

KONE ELEVATES PEOPLE FLOW THROUGH DIGITAL TRANSFORMATION

Anyone who has ridden in an elevator has at some point, consciously or unconsciously, stared at the KONE logo. <u>KONE Corporation</u> is an elevator, escalator, and automatic building doors manufacturing company with aspirations for much more. I am continually amazed by the level and potential of innovation enabled by digital transformation, even across seemingly "old school" (also known as "brownfield") industrial manufacturing.

I recently had an informative discussion with Ashish Agrawal, Director of Enterprise IT Platforms and Services at KONE Corporation. I am sure many of my readers can relate to Ashish's role. I liken it to changing a jet engine while the plane is flying. Ashish manages a function called Enterprise Platforms and Services inside the global IT



Ashish Agrawal, Director, Enterprise IT Platforms & Services at KONE Corporation

organization at KONE; a large team tasked with managing IT platforms, and services worldwide. He additionally is heading an ongoing digital technology transformation that is rebuilding KONE's existing Digital Platform. KONE's Digital Platform is at the heart of connectivity and innovation for digital products and services, providing realtime data from KONE connected elevators, People Flow solutions and KONE enterprise applications.

HOW DO YOU BUILD THE PHYSICAL AND THE DIGITAL WORLDS TOGETHER?

Elon Musk is not the only CEO to harness the value of data. Just as every Tesla transmits volumes of data, KONE collects data from its elevators and escalators globally. My firm has written about this phenomenon for a decade. We have talked about using big data to improve products, do predictive maintenance, convert capex to opex as a service, improve customer sat and loyalty and more.

The most apparent application for KONE is predictive maintenance using Machine Learning (ML) to help KONE's customers. For instance, facility managers predict



potential breakdowns and enable KONE's technicians to diagnose and fix problems quickly, before they happen. <u>KONE 24/7 Connected Services</u> has already proven to reduce repair call-outs by more than 40% and proactively identify up to 70% of faults. KONE has also reduced elevator entrapments by up to 50%, which sounds like an excellent thing!

But the story does not end there. KONE is exploring new business opportunities beyond installing elevators, escalators, doors and servicing them. The focus is on the offerings that tie the physical and the digital worlds together, creating value for KONE and the users of the buildings and facility managers.

One example might be creating new experiences and improving people flow in a hotel. Using the <u>KONE Digital Platform</u>, a hotel could create a personalized experiences for guests, combining elevator lighting and streaming music, displaying specific content on media screens inside the elevator, and offering the ability to summon an elevator from a smartphone before entering the building. All entry and access points ensure a smooth arrival, so you don't have to hunt for your keys – because the elevator "knows" you.



FIGURE 1: KONE'S STRATEGY FOR 2021-2024

Source: KONE



One hot topic of conversations is the potential of Application Programming Interfaces (APIs), the software intermediary that allows two applications to talk to each other. APIs enable KONE to work with other companies to create new services. APIs also enable customers to leverage data to create value for users of the building.

A TRUSTED CONSULTING PARTNER IN THE JOURNEY

A common theme I hear from customers when describing the reason for choosing a particular consulting partner is *trust*. There are many options in the market, but KONE selected <u>Infosys</u> based on the trust established over several years.

Ashish elaborates, "Our partnership with Infosys started six years ago. Back in those days, the concept of digitalization was still quite new, especially to an equipment manufacturing company like KONE. We were still dealing with in-house and outsourced IT operations and a vendor ecosystem: a model that suited the need but was not scalable. The idea of digital transformation came from observing other industries and realizing how vital change is."

Over the course of the journey, Infosys transformed from an IT to a business partner to KONE, handling a significant part of their traditional IT operations and playing an essential role in the current digital transformation. "Through the years, there have been many instances where the industry faced new challenges and KONE needed a partner who could bring in out-of-the-box thinking," adds Ashish. "Infosys has always been one such partner who aligned with our vision of driving sustainable success with customers by increasing the value we create for customers with new, intelligent solutions."

Digital transformation became a much higher priority when the vision extended beyond the core products – elevators, escalators, doors, to intelligent building solutions.

Ruchir Budhwar, SVP and Industry Head – Europe, remarks, "In today's data-driven economy, embedding technology at the core of products and services is gaining more prominence than ever. We are thrilled to accelerate KONE's digital transformation journey by bringing the power of data and insights into their products and empowering them to reimagine the flow of urban life. We look forward to augmenting KONE's intelligent products further with our IT expertise and empowering them to deepen customer relationships across the globe."

CREATE A WIN-WIN RELATIONSHIP WITH YOUR CLOUD PROVIDER

KONE is building its digital core on the Amazon Web Services (AWS) platform. Like many, it has been an exciting journey with many learnings. KONE was an early adopter to move many IT operations onto the public cloud. Some applications leveraged cloudnative features. Others were "lift and shift" migrations leveraging the native features of the cloud. The new digital platform is a cloud-native build, providing ease of operations, scalability, open APIs, and security. Security was a surprising mention and an indicator of how far we have come. Often cited as a significant inhibitor to cloud adoption, public hyperscalers are now far more capable of providing a secure platform than in-house!

The AWS relationship is more than a client and vendor relationship; but is a strategic partnership that benefits both parties in terms of innovations and go-to-market strategies.

AWS provides KONE with global cloud capabilities such as <u>the Internet of Things</u> (IoT) and analytics. AWS services include AWS IoT Core, AWS IoT Device Management, Amazon API Gateway, <u>AWS Lambda</u>, and <u>AWS Step Functions</u>.

WRAPPING UP

Smart elevators and escalators are here, and we probably didn't notice it.

Most of us have visited the Moscone center, one of the world's busiest convention centers. The predictive analytics and transparency of <u>KONE 24/7 Connected</u> <u>Services</u> provide a solution that helps identify issues before they occur and minimizes equipment downtime. Bursts of 40,000 people are not uncommon as daily events open and close. Predictive analytics can mean less downtime and shorter elevator waits – and we can all get behind that idea, especially if you have been in the crowd waiting for an out-of-service elevator! My rented office here in the Google Building on 2nd Street in downtown Austin has KONE all over the place and now I am wondering what cool stuff is happening that I don't even know about yet because it just happens.

Hotel EMC2 in Chicago employs a pair of service robots. From towels to toiletries, hot coffee to scones, guest needs at Hotel EMC2 come from a service robot. Robots armed with an internal map of the building and radar technology pass through crowds of people. The service robots communicate with the hotel elevators using <u>KONE's Flow</u> <u>Connectivity and cloud services</u>. Upon receiving a guest request, a desk clerk loads the robot's cargo area and speaks to it, giving basic delivery instructions. The robot glides



away, using KONE elevators to navigate the hotel independently. Within minutes, the delivery is complete, and the robot returns to the front desk.

Call it intelligent building management or IoT for buildings, in the words of the Bachman-Turner Overdrive song, "You ain't seen nothing yet."

Note: Moor Insights & Strategy writers and editors may have contributed to this article.

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