CLOUD REALITIES

CR062

Digitalising Unilever with
Juan Carlos Parada, Unilever

Capgemini

Capgemini's Cloud Realities podcast explores the exciting realities of today and tomorrow that can be unleashed by cloud.

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[00:00:00] I think it is a bug into the system. Yeah, I don't think the machines are rising just yet, Dave. That's what it wants you to think.

Welcome to Cloud Realities, a conversation show exploring the practical and exciting alternate realities that can be unleashed through cloud driven transformation. I'm David Chapman. I'm Sjoukje Zaal, and I'm Rob Kernahan.

And this week we're going to be talking about transformation in the widest possible sense at Unilever, a global organization that's made significant change to how it operates and how it leverages digital technology.

However, before we get to that, I was in the office the other day and there was a huge amount of ruckus coming from the kitchen and I went into the kitchen and Rob had got. [00:01:00] Many bags of spaghetti and packets of blue tack, and he had huge strands of this thing connected across the, across the kitchen. And I'm like, Rob, what are you trying to do?

And he's like, David, I'm trying to understand how to stitch value chains together in self sustaining ways. And he goes, that's not the only thing I've been thinking about this week though. And I was like, well, Rob, what else are you confused about? That's very good, Dave. That's quite, I like that one. The other reason I was in the kitchen was I was wondering what popcorn I'm going to eat as the, tech, big tech versus nation states heats up.

So I don't know if you, remember, but we talked about this tension between big tech And nation state legislation and what's going on. And we discussed the sort of pain. Presumably that's popcorn that you would have when you were watching the battle commence. Yeah, exactly right. So I'm going to get me salted popcorn.

I'm going to sit back and I'm going to watch what's going on. Always salted. I'm always salted popcorn. The, yeah, yeah. I think people who eat swap, , sweet popcorn need help. I just, I just think people who eat swap corn just [00:02:00] haven't, haven't tried salted popcorn. I think, I think our producer likes sweet popcorn.

And quite frankly, he's gone further down in my estimation from that. So I didn't think it was possible, but anyway, here we go. But first shots fired, EU fining Apple 1. 8 billion euros for failure to advertise that you didn't have to go through the Apple payments system to be able to subscribe to certain things.

Cause they obviously take 30%, but if I would prefer you log in there directly and just subscribe so they don't have to pass any revenue across. And of course Apple have gone, well, we're going to fight that, but it is As soon as it could have been done, they've put the fine out and it is an absolute whopper fine as well.

So, we will, , say, I'm still confused about who's going to win and, you know, is it the, the nation state versus the big tech, but we're starting to see the story unfold. So I will be sat with my popcorn, watching it with, . Great excitement as the next blockbuster in our industry has Apple issued a response to the 1.

8 billion. Yeah, they get basically standard [00:03:00] response. We're going to appeal that right and then let the process follow. So I have no doubt it will be months in the process to get through this. But we're starting to see a definite position forming around this debacle digging in. I mean, certainly from a certainly the EU seems to be on the front line of Country response and governmental response to it, doesn't it?

Absolutely. Do you see, , I mean, you can start to see the US picking up with, the way they're starting to look at antitrust and various things, but they're, they're slightly behind the curve. The EU absolutely probably it looks like they've made a decision to be more forceful with big

tech at the same time.

We're also seeing the European parliament revoke lobbying licenses or stopping Lobbyist organizations getting into the parliament and revoking their access, which means that they're waking up to the impact and influence of these organizations. And we're starting to see some quite direct action being taken in the situation.

Well, as we discussed before, I think it's [00:04:00] something that is needed because as the world becomes more and more AI centric, being able to take Action around this is just going to be more. It's more important than frankly being diverted through a different paywall situation, isn't it? I mean, it's much. It's much more societally threatening, and it's it's the first thing which it's almost like some nation states have been scared to wind up big tech because they think they'll lose the revenue or affect them or they'll lose out.

But actually, this is a situation where, , something EU being able to take them on is, , Quite profound. Well, we will watch with interest. And I am delighted to say that today we have one Carlos Parada, the Global Head of Customer Operations at Unilever joining us for what I think is going to be quite an excellent discussion.

So JC, great to see you today. How are you? I just want to say hello and say a little bit about your role. Great to see you, Dave. Thank you for the, for the invitation. Juan Carlos Parada or JC, as most of the people [00:05:00] call me, I have more than, 30 years of experience in, in supply chain.

It's my, my passion, since, 2012, I've been in delivery a little bit over 11 years before that I spent more than 20 years with the, with P& G and since, the July 2022. I have the responsibility to run a global customer operations for Unilever. I'm very excited about the progress that we're doing and being the backbone of the operations of the company.

So let's maybe begin the conversation by just exploring some of the rhetoric of the tech industry. When they talk about large scale organizations like Unilever and like other large global organizations, they make comments like all organizations in the future are going to be tech companies. And they're talking, of course, about the, I think, partly the, the technology layers of those organizations and the advancing innovation within those technology layers.

And we're going to [00:06:00] explore that in some detail, I think, in the conversation. , but I think they're also talking about ways of working, operating models, cultures, purposes. I wonder how that resonates for you, JC, when you hear those sorts of comments in the role that you have. Well, certainly they are very close to our heart and to our business needs as well, of course, I think if you if you think what has been happening in Unilever the last 20 months in July 2022, we launched a new organization that we call the compass organization.

