
PODCAST

Electric racing in COVID times

ABB Decoded

In episode two of ABB Decoded, we chat with the CEO of Formula E, Jamie Reigle. Ahead of Formula E's Season 7 kick-off, in which the series becomes a world championship – The ABB FIA Formula E World Championship – Reigle discusses the challenges of running a global sporting franchise during a pandemic and about the importance of 'Racing with Purpose'.

Anthony: Hello and welcome to episode two of ABB Decoded – the podcast that tries to press pause on our fast-moving world and find a breathing space to help explain some of the technological advances that are changing our daily lives.

In this episode we're going to take a look at electric motor racing – or more specifically at the ABB FIA Formula E World Championship, which will very soon be starting its seventh season.

Now, less than a decade ago, even the idea of electric motorsport seemed like nothing more than a flight of fancy. Racing cars had always been about speed, noise, fire, fury, and fossil fuels, right?

Well, yes. But the first Formula E first race, back in September 2014, was truly ground-breaking both for motorsport and for electric mobility because for the first time the world had an all-electric, single-seater racing championship that would be held on street tracks in city centers around the globe.

Formula E's idea of 'racing with purpose', by highlighting environmental concerns, caught the spirit of the age and it grew fast. By Season 4, ABB had become a blue-chip title partner, as major auto manufacturers such as Porsche, Mercedes, Audi, BMW, Jaguar, Mahindra, and Nissan fought on track to prove their e-mobility credentials.

The rapid growth led to a handover of the reins from founder Alejandro Agag to new a CEO just over a year ago – Canadian Jamie Reigle.

But almost before Jamie had warmed his office chair, he was having to wrestle with the outbreak of the COVID 19 pandemic and the seismic effect it would have on sporting championships such as ABB Formula E.

Jamie, looking back, what a year. Could you go over that experience, because surely you couldn't have imagined that you'd encounter something like the global pandemic that we've all had to deal with?

Jamie: Well, first of all, thank you so much for having me, Anthony. It's a great pleasure to be here with ABB. So very excited about the podcast. And yes, if you had asked me, you know, a year ago to describe my first year within Formula E and first year as CEO of the ABB Formula E Championship, I never could have imagined the set of experiences I've had. Not just myself, but our entire ecosystem. And then obviously in a very humble way the pandemic is one of the biggest disruptions in the last 100 years for humanity. So fairly uncharted waters, I would say.

Anthony: And how did you go about dealing with that when you realized? I mean, I remember myself. We were in Marrakech when the scale of what we might be facing became apparent. But just from your perspective, Jamie, running

this increasingly high-profile championship, you're quite new to the job, obviously very experienced in the field, but quite new to this championship and you know, the environment around it. How do you go about dealing with that?

Jamie: Well, you're right, I mean, everything was new, so it was my first year at Formula E, it was my first role as chief executive officer. So, a new environment. A new sport. And so, you try to bring your experiences to bear. But there was absolutely nothing that could have prepared us for this experience. And to your point, on Marrakech. It's interesting.

You know, in America, people talk about where they were when Kennedy was shot, or you have these moments where it's really crystallizes in your mind. I think in the case of this pandemic, we were dealing with it very early. So, we postponed our race in Sanya, we made that decision in early February. So, in some respects, Formula E was very aware of the coronavirus at the outset of 2020.

On the other hand, it felt like a slow boil, if that makes sense. And clearly in Marrakech at the time, we knew our next race was probably going to be impacted, which was Rome.

But on the other hand, we also felt that it probably would be something that would pass within a couple of months and we'd be back to racing, you know, later in the spring. It really is remarkable when you think about the journey, we've all been on over the last year.

And so, incredibly disruptive, to put it mildly. And where I take confidence is, you know, we have a wonderful team and we have people who understand our core product, motorsport. We understand how to run events. And I think what everyone's learned this year is a mix of humility, your ability to control the outcomes is pretty limited. And we have to all be adaptable. And so, we've tried to take those two principles and work with our stakeholders to do the best we can.

