

Mega Talks with Rhonda Gass – Part 2

Ajay says: Today, we are talking to Rhonda Gass, Vice President and Chief Information Officer for Stanley Black & Decker. 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. So Rhonda, we're talking about business and we're talking about a manufacturing company, I think the moment we think about that, I think the one buzzword that is coming to mind right now, industry 4.0. I know, it's much more than a buzzword, there's multiple technologies involved, there are multiple platforms involved, there's IT, there's OT as well. From your role as a CIO, how do you see yourself enabling the manufacturing side of the house in using the technologies related to industry 4.0 and how will those help a business get better. What is Stanley's vision in this area?

Rhonda says: Excellent question and as you know, you and I both know technology permeates everything we do. So, it's not just the domain of the IT organization, there are technologists everywhere throughout the company and so how do we envision that being harnessed. So, the way we think about the landscape is Stanley Black & Decker is BT or Business Technology. And this is the technology that used to run the company, the entire business architecture whether it's front office, middle of the house or back of the house, you know, your typical business functions, that's clearly the IT domain and we've got that one all sewed up. But some of those same technologies Cloud, IoT can be used on the manufacturing floor and that's the OT environment, very much focused on machine to machine kind of automation. Those will eventually or will need to bridge with that BT technology. So, we're very focused on the cyber security in both spaces, lots of commonality and then the way those two spaces talk to each other.

Ajay says: Right.

Rhonda says: Now, there's a third one you didn't bring up, which is equally important to us is around our CT or Commercial Technology. So, we're doing a lot of digital work, automating our tools, having our tools talk to mobile apps, looking at construction tech as an area that needs automation and needs digitization and so that's also an area and these three talk to each other to really be extreme and great. So, we're focused on those interactions and the privacy and security all around.

Ajay says: Rhonda, you know, there is the technology side that we just spoke about, but there is more to technology, there's the cultural side, there's a functional side, both equally important I believe to drive the values that we want to drive from business. How do you measure that element of what efficiency are you bringing in from the cultural, functional side. How do you measure the effectiveness because those are very important functions as well that you're responsible for.

Rhonda says: Yeah, and that's a very, very good question because some of these things are really difficult to measure right, you try to measure adoption. We go back to our performance roots which were very strong in financial performance, delivering financial results or you know, been around since 1843, so it's just built into our core and so when we approach a transformational project or a functional transformation of sorts, we set up our line. We try to look at TCO, we hold the project accountable to that overall return on investment but I'd say that's the easier measure even though they're usually pretty tough and difficult to achieve. But we also look at things like number of systems retired, the adoption rate or the usage profiles of our

users. We set up pretty strong change management in fact, we have inside of our performance resiliency team, a whole team dedicated to change management with these transformation programs.

Ajay says: That's interesting.

Rhonda says: So, it's art and science trying to come together to ensure we're driving value because value as you know, is efficiency and effectiveness. Efficiency a little easier to measure, effectiveness a little harder but we're working pretty hard to try and make sure we capture those elements as well.

Ajay says: So, an in-house change management team.

Rhonda says: Yes, in-house change management team.

Ajay says: And so, again, that sounds like you know, lot to deliver from the teams perspective again, how do you focus the goals, objectives of that team within your ideas of transition.

Rhonda says: Yes, so there are highly sought after teams. And so, what we try to do is focus them on the highest return on investment programs, the highest transformation, you know, the ones that are transforming the most. So, HR functional transformation or an IT functional transformation that we might be doing and focus them on those really high impact programs. Not every project in the IT portfolios as an example.

Ajay says: Let's focus on what's important in today's world. I mean, everybody's talking about climate change, there's a renewed focus on sustainability. I see a lot of work companies spending the extra mile to try and talk about how they are trying to meet the sustainability goals that they're trying to set for themselves. What do you think about that and how are you and Stanley thinking about the same as well?

Rhonda says: I'm so glad you asked me that question because I'm very proud of the way Stanley Black & Decker is approaching it. You know, we started with the E part of ESG where we're really focused on environmental, health and safety and those type of things. We have a robust roadmap and key objectives that we're not only hitting but exceeding. So, we're doing really well there but we've really begun focusing on the S, the social and the governance piece as well. And so, it's a broad spectrum, not just across E but the whole thing in E, S and G. For the social area, you know, diversity, equity and inclusion. We don't just talk about it, we're taking very measured concrete actions. I can give you an example, my leadership team is 56% female. Now, that didn't happen in the first year but in almost year ten, you know, that's been accomplished.

Ajay says: That's impressive.

Rhonda says: We are signed up to the Paradigm for Parity and we have set a goal by 2030 to have gender equity across the company. So, bold goal, but we like to set bold targets like extreme innovation right. So that's underway and then governance is hugely important as well. It's a word that in this day and age, in this world and we wake up every morning wondering what the big surprise event could be, there's COVID, there's war, there's all kinds of things that are taking our attention and we're seeing that governance is more and more important as part of our over ESG strategy.

Ajay says: You know, I agree. I think, this is well said Rhonda, I think all of the, you know, sustainability is only one aspect of the entire ESG that comes true. And, you know, I absolutely agree with what you said.

Rhonda says: Certainly, an important one but there's more to it, to your point.

Ajay says: So Rhonda, you know, HCL is been a partner with you in the last couple of years. What role in your mind has HCL played as part of your IT organization and your success.

Rhonda says: Oh wow, so you're right. We have been together now for two years, incidentally, right when COVID started, we decided this was a good time to start our partnership and I think we've come a long way when I reflect back on where we were and the joint decision we made to move forward, despite the surprise of COVID and how that might interoperate, we've done some amazing things together.