And the intention was exactly to be faster in decision making. And, and be more agile. So basically we, we created five business groups that have end to end, P& L responsibility and also one business operations organization that goes across and, and enables. The different business units to to grow and to and to be more effective when you think about that, one of the central themes or maybe the central theme of the business [00:07:00] operations organization is exactly to digitize the company at a scale.

That's why we put groups like like mine, basically, which is customer operations in short, I have the responsibility to run the full value chain end to end of the company, and I'm connected with the IT lead in the same leadership team. So with that model, Putting the business practitioner, let me call me like that in operations and the IT technology person side by side is helping us to accelerate the digitization in that context.

Also, we put a also a couple of years ago, we put Unilever in one single data lake, all the data of the company. Which is probably arguably the largest migration of a company to a single data lake in the CPG industry. And basically, this is all creating the [00:08:00] base for the data to flow seamlessly, one version of the truth and accelerate with this change.

two elements. There are many more, but these two big elements, the organization structure and the movements that we're making in the putting everything in the cloud, single data lake, etcetera, to accelerate the digitization that we're seeing and make all this data available and workable. for more effective and smarter solutions.

So so much in that to, to unpack and think about. So we talk about on the show a lot about from an IT centric perspective. IT Out. We talk about creating organizations with platforms in them, and those platforms could be data lakes and data platforms, or they could be compute platforms like the cloud or in the very near future I platforms.

And then vertical product domains that then that connect directly into business leadership teams and into the business practitioner conversation. And it sounds like you've [00:09:00] almost done that on steroids with identifying huge value chains and then joining up. the IT Practitioner or the digital practitioner with the business practitioner.

Could you give us an insight into that conversation? And what's functioning about that to you? So why is that better than, say, the old model of I. T? Well, that's a great question. Let me let me start giving you a little bit of background so you can understand what I'm saying. I think the first point is, A few years back, three years ago or so, a little bit more, we, we launched a project called Integrated Operations and the intention of that project was, let me put it this way, twofold.

One was to redefine the, the, the concept of end to end value chain to be an, what we call an industry first in the CPG industry. Industry first because of the expanded scope. Specifically, we created my function. Now with the, with this project [00:10:00] to, be, , the starting point now is the sales operations, all the promotional planning and execution with our customers.

And then I'm integrating that with the traditional end to end supply chain, planning processes. Then all this is also integrated with the demand capture, Order management, delivery scheduling, logistics execution, delivery to customer, customer management, and closing the loop with collections. So what I'm saying is that the first point is that redefinition of the extended value chain has put together elements of traditional sales, supply chain, finance, and IT.

On the one single group, which is mine to run the operations of the company with this 360 view, one stop shop for our customers. So that's the first big point on this, on what we did with this project. The second point on [00:11:00] that framework is a little bit more technical. The project has also brought a very well defined and well thought architecture.

So with that and the processes behind it is creating what we call the renewed, the revamped ERP of costumer operations. With these two things, the redefinition and the creation of the ERP of costumer operations, we have created my function that's now, 20 month operating and they are starting to show clearly the superior level of results.

Of course, let me stop here. Then we put all that that I said in, as I said, in a single data lake and the data is flowing seamlessly end to end through our entire architecture from customer promotions to collections, a complete line of sight as to what's going on across the value chain. Give us an insight, if you wouldn't mind, into the.

New style of leadership conversation that you can now have as a result of having both that

data line of sight, [00:12:00] but actually also having that multidisciplinary team around the table that you can hold to account for various different things that are going on in that value chain. Well, on one side, , certainly we're, we're being able to step up.

There are, there are two levels of, of, of, of, of partnership. Let me put it that way. There is one that is a naturally more external, which is in partnership with ourselves, organizations, and is this one stop shop to our customers. Then now the data, the customer service, the supply chain innovation, all that is being able to be packed together with a broader.

sales program or commercial program in the joint business development plans with our customers. So that is creating a new opportunity for integration and commercial management that as it creates more and more trust, of course, opens more commercial opportunities to do more together, more promotions, more product innovation and accelerate growth.[00:13:00]

That's one big business plan. partnership thing focused externally. My, my second block then is, as you can imagine, having the end to end supply chain. I have to play an internal role of business partnering to enable the business groups to grow and to give them all these supply chain operations as a service.

So we run all the operations for them, and then we have a business partnering with them to help them with the SNMP, with the efficiency of a stock management, with the efficiency of service, with the efficiency of their cash collections, etc. And in, in the end, also besides all these operational elements, is to bring an extra value added, leveraging the scale of Unilever that business by business, they wouldn't be able to scale it alone.

Those would be the two business partnering main relationships in my group. Phenomenal. And if we move on a little then and talk about digitalization of the processes, so clearly you've made huge steps in terms of [00:14:00] getting access to data and leveraging your data to support the new process. What does the rest of the digitalization agenda look like from your seat?

Well, it's, I mean, it's, it's very broad. Let me see how, how do I unpack this, little by little. So let me start with the, when, when we put the, the full end to end supply chain, you can imagine that we have organized these block by block of the supply chain. So the first point of digitalization, it goes through, of course, established the operational excellence, then hyper automation, and then real AI and machine learning.

Right. So then you can think this, in, in, in two steps that we have been exploring, we have defined a series of skills that we wanted to develop in, in artificial intelligence examples, production, planning, optimization, finished goods, norms for optimization as well as service and stock. Purchase orders, adjustment, and I can continue on and on.

We are focused in at least 50, [00:15:00] five zero, skills that are basically covering and continue to expand to optimize those, elements of each and every one of the blocks in the supply chain. That's one step that we have been experimenting with a lot of success in the last two plus, three months, years.

