

# Digital Transformation

With Dr. Jörn Apel, Prof. Dr. Christian Johner

## Transcript

00:00:05 Speaker 1

Medical Device Insights.

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A podcast by the Jona Institute for medical device manufacturers, authorities and notified bodies.

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Software is also playing an increasingly important role for medical device manufacturers.

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And that doesn't just mean that the products contain more software, but that manufacturers as a whole are also subject to a digital transformation or should be part of this digital transformation.

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And today I invited Doctor Jörn Appel, an expert on exactly this topic.

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How do I manage to lead a company through this digital transformation?

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And my suggestion would be, Jörn, if you introduce yourself briefly.

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and explain what you do and how you might have come to this topic.

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Yes, thank you very much for the invitation for now.

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My name is Jörn Apel and maybe I'll just start with my very short biography so that it can only be classified a bit.

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I am classically trained as an engineer and industrial engineer and then worked for many years in vari-

ous technological corporations and then worked there quite

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I did my tasks, my projects, so to speak, and then at some point I came up with the topic of how to change the culture of companies.

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At that time under the paradigm of creating a culture of innovation and then for 1015 years I have been working very intensively on how cultural development cannot actually be left to chance, but how it can be actively shaped and aligned with certain goals.

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And for 5 years I have also been working in the field as a management consultant, first with a management consultancy and now for 2 years with a new startup, which is even more concerned with the digitization and scalability of cultural development.

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Yes, that's great, which means that the right person has already been here.

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Before we get in, maybe a bit of clarification of what it means to you

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digital transformation.

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Yes, if we break down the terms, digital and transformation, I'll just start with the second part, with transformation.

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The word actually contains something like upheaval, i.e. something very substantial, something fundamental, is often confused with change management, i.e. change.

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Transformation means that companies really transform themselves in a profound way, namely

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Not only in terms of the business model, that can be a dimension.

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For example, from the manufacture of devices to providers offering a platform.

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It is also possible that the technology in the company will change completely.

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Of course, these are very strong drivers and transformation in the context of digitalization, but it also

means that the culture, i.e. the customs, the values, the behaviors in companies

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radically and profoundly, up to questions of identity.

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In other words, that the question of who we actually are as a company has to be answered in a completely new way.

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The first part, digital, is often confused.

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The thinking that digital simply means that digital instruments are now being introduced in companies.

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This is one aspect, i.e. new technologies that are introduced in the company.

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Of course, there is also the perspective that the business model is now changing due to the strong digitization of all areas of society, often by force.

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So, the business model is going digital.

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But of course, it can also mean that the behaviors of employees and managers have to change completely due to these strong influencing factors, precisely in order to do justice to this high acceleration.

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So also

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Behaviors that are aimed at agile or newfangled forms of leadership and collaboration can be described as digital part of the digital transformation.

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This means that hardly one stone remains on top of the other.

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So, you just described how the companies would actually have to fundamentally redesign and redesign themselves.

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I can imagine that a lot can go wrong and that everything else is trivial.

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What have you observed so far?

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What are the most common hurdles that companies experience, perhaps also get stuck on and what can they do to avoid getting stuck on these hurdles?

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Yes, so it is indeed often underestimated, especially in Germany.

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That's a hurdle.

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I'll give you an example that I once talked to a bank executive about the topic and then the answer was: 'Well, we all have iPads by now, so we've actually put that behind us.'

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Well, that was of course an extreme case.

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It's been a few years.

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He probably won't answer that way today.

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But in fact, underestimating the impact is, I think, one of the biggest hurdles, not only the impact on the business model, but also on the culture and the demands that are placed on the corporate culture.

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So in many cases this is completely underestimated, according to the motto: 'Why is everything going well?' The numbers.

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are true, the people are halfway satisfied.

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Yes, which is overlooked, so to speak, that you have to prepare now for the wave when the transformation, i.e. the digital revolution, hits your own company.

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The second point, which is often underestimated, is this question in the whole transformation process, how do you actually do cultural development, it is then often also

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Hand to MS made poor and there are now so 2 hurdles.

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Either this is not done at all, is forgotten, so to speak, or it is overdriven.

