



For Cloud Professionals, part of the On Cloud Podcast

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Title: Digital transformation: it's not just about the technology

Description: In their digital transformation efforts, many organizations focus mostly on the technology they'll need to deploy. That narrow focus may not be beneficial in the long term. In this podcast, David Linthicum and Takeda's Gabriele Ricci discuss how, instead of focusing solely on tech, companies should make security, compliance, customer experience, and adding value to the business top priorities, as well. Ricci also gives his advice to companies starting out on their digital transformation journey.

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Operator:

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David Linthicum:

Welcome back to the On Cloud Podcast, your one place how to find out how to make cloud computing work for your enterprise. This is an objective discussion with industry thought leaders who provide their own unique perspective around the pragmatic use of cloud-based technology. Today on the show we are joined by Gabriele Ricci, and he is the head of plasma-derived therapies IT—we're going to find out more about that—and he leads the global IT function at Takeda, with responsibilities for technology solution digital experience of the PDT business unit. Welcome, Gabriele. How're you doing?

Gabriele Ricci:

Good. Thank you so much, David, for the invitation.

David Linthicum:

So, what's a day in the life of Gabriele? What do you do in terms of at Takeda, in terms of just your day to day job? I always like to hear about that.

Gabriele Ricci:

Maybe I can set the context a little bit about what we do. I think understanding what we do will help us to understand our journey, too. So, Takeda is a patient-focused, value-based, R&D-driven, global biotech company, and we have an incredible legacy of 240 years of this in Japan. And basically, we focus our R&D efforts on four main therapeutic areas: oncology, rare diseases, neuroscience, and gastroenterology, and two business units. One is vaccines and the other one is plasma-derived therapies. So, basically my role in Takeda is to lead the IT organization that supports this last business unit, PDT. And maybe you are not familiar with plasma-derived therapies. These are critical, life-saving medicines that thousands of people with rare and complex diseases rely on every day around the world.

So, what we do is basically to source plasma from healthy donors and manufacturing therapies for patients with rare conditions, specifically on immunology and hematology. And our mission is to invest in wielding a globally-respected and sustainable plasma business that could reimagine the industry. And my role is to help the organization using data and digital to achieve this mission basically.

David Linthicum:

So, is this like the plasma therapy stuff they had with the recent COVID where they would source plasma from people who were now immune and use that to treat existing COVID patients?

Gabriele Ricci:

Not really. I mean, we actually source plasma to extra proteins, right, to boost our immunology—and develop a system to support patient conditions. So, we are focused on rare diseases rather than using plasma for infusion, right? So, we are manufacturing therapies out of this plasma.

David Linthicum:

So, is it more research, or more manufacturing, or both going on at Takeda?

Gabriele Ricci:

Exactly. It's the classical pharma process and biotech process, but actually using plasma as a source of our medicine, right?

David Linthicum:

Yeah, so that's a great business to be in, because kind of you're in the business of making people healthy. Is that what you guys focus on?

Gabriele Ricci:

Exactly. Our mission is to create a brighter future for a healthy life for our patients, right? And as you can imagine, we are helping patients with very tough conditions, so we are very proud about our mission and our value framework actually to enable that.

David Linthicum:

So, you've taken Takeda on a digital journey in your tenure there. Can you tell us more about that?

Gabriele Ricci:

Absolutely, and we are experiencing an incredible journey. So, PDT has been created just a couple of years ago, part of an acquisition that Takeda did. And you need to know that plasma-derived therapies is a growing, but it's a very challenging business. Plasma is a scarce resource. There's a global shortage of plasma, and the demand for lifesaving plasma-derived therapies is far outpacing the supply. And you need to imagine that a single rare disease patient could require more than 1,000 plasma donations from donors to support just one year of life-sustaining therapy, and also the manufacturing process is very complex. And at the same time, we experienced the pandemic that really challenged our business. So, we really think that at the time using data and digital will help us to reimagine, right, how Takeda operates, but also give us the opportunity to really think about how we can create more value for our customers, donors, and patients.

