Transformation at ETAS

Interview with Friedhelm Pickhard

ETAS will be celebrating its 25th anniversary in 2019, and you have been at the top of the company for the last eight years. How has the company evolved over that time? And what have been the biggest changes along the way?

The first thing I would point out is how much we have expanded the portfolio. For example, through the acquisitions of ESCRYPT GmbH and TrustPoint Innovations Technologies, Ltd., we were able to significantly expand our presence in the cyber security sector through the ESCRYPT brand. On top of this acquisitive growth, we have also built up our offerings for all stages of the V-model through organic growth – for example with new solutions such as ETAS ASCMO, the ES800 family of products, and our Real Time Applications Solutions for basic software, engineering services, and consulting services.

Broadening our portfolio has been accompanied by steady development of our expertise and methods. For example, we have already spent several years using SCRUM for agile software development, but now we are extending that process model to the entire portfolio management and development process, scaling it accordingly based on the SAFe method (Scaled Agile Framework). We also launched a working group to focus on the topic of Artificial Intelligence. In all these areas, we are determined to stay ahead of the curve and to help shape the changes that lie ahead, rather than being forced to simply follow the trends and market developments dictated by others.

The third key change has been the expansion of our international presence. By opening new locations close to our customers, we aim to provide them with even better support in their local area and establish the very best conditions for working with ETAS. That also means diligently and continuously assessing how our customers rate our current model of collaboration. As well as looking at the positive feedback, we are also determined to learn from the constructive criticism we get from our customers. We can leverage that as an opportunity and an impetus to keep evolving and improving what we do in the future.

How does that work in practice?

A lot of it comes from switching our mindset to one where we ask: How is the customer feeling about the whole interaction with us? And: What feedback are our customers actually giving us? The customer's use of the product is a key aspect here, of course, but it goes well beyond that. Other examples of questions we need to ask ourselves include: "How did the customer feel about the information phase?", "Did they get the offer they wanted quickly enough?", "How did delivery go?" and "Did we meet their expectations in regard to after-sales service?" We aim to inspire customers with our solutions and to transform every single touchpoint with us into an experience they see as positive. We have taken various steps to embed that mission throughout the company, including running a series of international workshops with all our associates. The workshops highlighted the various customer touchpoints and identified potential areas for improvement – areas that we are now specifically addressing.

How does all this affect the way you design and develop products?

First and foremost, it means that we "listen and understand" from the very beginning. The only way we can develop products and solutions our customers find useful is by genuinely listening to them – and that means fully appreciating and understanding our customers' problems, applications, requirements and challenges, and examining them from every angle. Every new development kicks off with user research. That marks a move away from opinion-based design – in other words developing and designing products and solutions based on individual, in-house opinions – and a clear shift towards needs-based design, which reflects what customers actually need.

Interviewee:
Silke Kronimus and Friedhelm Pickhard

This approach is often referred to as "design thinking". It transforms the entire product design and development process and puts a solid focus on continuous iteration in collaboration with our customers. Essentially, you follow up the first step of listening and understanding by reflecting on what you have learned, a step that also includes fleshing out the idea and concept. After that, we ask the customer for feedback – and we only continue with the development process if that feedback is positive. If we have failed to meet the customer's expectations, then we start the iteration afresh, and we keep doing that until we get the customer's official approval to move on to the next step.

That illustrates just how actively the customer is engaged in the design phase. Maintaining direct and regular dialog with the customer is the fundamental basis for offering them genuine added value.

How have customers reacted to this shift in mindset?

We have received some very positive feedback from our customers on this new approach, and they are increasingly starting to request this model of collaboration themselves. That is great news, because it confirms that we are on the right track. Plus it motivates us to delve even deeper into this whole area.

Are there concrete examples to illustrate this new approach?

ETAS EHANDBOOK – our product for interactive ECU software documentation – was developed on the basis of design thinking and needs-based design. We specifically drew on customer feedback in order to come up with concepts and solutions. A key aspect here is ensuring that each release implements a specific customer benefit instead of simply implementing features. It is essential that the customers experience concrete, tangible added value when they use the product or the overall solution. Our satisfied customers confirm that we are on the right track with this approach, as does the award of a recognized professional journal we received in the "Product of the Year" category.

Another example is the strategic analysis we carried out of all the touchpoints one particular large, global customer has with our company. We worked closely with the customer to analyze every part of the customer journey, meticulously identifying key areas for improvements at different points. We then continued that close collaboration with the customer when it came to defining targeted measures and putting them into practice.

What else must you do to keep pace with the constantly evolving environment ETAS works in?

Corporate culture is key. It provides a framework for in-house collaboration, and it also forms the basis for how we present ourselves to the outside world and how people perceive us. Through our initiative aimed at continuously improving our corporate culture, we strive to live our brand promise consciously within the company. These include, for example, organizing regular meet-ups of all the managers, open discussion rounds between management and departments, stepping up our internal communication, and getting associates at different levels more involved in the whole process, because listening to our associates and understanding how things are going on the inside is equally important!

That was the reason the ETAS associates in Germany were so heavily involved in the design and construction of our new headquarters in Stuttgart. The name chosen for the building, "ETAS Home", makes it clear just how strongly people identify with it – it is clearly much more than just an office!

At the same time, we endeavor to give our associates the space they need to develop their capabilities and skills. And everyone on our team needs to be constantly adapting to changes and working together to find the best solutions. Only by fostering enthusiasm for ETAS among our own employees can we succeed in creating concrete customer benefits with our solutions and the way in which we implement them. That, in turn, will generate the same kind of enthusiasm among our customers – both today and in the future.

Interviewee

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