse?

Managing "big data" is indeed very important, and obviously I completely agree with that statement. Analysing large amounts of data and drawing useful conclusions from that process is an element of digitisation that has already changed the shape of many industries and will continue to do so. Thanks to the systematic processing of raw data, we are able to offer our clients better advice – by using intelligent algorithms to develop models for future market movements, for example, or optimizing our internal processes.

© Credit Suisse Group

Saving in the age of digitisation: Credit Suisse teaches children responsible money management with its "Digipigi" bank.

"We foster innovative thinking within the organisation and simultaneously gain support from our Silicon Valley start-up, Credit Suisse Labs."

> **"I'm convinced that digitisation opens up opportunities for individuals as well as companies."**

Credit Suisse Group Ltd (CS), headquartered in Zurich, is the successor company to the former Schweizerische Kreditanstalt SKA. It is one of the 30 largest global financial services companies. As such, it is classified by the Financial Stability Board (FSB) as a system-relevant financial institution and is therefore subject to particularly strict supervision. Founded in 1856, the bank has a global reach with business activities in around 50 countries and 47,170 employees from more than 150 different nations.

credit-suisse.com

What risks do you think digitisation brings for society? And for Credit Suisse?

I'm convinced that digitisation first and foremost creates opportunities for individuals and companies. Clients benefit from faster, more accessible, more secure, and cheaper services. Companies, meanwhile, can boost their operational efficiency and address individual clients much more effectively. But increasing digitisation also creates potential vulnerabilities that can be exploited through cyberattacks. Active measures need to be taken to prevent such occurrences.

What do you and your company do to prevent cyberattacks? How important is this issue for Credit Suisse?

These days it's virtually impossible for a company to operate without comprehensive protection from cyberattacks. We are responsible for protecting our company and clients against these kinds of attacks, and having a clear cyber strategy is an absolute must. Cybersecurity is accorded the utmost priority at Credit Suisse; here we have a very strong set-up in organisational as well as personnel terms. I consider cybersecurity to be one of the biggest systemic risks facing banks.

What role does a Chairman of the Board of Directors play in tackling digital challenges?

At Credit Suisse, the Board of Directors plays a fundamental role in determining the company's strategy, and digital innovation has become an integral part of that strategy. On my initiative we therefore decided some time ago to set up an Innovation and Technology Committee at Board of Directors level – a committee that works closely with the Executive Board. Around five years ago, I also took the proactive step of initiating a disruptive innovation-driven incubator at group level; this began developing digitally driven business ideas back in 2012.

Given today's pressure to be contactable at all times, do you ever get the chance to go offline?

I love going to the cinema or attending the opera, where you have no choice but to be offline.

What did you dream of becoming when you were a child?

I was – and remain to this day – very inquisitive, so my career choices have constantly changed over the years. When I was young I was very interested in a career as a screenwriter or producer, but I eventually gave that up – even though my interest in film and media has stayed with me to this day. My fascination for the stock market and banking was also there from an early age, ever since buying my first shares at the age of 16. With the exception of five years in the media industry, I've actually spent my entire professional life with banks and finance companies. So, as you can see, in the end I've more or less achieved my childhood dream.

Thinking is in short supply

Today's mediaverse of shouting heads cries out for reasoned, careful reporting. And this can be found, says TED's European director **Bruno Giussani,** but viewers must dig harder than ever and in unconventional places.

Annual conferences on 'Technology, Entertainment, Design' **(TED)** started 33 years ago in idea-rich Silicon Valley. Since then the topics have broadened out to most anything intellectual, the yearly gathering has decamped to Vancouver and spin-offs now number well into the thousands, with billions of views online. The non-profit's turnover is around US dollars 70 million, full-time employees number about 200, and volunteers number into the thousands.

ted.com

© TED

Setting up the TED logo for a conference.

"People give us their time
and attention: we want to use
them well."

*"Opinions are everywhere,
we are all in data and
conversation overload.
The only element in short
supply is thinking."*

After his 1989 graduation in Social &
Economic Sciences from the University
of Geneva, **Bruno Giussani** first wrote
about political affairs, then made his
name as an observer of the Internet and
its impacts on business and society,
writing for publications such as L'Hebdo,
The Wall Street Journal Europe, The New
York Times, Il Sole-24Ore and NZZ.
He continues to lecture and write, and
meanwhile he founded a conference
program design and business consult-
ancy (which he still runs) and was an
executive at the World Economic Forum
and a Knight Fellow at Stanford University
before becoming European Director and
International curator of TED, a conference
group. The 53-year-old Swiss national
shuttles between his native Ticino, the
Lake Geneva region, and TED's head-
quarters in New York.

Text: Eric Johnson
Images: Marc Wetli

Only a decade or two ago, trusted information was fairly uniform. Public debate was framed by TV-news networks, leading newspapers, prominent academics and governments. At the end of each day, after the evening news, everybody had been updated on the relevant issues and their underlying facts, says media-expert Bruno Giussani. Opinions based on these could of course differ, at least they rested on a common pillar of 'received', somewhat neutral reporting. It was imperfect, but it provided a common basis of facts and news on which public debate could evolve.

Not anymore. Newspapers are disappearing, traditional TV networks are challenged, fragmented viewers are ever more sceptical of so-called authorities as these see their credibility and legitimacy under attack. And while the platform of 'received' reporting crumbles, dissonant new voices are cranking up their volume. "Today's public discourse is dominated by the loudest, crudest talkers," Giussani notes. Shouters, gags, hate speech and celebrity klatsch clog the channels. "Opinions are everywhere, we are all in data and conversation overload," he says. "The only element in short supply is thinking."

Search for intelligence

It's not that serious journalism has died. Rather, Giussani contends, it has become harder to find. While outlets such as the "New York Times", "the Guardian" or "Der Spiegel" generally keep high standards, other traditional providers have moved toward lifestyle and superficial topics, while some non-traditionals are migrating the opposite way. The result: signposts of serious, trustworthy news are less clear than they were. "There are still many examples of excellent information out there," he notes, "but you have to click through an ocean of dross to find them."

Some of the non-traditional media also offering quality news, Giussani opines, are Buzzfeed, Vice and Vox, among others. But their branding doesn't clearly reflect that. High-quality content often is posted right next to the latest gossip on the Kardashians or an equally vacuous 'Listicle'. "Some of the best reporting on Syria for instance," Giussani points out, "has come from sites that are mostly populated with click-bait."

What hasn't changed, he says, are the basics of good journalism. Careful research, in-the-field reporting, probing interviews, rigorous fact-checking and logical exposition are as valuable as ever. Precisely those features are what Giussani and his colleagues are insisting upon in their own new-media endeavour: TED.

The TED effect

Good information is at the heart of TED's talks. "The main difference to my former work as a journalist," Giussani says, "is that now I put my sources on stage instead of quoting them in an article." There is an attempt to uphold high standards: for instance, every talk at an official TED event is fact-checked before it is given on stage – not to undermine a speaker's credibility, rather to ensure it. And in addition to good, TED also insists that talks are interesting. "When people attend one of our events, or watch a TED Talk, they give us some of their ultimate resources, their time and attention: we want to use them well."

Just as the old media relied on viewers' trust that its content would be relevant, robust and stimulating, so too does TED. In the event, it's a triangle of trust between the presenters, the audience and the organisers. Lose one angle, and the whole thing falls apart.

Seven short years after going online with its talks in 2006, TED reached one billion viewers. Its independent local offshoot, TEDx (run by unpaid volunteers), now creates nearly 3600 conferences a year. TED has achieved almost mythical status among curious and worldly types, including recognition of the so-called 'TED effect' – a surge in popularity experienced by formerly obscure academics whose talks go viral.

TED's motto is 'ideas worth spreading'. Seems it is also worth trusting.