I know we are finding fascinating things were finding a lot of decisions that we didn't even know that we could make. And now they are visible. But this comes in millions. So then the magic is that even that now that we know if we go on the human base only. We simply cannot make the decisions anyway. So what we are finding is now the artificial intelligence is helping us.

A lot of the optimization that we see is that we are making many more decisions. We are

conscious about the decisions that we could make. And the systems, as they learn and learn and learn more, It's a, it's taking care of a significant amount of those millions of decisions that was possible to make the second big point, and [00:16:00] this is happening block by block in each and every one of the elements of the supply chain, there is a second big block, which is the optimization across, then, then we have defined a very clear cognitive layer in, in the architecture of customer operations.

One of the suppliers that were working actively is for instance, and basically we are creating these. end to end integration to then extract value across and start connecting with the ultimate vision, the customers with the suppliers. And, today we, we can discuss later, but we have already some of those, , projects already taking place.

Some of them already at gaining a scale, some of them, the pilot level. But the point is we are exploring AI in these two blocks and extracting a lot of value. in terms of service, in terms of cash, and certainly in terms of cost as well. When you look at Unilever market centric organization, [00:17:00] huge diversity of requirement.

And you think about this digitization requirements come from everywhere, all over the globe, across modern trade, distributed trade, et cetera. How have you find that process of aligning the markets behind this strategy and working under this new structure? Cause there's a huge complexity in that. I think it'd be interesting.

When you look at your scale to understand a bit of the things that you've done to get everyone to align behind a single vision and start to move towards a single way of working, etc. It'd just be interesting to hear your reflection on the sort of journey you've had so far and of course it's in, as you can imagine, this is in, in, in constant evolution as we learn how to democratize more the resources and how to accelerate, the innovation and evolution in the front line.

But let me, let me explain the directly to your question. You might want to think, remember what I said in the beginning? I'm running the customer's, operations, but, I'm side by side, [00:18:00], with the IT leader of the company. Let me, let me technology leader of the company in a, in a broader sense. So on my shoulders would be 50 to 60 percent of the digitization needs of the company, all value chain, but there is another good 40 percent or so.

That goes to elements like the one you're mentioning, right? More marketing or HR services or many other services of the different groups of the company. So then everything that I'm explaining about customer operations will take care of this good 55 or 60 percent of the digitization of the companies in the whole value chain.

And we do the orchestration that I mentioned, before with the business groups and with our sales teams, then you want to think that then the rest of the services organization is organized by experiences. Let's say people experience. Of course, I get support of customer experience or marketing experiences or market intelligence.

So there are all these blocks [00:19:00] of service. Then those services, they will connect. With the different operational groups on the business groups or in our sales teams to develop a specific intelligence technology in these areas that we have defined as services where we want to unlock value as a priority.

I want to actually return to something you touched on in that answer at the beginning there, which is The sort of incremental evolution of services as you're going forward. It sounds to me like you are taking a, you know, and I use this word with a small a, not a large

methodological a, but quite an agile and iterative approach to working your way through this.

And I'll contrast that with maybe transformation programs of 10 years ago, where everybody would. Get into a room and they would try and plan Every single detail of it and then torturously try and execute to something they thought about You know, five years ago, even if it might not be relevant for the market.

And I think one of the things that digital [00:20:00] organizations have brought is this notion of responding to the market and actually pivoting and changing as you go along. I wonder if you've got any thoughts on that and how that's impacted your, your approach to the transformation you're going through. Well, yes, it is central to to this a change in the compass organization, which also comes with a mindset and cultural change.

So specifically, if we think about the business groups organizations, we have orchestrated a process based on the segmentation techniques in which they define their individual strategies. And they have freedom to grow and define the priorities that will benefit their growth and their P& L. And that could differ from personal care to home care to ice cream, et cetera, right?

But then we do that under a framework, that also allows us to, to keep orchestration and leverage scale without, I mean, adding more value to their strategies, not creating problems to their [00:21:00] strategy. That's one big block. The second big block is that our sales organizations are organized, as you can imagine, by customer and by markets.

Then that give us the sensibility of what's going on in Europe or Latin America or China or South Asia, right? Then we can respond to these, the market needs in different ways. When you put these two things, as I said, I'm using again the word orchestration because it's a lot of freedom within a framework that keep us together, efficient as a company, business by business and region by region.

Then when you, when you put that in place, the challenge for us and what we are evolving quickly is how do we create centrally, This framework and these capabilities that will be. Offered to the market, not imposed, not centrally driven, because that would make, that might make us look slow and probably bureaucratic, but certainly offer the services and experience and the [00:22:00] know how then each combination of business group with markets, depending on the specific needs, they, what we are doing is flowing the resources and the freedom and the framework for them to be quick and Tailoring the specific solutions, and we see how the specific solutions are coming more focused, let's say, in modern trade, maybe in the U.S, in Europe, in distributors trade, in, in South Asia, in DECOM, in China. So you see the myriad of options, but you also see what I'm very happy to see how this is shaping in a context of capabilities that are being orchestrated and developed centrally. but that they are enabling the business in the frontline, which is where we want agility.

And I suspect markets have probably responded quite well to that. So they get the structure and the capability, but they get the ability to use it in the way they need to, because you've given them a framework as long as they stay within the framework that you know, they're good to go. So you're not over centralizing and controlling and saying [00:23:00] no, but you're saying, let us enable you.

