



# Innovation day

Dermot Healy talks to Dr Daryush Arabnia, Geico's executive vice-president, about the company's forthcoming special event on its future vision, taking place on 7th November 2017 at the Pardis Innovation Centre near Milan

Geico has been holding special events for some years now. What is the idea behind them?

Daryush Arabnia: It is about communicating with all our stakeholders. We communicate everyday with our customers in a range of well established ways, but a company like ours is also in a relationship with a whole range of people – stakeholders if you like – who are very important to us. They help shape our future. Our employees, of course, are one element, but also our technical partners, our suppliers, and our bankers, for example. It is important that all these people are kept aware of how we operate, the challenges we face, and the changes we make.

The 'Innovation Days' have become part our culture of communication. They began shortly after the Arabnia Family bought back the company in 2005/6. As you know, since then we have embarked on a pattern of development that has seen Geico grow dramatically.

The Innovation Days started really around that time as a way of engaging with the banks, primarily. After all, our development has always required a strong relationship with the bank, and we felt it was important that they should fully realise the transformations that were taking place in the company. We wanted them to have the opportunity to see beyond the numbers and the spreadsheets, and understand the people and aspirations that shape our business.

Innovation Days allow us to introduce and communicate our strategic priorities, set out our objectives and targets and, of course, report back on progress.

So, have these events proved successful in helping in your relations with your bankers and others?

Yes, very much so. As I say, our business requires very large inputs from financial institutions, both in terms of financing its day-to-day activity, but also to make possible the kind of growth we have achieved. We have never had a problem with our financial backers and we believe the culture of transparency and trust that underpins events like the Innovation Days have a part to play in this success. We have been running them every two years since about 2005 and each year the event has grown. Very senior people from the bank and our partners have increasingly made the effort to attend. We started off with perhaps just a handful of people, but now we will probably see 400+ attend the next event.

You feel it is important then, that they should understand your business from the inside out?

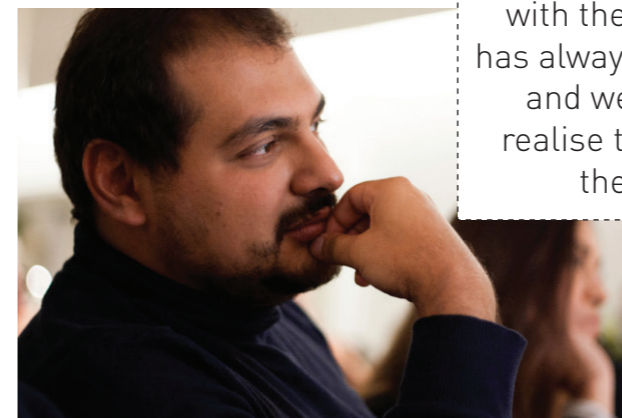
Of course. It is not that they need to understand the technicalities of our paint system innovations or the details of paintshops we build, but it is very important they can sense the direction we are moving, our distinctive culture, and our priorities. So, just to take an example, we structure each Innovation Day presentation carefully. A mixture

of personnel, in terms of age and experience, gives each presentation – one senior, experienced staff member, alongside a younger colleague, to give them exposure and to help them develop. Our stakeholders can see the depth of skills in the company for the future, and establish relationships with personnel at earlier stages of their career with us. All this helps establish trust, understanding and confidence.

What is on the agenda this year?

We have several new things to report this year. Firstly, on the technology front; for some years now we have been reporting back on our Energy Independence target. We set out to achieve the first self-sufficient painting plant by June 16th, 2020, for the Energy Independence Day, but we've managed to achieve our target three years early. It is an important milestone with a plant that has energy usage of just 270Kw per body, using renewable energy sources, and eliminating CO<sub>2</sub> and VOC emissions. So that will be a major announcement and is, of course, something we are very proud to have achieved with the help of our partners.

Secondly, another objective of the day will be to formally introduce our 'Smart Paintshop' concept. It is our strategic project for the future and brings together many aspects of our work. You have featured this in AMS in the past, but we will be using the Innovation Day to formally



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announce the project to our investors and business partners and to show the extent to which our customers have embraced it. As I think we have discussed in the past, the Smart Paintshop concept has actually required us to transform the way we work, not just the way our customers work. So it is an opportunity to give an update on these changes.

Part of the day will also involve an expert from outside Geico – a leading authority on Industry 4.0 and digital transformation – giving a presentation that will set our experiences in a wider context. Not all our visitors will necessarily be aware of the impact these innovations are having right across industry, so it is important to put them in context.

Will your visitors get a clear picture of recent technical developments and the transformation within Geico?

Yes, but there is another aspect to the day that we feel is also very important. There is technical innovation but there is also what we might call 'cultural innovation'. The way the

company works internally, how it plans, develops and grows is one aspect, but there is also the role Geico plays in its wider community. As you know Geico has always taken very seriously its role as an employer in our region, but we have sought to go beyond this to some extent, to see if there are other additional ways we can contribute.

In what way? Can you tell us more?

Well, for example, in Italy we have for many years had a problem with young people finding employment. It can be very difficult for them. As employers, every year we take a certain number of new graduates into the company, give them contracts and so on, but the numbers involved are limited. Years ago the family established the Pardis Foundation as a way of focusing our community involvement.

One of the key projects our foundation developed was a scheme whereby we matched young people to companies with which they could gain experience for six months as paid interns [Gate Bridge project]. The objective was that a portion of them would then have a chance of getting permanent contracts with these companies after their internships. The foundation met the costs of the internship so participants got their foot on the employment ladder,

gained experience and confidence, and had an opportunity to determine where their skills and interests lay.

In 2015, we set a target of getting 100 interns from this project moving across from their internship to proper employment contracts by 2020. The results of the project have been quite surprising and very gratifying. We expected only a modest proportion of the interns would, for one reason or another, be able to move directly from their internship to paid employment but we have reached our target this year – three years early. We will be able to announce at the Innovation Day this year that in excess of one hundred of the Pardis Foundation interns have now secured a full contact with their host companies. Of course, this is an achievement that both we, and they, are proud of and reflects something of the potential of just giving people an initial boost in the early stages of their career.

Both the host companies and the interns would seem to have responded well to your Foundation's project then? We had expected a much higher drop-out rate, but instead a very high proportion of the interns went on to get offers of employment. They had been able to show their willingness and abilities, and the companies saw them as a genuine asset, so offering a contract made good sense. Carefully matching the interns to the company paid off for everyone involved.

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