"The trust is growing exponentially"

*Without digitisation, his firm wouldn't exist. And without trust in things digital, **Tobias Häckermann** wouldn't have any customers. His product digitises what until now has been time-consuming boardroom work.*

Text: Sandra Willmeroth
Images: Markus Bertschi

"Digitisation doesn't mean transmuting existing processes from paper to tablet, one-to-one; rather, it means using digital possibilities to develop entirely new processes," emphasises Tobias Häckermann. This erstwhile law graduate is today the brain of Sherpany, a company whose digital solution – Sherpany Boardroom – simplifies the work for corporate directors, board secretaries and the like. "Everybody concerned can find instantly all the relevant information they need, work through the various issues, make notes, exchange ideas with other board members, and of course vote electronically as well," company co-founder Häckermann explains. In theory at least, it's not even necessary anymore for board members to meet face-to-face. Physically, that is.

"Digital transformation sometimes also entails taking a step back," says Häckermann, meaning that existing processes occasionally need to be revamped. The audacity to adapt is something he learned the hard way with his first company, Agilentia, which was rechristened in 2013 to become Sherpany and then restructured in the difficult days of 2015. Difficult because the company's masterpiece – a portal for informing and interacting with shareholders of listed companies – wasn't exactly the hit that its inventors had hoped for. They developed the platform as a kind of Facebook for shareholders, a venue where official information on the exchange-listed companies could be accessed, shareholders had the possibility to swap instant messages with each other, and their votes could be cast electronically for annual meeting purposes. Alas, the portal was not used as actively as Häckermann had envisioned. "We had to face the fact that neither the companies nor their shareholders were ready at the time to jump on the digitisation train – even though it was and remains unstoppable."

But almost at the same time, one of his customers, the CEO of a listed company, planted the seeds for another Häckermann idea. While he was listening to how the executive bemoaned the time and effort it was taking him to prepare for an upcoming board meeting, the concept of a digitally organised board of directors germinated in Häckermann's mind. Within the space of just a few months, Häckermann had transferred this thought from drawing board to hard disk. And in 2013, the first version of Sherpany Boardroom was up and running.

His old customers remained true to him during the transformation of Sherpany's business model and today handle both their shareholder and boardroom matters via digital means. And many new customers have jumped on the bandwagon in the meantime. Why? Tobias Häckermann has come up with a quite unusual strategy to stoke enthusiasm for his product: he zeros-in on one member of a given board, describes to him or her the advantages of Boardroom, and in so doing turns that person into an ambassador for Sherpany. Then, instead of staggering to the table with a heap of paper and files, the board member sashays into the room for the next meeting with nothing more than a brand-new tablet in hand. Bingo. The other board members become curious all on their own and want to know more about this digital assistant. This concept is called "Roll-in" and replaces the outdated "Roll-out". Häckermann smiles as he tells the story.

"Our dilemma, though, is that the people who buy our product are in operative management, but the ones who use it are members of the board. So ultimately, we have to convince those people that they save a lot of time and tedium with these new digital processes," notes Häckermann. To date, the company has always been able to gain the confidence of board members, as "digitisation engenders transparency, which in turn fosters trust," the young entrepreneur is convinced. Sherpany already has a customer base in excess of 200 companies and is now in an international expansion phase. "The trust is growing exponentially," says Häckermann, who himself has total trust in the digital possibilities out there and in his product, as well – one which didn't come from a pipedream like his erstwhile shareholders network did, but rather from a real customer need.

"**Trust is the alpha and omega of my business, and I have trust in today's digital possibilities.**"

Sherpany Ltd (formerly Agilentia Ltd) was founded in 2010 by Tobias Häckermann, Roman Bühler and Nathanael Wettstein. With its Sherpany Boardroom meeting management system, the company offers board members a tailored digital tool that makes it easier to process the relevant information and arrive at insightful decisions. Now in its seventh year of existence, Sherpany has 45 employees, some 200 customers, and revenues of more than Swiss francs 5 million. A winner of multiple awards, Sherpany most recently took first place in the Handelszeitung "Growth Champions Switzerland" ranking, and the company's Boardroom 3 application was distinguished with the silver Stevie Award 2017.

sherpany.com

Tobias Häckermann, born in 1984, grew up in Küsnacht ZH and still lives in Canton Zurich. At the age of 18, he founded his first company – Swiss Protection Services – but opted to step down from the Executive Board in 2011. Häckermann studied law in Zurich and Siena, and during that time founded his second company – Agilentia – which was ultimately renamed Sherpany Ltd in 2013. Häckermann is an analyser, nerd and (ever since his childhood) an active Kung Fu enthusiast.

"Trust is the new currency of the digital age."

It's a transparent world

*The Adecco Group has embraced the digital world with both arms. And has also, as CEO **Alain Dehaze** explains, signed on to an ongoing revolution in the way that people work.*

Belgian born-and-raised, 54-year-old **Alain Dehaze** became CEO of the Adecco Group in late 2015, after holding numerous senior roles in the company since 2009. Prior to that he worked for several professional service firms, and before that at consumer-products giant Henkel and facility-services supplier ISS. Outside the Adecco Group, Dehaze chairs the Global Apprenticeship Network and sits on the International Labor Organization's Global Commission on the Future of Work. The father of four grown up children keeps a photo of his wife and their progeny on his smartphone's screensaver; one of the far-flung family's ways of keeping up is via their own group chat.

Text: Eric Johnson
Images: Markus Bertschi

Has the importance of trust changed from what it was?

Some would say that trust is the new currency of the digital age. Back when the Internet was less omnipresent, our business depended on a physical, personal trust between job candidates and our colleagues as well as between our colleagues and our customers. Those relationships of course still exist and are very important, but now trust has broadened out to include the entire company and its systems. Candidates and customers entrust us with highly personal, sensitive information: they need to be certain that all of the Adecco Group will guard that and not abuse it. So, for instance, we've introduced some best-in-class cybersecurity measures to strengthen the protection of our candidates and our customers' data.

Could trust be a competitive factor?

It is for sure something that could differentiate us from small and medium-sized competitors, who might lack the scale to be best-in-class with their IT systems. Our level of expertise in compliance across different jurisdictions is also giving us a competitive edge over some of the new market entrants, especially in digital. Our customers trust us to get that right because of our global expertise. On the other side of the equation, though, today we face much greater reputational risk than we did before. Events are much more global and transparent than they were: if something happens in one of the 60

countries where we operate, everyone knows about it in minutes. So, it is more important than ever that our candidates and our customers can trust us.

With the upsurge in robots and artificial intelligence, can office workers trust in future that they will have jobs?

Agriculture provides a good example. Around the turn of the 19th to the 20th century, about 40% of the US workforce was employed in this sector. Today it employs about 2% of workers – yet it feeds a far larger population, and the American unemployment rate is at a historic low! This shift was thanks to mechanisation and automation, so I am very optimistic that new technology will create entire new industries and new kinds of jobs, just as it has in the past. The rub, of course, is synchronisation. To avoid major upsets, the timing of workforce supply and demand must be kept reasonably in balance. And that's where we come in: upskilling, reskilling, deploying and redeploying people so that they can embrace the new economy. The Adecco Group sees all this as an opportunity in a changing world of work, both for our company and for our clients, candidates and associates, and we are using artificial intelligence also to improve our own productivity.

AI-enabled tools help free up our people to do what they are really good at – building relationships and delivering service excellence to candidates, associates and clients.

With the ongoing decline in workforce numbers, surely automation is needed?
In some countries – Brazil, China, Germany, for example, we're seeing a drastic shrinkage of the workforce. Japan is losing one million workers per year to retirements. They have lost six million so far, and in the next five years they will lose another five million. Automation can help plug this gap. So, too, can a more flexible workforce – this is reality, not just hype. The best example is Germany, which is among the top five countries in robotisation. We do 30% of our German revenues with car manufacturers, one of the most robotised industries. We supplied skilled workers, who often after working temporarily for us, end up being hired full-time by the automakers.

Speaking of hiring – hasn't that process changed a lot through social media?
Society is becoming ever more transparent, and the younger generation wants transparency. When looking for a job in the past, you would have a reference check with schools and former employers. We still do this, but we also recognise the role of social media. Candidates are more exposed, and thus visible to recruiters like us who are embracing social media. Social media enables us to attract more candidates and helps us to find more work and training opportunities for them.

