



Christoph Mueller was interviewed by Boni Sones during the Cambridge Service Week Industry Conference, '**Bridging to New Service Technology**' on 11 October 2017

CHRISTOPH: My name is Christoph Mueller and I am Executive Vice President with the Emirates Group, responsible for digital transformation and innovation.

BONI: Christoph Mueller, thank you very much indeed for talking to the Cambridge Service Alliance Industry Conference, Bridging to New Service Technology. Can you tell us a little bit about what your business does, Emirates Airline, and how that business is likely to change in the future with digital innovation?

CHRISTOPH: Emirates Group as such is very diversified, but let me start with the airline. The Emirates Airline is the world's largest international airline. We do not fly domestic services, attributable to the size of UAE of course. But we operate approximately 250 wide-body aircraft and operate our hub in Dubai, so the airline business of course is affected by disruption due to new intermediaries on the distribution side. We have a lot of opportunities to develop our B2C business in applying these new technologies. But we have also identified a lot of opportunities to enhance the airline reliability and our productivity on the operation side in applying predictive maintenance concepts. There's a long list of applications coming from the new technologies, and there is a lot of opportunities coming from new customer behaviours, that's the airline.

BONI: And you've said the biggest challenges were to stay awake and to stay hands-off. But you also talked about megatrends and new technology. For instance your aging client base, 30 per cent will be using wheelchairs in the future, so you've got to have all your hands on the button and to know where travel is going in the future.

CHRISTOPH: Yes, of course, and this is of course heaven for someone who likes to look into the future and who likes to develop a little bit of a crystal ball. The data that we have today in our hands allows us really to predict much further out than in previous years, so the demographic and heuristic samples tell us that we will have a travel segment which is completely new, it's very, very affluent retirees traveling a lot around the globe. We will have the millennials, everybody talks about that. But we will also have global citizens. And we are here in Cambridge, you see the diversity of cultures, people get married, so there will be a completely different customer segmentation going forward. And we will continue to serve them well.

BONI: But you talked about knowing your customer, and you gave that wonderful example of if the customer is booking a holiday, are they booking the flight first? Or are they booking the hotel first? Where do the customers come from? And why do they come to you?

CHRISTOPH: I believe every traveller has an experience at the beginning of the thought process. Some people have to travel for business reasons, we know that very well, they would not go on a business trip because there is a cheap seat to be purchased. We have visiting friends of relatives, we have labour workers, we have tourism, we have a lot of reasons to travel. But the reason to travel is never a cheap seat in the long haul business.



What we do know about the customer is quite substantial, but I believe we are entering an era where we have to have really much closer agreement with the customer, such that the customer understands that the more we know about their preferences, their taste of movies, their taste of music, what they prefer as food on board, whether they like long layover or short layover, the better we can serve them.

BONI: And you have to be like the iPad, you have to respond like the iPad.

CHRISTOPH: That is what is completely new in the digital world, the customer experience is not compared within one industry, but customer experience is universal. The user interface of a smart phone, of a tablet computer, will be compared, we'll see performance features of an in-flight entertainment system, and all that. We have to cope with it, the same goes for automotive companies, they previously competed against each other in having the best navigation system, that is obsolete because everybody is using web based navigation system now on their mobile phone, so there is no differentiation any longer for automotive companies. The same goes for the airline business.

BONI: You talked about sort of redesigning your thinking and bridging the two sides, and left to right thinkers, and right to left thinkers. But in terms of the disruption, and there can be lots of disruption to your Emirates group business model, and you are an expert in this. But are we going through and evolution or revolution? Because people tend scratch their heads and think it's a revolution and we'll never be able to cope. But you spoke more of it in terms of very rational evolution and using the data and respecting the data.

CHRISTOPH: Yeah of course, one should not panic. That is, I think the most important thing, to have a steady hand at the tiller, what I was referring to that the technology cycles are today so fast that you cannot wait for a new technology cycle to be released and then think for the first time about the implementation and to go the old traditional way.

My personal belief is that in the future you have to have a pipeline of innovations available, that you have to have the tolerance, may be only bring three out of 10 to the market finally, but you have to have the 10 in the pipeline to have the choice and to be able to pivot, to be very reactive to new market trends. Product cycles we are used to, every 10 years a new seat, every 15 years a new IFE, that will be over, the speed is of the essence in the digital age.

BONI: You emphasize speed, you also emphasize customer, customer, customer and trust, let go of your brain, it's too small, you've said, and trust the data to tell you what the customer wants.

CHRISTOPH: Well, I think the pilots on our flight deck as an example, modern aircraft as our Airbus A380 is so complex in its handling performance that without a computer helping the pilots, reading the dials, and giving warning lights, it's very difficult to fly it entirely manually. The same goes for managers in marketing and sales, and pricing and in management, and in many functions in the company, they simply have to use some machine to process these billions and trillions of data to improve the decision-making quality.



The same goes for medical doctors today, I think we all profit from the digital transformation in that sector, and in many more areas. We have to be data driven, that makes business more rational, less emotional, and I believe it's for the benefit of the customer.

BONI: Yes, you talked about eye surgery and having perhaps a surgeon who doesn't sneeze, so the operation becomes safer. But just finally, and you've given up your time generously, so thank you. You've said digital transformation jobs, you've previously said don't panic, but you said don't take the current job description, can you explain what you mean by that?

CHRISTOPH: I can just repeat what the CEO of Daimler Benz was saying at the last annual general meeting of his company, he was asked whether digital transformation will cost jobs. And he said it is my responsibility to protect my employees, not their current job description. What he meant is that we will live in an era of permanently changing job description, we have to invest much more time and effort in the education of our employees, talent management will become the essence in the digital transformation era, because we see that in our private life, there is hardly a day without an update of an app on your smart phone. That is a pace with which we'll have to go and that's the reason why investment in human resources, it's a little bit counterintuitive, but it is the fuel of the digital transformation, the human being.

BONI: And the human being is the heart of the critical success factors.

CHRISTOPH: That is absolutely right, and that's the reason why am very enthusiastic going forward, we will work in small collaborative teams, and we are going to have a lot of fun, and enjoy the customer with never-ending stream new products.

BONI: And we've just heard today from people from Alibaba, from IBM, Thales. That must be exciting too, to listen to other people and how they are structuring their businesses.

CHRISTOPH: Yeah that is basically the borders will fall down, we will share ultimately, if the digital maturity has reached the last stage, we will share more data, collaboration will not be within one company but between companies. I believe customer satisfaction will reunite us around that campfire.

BONI: Well, we'll end on that. A cheery tone, customer, customer, customer. Christoph Mueller, thank you very much indeed for talking to the Cambridge Service Alliance Industry Day Conference podcast, Bridging to New Service Technology, and congratulations.

CHRISTOPH: Thank you very much for having me.