Anthony: What's it like when you have to sort of look something in the face and say that all our plans are on the floor now, kind of everything we hoped for is not going to be the way we anticipated. It's clean slate. It's uncharted territory for everybody here. How do you feel? And then what do you do?

Jamie: Well, there was a moment of panic, maybe the wrong word, but the enormity of the challenge. You know, I think we all felt, right? And I would say one of the things that's really distinct with Formula E in this role in particular is the sheer number of stakeholders that we have in our ecosystem. So, we have a responsibility to the host cities in which we race. We have a responsibility to our fans. We have a responsibility to our teams. We have a responsibility to our car manufacturers, to our sponsors and our partners like ABB. And we have a responsibility to our staff and our employees, which has been a really big, important element for managing through this crisis. So, when you look at all of the stakeholders, you know, I have to be candid and say, you know, the enormity of that has weighed on me over the last year. That being said, once you take that on board, then you have a responsibility as a leader and a business to do your best to address those challenges and look after your stakeholders in the best way you can.

And the great news about all those stakeholders is they all have experiences dealing with crises in different contexts. And so, we were able to really lean into all of those groups for advice and guidance. And I think the enormity of the challenges we face as a business. But frankly, I don't want to be too grandiose here, but as humanity over the last 12 months means that, you know, we were able to work together to try to devise some solutions and some creative approaches to be able to deal with the pandemic. And so, you know, in that respect, you feel comforted because you've got a lot of people with you who are smart and innovative and have ingenuity, who can help us paddle our way through this challenge.

Anthony: I guess, particularly for a sporting championship, which is something that people look to for release and relief and pleasure, away from the daily grind, if you like. It must be particularly hard trying to organize something that has been brought to a halt through no fault of your own. So, do you then look inward, or do you look outward?

Is it an introspective experience or do you find yourself looking at what others are doing to try and deal with this very, very difficult situation?

Jamie: Well, it's interesting in the beginning – and I say I describe the beginning, I guess, as March and April – and there was a lot of outward looking and engagement with other sports properties. Of course, our ecosystem that I alluded to before, other sports organizations who were putting on events, sharing of best practice or sharing of ideas or frankly, just looking for a bit of empathy and sympathy.

And that was comforting. But then ultimately you have to chart your own course. And so if I look at other sports properties you have – and I'll use some maybe American examples – you have some like the NBA who went into a bubble in Orlando and completed their season in that way.

One that's dear to my heart, the NHL, ice hockey in Canada. There were two bubbles, one in Toronto, one in Edmonton.

For Formula E, we decided that Berlin made sense for us for a host of reasons. And then you have other properties who said, no, we're going to try to carry on as much as possible in the way that we were before.

Formula 1 obviously went through their season in that way as the NFL and baseball in America. So, there's no judgment on what the right answer is there. You try to take as much information as you can from the outside world, but then ultimately you have to work with your individual stakeholders and make some decisions around what's right for your business. And for Formula E Berlin made sense for us because it was a Formula E city. We'd raced there before. And that's core to who we are. It was a venue we were comfortable with. We felt very strongly that, you know, we had a responsibility to be cautious, if you will, in terms of our potential impact on the pandemic, which is why we chose one venue. That was right for us, it doesn't mean it's the right approach for others. And so, you do have to ultimately take your own view and make your own decisions and live with those decisions.

Anthony: I would imagine it must have been a huge learning experience the last eight months. Is that fair to say?

Jamie: Absolutely. I mean, if your starting point is there was no preparation for this, you know, no one had there's no textbook answer of how you manage through this kind of crisis as a business. Clearly, we're learning as we go. And I think that I touched on it earlier, the humility and the adaptability. You know, those are those are really important themes here. And I think if you look back to last spring and I would include myself in this, many of us made statements of belief of when the pandemic would end or how it would end and what needed to be done. And I think the reality is, you know, most people have been, you know, broadly wrong on that front. And so, I think the lesson there is, you know, don't make too many early prognostications, right. Assess the data and assess the information as you have it and then try to chart the course of action that makes sense. But don't be too prescriptive in terms of where you think that this is going to play out.