I suspect they've responded quite well to that situation. And they're now sort of embracing it. Have you seen that? Paul, now that they want to get involved and talk about the next step and want to develop that as well. The simple answer is yes, but of course it's not easy. There are different interpretations.

There are different characters. There are different leadership styles, but you mentioned the word, the key word. That we have been using in the end, what we want is to offer a framework. What we want is to offer a capability. So what I have done is to establish a very clear, simple guidance for people. We need to understand that the frontline, either call it markets, business groups, sales, the frontline that are running the business, they own the what.

Yeah. The central groups, our unique value added is to own the how. When you combine that and they see that there is a lot of, very few, but very smart [00:24:00] people bringing the best of the market, the best of the technologies that will help to their what. When this magic is properly explained and the discussion happen in those terms.

Then what immediately generates the pull, which is the word that you mentioned that is key. And then when that pull is there, the one in the driver's seat for the business result for the what is the frontline. And then they come to the global organizations that instead of calling them bureaucracy or you're trying to tell me what to do, they come with the pull to say, teach me.

enable me, bring me the software, the technologies for me to accelerate my results. My what? That's the magic. So it's a nice inversion, isn't it? From the sort of center tells you what to do to the center enables you and supports you to do, you know, bigger and better things for the organization. Absolutely.

And I think that that responds to the, I mean, the world is a complete [00:25:00] tapestry, right? I mean, things happens that different speeds and with different needs, across the globe. So then, this is why we are enabling the front line to define the what, and then what we need is to enable them, not to define them.

To not to strictly tell them what to do. They are in a better position than the central groups to define exactly what to do in their markets.

So let's slightly take Stockholm where we are, and then we might zoom out a bit. So we've talked about creating a new industry model. Creating value chains supported by some of the biggest data lakes in the world. And then the ongoing digitization and organizational changes that are going on around that, which is then enabling you to make each market more faster and more responsive.

I wonder if we zoom out then and take a customer. perspective and a customer lens. What's your vision of what you want to try and create for the customer of your organization? And do you see that as one [00:26:00] customer? You've got a very complex product set. Is it multiple customers? Give us an insight to start with and how you frame customer.

Let me start with, with our, , mission and passion in customer operations, customer operations was defined as a customer centric People first and tech driven organization. Those are the three key elements that define our direction and personality. And our, one of our key objectives is to become the preferred supplier, the supplier number one.

for our, for our customers, and basically that's, because that's a good business for our customers and for ourselves, that is demonstrated that that accelerates growth when you can create those conditions. So that's the starting point. Specifically to your question, with that in mind, what we're doing is, or my vision is, that we are moving to create what I call personalized, quote unquote, solutions for [00:27:00] each customer.

And this is possible, particularly with the connections of artificial intelligence, of course, for that, we need to come back to what we discussed at the beginning of the podcast, which

is the the levels of trust and collaboration and partnership, right? And then when, when you have the common alignment And one of our best examples is a project that we call Sky in which we have established a partnership in which we decided with some of our most collaborative customers to define what happens if we , remove the traditional commercial barriers.

We think in the consumer and we start acting with a mindset that the supply chain is only one. How do we create one supply chain among us? Enabled by artificial intelligence. So we connect our systems and we did. So now with some of our customers, we, we have our systems connected and the data [00:28:00] from the shelf, from the, from the, Directly is flowing through our systems all the way to my production planning systems and even suppliers, and the magic is happening.

And this is on one side. We are creating a framework for solutions dedicated to modern trade, solutions to distributors, solutions to DECOM, et cetera. But if it's a framework, the magic is that with artificial intelligence and the systems connectivity, this also allows me to personalize in a manageable way, the relationship with the customer.

So then with that in mind, they, what the, my key point is. , I'm on the way to create individualized, personalized solutions for our customer that adapts best to their needs and the AI systems is resulting a big unlock to differentiate those solutions for the customers. Do you intend that right down to consumer level [00:29:00] or to say your B2B customers?

In my vision, yes, of course, we need to get to the, to the consumer. I'm explaining the connection, to the, with the customer on the consumer side, specifically. It's a journey, and I believe, in my view, they are still going a little bit in parallel, with emerging point in the not too distant future.

How far out do you see that being? Once we complete this, this pilot models, and, and we have the clarity on how to enable this, I think the, , the evolution will be quick. I think also you've got the point around the technology in this space is moving very fast and the mastery of that technology is also moving quite fast.

So you might find that you do some stuff today and then there's a completely new capability that. Comes out and the style of the organization needs to be highly agile to intercept something you and build it back in retrofit the learn the loops that we've been discussing as opposed it's that confidence to be able to say that we can take something that we [00:30:00] built and replace it and completely transform the experience you think your organization is getting to that point now where you're you're happy to be able to do that that more modular approach to being able to build all this up so you can take one brick out and replace it and it can change the way things work.

I would be interested in your view on that and how you've enabled that. I think, , it is happening, but as you can imagine, it's not uniform across the globe, right? There are, there are, there are differences and I believe probably it's a longer discussion, but I think, the difference, might be related to different things.

For instance, I think we're progressing faster in some markets where the, ecosystem, the, in the market of, technology development of, AI community practices. And I'm talking probably countries that, will are really advancing, advancing quickly on this. I think Vietnam, China, the US, et cetera, those [00:31:00] countries are progressing much faster because they, they, the environment helps also the, the practitioners, the, the people with the, with the.

