







ONE-ON-ONE

One-on-One with Annette Clayton, CEO and President, Schneider Electric North America Operations

ONE-ON-ONE PROFILE

Annette Clayton

-  **Education:** B.S., Engineering, Wright State University; M.S., Engineering Management, University of Dayton; Executive Development Program, London Business School
-  **Certifications/Recognitions:** 2016 recipient of the AWESOME Legendary Leadership Award
-  **Hobbies:** Scuba diving, hiking, yoga
-  **Personal Philosophy:** You have to love what you do

*SCN: If **you** were interviewing CEO and President, Schneider Electric North America Operations Annette Clayton, what would you most want to know?*

AC: If I were interviewing me, I would probably want to know where my competitive spirit comes from. Ask anyone on my team, they will tell you I am crazy competitive, and I guess they are probably right. I always want us to be the first to do something. I like to lead from in front, not from behind. I think that I was probably meant to be an Olympic athlete of some kind and I guess I missed my calling, so I take that drive and work ethic and I apply it to supply chain.

SCN: If you had been an Olympic athlete, what sport would you have chosen?

AC: I suppose it would have to be running or cycling. I was a very competitive triathlete in my 20s and 30s.

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SCN: Often, when a woman is named to a high-profile executive position, as in your recent promotion to North America CEO & President of Schneider Electric, or when Mary Barra was named CEO of GM, the issue of being “a woman in a man’s world,” is inevitably raised. Do you ever wish gender wasn’t such a focal point?

AC: I would say that there was probably a time, early in my career, when I worked as an engineer at GM (alongside Mary Barra, as it happens), where my main objective was just to fit in and assimilate into this world where there were very few women. Then, at some point, you find yourself in a leadership position, and I have come to realize that success comes with a responsibility to give back. I am honored to have the opportunity to help other women find a path forward through the sharing of my own experience.

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For example, whenever I travel to different Schneider locations, we build time into my agenda for what we call “Connexion Sessions,” where I meet with women and men across Schneider factories and distribution centers and corporate offices. These sessions are designed to be informal. We have 20-30 people, sitting together, and we talk about the company – where we are winning, and where there are challenges. I reflect on my own reasons for working for the company, and I speak a lot about Schneider’s purpose-led initiatives because this really resonates with people. This is my favorite format of engagement. I enjoy it because it gives me the opportunity to have an open dialogue that I often learn from and people find them valuable because they connect with leaders in a human way.



Achieving Women's Excellence in Supply Chain

SCN: Whose leadership style do you most admire?

AC: I watch other leaders, and I consider myself to be a student of leadership, but there isn't really one single person I could point to. It's really more of a combination of leadership styles and traits. I see things I like and I see things I don't like, and I try to emulate the ones I like, and learn from the things I don't like.

One of the things I reflect on is how I like to be lead. I like to be challenged through questions and thought provoking discussions, not necessarily directed. I know that I perform better in that kind of environment, so I try to use that in my own leadership approach. I try to challenge people, their intellectual side and their competitive spirit.

SCN: In 2015, Schneider won the SCM World "Talent Breakthrough of the Year" award. Tell us what you think distinguishes Schneider's talent strategy.

AC: There are a lot of companies with talent management strategies, but I think what SCM World really liked was the fact that we were so purposeful in understanding the supply chain transformation, our strengths and weaknesses, where our competency gaps were, and how we married the talent strategy to the supply chain strategy.

As a part of the supply chain transformation effort I initiated when I began as CSCO in 2011, we began thinking about where to develop talent internally and where to acquire it in order to fill some of those competency gaps. We have spent a lot of time assessing the top 100 leaders across our logistics, purchasing, planning, and industrialization functions and what we have

been doing is accelerating their development through a variety of experiences, education and exposure to key assignments. Our “Edison” program is also a really good way to celebrate and recognize the high levels of competencies in our experts. Then we measure ourselves using our Talent Health metrics, which are focused on things like our talent pipeline, gender diversity, geographical diversity, succession planning, etc. It’s been very powerful for us.