Anthony: As you mentioned, we're talking just before the start of a new race season and there's a very noticeable mood and tone of optimism around the championship. It must be so good to believe that with a fair wind and some optimism in the outside world, we can actually go forward from here rather than deal with a crisis – that must be a good feeling, I would imagine?

Jamie: Absolutely. I mean, and I think that that feeling stems from two elements. So one is that just on a human level, I think people are excited to be able to get back to work, if you will, to bring our product back to life. And I know the drivers and the teams and our partners like ABB feel that you can sense that energy so that ties to like the humanity in us all. But it also comes from confidence that we've put in place a set of protocols and a way of working that allows us to be responsible and allows us to deliver the product. So, it's really important that we're not taking incremental risk here.

So, we're working really closely with the authorities, the relevant authorities, and we have to follow government regulations and then frankly, go beyond those minimum standards to be able to give confidence to our group. Because the reality is, we have 12 teams, representing different corporate cultures, different, geographic provenance, different geographies. Everyone has a different view on and then on a human level, on a personal level, everyone has a different view on degree of risk that's out there. We really have to operate at a very high standard to be able to work to that confidence level so that people can walk around and say, we're back. Let's try to have a great season.

Anthony: I'm interested to ask a question about leadership, which is something you touched upon earlier. Leadership in the pandemic has been very difficult for many senior managers and CEOs because their teams have been dispersed by Covid– they haven't been able to be physically together. And we've all become used to the, you know, the Zoom meeting, the Zoom calls, et cetera. And Formula E is a very multinational organization as well, with people not just separated in one country, but separated across many countries. How have you dealt with that?

Jamie: Well, that's been a massive reality that we've been coping with, and we're a small company as Formula E, we're about 150 people. But obviously the ecosystem that we represent is much, much larger than that. Our office is based in London. My family are based in Hong Kong because my wife runs a business in Asia. So, Zoom has very much become a part of our reality, as it has for many people. I think what it's showing is you can be efficient, you can be highly

efficient using that means of communication. And actually, for Formula E, we instituted our first ever Formula E town halls, for 150 staff, which we used to not do in a physical context. But we do virtually, and we do that monthly and not just myself, but the rest of the leadership team open up and speak with the folks. And there's a chat line as well where people can write in messages and ask questions. And the feedback we've had from that is really fantastic because people are craving interaction, they're craving information. They want to understand the direction of the business, but also, they just want to be able to interact with their colleagues. So on a personal level, there are some people who are very much of the view that, you know, until we get back to being able to meet face to face, you know, it won't be normal.

My personal view is this is going to become a new normal because the reality is a year ago, to have a meeting we would have hopped on a plane even if it was for a breakfast meeting or 30 minutes halfway around the world. And I was doing that quite regularly myself. I think what we've shown here is, you know, we can use these technology tools and still be very productive. Ultimately, though, clearly that human connective tissue matters.

My personal view as a leader is there's more tools at our disposal and that's really powerful. So, you don't just wait for the physical meeting. You know, you're able to really bring the group of people together quickly and have that conversation. So, I view it actually as additive.

Anthony: And you have quite a young team generally. It's a youngish organization. And so, do you think the youth that the team has, helped embrace that level of change in the fact it's technology-based communication now, by and large?

Jamie: Yes, although I would say one of the things as CEO that I've observed this year is: Don't presume you know what people are thinking and without betraying any personal situations or disclosures, you know, maybe some younger folks who I would have thought would be very comfortable using the technology have said, no, I really crave, you know, social interaction, being in the office with colleagues.