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Actionism is practiced, fashion topics are introduced, for example some agile tools are introduced and methods are introduced selectively or even actionistically in some area, without the overall context becoming clear, without the employees being taken along.

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So that from the point of view of the teams, the managers, this is often experienced, like a shower that comes over them and according to the motto: ‚Well, hopefully it’ll be over soon’ and can’t really bring about any lasting change.

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So this overdrive is something that I also observe very often.

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Could you say a word about culture, so that we are sure that we can also do something there

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Understanding common understanding, perhaps with a few examples of what culture is all about.

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Yes, culture is, so to speak, everything that could be described as soft factors.

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So to put it simply, that’s just the way we are, that’s culture and that, if you break it down a bit, of course has a lot to do with it than the self-image of who you actually are.

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So are we an engine or car manufacturer or are we a mobility provider?

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So such questions, but of course that goes down to the question,

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how do we lead, how do we make decisions, how, how do we involve people, how do we hold our meetings, i.e. all questions that affect behavior and attitude and communication in the company, I would subsume under that.

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K., so with that you have now said very important elements, maybe these are already the starting points where you have to start, but I prefer to ask Expresses Verbis, so how

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Will such a transformation succeed now?

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What should be done so that it does not just remain lip service, but also perhaps brings the organization from one to a customs state in a controllable way?

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Yes, of course that's an exciting question that I've been dealing with for a long time.

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That's why I would answer it the way you shouldn't do it, but as it is often done.

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That's simply saying appealingly, but now everyone has to change.

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And we also wrote down how and where they should change.

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And now it starts.

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So, this form of appellative demand for change is not the right thing to do in most cases.

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And to illustrate this with a counterexample, you can ask yourself the question: How did Google or Apple actually manage to organize literally everyone in the world with a smartphone these days?

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How did they actually do it?

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This is a profoundly transformative cultural change.

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and it was not decided by any government and then steered through, but it somehow took place differently.

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And for me, this is, if you will, the blueprint for successful change.

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How do you actually manage to get many people to do something that helps you in the end, so to speak?

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And if you take a closer look at it now, there are a few principles behind it.

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The first is voluntariness,

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So, with such changes, we have to make sure that everyone involved voluntarily embarks on this journey and if they feel forced, we have already made the first mistake.

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The second approach is to

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in focus, in the center, i.e. the user-centered, that must make sense for each individual and help him, in the best case be fun.

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This sounds almost impossible to achieve, but it is not.

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You just have to do it differently.

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So, how can you do that so that it makes a positive contribution for each individual?

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And then, of course, you have to make sure that it scales.

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Well, that's no use if we have 300,000 employees in an organization and 30 of them

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storm into digitization with waving flags.

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We need approaches that take effect, so to speak, in the entire company and can also run through it as quickly and uniformly as possible.

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Exactly, and of course, if you take the principles now, there are exciting approaches and we believe we have found one of them.

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I can go into more detail again.

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Yes, of course you're already anticipating the next question.

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So now you've laid out the principles, now there's

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probably also mechanisms, no idea.

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So I suspect that there are also processes again, yes, with no idea, with certain recurring elements or that you would find in various transformation projects.

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What would these individual steps be in order to be able to lead such a process or to be able to lead it to success with a particularly high probability?

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Exactly, so there are certainly many possibilities.

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We have now decided on a very promising approach

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and that is that we start with one team.

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So, we don't start with individual employees or only with managers, but we look at a team as the smallest functional unit of an organization.

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And now, what does a team actually need to not only be successful in the digital transformation, but to be effective, to have fun, to move forward, to experience the feeling of self-efficacy and personal responsibility.

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That's our starting point, so to speak.

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And we're now trying to win over early adopters, so to speak, in companies that say, we have this, we want to do it, we'll do it.

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And we accompany these teams very, very consistently and in a structured way over 12 weeks in their meetings.

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In other words, where their work actually takes place, where communication takes place and not in a seminar room or in a hotel, wherever, but actually at work.

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And these teams.

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are for us, so to speak, the driving force, who say when they are finished, who then share their enthusiasm and who use it - and here I am again with the example of Google or Apple, who then stimulate imitators, so to speak, I say we would like to have that too.

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And if you set it up cleverly, then 23 teams result in 3040 teams and 40 then eventually 100 and more and more.