Is the job market more competitive, thanks to the Internet?
For certain jobs that are highly skilled and highly international, this is true. Candidates can come from most anywhere and go most anywhere. Nationalities are less important than they were. For instance, here at the Adecco Group headquarters in Zurich, we have 30 nationalities among around 200 colleagues. And young people are more mobile than they were. My four children, for example, work in three different countries, and none of those is Switzerland. The Internet and digitisation is also opening up fantastic new frontiers and huge opportunities for our industry, with apps and chatbots creating new areas of growth, improving how we work, and giving our customers the tools they need to succeed in the digital age.

Employer-rating websites have confronted your customers with transparency, right?
Ratings platforms provide wonderful ways for potential employees to get to know possible employers. They allow candidates to screen companies according to criteria of their own personal importance. One of our group's ambitions is to be and to remain a great place to work – this is a competitive advantage. When one of my sons began looking for full employment, he was unsure of which direction to choose, so he simply selected the 50 best places to work, and then applied only to those. We want to have that kind of reputation and trust among employees and potential employees.

What about salary transparency, that's coming as well, isn't it?
My salary is already transparent, and the forerunner in this area is Scandinavia. In Norway, for instance, all tax returns are published online. All you need is a smartphone, and you can find out exactly how much your neighbour or your colleague or anybody else earns. One of the key criteria of being a great place to work is transparency. People want to be able to trust, but they also want proof that their company is trustworthy. Transparency is proof of trust.

© Adecco

"Our job is to upskill, reskill, deploy and redeploy people so they can embrace the new economy."

How do you personally use social media?

I have a public role; I need to be transparent. So, I am on social media channels, and I know that my activity is out in the open. The technology I'm really waiting for is holography. If I can replicate myself as a hologram, then I can reduce my travelling time and truly be in two places at once.

The **Adecco Group** is the world's largest 'workforce solutions' firm, with revenues of nearly US dollars 23 billion and some 33,000 full-time employees in 60 countries. In its main pillar of temporary staffing, the company provides more than 700,000 people with permanent and flexible employment every day in 59 countries plus 1 million in China alone. Operating under brands such as Adecco Staffing, Modis, Spring Professional, Badenoch & Clark, Pontoon, Lee Hecht Harrison, Adia and YOSS, the Adecco Group does recruitment, outplacement, outsourcing, training and consulting. The company ranked number two among the 'World's Best Multinational Workplaces' and 2nd among the 'Best Multinational Workplaces in Europe' in 2017, as published by Great Place to Work®.

adeccogroup.com

Transparency engenders trust; and the same applies to everyday work in the offices at Adecco Switzerland's headquarters.

*"For us, the responsible
handling of data
is the greatest
commandment."*

"The way I see it, the opportunities outweigh the risks"

Susanne Ruoff, CEO of Swiss Post, on digitisation, why the postal service will still have direct contact with customers in the years ahead, why the company has developed a digital signature, and how today's means of communication are changing management styles and hierarchies.

Susanne Ruoff, born in 1958, has been heading the Swiss Post since 2012. Earlier, she was CEO and Executive Board Member at British Telecom, and also worked at IBM Switzerland, where she was responsible for the Global Technology Services division. She has previously held directorships and foundation mandates from entities such as Geberit, Bedaq, the IBM pension fund and the Industrial Advisory Board of the Department of Informatics at the ETH in Zurich. Susanne Ruoff earned a degree in economics from the University of Freiburg (Switzerland) and later an Executive MBA.

Text: Sandra Willmeroth
Images: Marc Wetli

Ms Ruoff, Swiss Post is a behemoth with more than 60,000 employees. Which of its business lines are being impacted the most by digitisation?

Virtually all of them, but to varying degrees. The entire company is midst in a transformation, a total makeover.

In 20 years' time, will we still have post offices with real live people behind the counter? Or just Postomats?

I'm convinced that we'll always have direct person-to-person contact. The way we go about doing things will of course change, but our customers will forever need and seek out personal interaction with the company. And that's why we'll continue to offer it in the most suitable form.

Aren't you concerned that the human dimension goes missing in this omni-digitised world?

No; quite to the contrary: the more we're digitally on the go, the more our need grows for personal contact. I notice this aura at various events – practically a magnetic field. People have the desire to get together, and they view such gatherings as an enrichment. One needs to strike a clever balance between the digital and the interpersonal dimensions of life.

How does the Post earn the trust of customers in this digital environment?

By making the quality of our services and the satisfaction of our customers the absolute top priorities. Trust is a company's most valuable asset. It takes a long time to build that trust,

and you can lose it in a heartbeat. This presents a tremendous challenge, especially in a digital world where everything is changing so rapidly. We have to earn our customers' trust each day and with everything we do. We're fully aware of that.

Do you get the feeling that customers have difficulty putting their trust in this brave new world?

To a certain extent. For sure, most people have greater trust in the physical world; but the number of those who really appreciate digital services is on the rise. Our vision is to combine the two worlds – physical and digital.

How does the Post arm itself against cyber risks and hack attacks?

Attacks take place each day, throughout the world, and the frequency is increasing. Our PostFinance subsidiary is the fifth largest bank in Switzerland, so we shepherd a huge amount of confidential customer data. It therefore goes practically without saying that we have a highly robust security mechanism in place. And to get the maximum out of it, we partner with leading-edge institutions like the ETH Zurich, EPF Lausanne and Uni Freiburg in Switzerland. There, our research zeros in on all imaginable cyber risks and how to defend against them, with the protective measures then being fed into our applications. But in terms of complete, end-to-end security, our customers are also called to action: they need to take preventative measures on their own. And there's the hitch: customers want to use these services in the easiest and safest way possible. The one criterion is not always easy to combine with the other.

Is digital proof of identity a solution to this dilemma?

We've already announced our intention to introduce the digital ID. To that end, we and Swiss Federal Railways (SBB) have initiated a joint venture – SwissSign Ltd. Its goal is to devise a digital signature; in other words, to develop an incontrovertible digital authentication of the user. A variety of services will then be built on that base, each with different security levels and logins.

Drones for use in logistics? Swiss Post is considering them for the transport of special consignments.

Speaking of data – what is your stance on the topic of Big Data?

For us, data protection is the greatest commandment and we also adhere to the requirements specified at the European level. The Post has a clearly defined policy which regulates the protection of data as well as the further use of that data. We draw on some of this information for the benefit of customers; for instance, to notify them where their package is at the moment and when it will be delivered. Other data are anonymised and compared to different parameters; for example, to find out if and how online shopping correlates with weather conditions. And then there's public data, such as transportation schedules and information on disruptions of Postbus operations.

"The limitations of digitisation lie at the point where mankind casts its veto and says: 'Enough is enough.'"

One advantage, or, as it were, disadvantage of the digital world is that people are permanently reachable. How do you personally go about setting the limits of your availability?

If I need some rest and recovery, let's say in the mountains, I intentionally leave the phone at home.

Has your management style changed along with the move towards digitisation?

Digitisation has transformed hierarchical structures and changed the ways in which people collaborate with each other – and it's all because of the new means of communication. In the past, one manager got in touch with the next, and the matter was settled. Today, communication flows differently: much faster, on all levels simultaneously, and sometimes virally. This now/today/pronto syndrome has changed the way managers and companies communicate. But my personal management style has basically stayed the same. The way I see it, a manager needs to moderate, animate and at times even dictate. You have to take decisions and

state clearly where the company's journey is heading.

In your opinion, what weighs more: the risks or the opportunities of digitisation?

I'm the type of person who views the glass as being half-full. That's why I think the chances outweigh the risks in this regard. The world has come closer together. We're networked, in the now and on top of the latest happenings, even though they might be very far away. New services are cropping up every day to make our life easier, and I, personally, find that positive. Of course there are also downsides involved; for instance, when all of the nasty things in this world are reported instantaneously and the negative headlines and comments dominate the social media. Stuff like that tends to cloud my half-full glass, but each person must figure out on their own how to deal with it.

Where do you see the limitations of digitisation?

If I think about what lies ahead of us in terms of artificial intelligence, then I can only

conclude that we'll see a point where mankind casts its veto and says: "Enough is enough – I want to decide that on my own!"