And, so, we started this incredible transformation less than two years ago because of this acquisition. The opportunity to reuse our technology that—to integrate our internal value chain, to integrate all stakeholders in what we call the plasma BU, the plasma business unit, that at the time were very fragmented, right? So, imagine that because of this acquisition, multiple stakeholders came together. But basically, they talked different languages from a system perspective, right? So, that gave us the opportunity to rethink our business, to integrate our external stakeholders to Takeda as well, and basically reinvent our customer journey, right, and support our, again, customer—donors and patients in a completely different way. So, a lot of progress, but the journey's still on, but we're very proud of this journey.

David Linthicum:

So, being in the world of healthcare, having done a few systems like those in my time, it seems like compliance is always going to be something to consider. Do you have to consider that in your digital journey as well?

Gabriele Ricci:

Absolutely. So, compliance is really at the core of whatever we do. We are responsible not only to manufacture lifesaving therapies, but also to create trust with our customers, again, donors and patients. We manage data of three million people, right, around the world, so there's a huge responsibility that of course is at the core of our digital transformation. And most of our systems now around the cloud are classified as medical device 510(k) because we make decisions on the eligibility of donors, for example, to donate. And that makes our journey a little bit more complicated than other industries but definitely doable, right? I mean, we proved that also in a very regulated industry, a digital transformation, a journey to cloud can be done, and it's actually a way to generate even more value for the customers.

David Linthicum:

So, how did you get started? Was this something that was ongoing when you joined the company or is this something that they basically started recently? Or is this something that's been systemic to your strategy for quite some time?

Gabriele Ricci:

Right. So, as I said, PDT, plasma-derived therapies, is a business unit created just two years ago because of this acquisition. And the first thing that we did in the leadership was to create the business strategy, what we call the long-range forecast, long-range plan to really double the business in less than ten years. And to support this incredible growth, it was immediately clear that we needed a digital transformation, a digital strategy that is not really just about technology. It's really about creating the right capabilities or digital capabilities in your organization to allow the value flow that we built in this long-range plan.

And we immediately realized that the sequence of these capabilities in the organization and the and the right organization was very, very important, right? If you want to maximize this value flow, this cost and sequencing and agility we needed to build the organization was crucial. So, it's definitely a change management journey rather than just a technology revolution, but creating the right technology foundation helped us to reinvent the way in which we innovate, the way in which we create new solutions, the way in which we create new value levers to support our customers. And, so, now it's basically normal thinking about value levers like speed to market, or customer centricity, or frugality, if you want. So, those are now values that we embedded in our Agile framework, right? So, the entire organization is shifting radically in the way in which we collaborate to, again, innovate across what we call the total journey.

David Linthicum:

You said something very profound. You said that technology—or excuse me, digital transformation is not as much around technology, and I think that's very true as well. Can you elaborate on that a bit?

Gabriele Ricci:

Absolutely. So, I think when we define the business strategy, it was really around thinking in long term about the capabilities that we need to build in the organization to succeed and, again, how those skills and abilities would be supported by technology, by data and digital. And that actually required, again, thinking radically differently in the way in which we operate technology in the organization, but also the way in which we innovate, right? And that required completely different interactions among the IT function, or functions, and the business organization, the creation of organization that really would put the customer at the center and creating single value levels across what we call the (Inaudible) chain, so collecting donors to patients.

That resulted, of course, in a digital transformation with a series of investments, let's say, on technology, but we tried to shift from managing systems in managing problems, right? And the idea is that our customers had very fluid expectations, and in the old style, let's say, in which we ran our business we were not able to quickly shift in an agile way, let's say, our technology, our services to support our customer in a better way. Digital transformation is really creating this mindset, this DNA, right? It's really putting the customer at the center.

