

# KEYNOTE INTERVIEW

## Where technology and infrastructure collide



*From remote video support to management and collaboration tools, covid-19 has accelerated tech adoption within infrastructure companies, say InfraVia's asset management partner **Olivier Laroche** and growth equity partner **Alban Wyniecki***

### **Q** What impact has covid had on the digital transformation of infrastructure assets?

**Olivier Laroche:** There is no doubt covid has accelerated pre-existing digital transformation trends, notably regarding infrastructure software deployed by IT departments to deploy, monitor and scale corporate applications. There is a growing need for cybersecurity solutions, increased need for analytics, and IT departments have massively accelerated their migration plan to the public cloud – something we have witnessed at most of our portfolio companies, which are all now moving

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to a hybrid model, incorporating both cloud and on-premises infrastructure.

This trend has impacted our data centre investments, where we have observed a step-up in cloud migration. Indeed, there has been a massive increase in demand for data capacity from the GAFAMs, driven by the acceleration of the digital transformation that has impacted every aspect of our lives.

**Alban Wyniecki:** On the application side – solutions chosen and used by

infrastructure corporates' main functions – covid has led to a huge increase in the uptake of digital solutions, which has created additional demand for a whole range of software. Of course, the nature of digital requirements varies depending on the department involved.

Document management systems, for example, have had to become increasingly sophisticated, particularly for use by financial, legal and operations teams, which not only manage documents with these systems but also manage complex validation workflow. HR is another area that has undergone massive change. Finally, software tools facilitating remote communication and

collaboration have come to the fore during the pandemic and we have seen a massive adoption of digital workplaces, both desktop and mobile.

The proof is there that these tools can be used at scale, and if infrastructure, as an industry, was previously trailing in some areas, change is now undoubtedly happening fast.

**Q Document management systems have become increasingly important, given ever-more complex workflows. How is that working?**

**AW:** Classic document management systems such as SharePoint, which can be used as a secure place to store, organise, share and access information, have, of course, been around for a long time and may be sufficient for a standard corporate. But infrastructure has its own set of requirements and advanced validation workflows for compliance reasons, and that could mean a more nuanced approach to document management.

**OL:** We have a number of portfolio companies that require accurate operational and maintenance readings to be taken for compliance reasons. Aurora Infrastructure in Finland, for instance, manages the electrical grid for large industrial sites. Updating the document management software, in a situation like that, will help tackle challenges in terms of scalability.

**Q HR is another area that has been upended during the pandemic. What digital demands has that created?**

**AW:** The pandemic has had a huge impact on the way we interact with people, and that starts from the very beginning of the interaction, with recruitment. The way we source candidates will never be the same again.

Previously, a company may have used an applicant tracking system, or ATS, during the interview process. Now, that has been upgraded to a full

**Q The ability to provide remote assistance for those in the field has been particularly important for infrastructure companies, in light of social distancing measures. How have digital tools helped make that happen?**

**AW:** Digital tools that can help field service workers, and notably for example more junior technicians, carry out tasks with the help of remote support from experienced individuals in front of their desktop at home, have played a key role.

You may think using WhatsApp would be sufficient but that is simply not the case. To be efficient, you need a system that is first perfectly connected with your CRM; able to provide guidance thanks to the usage of augmented reality technologies; able to augment the technician's capabilities through good usage of AI; and with everything working at a professional grade even with a potentially poor network, while being easily customisable. This is hard to do.

The remote user would typically need to be able to take control of the field technician's device, for example using augmented reality to overlay the video with arrows telling them which button to press. Finally, the system needs to be able to read a bar code so that the technician can live check whether the necessary part is available.

Earlier this year, InfraVia's Growth team led a \$42 million Series B funding round into a company called SightCall, which does exactly this. SightCall already has 200 corporate clients on its accounts including Kraft-Heinz, Allianz and Lincoln Motor Company and is used massively by big healthcare companies in Europe and the US. But although the technology itself has been around for five years, infrastructure companies were initially hesitant about making the switch. Early adopters have now had great experiences in being able to maintain production through covid, however, and uptake is expanding massively.

**OL:** Our infrastructure assets are broad platforms with sites in many different geographies. These products add a great deal of value when it comes to maintaining a lean and efficient organisation, with effective communication between HQ and employees in remote field support. This has advantages in terms of inspection and maintenance, but also from a health and safety perspective.