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There will then be, so to speak, this bell curve from the early adopters to the

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Late followers in order.

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And how we do that, perhaps more specifically, we go into the meetings by joining them via remote connection, i.e. video conferencing.

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In this way, this can be presented very cost-effectively and also scaled well and practically help the teams with all the topics they need to move forward holistically throughout this journey.

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So now not only how do I do meetings now, but also how

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I give feedback, how do I make decisions, how do I clarify goals and priorities.

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So everything a good team needs is developed step by step over 12 weeks together with an external companion and sustainably anchored.

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That is, you ultimately make a kind of behavioral change through constant repetition, so that you really go over into this new culture.

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This brings me to the question of how

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We now have many types of transformations in companies in general.

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Well, we have now started with the topic of digital transformation, but my team is supported by the manufacturer, for example, in introducing quality management systems and I see a transformation there as well.

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Would what you have just described also apply to these types of projects, changes?

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But in principle, this can be applied to everything where in the end it is about people who work together should or want to do something differently than they did before.

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And of course, this can also be done in particular when introducing new systems, as I am now hearing about quality management, the introduction of new software, the introduction of new processes, but also the introduction of a new strategy.

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So, what has, what is the impact of the new strategy on each of us, on all teams?

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Or to give another very prominent example, we will move from digital transformation to ecological transformation in the next few years.

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It is already in the middle of the process, decarbonization and for this this is of course also the means of choice, to look specifically at the decision-making processes of every team, every team at work, what does that actually mean for us in concrete terms and since the change then

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to accompany them in small steps, so to speak, and thus also to make them manageable for everyone.

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Yes, it sounds to me that there must be an essential ability of companies in order to be successful, to be able to achieve a high speed of change.

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Is this assumption, would you agree with it?

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Yes, exactly, it's just this balance.

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So, it must not tip over into actionism.

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So,

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It can't be too jerky, but it can't be too slow either.

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In my view, it needs a steady, yet rapid change, so to speak.

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So the balance has to be struck, so to speak, between being overwhelmed by too much speed and getting stuck by too little impulse.

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And that is exactly the art of successful transformations.

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And it is exactly what you

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well and then also controls it via these meetings.

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If someone is going to do it now, I don't want to exclude ourselves, on the contrary, if someone is interested in making such a trip now, where should he do or read or get in touch first, if he would perhaps also take advantage of your help?

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Yes, first of all, I would perhaps invite people to deal with it at all.

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How could it be any different with us?

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So to simply not accept what is in your own company and just maybe go into the meetings with a different view, with the idea: ,I'm a visionary now and what would it be like if everything was like this here, completely different from today, that everyone would be fully involved with their potential?

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How would this meeting feel here?

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How, how would that work?

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So taking a fresh look at what is the status quo today, so to speak, with such a curious eye, that would be a first step.

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And if you notice, oh, there's there, there's potential, I see a lot of things that could be different and nicer and better and more effective, then I recommend piloting in small units and testing it.

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And of course, we are happy to be available for this, that you can define a model environment or pilot environment and use it with

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one, 23 teams simply test it in order to ultimately get a feeling that what, what does it mean, how, how, how is it then, if you actually work differently with each other and if that is successful, you of course also have better arguments to then enlarge the case and for both we are available under the idea, to pilot something, so to speak, and then also to make plans,

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Strategies on how to quickly bring this to the surface.

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Yes, I would say, I'll put your contact details with the Labsch in the show notes and in it so that people just contact you directly.

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So, because we at the institute have also made this journey or are on this constant journey on it, it will never end, but we are also an organization that is constantly developing and

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just like you just said, try to get the balance between not being overwhelmed, but also not stagnation, because otherwise you simply won't be successful in the market in the long term.

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So I invite everyone, we have been working together for decades, you could say.

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So just contact Doctor Jörn Apel.

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Contact details, as I said, can be found below.

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Yes, yes, and I would say we stay in touch.

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also on our transformative journey and thank you so much for finding time.

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Yes, thank you very much, Christian, I really enjoyed sharing my enthusiasm for these topics.

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I hope that the listeners also enjoyed it and yes, I look forward to the further journeys that we will all make together through the digital and later other transformative processes.