If in fact people are in a position to do so…

This aspect is being overplayed, in my opinion. People are in a position early on to stop such a development. After all, we set the parameters – even for intelligent machines. We have the chance today to do lots of things a lot better. But for that, we need to be agile, keep a watchful eye out, try the new, learn from it, and if necessary toss out the ideas that don't hold water.

Nevertheless, there exists a certain degree of anxiety about the digital future, wouldn't you say?

I wouldn't exactly call it anxiety. It's more like a case of travel jitters. Changes are neither good nor bad per se, but sometimes they're perceived as threatening because the ultimate consequences of the new cannot be fathomed yet. In any case, we're living in very exciting times.

The **Swiss Post Ltd** (Die Schweizerische Post AG – DSP) is a diversified company comprised of three subsidiaries – Post CH Ltd, PostFinance Ltd and PostBus Ltd – and is active in four markets: communication, logistics, public transport and financial services. The Swiss Confederation is the sole shareholder of DSP. The company employs approximately 60,000 individuals who hail from some 140 countries and are involved in over 100 various lines of work. DSP also trains more than 2000 apprentices in 15 different fields of activity. In 2016, the Post recorded operating income of Swiss francs 8.2 billion and a net profit of Swiss francs 558 million, as well as invested close to Swiss francs 450 million in its further development.

post.ch

"Hack attacks on the infrastructure of our customers are conducted with belligerent criminal intent."

#Swiss_engineering #automation_is_king #global_footprint

Tracking down the hackers

Martin Bosshardt, *CEO of Open Systems in Zurich, ensures the inviolability of his customers' IT infrastructure. In doing so, he relies on the know-how of nerds and the tenacity of "bots". Despite the virulent threat constantly posed by hackers and viruses, this ETH engineer is convinced that spreading fear is no way to boost the public's trust in the digital domain.*

Martin Bosshardt, born in 1968, is CEO of Open Systems Ltd. The company is headquartered in Zurich and has subsidiaries in New York and Sydney. Martin Bosshardt studied electrical engineering at the ETH. Before joining Open Systems, he worked for ABB and Young & Rubicam. A father of two sons, he is married and lives in Canton Zurich.

Text: Editorial staff "ceo"
Images: Markus Bertschi

Glass walls scattered throughout the converted factory hall make for transparency. Behind a ceiling-high pane hangs a supersized map of the world. Luminous dots and a display with rapidly changing numbers indicate where and how much intervention is required at the moment. Staring intently at their monitors on the other side of the pane, two young technicians are at work – they, too, encased in a glass cubicle.

The "mission control centre" at Open Systems needs no massive walls, no video surveillance or doors secured with alarm systems. Here, insight and a new perspective into the surveillance work is afforded: the company has long since freed itself from the paranoia that otherwise pervades the digital security industry.

"In our business, transparency is a fundamental factor," Martin Bosshardt emphasises. For the CEO of this Zurich-based enterprise system security firm, the glass walls – just as much as the choice of words – are part and parcel of building trust in this complex technology. "Our customers should be in a position to conduct their activities angst-free," says Bosshardt.

The task of the specialists at Open Systems is to keep a tight grip on risks and, if necessary, take remedial action without delay. Transparency in this regard also means seeing to it that everyone concerned can understand via

"In our business, transparency is a fundamental factor: our customers should be in a position to conduct their activities angst-free."

"audit trails" where vulnerabilities have been identified in the systems and how the control mechanisms deal with the situation – 24/7/365.

"Technology alone doesn't differentiate us from the competition; rather, it's our people and the ways and means they apply in putting that technology to work," notes the 49-year-old ETH engineering graduate who meanwhile has headed manufacturer- and provider-independent Open Systems for 15 years now. Founded in 1990, the firm supports a wide range of internationally active companies – a customer base that encompasses 180 countries and almost one million users – in questions concerning the security, performance and monitoring of IT networks, infrastructure and applications.

"Hack attacks on the infrastructure of our customers are conducted with belligerent criminal intent," says Bosshardt. Data theft, concerted actions aimed at debilitating various applications, and the spreading of viruses or malware are just the tip of the iceberg. The "WannaCry" attack this past May – which crippled computers in more than 150 countries, including those at vital facilities such as hospitals – demonstrates the order of magnitude of these risks.

And of course today's dependency on computer technology exposes users to more vulnerabilities than ever before. At globally positioned companies, dozens of different operating systems are at work and the number of applications in use at these

decentralised networks frequently goes into the hundreds, as Bosshardt knows all too well. At the same time, the capacity of the systems is increasing exponentially. "We develop software that helps other software to run without interference," he points out. The goal here is to automate the protective mechanisms to the greatest extent possible. Four out of five incidents can be resolved by injecting bots into the system.

Bosshardt, who majored in electrical engineering at the ETH, likes to draw a comparison between IT infrastructure and electric power generation and distribution – both are of fundamental importance to the functioning of the global economy as we know it. If the systems identify a critical error, the first thing to do is to keep calm and open up an emergency access door. "If necessary, the applications are shut down briefly until the breach is sealed or the damage repaired," Bosshardt explains. As a rule, a task force is formed to assess the situation and then identify the "fingerprint" of the attack.

It is absolutely necessary in cases like this that lines of communication with the customer are open and being intensively used. "We render a service that our customers cannot afford on their own," says the CEO. More than anything else, it takes openness and transparency to demonstrate that fact – which is another reason for the glass walls at the company's headquarters.

"Go shopping and fill up the fridge"

Herbert Bolliger, Chairman of the Executive Board of the Federation of Migros Cooperatives (Migros-Genossenschaftsbund), has spent almost his entire career in the service of Switzerland's largest retail company. And informatics has accompanied him right from the start. As an economist, he considers the rapidly growing online business to be one of the greatest challenges for the merchandising industry. To his way of thinking, voice control and the secure handling of sensitive data are the core issues when it comes to digital transformation.

Text: Editorial staff "ceo"
Images: Marc Wetli

Which three words do you immediately associate with the term "Trust"?
Honesty, reliability and transparency.

How important to you is trust as it pertains to your daily work?
I believe trust is the make-or-break factor for collaboration within an organisation. It's absolutely crucial to the company's success. In an age where everything is becoming faster and information is available to everyone at the twitch of a finger, trust is more important than ever before.

Migros is considered one of the most trustworthy brands in Switzerland. How can this prowess be maintained, and what could threaten it?
That's a major, never-ending challenge for us. We need to meet the expectations of our customers and keep the promises we've made to them. Care and commitment are key in this regard. Of course we, too, make the occasional mistake. But when that happens, immediate and frank communication is called for. In the end, that kind of transparency engenders trust.

As one of the country's largest employers, you and thousands of supervisors must have tremendous trust in your personnel. How do you achieve and perpetuate a trust-based corporate culture?
The worthy values Migros founder Gottlieb Duttweiler defined at the time induce trust and offer guidance. And we repeatedly draw on those values. Our managers have to know them and personify them. We also nurture a collaborative management style and work on critical issues in mixed, inclusive teams. With its very large number of autonomous firms, Migros isn't the kind of hierarchically structured company that can be managed top-down.

Digitisation will also not stop short of the retail industry. In which ways is it changing your business?
The digital transformation is something I view as a permanent process with myriad facets. The boundaries between stationary and online commerce are dissipating steadily. These days, customers have so many ways to do their shopping: they can buy items online, return them at the store; or they can browse through items online and then buy them at the store – whatever works best for them. But for us, this represents a Herculean task in terms of logistics. The products need to be physically moved from one place to another, and this at an ever-faster pace and just in time.

Herbert Bolliger has been Chairman of the Executive Board of the Federation of Migros Cooperatives (Migros-Genossenschaftsbund, MGB) since the middle of 2005. Earlier, he headed the MGB Aare Cooperative. The 64-year-old has worked for Migros almost his entire professional life, having joined the company in 1983. During Bolliger's time in office, Migros acquired a variety of companies, including Denner (retail discounter), Schild (fashion retailer) and the Digitec/Galaxus online portals. Bolliger is scheduled to retire shortly and will hand over his office to Fabrice Zumbrunnen. A graduate in economics and business administration from the University of Zurich, Bolliger is married, has two adult children and lives in Wettingen (AG).