There are technology savvy or even, digital natives, there is critical mass being created by

the ecosystem. And I see that these countries, or these regions, tend to progress faster and are more open to these new practices and new, and new innovation. Others, of course, there is an, an internal element.

Our people are also evolving. And, sometimes we, some people of us have to just relearn and re skill themselves and, and, and moving through this journey of, of being a digital, tourist to digital residents to eventually digital natives. And in other countries that were probably, there is a stronger inflow of, younger people that are coming with a [00:32:00] different education, they more naturally connect to the elements of innovation.

Those two elements, the community and the, and, and the evolution of our own human resources, I believe they establish different dynamics and different speeds in the different regions. But the great thing about that is those pioneering countries and regions. Can benefit all so you can take what worked really well there and then you can say to other areas, markets and regions say, Hey, you should work like this because look at the results we got over there and it fits your your what, as you called it.

So that ability to learn around all the areas from what those pioneers are doing must be quite powerful. It is. It is happening at different paces. We come back to the magic of the global groups. But being being being transparent also. I think probably you, you could see that there is also an element that we have to be very mindful of the pride of the different organizations.

And sometimes, of course, in the [00:33:00] innovation process, the people that have created the solution is exporting the solution is easier for the people to say, okay, I have to receive what others are saying to do. So then we are teaching the organization and rewarding the organization to learn. Yeah. For the speed.

Nice phrase. Still with pride. Still with pride. Because that, that will help you to accelerate results. And you need to be rewarded for that. You need to be proud of that. Because once you level yourself and you are not lagging, then you will be able to This is where your own differentiated innovation starts.

And then keeping the tension, I believe in some, sometimes we tend to be overindexed to the innovation because of the individual pride. But it's super critical. That's what we said. Remember of the three phrases that I said in customer operation, one of them is people first. All these elements have to be super carefully, , addressed.[00:34:00]

And you need to create that pride because that's essential. For the speed and for the acceptance of this journey. Regardless where you are in the digitization ladder, do you have like, , a chart so you can show where everyone is? You, you must have some model a a lot of organizations gamify where different parts of the organization are, I dunno if you've got to that yet, but to show, you know, I'm imagining like a doctor strange love style control room, like big world map.

Yeah. The big world map on the wall. Yes. Well, you must have something like that. I have something in mind. I, I haven't put it on paper. I don't know if I want to do that. And I don't know how my team will react to that. When you unveil your command center. Oh. Yeah, it's the, it's the everyone wants to walk into room with a massive world map on with flashing lights.

I think there's a, there's a, there's a thing there from my childhood that would be very exciting. Zooming out again then. So what we've talked about, so we talked about the internal digitalization process. We talked about the role of the [00:35:00] customer and the

consumer in that. And what you've done. The innovations that are going to need to be driven to them over the course of the next 18 months or three years.

I don't know if we talk about one of the things that all organizations are engaged with, which is the world around us and sustainability and the green agenda. So tell us a little bit about how you're thinking about that, Juan Carlos, particularly as you're getting, you know, more and more specific views of data across your supply chain and how things are going.

Broadly functioning. Where are you guys in terms of your green agenda? Well, I think in the in the green agenda, we have sharpened the focus off of our plan to make it more impactful, and we have defined four key areas. So then we are super laser focusing on those on those points and accelerating in that area, right?

In, in, in these, then if we think about the way business operations is managing, we, we are articulating, of course, an end to end program that has a lot of elements [00:36:00] related, let's say, as you can imagine, to procurement in the way we procure in the way we source all our supply chain, but that goes internally to manufacturing and then goes externally as well to all the way to our delivery to customers.

If we think about customer operations, then specifically, where I go deeper in this, in this contribution to the sustainability agenda. One of the most critical elements, is, for instance, the, our carbon footprint from transportation. That's why we are focusing in that area. However, in the context of the broader Unilever, the total logistics footprint is only 3 percent of the total carbon footprint of the company.

Okay. And of course we have a big job to do also on the social part and, with, with people. In our extended supply chain, meaning all the transportation service providers and everyone working in the outbound supply chain. If you think a little bit about the carbon part, we are [00:37:00] progressing to our 2030 and 2039 plans, which is the kind of the two milestone that we that we have in mind.

Well, and we are gaining a A lot through operational efficiencies, reinventions of the go to market and finding the way to travel less to be more effective, and that in the short term is helping us big time. The midterm unlock will be related to the transformation of our truck fleets to more sustainable energies, maybe the EV trucks.

We are progressing well. In some areas, particularly with the in ice cream and particularly with the smaller fleets last mile, in city smaller distribution. I think the largest challenge we're we're finding the still in the long hauls. And particularly because of the cost of the trucks. Yeah, the batteries for long haul are a real challenge, aren't they?

They're like, absolutely, they're massively heavy and they don't have the ranges yet. It is a big [00:38:00] challenge. As soon as the industry manages to lower, it's a matter of time, I believe. But the question is, how can we accelerate that? Because the obstacle is very clear. The cost of the trucks and the batteries is still so high.

And then it creates a, an obstacle, the, the, the cost of entry is very high. Then the question is, once we reduce a bit the cost of the batteries, and then, we create the scale of the buying of EV trucks. Certainly this will unlock completely the transformation of the long haul slits.

So what I want to do is just shift gears a little bit no pun intended on the trucks thing there Just shift gears into talking about the journey that you guys have been on clearly what you're describing [00:39:00] has been Many years worth of thinking, strategizing, execution, learning. And so let's just, let's just dive into that journey a little bit.