“I am a believer that attitude trumps skills and that people want to be challenged, so, we have also worked really hard to create a learning culture and make e-learning more accepted within Schneider Electric”

It can be difficult to find people who may be a perfect fit from a pure skills perspective for a particular position, and I am a believer that attitude trumps skills and that people want to be challenged, so, we have also worked really hard to create a learning culture and make e-learning more accepted within Schneider Electric. We want our people to know that you don’t have to sit in a classroom to learn.

SCN: In the 2016 Gartner Top 25 Supply Chain report, Schneider Electric scored 10/10 on the newly-introduced CSR category. How has Schneider been able to so successfully integrate CSR efforts into its supply chain strategy?

AC: Schneider is a purpose-led company and our purpose is to help customers manage their energy and processes in ways that are safe, reliable, efficient and sustainable. I think it is important to remember that there are over 1 billion people in the world who don’t have access to electricity, and probably another billion who have only an intermittent or unreliable supply of electricity. We, at Schneider, believe access to electricity is a basic human right. It reduces poverty, improves health and creates a better standard of living. We have many programs that are designed to help people at the base of the pyramid to improve their lives, like BipBop, our energy access program. Our Planet and Society barometer monitors things like the diversity of our workforce and equal pay to how we are working in the communities in which we have a presence, and what we are doing to give back to these communities. This is the core of our company and it is one of the reasons people work at Schneider and why we’re so attractive to people who want to work for us.

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SCN: Schneider’s “tailored supply chain” strategy has been widely publicized in recent years, what can you tell us about it that our readers may not know?

AC: The tailored supply chain is Schneider’s take on segmentation. It was born out of the realization that our customers have different requirements, different buying behaviors, different things they need from us at different times in their own economic cycles. While segmentation is not, in and of itself, a “new” strategy, one of the things that I think people may underestimate about a tailored supply chain is how important it is to talk to the customers (including distributors, direct customers and/or end users). Other organizations may discourage their supply chain people from talking to customers, but we insist on it. We spend a lot of time understanding what they want from us and we design our capabilities around that.

We are also doing a lot of innovative things with both our customers and suppliers inside the tailored supply chain to create next-generation operational improvements. One of the initiatives is called co-planning. We look at the end-to-end supply chain, reaching into our customers and suppliers and optimizing with their network in mind. So, suppliers and customers are sharing information, such as their sell-through data, and we are creating Kanban replenishment for them or looking at our delivery networks and doing network design with our network and their network. This high collaboration with suppliers and customers enables us to drive operational improvements such as identifying duplicated efforts and inventory overlaps by reaching out beyond our four walls.

http://www2.schneider-electric.com/documents/presentation/en/local/2016/04/998-19699217_IoT_Report_2016_v2.pdf

SCN: Schneider employs a variety of digital/IoT-enabled technologies within its supply chain. How do you determine whether the benefits of these technologies outweigh the cyber risk they inject into the supply chain?

AC: Of course, the first thing you need to start with is a robust security protocol. Schneider, like other companies, is working on assuring that both our supply chain and our products are secure. We have also created an office of digital innovation for supply chain where we are



I think digitizing the end-to-end supply chain from order entry to customer delivery is one of the most groundbreaking ways companies can help their customers and improve their business. The insights we gain from data drives benefits for both the customer and the supplier. Our co-planning programs, for example, are possible because digitized information has shifted the effort versus benefit equation. People have tried to institute these kinds of

collaborative programs before, but they failed because the effort to drive the appropriate insights was greater than the benefit achieved. It is the same with network modeling. Mathematical modeling and delivery networks have been around for a long time, but the effort to do it compared to the benefit it drove was unbalanced. Now it has shifted. Computing power is cheap enough and we have the tools we need to extract incredibly valuable insights.

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SCN: Assuming you did not grow up dreaming of becoming a CSCO, tell us about your journey and your perspective on the role supply chain plays today as a driver of innovation and bottom line growth.

