

AN AGILE CULTURE HELPS WITH THE DIGITAL TRANSFORMATION

An interview with André Radon

A few months ago, André Radon succeeded Sebastian Grams as chief information officer (CIO) of SEAT S.A. and the CUPRA motorsports brand. In an interview with the PROSTEP newsletter, he explains the IT strategy that the VW subsidiary is using to master the digital transformation from a classic carmaker to a software-driven mobility provider.



SEAT

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Question: Why does SEAT need a CIO or, to put it another way, how much freedom does the subsidiary have in defining its IT strategy?

Radon: IT at SEAT is firmly integrated in the Volkswagen Group's IT. We help define the strategy and even take the lead here and there. We use services that our colleagues at Audi or Volkswagen provide, just as they use services that we provide. But you still need someone who is responsible for IT locally to ensure that you're able to respond to the specifics of the markets. Staffing policies and distribution channels in Spain are a bit different to those in Germany, and then there is also a factory where a lot of cars are manufactured, and which has to run reliably. You need someone to take care of IT on site, especially when, as in the pandemic, you suddenly have to upgrade the entire IT infrastructure within a week to ensure that, from one day to the next, over 6,000 employees can continue work in the same way as usual, but from home.

Question: How does restructuring the Group's IT impact on SEAT and CUPRA?

Radon: We define shared system landscapes or "platforms", to use a word that is very popular right now. Our company is well known for this in terms of vehicles. But there is also a platform strategy in the context of IT. We currently hold a prominent position here with DPP, our digital production platform, which we are developing together with AWS and other partners, and which is intended to link all the factories that manufacture vehicles. Again, you have to tailor it to the individual factories with their legacy systems. At the same time, there will also be a global engineering platform that we'll help shape with our specific requirements.

Question: Does that mean that SEAT uses the same IT platforms in development and production as the Group?

Radon: On the face of it, yes, but there are always circumstances that arise in the factories that are a result of their history, for example, and there are also always innovations that are first tried out at our factory and then scaled up as necessary. The basis, however, is standardized to a great extent. KPDM CONNECT and the old workhorse KVS are used in Matorell in the same way as they are in Wolfsburg, and also using many German terms. At SEAT, the "Frührunde" (early round) is also called "Frührunde".



Question: Where does SEAT have the greatest need for digitalization and where are the Spaniards a step ahead?

Radon: We are certainly ahead when it comes to the digitalization of mobility. We have had our own mobility solution in our factory for a year and a half now, which means there are no longer specific vehicles for the different departments. Employees can access a pool of vehicles without any need for keys via the GIRAVOLTA platform that was developed in-house and a corresponding app. This could be a SEAT, a CUPRA or one of the SEAT MÓ electric scooters or what we call ByBus, a kind of shuttle-on-demand service that takes people from station to station. Our colleagues in Wolfsburg now want to adopt the mobility solution.

Question: And where is SEAT still lagging a bit behind?

Radon: We are developing our IT strategy in two dimensions of digitalization. One is the digital transformation and development of new business models that no longer have anything to do with selling individual vehicles. The second is digital optimization, which involves digitalizing our internal processes. I don't know of any process at SEAT that isn't digital, but there are still a lot of discontinuities between systems. For me, digitalization means the end-to-end utilization of digital information. We certainly have some catching up to do, not just at SEAT, but in the industry as a whole.



Question: How important is the topic of conventional PLM in the context of your strategy?

Radon: It's very important. Today, the validation of vehicles is for the most part performed virtually, and PLM provides the basis for doing this. But PLM is also helpful if you think a little bit further, for example, about the digitalization of production. One of my pet passions from my old job is monitoring quality in production or logistics with the help of cameras. You can use PLM data to artificially generate the indexed images you need for evaluation using artificial intelligence. This avoids thousands of images having to be indexed manually.

Question: Is SEAT also involved in the FUSE initiative to implement function-oriented systems engineering?

Radon: FUSE is a group-wide platform that we are developing together and to which we are making a financial contribution, even though other brands are certainly involved to a greater extent. SEAT places a lot of emphasis on connectivity in its vehicles, which is why software plays a major role for us. Our specific requirements are being incorporated into the development of the platform. However, I can't say which use cases are already being used productively.

Question: Your predecessor, Sebastian Grams, wanted to reduce dependence on external IT providers...

Radon: That's also something I'd like to do, if that's your question. I'm an advocate of the back-to-tech initiative. We need key expertise in certain areas if we are to move faster and not become

dependent. That doesn't mean we want to provide every service ourselves in the future, but we need to understand how they work, especially when it comes to achieving our corporate vision of Mobility for Generations to Come. This means that we need to get to grips with all the products that support that mobility. In this respect, everything is done internally.

Question: But you don't want to develop core systems like PLM or ERP yourself in the future?

Radon: That is unlikely with regard to the examples mentioned, but there will certainly be in-house development in the context of the global engineering platform or in the software environment. We'll see a higher proportion of value added in the core processes that set us apart from our competitors. This is the overall strategy of the Group's IT, which is also reflected in the creation of our SEAT:CODE software development center.

Question: So, a key objective of this strategy is to build up your own software expertise?

Radon: Exactly, even if the strategy is sometimes a little difficult for outsiders to understand. On the one hand, we have CARIAD, a new brand that develops the software in and around the vehicle together with several thousand developers. On the other hand, there are the software development centers, which concern themselves with the enterprise aspects and backend applications, although there is some overlap. SEAT:CODE is embedded in a fairly large family of software development centers, like the ones in Wolfsburg, Berlin, Hanover and Dresden and has a focus on mobility.

Question: You've already developed over 35 different software applications. Which one is the most important?

Radon: That would most definitely be our GIRAVOLTA mobility platform, which is already being used in Barcelona. It is the first software application that we are also selling to customers outside the VW Group.

Question: SEAT is quite agile. Does this only apply to software development and IT or to other areas as well?

Radon: It definitely spills over into other areas. The only organizational change I made when I took over from Sebastian Grams was to assume responsibility for our Agile Center of Excellence. This was because I'm a strong believer in agility and think a higher level of product orientation is very important, especially when it comes to IT. But many of the supporting projects outside of IT, in E/E development or in sales for example, are also agile. We've even already had our first meetings on the topic of agile controlling.

Question: Does Volkswagen want to become 100-percent agile in much the same way as BMW?

Radon: *The number that springs to mind comes pretty close. But that doesn't mean that we have to use agile methods for everything we do. Legal regulations will be hard to implement in an agile manner. Our objective is to transform the company. It's not so much about a pure doctrine that is in line with process models like SCRUM or SAFE but about an agile mindset. We don't want to merely work in an agile manner; we want to be truly agile. An agile culture helps with digital transformation.*

Mr. Radon, thank you very much for talking to us.

(This interview was conducted by Michael Wendenburg.)



André Radon

has been chief information officer (CIO) at carmaker SEAT and motorsport brand CUPRA since March 2021. He is also a member of the board of directors of the SEAT:CODE software development center. Prior to this, he worked for nine years at Volkswagen AG as Director ITP Product Process and head of the Volkswagen Group's IT labs. Radon studied mechatronics, robotic and automation engineering at the Technical University of Dresden. Other major milestones in his career include Director of Engineering IT at automotive supplier Delphi Automotive Systems and Director of PLM at Conti.