And some folks with families, you know, some people would say I'm delighted to be at home because I get more time with my family and more time with my spouse or my partner or my children.

And frankly, others have said I'd love to be able to get back to the office because being at home is really challenging. And so, as a leader, just as a human being, what I've learned is you may have preconceived notions of how you react and the reality or perhaps how others may react. And the reality is the spectrum is very wide in terms of how people have reacted to this. And I think that leads to greater empathy, which I view as a big positive.

And so, you try to strike that that balance. But generally speaking, I think Formula E people are very adaptable and very flexible. If you take a job where you're working around the world traveling in normal circumstances, then your ability to adapt to a new environment is pretty high. So, we're fortunate in that regard.

Anthony: I'm interested in your points about disruption, and adaptability, because Formula E was such a disruptive championship, from the outset – and it's grown up very fast to become almost part of the establishment now. Yet you have a next-door neighbor, in the form of Extreme E which is almost now disrupting the disruptor.

So what's that experience like? And also, where is ABB Formula E at, in terms of continuing to be a disruptive force for good, if you like – a positive disruptor?

Jamie: Well, I guess it's interesting, the ABB FIA Formula E World Championship, the name says it right there, right? I mean, we are a more established organization. We've been granted FIA World Championship status in the space of six years, which is really unheard of in terms of the pace of that recognition. We have a title sponsor in ABB which demonstrates that, you know, we've grown up as an organization and we've, as Alejandro likes to say, he married. off his baby, right? I mean, this is a big, big step to be able to bring two companies together in that way.

And so, we are more mature as an organization and we're maturing very quickly. On the other hand, our product, by its very nature, remains disruptive and our founding principle around accelerating electric vehicle adoption. Well, the reality is less than two percent of cars sold last year were electric vehicles.

And there are markets where it's much higher than that, markets where it's very low. So, I look at it as you know, we've still got a very long way to go in terms of achieving even our initial founding principle. And so, you know, we need to maintain that disruptive spirit, that entrepreneurial spirit. And that's something that's really important to us. And I think you'll see that happen as not just you look at the racing product, but also how we put on the events and how the sport evolves, when we look towards generation three, we'll have charging capacity improvements through

our partnership with ABB. That enables an innovation on the sporting side, which enables maybe a change in the way the race format and the product is delivered, which ultimately changes how a consumer experiences Formula E. So that that spirit of innovation will always be there.

In terms of the disruption, you know, we see in the market from others. I mean, Extreme E it was founded by Alejandro as well. So, we share a sort of common spirit and we view that business is very much complementary. So, for Formula E, we're all about, as it alluded to before, sustainable human progress, electric vehicle adoption, sustainability, Extreme E has those same values. And yet from a product perspective, they're not really competitive championships, right. I mean, in fact, they're quite complementary in terms of the geographic location. We're in cities. They're in remote, ecologically fragile systems.

We race on weekends, the extreme e championship is going to happen on different time frames. Obviously, that's an off-road championship. So actually, the two are very complementary. And from our point of view, they ultimately push our primary goal. And that's why we made the investment in Extreme E and they're very much a close partner in that regard.

We announced recently that Formula E would make a minority investment in Extreme E and as part of that Formula E is granted a board seat.

Anthony: You mentioned sustainability there. Obviously, it's very much a buzzword, if you like, but it's much more than a buzzword because it's very much a reality for a championship like yours, a company like ABB. What does sustainability mean to you?

Jamie: Well, so when Formula E was started, I think the genius, if you will, for Alejandro, was to bring together the power of sport with a narrative around climate change. And I often say that the world wasn't necessarily looking for another motor sport, nor was the world looking for another advocacy group. The genius was infusing the two together and using sport to tell stories.

Now, what's happened in the six years since Formula E was founded that sustainability thread has really come up the corporate agenda. And you're right. I mean, I think a cynical view could be, well, you know, is this just a buzzword? And I think even in the 12 months I've been in the role in Formula E, we've seen a level of expectation from the market, from consumers changed pretty dramatically.