It's constantly looking in a way to optimize resources. It's creating a different level of transparency and visibility across the organization on where we are investing, why we are investing, and what's the value that we are generating. And value, as you can imagine, could have a very different meaning based on your customers, right, if it's an internal customer, or if it's your patients, or if it's a donor, right? And, so, constantly looking at the value generation, value capturing, and align this value to your long-range plan and that value you want to create for the organization was very, very important.

So, again, for us it's more changing in the mindset of the organization and enable new capabilities, new skills to operate in the next 240 years, if you want, right? So, we have this incredible legacy, but the ability to unlearn and relearn constantly from a digital perspective is creating a completely different perspective and capabilities.

David Linthicum:

Yeah, I'm hearing all the right answers. I mean, the thing that I always tell people in digital transformation—this is all about enhancing the ability to provide a much better customer experience and everything kind of falls behind that and really kind of aligns to how you're going to leverage technology to make that happen. And cultural transformation, the ability to kind of change hearts and minds within your organization, even understanding your customer better is really kind of part of the process. And I think we have a tendency to throw technology at the problem, whether it's cloud or anything else out there, and I don't think that's the answer. I think you just stated the answer. It is about putting your customer front and center and your ability to put technology around the edges that are going to help support your customer in their journey to, in essence, leverage your systems, leverage your products in a much better way.

But back to technology a bit. How did you deal with security during this whole thing?

Gabriele Ricci:

Oh, that's a big, big area of focus. So, security for us means a lot of things, right, not only creating an environment—an internal environment that is secure from any external, let's say, challenge, but also, again, complying with many regulations that country by country could be very, very different. So, we have a lot of responsibilities, as I said before, in terms of, for example, data privacy also, but ultimately we want to put our customers in control of their own data.

And that would require a completely different approach in managing security, right, across all our digital channels, in all our systems that we use now in the cloud, and in all interactions with our customers. It changed completely the way in which we operate. Actually, we put security really at the center, right, as

a main principle to redesign our processes and our systems. It's one of the core values of our product framework, so every single product is designed around security first, of course.

But, again, it's more to create a sense of trust and reputation. That is part of our value framework, right? So, we have this concept of patient trust, reputation, and business, the PTRB value framework in Takeda, and exactly in this sequence, so patient first, trust and reputation are very, very important and are at the core of every decision that we make. So, security in this sense is a very important focus for the entire organization.

David Linthicum:

So, even people who are not in the healthcare/pharma area who are making a digital journey right now—and many are. Many are just starting. Many haven't started yet. Many are in the middle of it. What advice would you give to others that are on kind of a similar path, a similar journey?

Gabriele Ricci:

To not be focused on technology first, but think about what are the core skills and capabilities, what are the talents that are needed to succeed in the long term? Put data at the center and trying to understand how you can create a more fluid interaction across all your stakeholders. Once you can do that, from a technology perspective everything would be much easier. But spending a lot of energy in integrating and evolving old systems is at least for us, a waste of time. I think thinking new services and new processes using more modern technology I think should be one of the opportunities, right, that everyone that's jumping to such a transformation journey should exploit.

And, again, I think it's really around what's the value for the customer, right, trying to be focused on the speed to market, because as I said, the customer expectations constantly change. So, your customer may not be the same in three months, six months, so the more time you spend on designing the perfect world, the more opportunities you lose in generating value for your customer and getting very bad feedback, right? So, put your customer at the center, trying to focus on desirable, viable, and feasible solutions, and put data at the center, and those are for me three levers to be successful.

David Linthicum:

So, how do we make the decision based on whether we're going to leverage our current systems and do the integration, as you just mentioned, versus layering new technology on top of it, inclusive of cloud, but it doesn't necessarily have to be cloud? In other words, how do we make those calls in terms of making the investment for things that are net new versus trying to enable things that are already in place?

