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CXO INTERVIEW

TOYOTA BOXES

AUDIO TRANSCRIPT

Brian May So I'm pleased to be joined today by Daniel Schumacher, the director of information technology at Toyota Material Handling. Daniel, thank you for joining us today to have a conversation on your industry, how technology's kind of playing an important role today like it is for so many.

Daniel Schumacher Oh, thank you, Brian. It's a pleasure to be here today.

Brian May Awesome. So The Industrialist, our publication goes out to a broad set of industrial leaders around the world. I think it would be great if those leaders could get to know Daniel Schumacher a little bit. So a couple of quick things. First of all, can you just give me one word that describes you best?

Daniel Schumacher I would say imaginative. I try to apply creativity to problem-solving and strategic thinking. There's always a better way to do something. It's one of the fun things about joining Toyota, who literally wrote the book on Kaizen and continuous quality improvement. But really having an open mind to explore the art of the possible, whether it's day to day keeping the lights on, whether it's new digital transformations and everything in between.

Brian May So you've been in your role since earlier this calendar year at Toyota Material Handling. Can you just give us a little bit about your journey to that point? You know, where have you been throughout your career and how to lead up to your role today at TMH?

Daniel Schumacher Yeah, well, my journey, interestingly enough, started with Andersen Consulting, and I think it's one of those true Andersen Consulting type beginnings. So a very interesting beginning that led to a number of additional opportunities to work in Paris across the United States, working in utility industries, medical device industries, communications at high tech. I

also spent some time with PricewaterhouseCoopers. Johnson Controls Komatsu across a wide variety of roles, everything from, you know, compliance related roles, audit related roles, which ultimately led to digital transformation, problem solving, a number of CIO roles. So, yeah, it's been a fantastic journey that that, you know, I feel in some ways having this conversation here, it's really come full circle.

Brian May So when you look across both the TMH brand and the Raymond brand at TMH, you're clearly a market leader. There's trends now that are transcending not just the material handling industry, but every industry. Customers are expecting, you know, an experience that, you know, frankly, is different than maybe it was not too many years ago. They're expecting to be engaged digitally. They want to move and have their partners like TMH to move at a pace that maybe is a little bit faster than historical. All of this, while dealing with, you know, supply chain issues and talent shortages. Can you, Daniel, just spend a couple of minutes talking about your take on these trends, the things you're seeing and how TMH is responding to these trends?

Daniel Schumacher Yeah. Thanks, Bryan. And it's very interesting. You know, until you really double-click into the material handling industry, most people don't realize how dependent they are upon this industry, just about for anything they consume in their daily life. You know, if you get mail, that mail has been handled by Toyota or Raymond material handling products. Toyota and Raymond has been transitioning from an OEM manufacturer of material handling products, which continues to be our core, but then also expanding into adjacent areas with heavier-duty air products that can pick up and load containers as well as into other aspects with sister companies like Bastion Vindolanda that are really focusing on autonomously guided vehicles and more



advanced warehousing products. And we're really committed to just making that a more advanced experience. So it's going from just purchasing pieces of equipment to solutions, capabilities that can be fully integrated to drive that reliable experience.

Brian May there's a there's like there's a tech revolution that's going on in industrial. It's probably been going on in other industries maybe for a while, but certainly in industrial. . Can you just, talk a little bit how you're leveraging, you know, software and platforms and data to connect and interact with the, partners in your value chain, your customers, your dealers, even to interact with your equipment a bit. How is that playing a role for TMH?

Daniel Schumacher We're no longer just a company that manufactures pieces of machinery. We're delivering on customer portals; we're delivering e-commerce capabilities. We're delivering dealer management systems that help our world-class dealers operate more efficiently and effectively. We're implementing telematics into our products. So, it's a fundamental shift from being a purveyor of equipment to a provider of those holistic solutions that enable our dealer operations and that ultimately help our customers achieve the outcomes they're looking for when they use our products. On top of that, it also required us to go through a pretty substantial organizational transformation internally, You really can't do technology unless you understand the business outcomes that you're trying to deliver. And being able to deliver most business outcomes today independent of technology just really isn't possible. So, it's a very exciting time to be here with the transformation of our industry, how Toyota is leading the way and with our sister company Raymond, leading the way to redefine what those dealer experiences look like, what customer reviews or customer experiences look like, and then also how are we transforming internally to be able to deliver those outcomes across our technology and business functions?

Brian May Well, there's no question that, you know, we say every business is a technology business. There's an element of technology in everything that's going on, and it's even within each part of the business. . Can you talk a little bit about that and how you're leveraging technology to find the value,

to unlock trapped value and move from just having a product that's in a DC (Distribution Center) or a warehouse to an actual value-added service that's powered by that technology.

Daniel Schumacher You know, an analogy that I like to look at is we think about transformation to become a data-driven organization. So as our business becomes more data enabled and, in every facet, as our machines are generating more data, it gives us more opportunities to see what's actually happening and then to make adjustments, to make improvements, to see how is one customer using a particular piece of equipment as opposed to somebody else? And how does that help drive insights for reliability, efficiency and optimization? So, I think it's a really fun part of this industry's transformation right now. I think five or ten years ago, if you told somebody that a distribution center or a warehouse could be the source of, you know, autonomous vehicles that are all interconnected. Right. You would never guess it. So, I think that's one of the fun parts of this industry, too, is, you know, if somebody doesn't know a lot about it, you may just...you may not realize it. But it's the insights that coming from our machines, coming from that data, allows our customers to ensure that you're going to get that package on time or to ensure that you're going to get the mail on time and in being able to be part of that value chain is really fun.

Brian May So let me pivot, Daniel, to the topic of sustainability for a minute. I mean, if you think about energy and energy transition and sustainability not only being important for the environment, of course, but also potentially being a differentiator for customer for companies like yours. Yeah. You talk a little bit about, you know, from your perspective, the role that technology and innovation is playing at TMH when it comes to energy and environment and carbon footprint and maybe highlight a few of those kinds of groundbreaking innovations that you're seeing in that space.

Daniel Schumacher Yeah, you know, the same thing that we see with electrification in the automotive industry is absolutely happening in our material handling solution industry. Just within the past 12 months, Toyota has come out with 22 new electric forklifts that previously may have only been internal



combustion, but now have electric battery options as well. This year we're coming to market with Toyota, created lithium-ion batteries that will give new levels of performance and more durability to help our customers run their machines longer so they can deliver on their expectations. So, it's really fun being a part of a company, not just within the Toyota, you know, material handling industries, but as part of Toyota as a whole, having that focus on the environment, sustainable reliability. And really, it's just baked into the DNA of our company and how we operate.

Brian May You started off the conversation by talking a little bit about yourself and your journey and all that. Let's end the conversation with another, you know, a bit of information about you, what Daniel inspires you most?

Daniel Schumacher Yeah. So, it's people. And I would say first and foremost, you know, it starts with my wife and my best friend, Marie. I think when it starts with that personal inspiration, then you carry that into the workplace with the people that are around you, and I think empowers you to be more creative, to be more innovative, and to really have the ability to explore new things and then extending that into the family that is our work environment. So, I really believe that people and that caring for people is at the foundation of everything that we do. And it just extends into our business, into our operations, our dealers, and our customers.

Brian May So Daniel, thank you for taking a few minutes. It was great conversation. Great to see you. And again, thanks for taking the time.

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