And I'm particularly interested in the frustrational aspects of what would you have liked

to move faster on and where do you think you'd get to? So let's, let's maybe start with that and let's maybe just wind the clock back to the beginning of this journey. What was the inception? If the journey like because what you've done is create some very profound shifts in the sense of the move to large scale supply chains in the inversion of the way that the organization functions from kind of command and control through to sort of support and enable massive cultural shifts.

Massive logistical changes. What were the beginning conversations like? I assume you weren't sitting there with a grand plan. Was it incremental? Give us an insight. Yeah, I know. It's an interesting question. I think, , as you asked the question, I was transporting myself to maybe 345 years ago, [00:40:00] maybe a little bit more.

Oh, it was a simpler place. The world then wasn't it? Pre COVID? Well, even before COVID. But, but no, I think the, the, the point Dave is, , If I think about frustration, or it would be intensity of the moment is that, of course, when you start thinking these end to end integration, single data lake and everything we talk, that was not the point five or six years ago, we were creating this new function.

But this new function reinvents the way we think about the supply chain. For instance, when I describe customer operations, 60 percent or so of customer operations is supply chain. for listening. But as I said, it's also IT, it's finance, and it's sales. That is a tremendous shift in paradigms. From a traditional setup to getting to this point.

It's a major reinvention in our minds, because you need to even think two things. The most tactical one, how do I deliver results and what are the results that I'm expected to [00:41:00] deliver in my businesses and the way I've been doing 20, 30 years being successful. So I have to reinvent myself and understand the new model.

That's already a challenge. And the second point is why this vision, of course, is, is better. And how do I see that this will benefit the business? And then when we launched the compass organization, I believe this created a very clear framework that everyone understood that their new role, then it was about landing this organization.

And then the magic came. We already discussed, which is to say, how do I create business groups that have supply chains that are end to end in essence, but basically with this orchestration of end to end value chain, that is the key engine of digitization. That's a major change in organization models. But also in paradigms and in ways of working from leaders that have been used to work with a model in mind for 20 or more years.

Then [00:42:00] what we found was our new place to shine in this new context. And, but that was a big frustration on the, we understood how to get there. Yeah. That point you make about needing to start to think differently. And lead and behave differently. That's the big unlock for me. Like you can see organizations the world over repeating the problem where they'll implement a vastly expensive new technology system, whatever that whatever that might be in in whatever era of technology sort of doesn't matter.

You know, it'll be. Hundreds of millions of dollars pumped into it. But then the organization doesn't really fundamentally change around it. You know, they might change things like stock coding, or they might globalize an aspect of fairly basic operations, albeit large scale. It's relatively basic in terms of what it's trying to do.

And then everyone stands back and hopes for. you know, like an enormous change in what we're doing. But actually, when you look at the business, the business hasn't fundamentally changed. And in my mind, that's like the [00:43:00] difference between digitizing something,

but then fully digitalizing the way an organization functions and thinks.

Does that resonate with you? Is that some of the issues that you're trying to scratch on? Yeah, absolutely. Yes, I think probably if I go specifically to your question on the frustration, the frustration was how to move from a traditional thinking to embrace this new thinking. Right. The initial reaction is I mean, with these changes, someone else is eating my cheese.

And then, you know, what, what am I going to eat? And then once we clarify that, which is what happened in two cases. Good. Two years of very intense discussion and setbacks until we found and understood what is the new setup of Jesus in , out there. Then started to flow. Yeah, but it was frustrating.

Discussions were very difficult, but is because now in hindsight is because it's a major mindset change and interpretation and understanding of our roles and our responsibilities, and how do we contribute and coming back to pride. How am I going to be proud? Of the new definition of [00:44:00] my role and contributions.

Right, right. The other thing that really intrigued me is you were telling the story of the challenges and conversations that you've been through is what are the components that have made this successful. So I'm I'm guilty like in my in my past years as I worked in IT Departments for 25 years and was a C.

I. O. And things like that. And certainly I've been part of and seen a number of Digital transformation inverted commas programs that sort of originate in it they don't really get the kind of momentum that they want to get an almost that there isn't enough business conversation going on within the conceptualization of what that transformation might be and what you're talking about here is that the conversation is really started.

The business leadership involving IT and then going on a, on a large journey, I wonder if you've got any insights between those two models and do you think things that sort of originate in IT and really just stay in IT [00:45:00] can ever really be massively successful when it comes to the level of transformation you're describing?

Let me go. Beyond IT because you brought to my mind something that we discussed extensively a few years back based on the Harvard Business Review, and it's how do you communicate successfully and generate engagement in a change management process? Right, right. And typically, in summary, is the summary of this discussion and study is that the compelling business need definition.

It's needed, but it's not enough. It doesn't generate the level of engagement, for generate of people to generate the level of engagement required for the change. You need to go in in what they call five ways of communication. Certainly one is the compelling business need, but the other is what is in need for the, for the customers, the external view.

What is the need for the society? External and purpose view, what is the need for my [00:46:00] team? So the, the social sensitivity internally in the team, and what is the need for me? When we get rounded, and I believe that, that study is very powerful. When you round up the communication and you give a space to these at least five elements that they have detected, you see the magic and the engagement coming.

And I think, I believe that happened. Then to, to your point, when you think with that, and, and, and if you think in IT or any, or any other function, The point is that, well, number one, you need to connect to the business, but also to address this broader ecosystem to make the, the, the element of the proposals compelling.

