

Mega Talks with Rhonda Gass – Part 1

Ajay says: Hi. I'm your host, Ajay Bahl, Corporate Vice President and Head of MEGA Verticals in HCL America and this is a platform where I bring to you perspectives from the industry leaders who are shaping the very future of these industries. Today, we are talking to Rhonda Gass, Vice President and Chief Information Officer for Stanley Black & Decker. Stanley Black & Decker, apart from being a household name for building tools prides itself as the company with 150 year history that works for those who make the world. As CIO, Rhonda is driving a strategic agenda to equip the company's businesses with the digital, data and collaboration capabilities required to win and grow in the global marketplace. Rhonda is also a founding member and executive sponsor of the women's network employee resource group which is focused on efforts and initiatives to realize gender equity in the workplace. We're very happy to have you here, Rhonda.

Rhonda says: Thank you so much, it's a pleasure to be here, I look forward to the conversation.

Ajay says: The most exciting part about this is to really to be able to do this face to face in person. So, you know, honestly, my first question is all about that. With the world coming back from this pandemic, going back to the office, what does it actually mean to you personally and what does it mean for the rest of Stanley and even if you take the question a little further to the employees who work in the IT sector.

Rhonda says: Yes, so first of all, thanks for having me here. It is really great to be able to do this and as you said, do this in person. So, what is back to normal mean or back to work mean and how are we thinking about that. I think, first I'd like to say that Stanley Black & Decker, during the COVID pandemic has been an essential business. So, half of our employees are essential employees and it's been business as usual. Of course, we put safety first but our employees in our manufacturing and distribution centers have been going into work and working tirelessly throughout this pandemic and so for that, we are extremely grateful. Now for our, what we call knowledge workers or workers that are usually in the office. We've seen an intersection of things take place with HR, that function with our real estate and facilities function and then of course with IT. What we've been doing is looking at our employee base again, those knowledge workers that have not been in our distribution and manufacturing centers and saying by role, does your job need to be performed in the office and so we have some things like site support as an example, the kind of need to be at a site or in the office or where work is taking place. Then we have, what we call virtual where what I've been doing is working remotely and then we have something that's this hybrid kind of thing. And so miraculously, it's about a third, a third, a third, when we did the analysis. Now, of course, there are exceptions, there are folks that need to be in the office for one reason or another and so we're looking at that. Well, once we had that view, we said, what is our real estate footprint need to look like to accommodate this new way of working. And, we've embarked on remodeling four main facilities across the globe, mostly our headquarter facilities where a concentration of our population resides and we're making it more collaborative spaces and I'm sure you're probably doing the same thing. So, I'm sure, it will continue to change over time as we learn what we're really doing here, but that's how we're thinking about it.

Ajay says: What do you say to the worker who actually says, look I'm being equally productive at my work from home facility versus trying to get to the office, there is almost some managers who feel there is going to be collaboration lost when you are not coming to office, there where

so much, you know, people to people, tribal knowledge etc. Culture that was getting built in offices in the older way of doing things and how do you bring the two together.

Rhonda says: I think we have to be much more planful and much more deliberate about those type of collaboration and cultural events. So, I think we would all agree that everyone as a small box on a screen did bring this kind of equity or equality for every participant and we want to continue that, that look and feel and that inclusion. But we know that face to face is really the way to build culture and to collaborate on some things that you can't just do as effectively over Zoom or Teams or whatever the technology user is using. So that's what I think, we're going to have to be more deliberate and embrace these new ways of working.

Ajay says: And what does it mean for the geography of the people because one of the things that we noticed during the pandemic was that a lot of hiring, especially of the IT resources happened because it was obviously you know, there was a lot of demand that was going up, but one of the things that the companies did is they were not necessarily hiring by geography anymore because the work could have been done by anywhere across the various time zones, etc.

Rhonda says: You're highlighting another positive of what we were able to unleash and that is pretty much work from anywhere and tap into a talent pool that previously was untappable or was more difficult to tap into because we were looking at relocation, uprooting children from their schools and things like that we really don't have to again, based on the role, we can kind of take that constraint away. So, that's a positive that I think we don't want to give up.

Ajay says: So Rhonda, you've been a CIO for many years. I think, if I say Stanley itself has been close to a decade and you were a CIO before that as well, how have you seen the role of the CIO evolve over the past few years?

Rhonda says: Yeah, so I think you may have just called me old, but I'm hopeful that's not what you were referring to.

Ajay says: Wise.