Ajay says: So Rhonda, a part of this entire engagement, we'd also set up a center in Hartford, obviously because of pandemic and everything else, people have been delayed coming to that center. How do you see this entire Hartford strategy evolving with Stanley and HCL working together for the connecting market.

Rhonda says: Yeah, so great to bring that up. We have a long history in Hartford, Connecticut, around manufacturing and manufacturing capability. There companies all over the region, as you know, that are engaged in manufacturing. So, we have our manufactory in downtown Hartford, very close to where your facility is located and we see it as a collaboration space. And so with having HCL there, our partner in all things technology that collaboration is only going to be enhanced through that investment.

Ajay says: So Rhonda, Stanley is obviously experienced some record growth when you look at 2021 results, what role has the IT tech stack played in that and what challenges does it bring to the table?

Rhonda says: Oh wow, so yes, thank you, in fact, we had a phenomenal year. In 2021, we closed with 17% organic growth during just supply chain crisis after another and so we're very proud of what we've been able to do there. In addition, you may have seen and I know you have seen, we announced the acquisition of another \$3 billion dollars worth of companies around outdoor products. So, we're building a whole new platform adjacent to our tools and storage business and our industrial businesses but we'll be three diversified platforms within the Stanley Black & Decker umbrella. And that's how we're thinking about the technology supporting the business.

Ajay says: It's interesting that you talk about the acquisition as a platform as well. So you know, obviously it's the way things are evolving from your perspective as well, do you see, you know, I know that behind these technologies there's a lot of older infrastructure etc., that's obviously been there for the time that it has been there. How do you see the two coming together, the modern platforms and the older technologies that have been part of the environment and I think for every CIO, bringing two together is always a challenge.

Rhonda says: Yes, it's a daunting challenge in that once you touch the application stack, as you will know, you're touching that business user who then has to take action to change. So, we've done a lot of work to change the things that we can that are invisible, move to the Cloud, change out, modernize your infrastructure, change your operating system. Now, the other thing

playing in our advantage is not just the transformation agenda but also the security, the privacy and compliance agenda that this change is required.

Ajay says: So, Rhonda, you know, you are a woman leader in technology and I'm sure you're asked this question but I want to know, is there or was there an inspiration for you that led you to the path of STEM and you know, technology as your area of focus and I would just extend that a little further, what is the advice that you would want to give to other women leaders who are at this point of time trying to figure out their direction and how to make themselves successful in IT.

Rhonda says: Excellent, excellent question and you know, when I was coming up, there weren't many females at all, either in my engineering courses, it really, math, for that matter. But my inspiration and this sounds, maybe not the perfect truth but it is absolutely the truth would be my father. And my father said, you know, you're my daughter, you're not my son but you can do anything you want to do, this is the wonder of the world that we live in. You can do anything you want to do and the only limitation is yourself. And so, if you want to go pursue math and there are no other girls in the math class, go do it. Well, he also knew that I wasn't good at sports so, I think that was his way of kind of channeling me in an area where I excel and then, you know, setting me free, so to speak. So what I would say to, you know, young women who are coming up in the STEM career, don't be afraid of it. Yes, there aren't as many role models as there should be but we're changing that and there are more and more of us in the field and experiment. Take a chance, take a risk, do it early in your career, because that's the real time to, you know, take some of those risk and you're going to find what you really, really love and like, and when you do, run with it.

Ajay says: So Rhonda, here's the most difficult question. How do you manage work-life balance?

Rhonda says: Well, you started that, you ended that wrong. It's not work-life balance, I am a firm believer, you cannot have it all. Sorry, but it's work-life integration and particularly over the last two years as you walk from your kitchen to your office and to your bedroom or back to your office, it's all about an integrated, it's a very short walk, by the way but it's finding the right integration that works for you. You know, I'm probably lean a little towards the workaholic side, but you know, it works for me, that's not going to work for everyone. But, it's important that you find that integration, that does work for you.

Ajay says: So, it's easy for you to say you're a workaholic but I'm pretty sure you would want to find some time to unwind. How do you do that and what's your favorite time for peace?

Rhonda says: Yes, there are a couple of things so I can talk about what we're doing at Stanley Black & Decker. We've encouraged our teams to have a focus Friday where they refrain from scheduling meetings and build in some think time on Fridays. And then for me personally, I love to be able to get out and walk. And so, what I've done and I don't listen to tapes, books on tape, I don't listen to music. It's just complete silence while I'm outside, breathing fresh air and I solve problems that I don't go out there to solve but it can be a personal problem, it can be something, I'm struggling with. But the answer comes to me at some point while I'm walking.

Ajay says: So, it's a thinking time.

Rhonda says: It's my thinking time again but and I take away excuses, I don't know about you but you can always say, well, it's getting dark or it's kind of rainy today, or living in Connecticut, it's cold.

Ajay says: Right.

Rhonda says: So, I have all the gear, you have it ready, I have a flashlight, I have the headlight, I mean, you got everything you need so that there's no excuses and it's good fit for your mental health and it's good for problem solving.

Ajay says: So rain, shine or snow, we find Rhonda outside on a Friday evening.

Rhonda says: I've got a really, really good North Face jacket that keeps off the rain.

Ajay says: Fantastic Rhonda, it was great having you here, a part of these sessions, I think, there's a lot of learning that you gave all of us.

Rhonda says: Great.

Ajay says: You know, I thank you very much for being with us.

Rhonda says: Thank you for having me, enjoyed it.

Ajay says: Fantastic.