"The boundaries between stationary and online commerce are dissipating steadily."

Which disruptive technologies do you expect to see invade the retail business farther down the road, and how do you intend to deal with them?

Speech recognition and voice control. Already today there are devices you can give instructions to. And in the future, all you'll have to say is: "Go shopping and fill up the fridge." Robots will attend to the simple, repetitive tasks around the house. They'll take on human characteristics and work shoulder-to-shoulder with us.

With LeShop, Galaxus and Digitec, Migros is also expanding aggressively into the online space. But the revenue shares of those portals are still rather modest. Do consumers lack faith in this way of shopping?

No, the overall trend is advancing at breakneck speed and is unstoppable. But there are major variances amongst the product groups because of their specific nature. In the case of food, where freshness and proximate supply count the most and logistics is a challenge, the market share of roughly 1.8% is still quite small. But Switzerland is covered by a very dense network of retail outlets. In other areas – take for example home electronics – the market share is already a good 30%, and the media content from Ex Libris is even above 50%. Textiles as well are making strong gains at present. But it's not a matter of either/or – today, many consumers take a mixed approach. They look at an in-store article and then order it online for delivery at home. And they want to communicate with the company, even via social media.

In your opinion, what weighs more: the risks or the opportunities associated with digital progress?

Quite clearly the opportunities. The possibilities are endless; the risks calculable. Information is to be had everywhere, anytime; convenience and ease are important drivers. There is tremendous potential for automation and the use of artificial intelligence in the production, processing and packaging areas. At companies, it simply takes the will to change and adapt to the rapid pace. But one shouldn't lose sight of the fears amongst the public that can be sparked by these sudden changes and thereby evoke resistance to the new.

Which areas of your personal life have been changed the most by the digital transition?

One's constant availability, the intense virtual interaction with others, the enormous mass of information and the sheer speed at which it's disseminated – all of this has changed daily life, mine included.

How high up on your agenda are the matters of Trust and Security?

Way up! They're essential to the reputation of a company like Migros. IT security is a permanent challenge. I like to compare those investments to the ones made in connection with the arms race during the Cold War. Just recently we've reinforced our in-house IT unit in effort to be better protected against cyber criminality. What worries me is the destructive energy that drives many of these hackers as they go about their tampering. We, too, have been a victim of cyber attacks. They were very disturbing and caused considerable damage. What's important in such cases is to react immediately and communicate transparently.

Thanks to its Cumulus programme, Migros has very precise data on the purchasing proclivities of its customers. How do you deal with the security and privacy concerns of your customers when it comes to handling that data?

Data security has been the top priority from the very first day of our Cumulus card. Trust is cemented through the prudent handling of data, open communication and transparency. An example: If for any reason we need to recall an item, the Cumulus database enables us to know who bought the product when and where, so we can get in direct contact with those customers. This, of course, is greatly appreciated.

© Migros

Transparency plus: This Migros app is the world's first image recognition system for product packaging.

The **Migros Group,** which is organised as a cooperative, generated in 2016 total revenues of Swiss francs 27.7 billion, 6.5% of which were attributable to its online business. With a workforce of more than 100,000, Migros is not only Switzerland's largest retailer, but also its largest private-sector employer.

migros.ch

"IT security is a permanent challenge. Just recently we've reinforced our in-house IT unit in an effort to be better protected against cyber criminality."

We're all constantly online and reachable. How important to you are offline oases?

At the weekend or on holidays, I intentionally "lose" my phone. Most of the stuff that comes in is not so important that it can't wait until Monday. But granted, on holidays I do take maybe an hour a day to check my mails so that I'm not faced with a mountain of messages when I get back to the office.

After almost 30 years of service to Migros, you'll soon be passing the torch to your successor, Fabrice Zumbrunnen. What then? What are your plans and what will you miss?

I can look back gratefully and with satisfaction on a very wonderful time. I'll certainly miss the many contacts and encounters – obviously, there'll be a lot fewer of them. And if there's one plan I have for the future, it's not to plan. The word will be stricken from my vocabulary.

How do you manage to keep your pipeline full of new, innovative products and services?

We keep our finger on the pulse of the times by staying in touch with many sources. For instance, we have a regular exchange with experts from the Gottlieb Duttweiler Institute, GDI, who focus on trends of the future. We're also involved in the Digital Switzerland initiative and were amongst the first patrons of Impact Hub Zurich, which offers an initial home to start-ups. We seek contact with young companies and make the most out of our collaborations with the ETH and University of St. Gallen, for example in the areas of digital and sustainable commerce. Moreover, there are "Migros World" innovation teams in each of our business segments. The decisive thing, of course, is to pick and choose the best out of these countless ideas and run with them in the form of concrete projects.

In your opinion, how should managers sensibly navigate the (digital) world of work?

Each of them, including the top guns, should continuously acquire deeper know-how in the field of digitisation. We need to give thought as to how the workplace of the future will look and which paths we can take to communicate with our people. In sales, for instance, employees don't sit in front of a monitor. So to help them get the most important information from our intranet, we've developed a proprietary app – after all, everyone has a mobile phone these days.

Which means of communication do you use personally when interacting with your people?

It depends on the given situation: via SMS if it has to go fast or if I'm on the move. In the office, I naturally take care of many things via email. But I much prefer the phone when open questions need to be addressed – it avoids the tedious back-and-forth. And of course when time permits and I can quickly drop by the person's office, I appreciate the face-to-face encounter.

"Innovations are not by necessity always a brainchild of the company's bigwigs."

Co-founders Anna Alex (left) and Julia Bösch (right).

© OUTFITTERY

A stylish sign of trust

*Fashion should be fun – or at least this is how young entrepreneuse **Anna Alex** describes the brand promise of her Internet start-up OUTFITTERY. For five years now, the company's fashion consultants and stylists have been providing smart duds to dowdy dudes – you know the type of guy: someone who simply can't be bothered to go shopping on his own. And it's HIS trust that's at the heart of the entire interaction process.*

"Simply Look Good" – so says the brand promise of Berlin-based **OUTFITTERY Ltd.** This innovative start-up serves the shopping-reticent male of the species with outfits a stylist pieces together to match his personal/physical profile. The e-commerce company employs around 300 people, including 150 stylists and some 25 fashion consultants at its Swiss subsidiary in Zurich-Kloten. Co-founders Anna Alex and Julia Bösch came up with the idea for their company on the way to New York, based on the shopping woes of a friend of theirs. The company's first parcels were dispatched at the beginning of 2012. 33-year-old **Anna Alex** studied economics, business sociology and psychology in Freiburg im Breisgau. She worked at the Walter Eucken Institute and became a member of the liberal Friedrich Naumann Foundation. Today she is a successful businesswoman and mother of a toddling daughter.

outfittery.ch

Text: Editorial staff "ceo"
Images: OUTFITTERY Ltd

Anna Alex associates the term "trust" with things like family, friends … and business relationships. These are essential components of her company's business concept. The firm turns an old-fashioned shopping trip into a new-fashioned private event. Guys who order one of the boxes (or, alas, delegate even that task) can don the duds at home and put on a fashion show for family and friends, or strut their stuff as they walk into the office on Monday morning. Anna Alex encourages her customers to enjoy this feelgood experience and celebrate it as a simple everyday pleasure.

The opinions of partners, friends and colleagues; the price, the brands and the strokes of the moment; all of this direct and indirect feedback creates lasting trust and is an integral part of the customer's decision-making process. This chap comes to know that his next clothing purchase is not going to be a sweaty necessary evil, but rather a little bit of Christmas all for himself. For Anna Alex, the nicest proof of trust comes when a man moves a tad beyond his style status quo.

The customer takes centre stage – from head to toe. This is because his satisfaction is the key driver of loyalty and thus the repeat purchase rate. After a customer has completed a standardised questionnaire online, one of the fashion consultants contacts him (optionally) by phone. In these conversations, a personal relationship evolves and further ideas emerge. With all this information in hand, the fashion consultants put together the perfect outfit package.