Rhonda says: Wise, that's it, right. So yes, I have been the CIO coming up all ten years at Stanley Black & Decker. And I think what's important is that the CIO role needs to ebb and flow with the business and the way the business ebb and flow, the way it grows or changes. And so the key for me, for the CIO role is that it's aligned. It's aligned to the purpose of the company, which as you've noted is for those who make the world and then aligned to our operating model and also to our three key pillars, the pillars of performance, responsibility and innovation. It's really important that it stays aligned for me in particular, the journey has been one that, if I can indulge in a minute on how it's changed for me at my company. When I first joined Stanley Black & Decker, IT was pretty well vertically integrated within each of our business units and sometimes at sub P&L level, where we wanted to ensure that the businesses had the IT that they needed to pivot and make decisions and do things that they needed to do. So, the first thing we did was bring us all together and start solving problems together for all of our businesses and that was a pretty big cultural change. Like I said, been here ten years, so there's been more to it than just that. The next phase came out of a crisis and we had some stability in our technology landscape again, it was a volatile landscape as you might imagine. And as the business was growing, just couldn't keep up and we began to see some issues that needed immediate attention and I say never let a crisis go to waste. And we got about what I

call our stability and security phase for primarily our infrastructure and application environment. We were then more able, though to really do what had been envisioned, which was the scale and leverage phase. And so that went on for, I don't know, two or three years where we put in things like a technology, business management office, project management, program management, you know, all of those management things that you need, vendor management office so that we could really begin to get the advantages across the enterprise. We then moved into what is now our generating value and delivering innovation because we've gotten some of those basic blocking and tackling fundamentals out of the way and we're ready to scale and grow with the organization, sort to keep up. So that's what's been going on.

Ajay says: So Rhonda, that's a great journey to this point. From here, the priority is, what are the priorities look like in the future.

Rhonda says: A great question and I'll kind of tie it back to some of the things I've mentioned before. For the future, it's important that we stay aligned to where the company's going, we're for those who make the world, we have three key pillars that we're focused on performance, innovation, responsibility. So, if I could, I'll take performance first and where we're really focused there is driving sustained value for the organization. In the innovation space, we really have a vision of democratizing IT. Now, I know that sounds great. Tastes great, less filling, I believe is one of the sayings, but we firmly believe in it. Now, you can't just wish for it and hope for it and believe in it, you've got to set about an architect for that vision. And then the responsibility area, you think about things like ESG and focus social responsibility but for us, I've linked our digital risk management to our responsible contribution to the overall company. And there we're trying to make sure everything in the technology domain, anything that's digital, whether it's something we sell to our customers or something we use internally is private, secure and well-maintained and protected. So tech dev, the big focus area there as we think about the three key strategic areas for the company.

Ajay says: Alright, I want to pick a little on the point you made around democratization. I know every company and every CIO and CDO I talk to, has tried some aspect of democratization. I think what we all look for are proof points or examples of what worked and what didn't work, I'd really like to hear from you Rhonda, what really worked on your environment there and what's your learnings of how to take it to the next level?

Rhonda says: Yes, great question and democratization is easier said than done for sure, even though it's a little hard to say, three times fast. But I would say it takes a tops down and a bottoms up approach and you've got to have the business leaders, the business understanding of the importance. Then, you can't just have one without the other. And so that's been a key learning for us and a willingness to invest in some foundational elements. So, for example, we built out a data lake and that is becoming our one source of truth where data is harmonized and where our end users can go to know that's the latest and greatest and that's the harmonized data that they're interested in, not to these other source systems that may be on the periphery that are not as well governed and maintained so that is beginning to happen, but it takes a lot of time to retrain. It's also important to trace to the source of where the data can actually be modified.

Ajay says: So Rhonda, taking this a step further, I heard you talk a little about innovation, especially a word that you use extreme innovation. And now, you know, innovation itself scares

me sometimes because there's so much to expect from it. And would definitely want to hear your perspective on what you think about that.

Rhonda says: It's a great question and I think a lot of people go extreme innovation and innovation hard enough. We purposely pick that word because we wanted it to arouse that type of question. What is it, what are you talking about? And what we really mean is innovation everywhere by everyone, anywhere. So, we want to encourage that and that's what extreme is. We've also gotten very, not prescriptive but we're starting to track how we're doing in the area of extreme innovation, starting to put some measures around it. And our CTO, Dr. Mark Maybury set up this horizons kind of view where the first and second horizon are all about kind of incremental innovation which we expect all of our engineers, all of our IT professionals to be always optimizing, always incrementally improving their product, their process, whatever. Then there's this kind of phase in the middle of horizon three and four where they're making some specific and significant change. But it might be two or three features or four or five features but it's something that you recognize as different from incremental and then there's this really extreme or breakthrough, where it's a first of its kind or first in the world and that would be horizon six. And we do want, you know certain amount or be more in the incremental, more in the feature where you see it's going on and then some in the extreme and breakthrough. We've got some examples of extreme innovation. You know, we have flexible batteries in our power tools but we have in next generation, extreme innovation first in world, Pouch Technology that doubles.

Ajay says: What did you say?

Rhonda says: Pouch technology for our batteries. It's a first of its kind which doubles the power but it's also reduced in size and so we can do a lot more in the application of that technology in our power tools. So, it's a fascinating thing.