CRM system for nurturing talent before closing down people's job applications, which uses marketing automation, for example, to keep in contact with candidates until there is a suitable job role in the future.

The other HR trend that we have particularly noted is the use of long-term interims. That hasn't always been easy using the systems at the traditional, large interim recruitment players. Now, our portfolio company Jobandtalent is providing a far better service digitally and at a cost that is 40 percent

lower than the legacy players, with a satisfaction rate which is very high both on the workers' side and the company side.

**OL:** Take a sector like airport services. Those companies need to adapt their resourcing to the volume of activity, but while they want flexibility, they also require people with qualifications. This digital approach is highly efficient in a situation like that and represents a significant improvement in terms of both quality and cost.

### **Q The increased use of digital communication and collaboration tools has been striking. How have companies adapted?**

**AW:** Tools such as Teams, WhatsApp and Slack have been around for some time but the typical adoption rate in a company has been below 10 percent. Now that uptake has increased to between 40 and 50 percent. Seeing the usage of this technology rise tenfold in 18 months is simply incredible.

The digital office enabled by so-called digital workplace systems such as Lumapps will continue to be critical in the future, in order to maintain culture and communication in an environment that is likely to retain a strong remote component. These tools can also be useful for social branding and marketing; a company can post internal views and then allow its employees to re-post on their own social media, which can extend reach dramatically.

The best of these systems allow those without IT equipment to access everything from calendars to companies' digital resources as well as contacts and their personal HR information or tasks, via their mobile devices. That is not something that was easily done before.

Finally, these tools are further complemented by process management tools and meeting managements tools, such as Klaxoon and Teamwork, that are always more powerful. Their usage is becoming as simple as using consumer tools such as social networks by re-using most of their codes.

**OL:** These internal collaboration projects have always been on digital roadmaps but have generally been left on the backburner whilst companies focused on the major functional, industrial tools they have needed to support their core business. The past year and a half has changed all that.

As infrastructure investors, we no longer only invest in capex-intensive businesses with almost no employees.

We are now owners of companies with significant workforces. Take our Irish nursing home business as an example. That company employs several hundred staff including qualified nurses whose loyalty we want to retain. Tools like this can prove important to making that happen.

### **Q As the use of digital tools has proliferated wildly, what implications has that had for cybersecurity?**

**OL:** At the same time as workflows have become more distributed, cyber-threat has become both more sophisticated and pervasive. The McAfee monitor shows that between Q2 and Q4 2020, the volume of threats detected more than tripled. It is not surprising that cybersecurity and applications governance are now a board-level priority at all our infrastructure companies, whilst our growth team sees this as an exciting area for investment.

We are also seeing a trend towards LPs wanting to be informed on these topics. For example, in Q4 last year, LPs came to us with very specific questions about the potential impact of the SolarWinds breach on our portfolio companies. We see heightened interest and awareness across the board.

### **Q How do you maximise the potential synergies between your infrastructure and growth teams?**

**AW:** Having ready access to corporates in construction, energy, health

and transportation provides the growth fund with a unique opportunity to test ideas, as well as facilitating our portfolio companies in doing business. Sometimes we will take a prospective investment to the infrastructure portfolio and the reaction will be negative, so the process stops there. But sometimes, as with SightCall, the sheer simplicity of what the product could bring to these companies is stark, and that is when we know we have got it right.

From the infrastructure portfolio's point of view, meanwhile, digital transformation is clearly becoming ever more important, but it can be tough for mid-sized assets to get direct access to the CTOs of these top tech companies. We can facilitate that. Even where we are not investors ourselves it is likely that we will have relationships.

**OL:** We have put the InfraVia Digital Forum in place to maximise the synergies that exist between our community of IT directors within the portfolio companies, the infra and growth fund teams and external experts. We review companies' digital roadmaps together.

We push expertise towards our portfolio companies on transverse topics every months. For example, we have a webinar coming up focused on robotic process automation. One of our solar portfolio companies already has RPA in place to support invoicing. That company is going to share its experiences with the rest of the portfolio, while it will be of interest to the growth team, who are keen on investing in this area.

We are also in the process of hiring a CTO – someone with hands-on experience of supporting digital transformation from a technical standpoint. Just 20 percent of the work that goes into digital transformation involves defining the roadmap and identifying the appropriate tools – 80 percent of the legwork goes into implementation. Having someone that has been there and done that will help our portfolio companies push ahead on their digital transformation journeys. ■

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**ALBAN WYNIIECKI**