Another payoff from the customer focus of this young entrepreneuse: buyer preferences flow back to shape the product range and shopping experience. Customer wishes are explored regularly in focus groups and new fashion items are presented to selected test persons. "It's important that we listen closely to our customers," says Anna Alex. Innovations are not by necessity always a brainchild of the company's bigwigs. Good ideas are discussed internally, explored further, and then implemented wherever reasonable and possible – all of this is part and parcel of the company's innovation-driven culture.

Anna Alex views digitisation as the technical and structural backbone of her business. This is why she has a team of machine-learning experts and a Chief Data Officer on board. With appropriate tools and data analytics, the tech team supports the stylists in their customised work. Alex also believes digitisation represents an enormous opportunity to do something good for people. "But you then actually have to do it." Clothing and style are, indeed, personal matters.

For Anna Alex, ease and inspiration are also part of her holistic approach to building trust. The simplicity of shopping, combined with a sense for that certain something, should enthuse guys – so they come back, as well as pass the word around. In this respect, mover-and-shaker Anna Alex aims to remain, quite literally, made to measure: steadily growing revenues and high customer satisfaction have proved her right so far.

"Our customers want to feel that behind the electronics, people are there to help them."

#don't #quiver #deliver

Digitisation with a human face

*One of the leading Swiss insurers sees electronic communication as a way to enhance customer confidence. COO **Thomas Trachsler** of Swiss Mobiliar speaks of digital trust and decentralisation plus gives an insurer's view of self-driving cars and cybercrime.*

With no background or connections in insurance, **Thomas Trachsler** in 1986 accepted a colleague's invitation to tour Swiss Mobiliar's headquarters in Bern. Today, 31 years later, he's still there. The Swiss-born economist, now 52, has moved through a variety of locations and positions over that time. Indeed, that variety was what attracted him to the business. "It's a house of a hundred professions," he says, noting that insurance involves analysts, architects, clerks, custodians, investment managers, mathematicians and many more. After lastly serving since 2010 as Head of Market Management, Trachsler was appointed Chief Operating Officer in July 2017. He also is President of the Vocational Education Federation of Switzerland's Insurance Industry (VBV).

Text: Eric Johnson
Images: Marc Wetli

With the rise of digitisation, what has changed the most for you?
When I started my career, most people – myself included – learned to use computers in their workplace. Today, most people learn to use computers and related technologies at home or in their private life. What's changed the most is communications: today there is almost total connectivity. You can reach nearly anybody, anywhere, anytime. On a personal level, I speak regularly via Facetime to my brother, who lives in the USA. We were always in touch, but less so and with more effort, before connectivity became so obvious and so easy.

Did it change your leadership style?
Today we do a lot more electronic communication, by email, text message, intranet and so on. But it is still very important to me to get an image of the person on the other end of the message. Who are they, what do they need, what can they do? You can't really get that by email, so I make an extra effort to see people: colleagues for lunch, staff at coffee breaks and even just the chat in the hallway. Email is useful and usually efficient, but still we need personal contact. Especially when it comes to problem solving, often it is better to sit with someone or pick up the phone, rather than to send an endless string of emails back and forth.

In the digital world, is trust different than in the 'regular' world?
Yes, and especially so in insurance. When our customers buy a policy, they don't get something tangible. We're not selling them a soft drink or a snack, we're selling them a promise: a promise that in future when they encounter a loss, we will help. This has everything to do with trust, and Swiss Mobiliar views it as a personal bond. That's why our people are spread all over Switzerland – to be close to our customers, to help them locally, at their home or workplace. Digital communication, we believe, can enhance this closeness to the customers, but it needs to be digital communication with a human face. Our customers want to feel that behind the electronics, real people with real names are there to help them. With this human approach to digitisation, we've been successful and have continually expanded our customer base over the past 10–15 years.

So, will all your customers move to digital communication?
A lot of them are doing that, but the move is entirely up to them. Our aim is to communicate with them in whatever way they want. Email, text message, telephone, internet chat or a personal visit to our office or their home: whatever, we follow their lead, and we try to make it a personalised contact. Personalised presence – whether physical or virtual – creates trust between us and our customers.

Having all those communications channels, does that create internal competition?

We deliberately have avoided 'channel competition' within Swiss Mobiliar. Our strategy is throughout the organisation to have the same brand, same products and same prices. Our customers should all receive the same quality and service, whether they come to us by electronic or analogue paths. To keep things personal, we continue to resolve claims directly at our local agencies, not at a call centre. We're the only Swiss insurer to do that: when a customer in Zurich has a claim, it is resolved in Zurich (or Basel or Lugano or wherever). Electronic communication is part of that work, but it is still personal: customers speak to their agent or their claims adjuster in their region.

Does decentralisation cost more?

Not necessarily. A small, local organisation can be more efficient, less bureaucratic and faster than a large, centralised one. At the same time, we don't compete only on price. Swiss Mobiliar is not a cheap insurer, and we don't want to be, because you can't give the best quality for the lowest price. We want to offer the very best products and services for a fair price – and that strategy must be working, or else we wouldn't have so many customers and so much growth.

**You're big in car insurance. What's the future of self-driving cars?**

They are coming. They will probably progress in stages, perhaps starting on roads such as motorways, and I doubt they will be fully in place within the next five to ten years. As insurers, we see some control and liability issues that need resolution. If an accident is unavoidable, does the self-driving car steer into a tree, endangering the passengers, or into a group of pedestrians? Today that's the driver's choice, right or wrong – but how do we turn this over to a computer? Or, who is responsible for damages – the passenger, the owner, the software designer, the car-maker? At the same time, the potential benefits are enormous. Greater efficiency, more productivity, and most likely fewer accidents. The value of individual claims, however, will increase: because the cost of replacing self-driving electronics will be higher than typical damages today.

Cybercrime – is this also an issue for you?

It brings opportunities and threats. One opportunity we've pursued is the offering of cybercrime insurance to individuals. Part of that is protecting their data and information, another part is supporting them if they are libelled or maligned on the Internet or in social media. So far this business has taken off and is going well. This autumn we will expand the offering to small and medium-sized companies. One threat is to our own operations, to the security of our customer data. Of course we have our defences in place. Another threat is the liability of our cybercrime coverage. The risks our policy-holders face in this area are new and evolving. We are still learning what the risks are. We want to be sure that, no matter what, we'll be able to protect our customers from those risks.

At 191 years old, **Swiss Mobiliar** is proud to be Switzerland's oldest private insurer. Proud, too, of its roots as a cooperative, one that shares not only costs with its customers but profits as well. The company is still overseen by a cooperative board and is not a public stock company, but since 2000 its day-to-day operations are run by a holding entity. In 2016 Swiss Mobiliar earned Swiss francs 3.6 billion in gross premiums, some 20% from life insurance with most of the remainder from automobile, property, casualty and health insurance. The company has about 4,500 employees in 160 general agencies and agencies throughout Switzerland and Liechtenstein.