I think then when you have that, then basically the process that I see that happened is. I

already explained the process that we were discussing in terms of getting each and every one of us convinced and finding our new space and redefining and reinventing ourselves as leaders because that's not my note and that's one.

But then with that framework is easier to start moving there. The second point [00:47:00] is certainly the key. More clarity. Probably that came with a very strong, with a compass organization a little bit over two years ago, and, is, is the determination of the company, the declaration of the leadership that this is the direction of travel.

And this is what we expect. And this is the way we are enabling or architecting the high level system, or company structure to make this happen and presumably being aware of the fact that it's not always going to be smooth sailing. It's not, it's not, it's a, it's a process. And then the last one, Bob, to complement this, the third point is we have to show the value in practical examples so people can engage because then they say, ah, okay, this favors me.

Then what is in it for me? Now I see it. I see. When you look back on the journey, what have been the most substantial blockers that you've come across either kind of on an individual level that you have had to try and unwind or resolve so you can get the process to keep moving or more on a systemic level across the organization that have been challenging?

Well, [00:48:00] I think it goes around what I, what I said about the, the, the, the mindset change and, and the redefinition of each and every one of us, both in terms of roles and in terms of understanding on how to contribute. And then in that context, specifically, let's say the initial, six to eight months of landing the new model, it was quite a challenge because one thing is that now the framework and the theory is clear, but now bring into the day to day practice and define exactly, eh, eh, the borders.

So we don't create a condition that we are stepping in other toes, but, eh, the opposite that we are creating synergies because we define clearly what is what you do, what is, what I do and how do we create synergies for each other? So for me, the key challenge was to set up a an operation that as the back operational backbone of Unilever, I'm serving 5G's and sales teams.

I had to demonstrate each and every one of them. that [00:49:00] we are enabling, offering them a service, creating the culture of service and pride for excellence in execution, and fine tuning the definition of these borders, of how to give service and what is value added so that we remove the feeling of either you are not helping me or you're trying to do my job and this is not your space.

That was very challenging in the Nissan 628 month, which is to bring to reality what has been now clearly conceptualized. Two biggest steps. Yeah, I can imagine. And maybe to bring our conversation today to a bit of a close, I'm interested in your journey. And you mentioned the phrase when you were giving an answer there about how you'd like reinventing yourself.

And that reminded me of a paper that I read called Change Leader, Change Thyself, which was about, you know, what does a leader you need to become to reinvent particularly the way the human systems and organizations work and all of the levels of pride and the way that. People might function, particularly when you're doing something as profound of [00:50:00] as inverting the way the hierarchy functions in an organization.

What do you think has been your biggest personal leadership challenges you've got on this? I think you used the word reinvention and that goes deep in my mind because I think probably one defining moment is that taught me a lot is we typically think that following certain pre established models. Or building on our past experience might be typically a very good

enough tool to continue to be successful.

To me, the insight and also the wisdom in some readings out there is that probably that's a bad and poor definition of wisdom. Probably wisdom is, and it's easier to say than embrace it, is wisdom is, Your ability to continuously reinvent yourselves and taking obstacles and setbacks as, not as your limit, [00:51:00] but as a new starting point.

In which you need to trigger a reinvention process, a new discovery process to redefine yourself. And I believe we went through that process and, probably, , and this is exactly what happened when I said that, we have to change our mindset. We have to reinvent ourselves in this new model. But then, personally, I, I believe, I learned that when, in one assignment, I mean, this has happened multiple times, of course, in our life.

And I think we need to, this is probably what is taking me to say our, our ability or the key asset is our ability to reinvent ourselves. But when I moved to the U. S. to a huge, big assignment several years back, it was a lot of pressure and probably one of the most difficult points in my career.

And I was not successful the initial eight to nine months. I felt really bad professionally and it started to affect my personal part as well and my family part. So it's really a deep and that's what I said is a defining moment. But the long story short [00:52:00] is that, what I learned at some point in time, and, to be honest, this was in a, during a dinner, with my wife and we were having a difficult conversation, at some point in time I was expressing my frustration and she told me, I'm not surprised of the way you're feeling and that you're not successful because you, in the last month, you have not been yourself.

You are trying to be a different person and you need to realize that you will be able to be successful when you are honest to yourself and you find a way to manage the system being yourself. And that created a profound reflection on me. And I think she was right. And then that helped one of the redefinitions.

I gained tremendous respect because it was a lot of change in the following few weeks on my leadership style. And I said, regardless the environment here. I have to be myself. Then I gained tremendous respect on the concept of authentic leadership. [00:53:00] And the rest is a skills that I need to add to be a better leader, but it's skills.

It doesn't change my essence. I cannot change my DNA. I should not change my DNA. I just need to enhance with the skills. And that was a tremendous change. The following month, it was very successful. I was able, and that, created or reshaped my leadership style. And also is probably the foundation of what I do to coach my leaders, to grow them with honestly on their DNA, honestly on their authentic leadership.

But they need to be conscious that they need to add the skills to be better leaders, but not to change their essence. So JC, there's a lot of change going on in the organization, and I'm sure people are understanding externally what's going on and are interested in talking to you about it. What's resonating to the outside world?

And what are they asking you the questions about? Because I think that's an interesting angle to see what people are sitting up and noticing. [00:54:00] Interesting question, Rob. As people start to see the speed in which we are digitizing a common question and concern out there is, , how do I see the evolution of of our people in the journey?