AC: Well, as I mentioned, I started my career as an engineer in automotive, and progressively took on more supervisory roles – first running a factory, then running many factories, and eventually leading Quality. Then, I headed up GM’s Saturn division. At GM, I would say I honed my skills as a manufacturing/quality expert. When I left GM and went to Dell and ran the customer call center, that is when I really learned the value of planning and logistics. I think that was the point in my career that I started to understand the insights that can be driven from the customer data and how I can connect them to the supply chain to help it perform. So, I began connecting dots, of the business strategy and the supply chain strategy. This was for me, the moment, when I realized that supply chain innovation can be the reason customers choose your company. I never thought that way before. I think one of the biggest

compliments for a supply chain professional is when a customer says that they bought from Schneider because, not only do we have great products, services, and solutions but also because we have supply chain excellence and they know they can count on us to deliver the way that they value. For me that is hugely motivating.

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SCN: When you are mentoring individuals interested in pursuing a career in supply chain management, what are some of the key pieces of advice you share?

AC: There are so many important lessons I have learned through my career, but three things I most often share are:

1. Get a breadth of experience as early as possible in your careers. I think you have to be incredibly adaptive as a supply chain leader, maybe even more so than some peers in other leadership positions. Supply chain leaders have to be confident and capable from the factory floor to the boardroom and everywhere in between. We need to be business leaders first and have to have this passion for delivering on the promise made to the customer. I spend a lot of time putting a lot of different lenses on the world, customer lens, business leaders lens, team members lens and try to find the approach that works and adapt to the situation at hand.
2. Spend time understanding and knowing your customer. One thing that I have found to be true in every company I have worked for is that in challenging situations, if you take the side of the customer, then you are always on the right side of that discussion. I think that is a pretty important thing to remember.
3. The last thing I talk a lot about is learning agility and being a lifelong learner. Leveraging your know-how and your competencies and your experiences to take on new opportunities, maybe to ramp faster in a new role. I think the concept of learning agility is really important and I talk a lot about it. It is not just what you learn in a book, it is the experiences you have, personal and professional. It's the know-how you accumulate, the tools in your toolbox that you develop and how you then take all of these things with a

big thirst of learning, and keep applying to the next role and the next role and the next role.

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Related Resources:

- Press Release: [Schneider Electric Appoints Annette Clayton to Lead North America Operations](http://www.prnewswire.com/news-releases/schneider-electric-appoints-annette-clayton-to-lead-north-america-operations-300283989.html) (<http://www.prnewswire.com/news-releases/schneider-electric-appoints-annette-clayton-to-lead-north-america-operations-300283989.html>)
- Press Release: [Chief Supply Chain Officer Annette Clayton to Receive Legendary Leadership Award](http://www.prnewswire.com/news-releases/chief-supply-chain-officer-annette-clayton-to-receive-legendary-leadership-award-300256194.html) (<http://www.prnewswire.com/news-releases/chief-supply-chain-officer-annette-clayton-to-receive-legendary-leadership-award-300256194.html>)
- Article: [Schneider Electric named in Gartner’s Supply Chain Top 25 ranking for first time](https://logisticsmagazine.com.au/schneider-electric-named-in-gartners-supply-chain-top-25-ranking-for-first-time/) (<https://logisticsmagazine.com.au/schneider-electric-named-in-gartners-supply-chain-top-25-ranking-for-first-time/>)
- Video: [: Schneider Energy Action in Global Supply Chain – YouTube](https://www.youtube.com/watch?v=BLBVRny6hQ4) (<https://www.youtube.com/watch?v=BLBVRny6hQ4>)
- Video: [Schneider Electric Charts an End-to-End Supply Chain Roadmap](http://blog.kinaxis.com/2016/05/video-schneider-electric-charts-an-end-to-end-supply-chain-roadmap/) (<http://blog.kinaxis.com/2016/05/video-schneider-electric-charts-an-end-to-end-supply-chain-roadmap/>)