mobiliar.ch
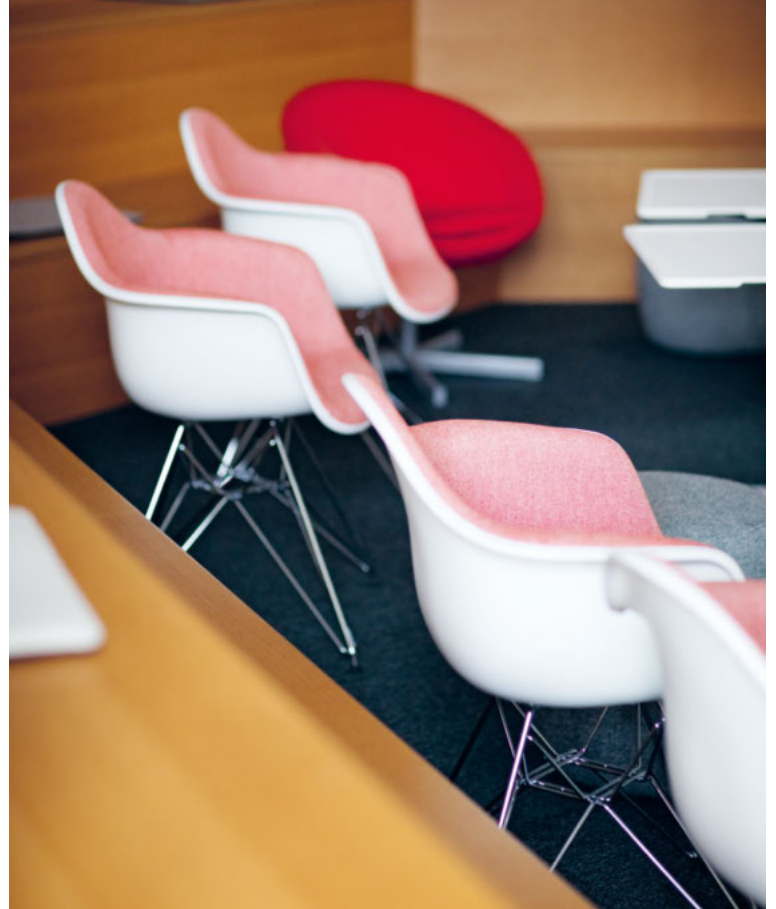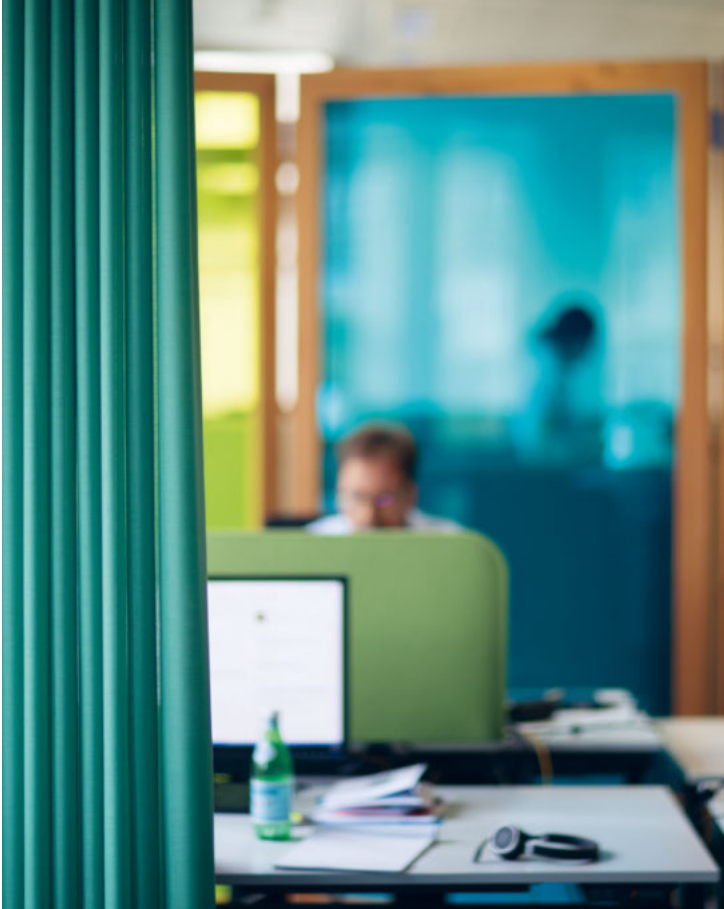
*"We're not selling
a soft drink or a snack,
we're selling a promise:
a promise that in future
when our customers
encounter a loss,
we will help."*

The work environment at Mobiliar: Making room for networked interaction, creative thinking and recharged batteries.

Tailor-made therapy

NeuroTransData specialises in the standardised digital compilation of patient data. **Dr Arnfin Bergmann,** general manager of NeuroTransData, knows how to win the trust of patients and why data warehouses are the way to the future for every company.

NeuroTransData (NTD) was founded on 1 February 2008 and today has 153 physicians and 78 practices in its circle of partners. The goal of NTD is to compile data on physician's treatment methods in a standardised fashion, thereby documenting the long-term progress of patients as well as the effects of medications and therapies, and enabling comparisons to be made with similar cases. Information in the NTD database covers disease classes like multiple sclerosis, dementia, epilepsy, depression, migraine, motoric diseases (e.g. Morbus Parkinson) and schizophrenia.

neurotransdata.com

Text: Tina Fassbind
Images: Moritz Hoffmann

Dr Bergmann, patients' medical records are a particularly touchy issue. Nonetheless, NeuroTransData (NTD) already has a huge library of those datasets. To what purpose?
With more than 600,000 patients each year, we meanwhile have built up Germany's largest trove of data on multiple sclerosis, dementia, epilepsy, depression, schizophrenia and bipolar disorders. Our patients can be sure that we collect, store and handle their data with the utmost care, in keeping with German and EU data protection guidelines. Patient-specific identifiers such as name, gender and age never leave the doctor's office – we only receive anonymised medical information, which we collect via our central server and then assign a discreet four-digit alphanumeric for storage and retrieval purposes. But just as important as the data security aspect is making sure that each patient clearly understands the ultimate benefit they can gain from this database. This is because collecting the relevant information takes time, and the patients need to be willing to make the effort.

And what benefit might that be?
The participating physician can use our system to draw on vast datasets relating to previous treatments and therapeutic approaches. With this input, the doctor can generate a precisely tailored ranking of medications suitable for treating the specific ailment. Physicians can then determine the most effective therapeutic method for each of their patients, as validated by "real-world data".

Do you have confidence that the patient details are being recorded properly in the system, or are there digital checks and balances in place to verify the data?
The medical data are compiled in the healthcare practice by doctors and technicians who have successfully completed a course at our facilities and participate in ongoing training sessions. In addition, our system validates the recorded data in adherence with a catalogue of criteria. In the event of a false entry, the relevant healthcare practice is notified automatically and corrective measures can be taken.

How can you be sure that the practices themselves are trustworthy?
Joining NTD is only possible if a practice is ISO-certified, fulfils certain criteria and has been proposed by one of our members. Aside from that, the applicant is subject to a six-month probationary period before being finally accepted. Even after they join, the practices are audited and recertified annually by an external examiner. With us, the aphorism "Once in, always in" doesn't apply.

How important for the future are datapools like yours?
They're of tremendous importance. Comprehensive data compendia enable all physicians to remain objective when assessing and

"Comprehensive data compendia enable companies to improve their products – that also applies to medical treatment methods."

ultimately improving the quality of their patient treatments. With algorithms such as our "PHREND®", legitimacies can be derived by adeptly applying a select set of target parameters.

How do you know that NTD is collecting truly relevant data?

We work closely with scores of physicians and our collaboration processes are being improved continuously. That's why we know precisely which data is meaningful for our system and thus for the betterment of patients. We're essentially our own research institute and are constantly evolving. In everything we do, the wellbeing of the patient is the number-one priority and our driving force.

Dr med. Arnfin Bergmann is a specialist in neurology. He earned his degree in human medicine from the Albert Ludwig University of Freiburg in 1986 and went on to study psychiatry in Zurich, Bern and Ulm. In 1989, he finished his training in psychotherapy and neurology in Munich. Since 1995, the founder of NeuroTransData has had his own practice in Neuburg an der Donau in Germany.

"Above all, we need more pioneering spirit, curiosity and openness, instead of fear of change and fear of loss."

Urs Schaeppi has been CEO of the Swisscom Group and head of Swisscom (Switzerland) Ltd since 2013. His career with Switzerland's largest telecommunications and IT company began in the same year as its initial public offering: in 1998, he moved from Papierfabrik Biberist to Swisscom Mobile as Head of Commercial Business. In the following years, he oversaw various Swisscom divisions. Aside from his current duties, this ETH engineer and graduate in business administration represents the Group in the governing bodies of various organisations (including asut, IMD, Swiss Innovation Park and digitalswitzerland) and holds seats on the boards of the Swiss American Chamber of Commerce and Glasfasernetz Schweiz.