And they also ask the question, How are we enabling that same people to evolve? And to innovate, knowing that in essence, the innovation process starts with a lot of failure to, to accelerate learning. Those are kind of the two questions. Then what, what typically will

reflect is we, we have declared that in customer operations, We are the kind of people that we need is we need to help them to relearn and upscale themselves to the new world because the work is changing quickly from doing the work with the support of the machines to having the machines doing the work guided by the [00:55:00] people.

And that's a complete change in the role description. And that basically to the most successful people are people that are learning to. or evolving to do digital. I have a lot of people doing digital to being digital. It's a significant step changing the learning and the mindset. And that's why we said the future fit people in customer operations is basically people that are digitally native, networked, and commercially savvy.

The three elements. But the digitally native, Brings this evolution from doing to being digital and understanding that the role is quickly changing. Learn a new language, learn to manage and integrate themselves with data scientists and evolve from doing the work to guiding and simulating and creating possible futures and define what is the next level of evolution in artificial intelligence to add more value.

In that place, let me [00:56:00] compliment, the other part of the question is then people say, well, initially, all these defines a lot of experimentation and failure. How do you manage failure? What we have learned is that, well, probably what I was thinking is, based on what we see in the day to day, number one, we as leaders need to understand that this is a journey and define a framework that will allow.

Budgets and conditions and results expectations that will allow some level of failure before before you get to greatness and then creating that freedom within a framework. is essential to give, to create a psychologically safe environment for our people to experiment because if people are going to be punished because you have an expectation to, to create magic from one day to the other and get the result, then they want to experiment because they don't want to be negatively rewarded.

So if we understand that this is a process and we establish that framework and we really reward them for failing and learning, then basically the magic starts to happen because people want to be successful [00:57:00] anyway.

Sjoukje, what have you been looking at this week? So each week I do some research on related ideas and transformation and tech. And this week I thought we should take a look at the top customer experience trends. So in an ever changing marketplace, customer experience becoming increasingly important and factors that drive customer loyalty are rewards programs, exceptional customer service and personal value alignment.

And consumers are also willing to pay more for quality customer service. And a personalized experience and additionally, the integration of artificial intelligence in customer experiences is becoming more important to create personalized experiences. So a question. Are these the most important trends or elements in terms of customer experience?

I mean, it's central definitively to our strategy. [00:58:00] I think, , what we are doing is, yes, I want to accelerate the customer connectivity elements with this mindset of one supply chain and full integration of data because it's creating magic. So absolutely, yes, it's a top priority. I think as well, the hyper personalization is really important.

Everybody's now getting frustrated with receiving something from any organization and it not being what you need or what you want or taking into account something that they already know about you, but haven't applied that to the way that they've communicated. So how do you connect all that understanding and knowledge together to create something

that allows you to do the hyper personalization?

That is a big issue in itself. Across large organizations, then there's a bit about actually how do you then present that to the individual so they get something that they want to pay attention to because we all get bombarded with communication all the time. Yeah, so it's grabbing that attention and then allowing to bring somebody in.

And then you get the click and then off you go. And you've had more [00:59:00] success. It's that which I think is becoming ever more important as you just everybody's competing for your personal time. But I do agree. Quality data, is really key. It's really the foundation of this again, right? It's always the case.

There's nothing more frustrating than going to an organization and they, you know, they know, but they haven't applied that knowledge. And it happens a lot in government as well, where you go to a government agency and you know, you should know all this stuff about me, but they, they struggle to connect things together.

But when you do turn up and they have applied that knowledge as it gives you a warm, fuzzy feeling inside and thinking, Oh, it makes you slightly digitally happy for the day. So it can have a profound impact if you actually. pay attention to the person who's experiencing what you're delivering. Very good.

Well, look, what a, expansive and thoroughly engaging conversation we've had this morning on the show. So JC, first of all, thank you so much for your time in a, in what I'm sure is a very, very busy [01:00:00] diary. It's been great to talk to you today. Oh, thank you very much. It's been to me an honor and a pleasure to be here.

And, and thank you for the engaging conversation. It's super passionate. And probably, you can, you can feel the passion of, everything that we're doing and, and, what we want to continue to do to continue to transform the industry and help our people to shine and succeed. So thank you very much for the opportunity.

It is a tremendous agenda and to get the insight into what it's been like to lead your way through such a dramatic transformation has been, has been absolutely fabulous. Now we end every episode of this podcast by asking our guests what they're excited about doing next. Now that could be a great restaurant you've got booked at the weekend, or that could be something that's going on in your professional life that you're particularly looking forward to.

So JC, what are you excited about doing next?

In the super immediate term, I'm super excited that I'm taking my team to do an immersion in digital, basically to learn and to challenge ourselves and see how do we evolve faster in our [01:01:00] digitization journey. Awesome. In the midterm, of course, what we want is to continue to disrupt the industry with new models, like the customer connectivity, and really create competitive advantage.

And then, , I'm already, it's at the end of winter, and I'm already thinking in the summer to take a couple of weeks with my family as well. Roll on, roll on the end of the winter. Well, have a wonderful time and I hope it's extremely productive in terms of your digital immersion. Thank you very much. So a huge thanks to our guest this week, JC, thank you so much for being on the show.

Thanks to our unstoppable producer Marcel, our sound and editing wizards, Ben and Louis, and of course, to all of our listeners.

We're on LinkedIn and X, Dave Chapman, Rob Kernahan, and Sjoukje Zaal. Feel free to follow or connect with us and please get in touch if you have any comments or ideas for the show. And of course, if you haven't already done that, rate and subscribe to our podcast.

See you in another reality next week [01:02:00] week.

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