And people can see through any hollow claims around sustainability. And so, you need to really act in the way you preach, and that ties, you know, earlier I touched on Formula E committing to be net zero carbon, not just since our inception, but going forward. And that's a manifestation of the credibility of those actions.

And I'll be candid, when I started it for me, I said, well, you know, we're all about advancing electric vehicle adoption. We're unimpeachable on this. But then when you really dig into it, you say, OK, well, you're putting on a global championship. You're moving a lot of equipment around the world. There's logistics impacts of that. Of course, there's an environmental impact in the cities in which we race.

So how do we be holistically sustainable? The definition changed. Why did the definition change? Because our consumers expected it, our stakeholders expected it, and I think that's where we're all being held to a different standard, which from Formula E's perspective is a positive thing because we think, you know, it's coming around to you, if you will, our original founding principle. But the bar is being raised. And so, you have to continue to evolve in that regard to be able to meet the expectations of your stakeholders.

Anthony: We've talked about leadership and sustainability, and how we got to this place. Interesting now just to ask what your goals are now, because you were thrown in at the deep end, into a situation that, as I alluded to, nobody could really have foreseen. I don't want to put words in your mouth, but are you looking forward to having a period of maybe just trying to run a business as normal in a way you know, that kind of thing?

Jamie: Look, pre-covid when I was hired, you know, my mandate in fairly simple terms is to try to figure out how do you take the ABB Formula-E Championship, which delivered success beyond most people's expectations over a very short period of time, also against the grain, if you will, or certainly in the face of a lot of skepticism from people in motorsport, people in sport generally. And I think it's really a credit to Alejandro and Alberto and the team, as well as all the teams and partners who have made this a success in a pretty short time.

But I was brought in by our board because there's a belief that this can be much, much bigger than it already is. And so, in the same way that the expectations from stakeholders change around sustainability, our stakeholders have very high expectations of where we can take Formula E. And the way I look at it is our message is really powerful. It's around climate change, around sustainable human progress, innovation, sustainability, all of these themes which are really important. Ultimately, if we can't make the sport much bigger, reach more people – and by that, I mean more people coming to our events, more people engaging with us in social media, more people watching us on television, any form of consumer interaction with Formula E, we need to be able to scale that.

We need to be able to make it bigger so that our message gets out to more people. If you believe the message is important then then it makes sense that you have this responsibility to scale the business. And so despite the fact that we've been in a pandemic over the last 9-10 months, I've kept my eye on that and most of our decisions have been made around the long-term opportunity.

And so I'll use an example around the race teams. You know, clearly huge disruption in the automotive sector. If you say, well, I'm in the live events business in the automotive sector in 2020, that actually sounds like kind of a scary place to be. On the other hand, I believe wholeheartedly in the quality of our proposition, but we need to take care of our stakeholders. And Formula E is more expensive to be able to put a car on the racetrack. So, we're looking really closely at how do we control those costs? How do we ensure that any of the investment that goes into the cars is linear to the road car programs of our manufacturer partners? We're very different to other motor sports in that regard, trying to keep the costs down. We're looking at financial controls or a cost cap or in US sports, it might be known as a salary cap. So, it's for us it's more about the development of the car as opposed to the salaries of the drivers. All of that is in the guise of improving, if you will, the denominator to the investment level required to participate in Formula E to enhance the return, so keeping the costs down, not at the expense of innovation, but just making sure that the investment is put on the right stuff.

And then our role as the promoter is the ABB Formula E World Championship is how do we grow the sport in a way that improves the numerator of that equation? How do we reach more people? How do we grow the audience? How do we improve the media distribution partnerships? How do we grow the sponsorship business so there's more activations? And so, if we can get both of those things right, you know, then then I think we've got a real chance. So that's a long-winded answer to your question. What we've been focused on is building a team capable of doing that. And it's interesting, I've hired four or five new direct reports on the on the commercial and business and media and marketing side, all over Zoom, by the way, who I hadn't met face to face. But that's a signal of, you know, the pace at which we're trying to operate because we don't have the luxury of waiting until the pandemic is over to be able to address these issues. We need to address them now. And so, we've been very deliberate in that. And our board has been incredibly supportive. Because the opportunity is huge, and we have to seize that opportunity.