#inquisitive #credible #compassionate

In the Net, it's a give and take

*The digital world produces gargantuan amounts of data. However, only through the detailed analysis and targeted use of that data to support simpler and more efficient products and processes can added value be created. Swisscom is already relying on such smart data in various fields of its activity. For **Urs Schaeppi,** the essential part of handling this data in a responsible and trustworthy way comes from transparency and openness towards customers – after all, they're the ultimate source of the data.*

© Swisscom

Text: Corin Ballhaus
Images: Marc Wetli

What springs to mind when you hear the word "Trust"?
For me, honesty and reliability cement the basis for trust. It also means being able to entrust somebody with something. Trust forms the very foundation of commerce and social harmony. If there was no trust, the economy would collapse, as would society. We got a snapshot of that in the recent financial crisis.

What value is there in attempting to build lasting trust when customers' main focus is on paying the lowest price?
The constant hunt for the cheapest product is something I can't endorse – it encourages a throwaway society and hence the waste of resources. If something costs nothing or only a miniscule price, then it has no value. Fortunately, the entire market for goods or services is not driven by price alone. Especially in Switzerland, customers appreciate quality and are willing to pay for it.

In the Digital Age, trust hinges on whether privacy is safeguarded on the Net. What is Swisscom undertaking in this regard?
For one thing, we're subject to the Swiss Telecommunications and Data Protection Act, which provides a clearly defined legal framework for how data is to be treated. And secondly, we've been relaying telephone calls for more than a hundred years now, which means we have an enormous amount of experience in handling confidential data. We also have a multitude of instruments in place to ensure confidentiality and data protection. And of course customers have the option to prohibit the further use of their

data. But if they are unwilling to share certain data in this digital day and age, they won't benefit from some of the related advantages. For instance, if they choose not to reveal their current location, their weather app won't be able to report on the local conditions. So as you can see, on the Net there's a give and take. What's important for customers to know, though, is how the telecom provider uses their data, and what policy lies behind that use.

Going forward, should the private sphere – as it pertains to the Internet – also be couched in the Federal Constitution?
The Swiss Data Protection Act is good, and with the impending revision it will become even stricter. The challenge rather comes from the fact that the data protection issue is a global one. The large Internet companies in the USA and China are globally positioned and operate according to different principles. This is why enforceable principles at the global level would be necessary in order to create an even playing field.

The annual PwC CEO Survey has revealed that the manner in which digital data is handled will be one of the differentiating factors for the future. Is that your view as well?
Data are the "crude oil" of the digital world – or so the current catchphrase goes. But to make use of that data, companies need to analyse it with the help of artificial intelligence and apply the findings in a way that spawns simpler, more efficient products.

How can smart data be used otherwise?
With the help of data, not only is it possible to simplify products, but also to automate processes, optimise networks, create new added-value services, as well as to enhance quality and efficiency. Swisscom uses AI for example in the evaluation of customer feedback after the launch of new products. Or we draw on smart data in our efforts to develop traffic light control systems that adapt their red and green phases to the realtime flow of traffic.

Many companies have been victims of cyber attacks in recent months. Has the Net become unsafe?
Cyber risks in general are increasing markedly. The positive takeaway from the latest attacks is that companies have become sensitised to the risks that pervade the Net as well as the necessary preventative measures.

At Swisscom, a specialised team has an eye out 24/7 for these problems. Already before an attack is even attempted, the order of the day is to find out whether one is imminent and who the hacker could be. To that purpose, early warning indicators and anomalies in Internet data movements are analysed. Here, too, artificial intelligence is a help.

And which protective measures are necessary?
It takes defence systems. Data encryption is just one of many possible measures. Cyber security in the meantime has become a global business and requires constant rearmament. The attackers are getting smarter all the time, and their invasion tactics are more intricate. In the past, hackers were lone wolves; but nowadays, highly professional organisations are behind the attacks. Moreover, in an increasingly networked world, the vulnerability points are multiplying. Until recently, only PCs and mobile phones were connected to the Internet. As the Internet of Things grows, so too does the number of devices. However, this should not prevent us from forging ahead with these new technologies.

Human behaviour and attitudes change much more slowly than technological advances. What's up with this divergence?
People tend to overestimate the possibilities of innovative technologies at the beginning and underestimate them later on. As a rule, new technologies bring about little change at first. However, if they catch on, the trend usually evolves faster than expected. One of the many examples of this is digital photography.

What does it take for a realistic assessment of this syndrome?
We should foster a culture in which we are more focused on experimenting in the sense of "try fast, fail fast, learn fast". We must therefore also allow mistakes to be made – something that unfortunately runs counter to our Swiss perfectionism. But above all, we need more pioneering spirit, curiosity and openness, instead of fear of change and fear of loss. If Switzerland wants to remain at the top of its game and maintain its prosperity, it may in no case fall into lethargy and adopt a defensive stance.

All the same, the public debate on digitisation seems to be driven by fear.

That fear is unfounded. History shows that after every technological revolution there were more jobs and prosperity than before. The invention of steam engines and electricity substantially changed job profiles at the time. This is not to say, though, that only highly trained people are needed. I'm even convinced that we'll see a resurgence of skilled-trade professions – after all, automation is only possible for very repetitive, simple tasks. Tasks that require intuition, creativity and empathy cannot be handled by machines. Here the human being has a clear USP.
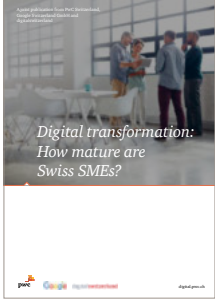
So what you're saying is that there will never come a day when a robot takes your place as head of the company?

I don't think so [chuckles]. But I actually can imagine that one of them could assist me in certain jobs, like perusing hundreds of pages of complicated reports and coming up with the salient points for me. That way, a future robot could provide me in short order with a better sense of the big picture. But in negotiations, conducting an employee review or moderating a project meeting with a customer, that little mechanical man won't be able to replace me. At the end of the day, a robot is only as good as the way a human has programmed it.

At Swisscom's Repair Center, defective smartphones are brought back to life.

"Tasks that require intuition, creativity and empathy cannot be handled by machines. Here the human being has a clear USP."

The vision of Ittigen-based **Swisscom,** Switzerland's leading telecommunications company and one of its foremost IT companies, is to be "The best in the networked world – always and everywhere". As a provider of mobile and landline telephony, as well as Internet, digital TV and various IT services, Swisscom stands for digital transition in the economy and society like practically no other company in Switzerland. To ensure that its business and private customers can continue to communicate without restriction in the future, Swisscom is constantly investing in reliable, high-performance infrastructure – in 2016 alone, these investments totalled Swiss francs 2.4 billion – and developing solutions for the secure evaluation and transmission of data. With its more than 20,000 employees, Swisscom achieved sales of Swiss francs 5.7 billion and EBITDA of Swiss francs 2.3 billion in the first three quarters of 2017. The company's registered shares are listed on SIX Swiss Exchange.

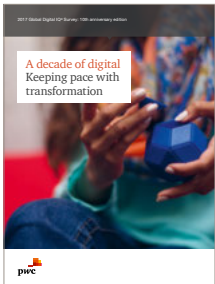**swisscom.ch**

© Swisscom

Current PwC studies:

Digital transformation:
How mature are Swiss SMEs?

Tech breakthroughs megatrend:
how to prepare for its impact

Chatbot Revolution in Switzerland:
A new Era of Customer Engagement

2017 Global Digital IQ® Survey:
A decade of digital: Keeping pace with transformation

Moving forward with cybersecurity and privacy:
How organizations are adopting innovative safeguards to manage threats and achieve competitive advantages in a digital era

20th CEO Survey:
20 years inside the mind of the CEO … What's next?

magazine.pwc.ch/en

Which was the first mobile phone our interview partners ever owned? Who or what is "wallpapered" on their device? Read about this and much more in our **online edition of ceo Magazine.** *Whichever way and wherever it suits you best: while relaxing on the sofa, on the train to work, or while grabbing a cuppa at your favourite café – on your smartphone or tablet.*

The next issue of "ceo" will appear in June 2018.

pwc