

Master-Thesis Engineering, Business Engineering and Production

Digital transformation in the manufacturing industry: insights into Schindler AG's initiatives and strategies



Managing digital transformations in today's changing industry is a challenge for many industries.

Recent trends in change management are heavily orientated towards digital transformations (DX). Indeed, such initiatives are gaining momentum across industries and are frequently associated with change management (CM) models and frameworks. However, the present research aims to understand better how DX should be managed beyond a CM framework and into a specific DX framework. Thus, the impacts on industries and how this transformation should be managed for companies embarking on this journey will be researched with a focus on Schindler AG. Backed by the Top Speed 23 program announced in Schindler's Q1 2021 annual report, Schindler's Digital Twin initiative is being given an incremental investment totaling up to

CHF 270 million until 2023. The findings put forward are the result of an explorative literature research on change management and DX, combined with the inputs of interviews from industry experts in CM and DX, as well as the insights from Schindler's current approach to these fields. A state-of-the-art process solution to address future digital initiatives and Schindler's overall digital strategy was developed, reviewed, and proposed from these findings. The outcomes highlight that all industries face the constant need to change in order to remain competitive in their respective industries. There are numerous triggers for this change, whether global crises such as the pandemic, evolving customer demands, or the emergence of new technologies. Indeed, these recent developments in new technologies have been enablers for drastic change, which is why DX is at the top of countless management

agendas today. However, this change is not just about the technology but also the culture, mindset and business models of these companies. This is an especially challenging task for traditional and well-established business models of companies with traditional cultures and mindsets. The results suggest that the main requirements are strong leadership, cross-functional teams and a clearly communicated vision and strategies to implement these transformations successfully. Furthermore, the strategies should address the reasons for such a transformation, its benefits, the team leading it and the measures in place to achieve this change. Altogether, such digital initiatives create paradigm shifts that also transform companies' business models, operational efficiencies, and customer interactions and expectations. Hence, the right expectation should be set from

the start with the top management backing the investments required and the employees understanding the change of mindset required to adopt the transformation occurring

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