Gabriele Ricci:

I think for us it's an opportunity to understand how quickly you can commit on the value flow that you designed, right, in your financial commitments. Sooner you can get access to this value flow, better it would be. And, so, making the decisions around designing new processes, on more modern architectures, or maybe lift and shift current systems, right, in the cloud, for example, and then re-platforming them, is just a matter of value and speed to market. For us, for example, in some areas we had a lot of efforts on integrating, for example, a network of 150 centers, donation centers in the US, right? And you need to train thousands and thousands of in-center staff, so at that point you need to make a decision how you can scale at the speed of the business, and at the same time how you can let these 8,000 people start collaborating in a different way. So, it's always a tradeoff, right?

But we decided, for example, to in this case lift and shift the old systems, but at the same time start a platform in some core modules that would benefit the end users, right, the donors in our case, and that generated a lot of value on both sides, right? So, it's not really black and white. There's always a gray area to be investigated. And risk management is very important as well as a regulated environment, and sometimes you need to bring with you regulators and agencies to help you in this journey and to make the right decision.

David Linthicum:

So, where do you go personally to understand more about technology, digital transformation, kind of form the ideas we've discussed on the podcast? You What websites, what books, what training do you focus on to kind of get your mind in tune as to how to do this properly?

Gabriele Ricci:

Nice question. So, I'm trying to be inspired by other industries, and the reason is that plasma-derived therapies but in general, I think healthcare and pharmaceuticals are industries that lack of innovations for many, many years. And, so, when you have an environment like the one that we have with , again, more than 150 centers, when you have 9,000 beds in your network and 10,000 machines connected in real time, you are questioning if you are the classical pharma or maybe you are retail, if you are the classical pharma or you are hospitality, right?

So, I think it's quite important to be cross-pollinated if you want, right, and understand where other industries are going, again, because your customers could be customers also of those other industries. And, so, being inspired by other journeys I think is very, very important, so I'm constantly looking to environments that are very, very different from the one that I'm used to, to try and, again, learn and relearn and create solutions that are more aligned to our customers.

David Linthicum:

Yeah, I think that's great advice, and I kind of—I really like the fact that you focused on this strategically instead of just throwing technology at the problem. And I think that's something that people are missing as they're on their digital journeys, the ability to leverage technology as a force multiplier, but it, in essence, becomes weaponry to solve a larger strategic problem. And the ability to kind of keep track of what those problems are and move toward it in a systematic way is kind of how you win this battle. And I think that people are missing that. In many instances they just get so enamored with the tools and technology that they can't see the strategy, they can't see the forest for the trees, so to speak. So, that's great advice. It's a great journey you've been on.

Gabriele Ricci:

I agree, David. I think also that as technologists we have some responsibilities to try to do things differently for our industries, not just for our company but just leaving a legacy for the next generation of IT leaders, that we're operating in a very different environment, right? So, ultimately, what's our legacy as part of this transformation, right? What can we leave, again, to the next generation of CIOs in Takeda to operate in an environment that, again, would be very, very different?

And I think in the last year we learned a lot about that. And we have also responsibilities on the communities that we serve, right? Again, we always need to remember our mission. And, sometimes if you are a leader in an industry, you don't measure yourself just because you have better avenues compared to— or better products, right, compared to your competitors. It's really how your customers are perceiving you as a leader, and, again, using data and digital to create this trust and reputation I think is very, very important. I think as technologists, again, we have some responsibilities on this.

David Linthicum:

I think that's one of the best descriptions of how to make a successful digital journey I've ever heard, so I appreciate you being on the podcast. So, if you enjoyed this podcast, make sure to like and subscribe on iTunes or wherever you get your podcasts. Also don't forget to rate us. Also check out our past episodes including the On Cloud Podcast which is hosted by Mike Kavis and his show Architecting the Cloud. If you'd like to learn more about Deloitte's cloud capabilities, check out DeloitteCloudPodcast.com, all one word. And if you'd like to contact me directly you can reach me at DLinthicum@Deloitte.com, L-I-N-T-H-I-C-U-M. So, till next time, best of luck in building your cloud projects. We'll talk again real soon. You guys take good care. Be real safe.

Operator:

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