Anthony: What's it like being at the helm or the head, if you like, of the sport has purpose at its heart? Other sports go looking for purpose. ABB Formula E has always been about purpose and positively charged, whatever the message is, but there's always been a central idea about what the championship is about. What's that experience like?

Jamie: Well, that was the prime attraction to me for coming into the Formula E, so I am an accidental sports businessperson, if that makes sense. I started in finance and private equity, so I didn't grow up necessarily saying, hey, I want to work in sport when I grow up. I don't want to say it fell into my lap. But, you know, through a series of, you know, serendipitous opportunities, I've ended up having a 15-year career in the sports business. What was really appealing about Formula E from the outset when I when I first heard of the opportunity was the ability to apply the experiences I've had in commercial and business roles to a sport where there's something that is more important than just the sport itself. This purpose that you allude to. So, you know, we exist to advance electric mobility. We're addressing climate change in a very real, tangible way. And we're using in simple terms, the power of sport to inspire this really important story of humanity. And as I said before, that's only come up the agenda in the last 12 months, I think as people have had time to reflect and consumer expectations increase. So that's really powerful and exciting. It's also daunting in some ways because you don't only focus on the sporting product. You have to think about the, if you will, the bigger picture. So, it's energizing. But again, as I said at the outset of the podcast, you know, as I think about our stakeholders, this is just a broader, group of perspectives that we need to filter in through our thinking. It's not just about who's going to win the car race or who's going to get fastest around the track.

Anthony: One last thought. We've had six seasons, the sport has grown hugely, probably beyond anyone's expectations. Why do you say Formula E six seasons hence? So, looking ahead to Season 13, where might the sport and the championship be?

Jamie: Well, it's interesting. When I started, I was chatting with Alejandro, some of the folks have been in Formula E for a long time and then also, meeting with our teams, our partners. And one of the themes that came up very quickly, we were talking a lot about electric mobility and electric vehicles. And the question came up saying, well, that battle has almost been won. And it's a little incongruous because on the one hand, not many electric vehicles are being sold today. But I think there is an acceptance that that is going to shift dramatically in the next four to five years. And you see with our manufacturer partners, their fleet of electric cars that are coming, you know, we are at that tipping point. And so, for us to still be relevant in Season 12, in season 13, we need to have a broader purpose and we have to reimagine ourselves. And that ties a little bit to what I was just mentioning before on sustainable human progress. If you define yourself in that way suddenly of a much bigger lens that you're looking at the world through.

Ultimately, though, we have to make the sport really compelling. And Formula E has all of the characteristics of a globally successful sport. So, the ABB FIA Formula E Championship has unpredictable outcomes, which is really at the core of what people want from sports. It's unscripted drama and that's why people watch live. We've got great characters in the drivers. They're multinational. They speak many languages. It's very humbling for me. I only speak one and a half or so. They are obviously incredible sportsmen at the top of their game. Motor sport is inherently exciting. People understand that there's this innovation. The link to road car programs is very real. So, we've got all the raw ingredients of a globally successful sport. But we don't have is the history that a football has or perhaps other forms of motor sport. And so, we need to be patient with that. But we need to really lean into those points of differentiation and make the sport interesting and exciting. And I think if we if we do that, then we'll continue to have a really big impact on the world.

Anthony: Jamie, thank you so much for your insight. It has been a fascinating conversation. And if you have enjoyed this episode of ABB Decoded, don't forget to like, share, subscribe on whatever platform you used to listen to podcasts. Stay safe, stay well, and see you next time.