



# ACCENTURE'S CEO JULIE SWEET DISCUSSES MARS' DIGITAL TRANSFORMATION

## VIDEO TRANSCRIPT

Hello, Sandeep. Welcome. Thanks so much for joining me today.

Thank you for having me, Julie.

Well, I'm really excited about today's conversation, and I wanted to start with a story. I've actually never told you this story, but one of the reasons I really love working with Mars is because of my dad, and my dad loved M&M's, and my parents you know didn't have a lot when I was growing up. And I remember one Christmas, my mom's Christmas present to my dad was this enormous jar of M&M's. I mean, it was probably a gallon. I mean, I was pretty small, so I'm not sure, but it was enormous. And my dad every night would take a few M&M's out, and then the next Christmas, mom would fill the jar up again.

Wow.

So, I just, every time I have an M&M or I'm going to go grab something, I just I remember how they were just this really special family memory for us. And so, you know, it's really an incredible company because, you know, it's obviously big. It's been around for 110 years, but it plays a special role. Like I can only imagine how many other people have special memories, you know, around Mars products. And so, for you coming five years ago to this iconic company with a mandate to help them digitally transform What was that like? Take us back.

Yeah, well, you know, for me, I was coming in from an investment banking and tech services background, and the kind of company I wanted to join was important. And so, the experience you just described shows how Mars was trying to build better moments that make you and your family smile. And that's the purpose of the snacking business. The purpose of the pet's business is to build a better world for pets, and for that it is into pet food and pet hospitals, and you know, and then the culture of the company, I found to be very down to earth and literally family like because we treat all associates as family. There's a lot of hugging and laughing and smiling and it's an emotional company. And the associates are bound together by these five principles which the founders created. And just something about being a purpose driven company, a company that's privately owned, that's investing in a better tomorrow for the entire planet, and that had this associate culture with it, really encouraged empathy, kindness. I thought that was fertile ground for great digital transformation. And that's why I joined this company, that resolve.

So special, and when I think about where you started and where you are now, I mean, there was a clear goal, and it was a big ambition to leapfrog your digital transformation. And so how did you think about the digital transformation and what did you find when you first arrived?



Well, Mars was and is an incredibly successful company, some of the best brands and some of the best business models. And then the board and the leadership team I found was ambitious and visionary about knowing that they had to invest in digital. We were behind the world a little bit, we thought, and we wanted to move ahead. But defining what digital meant for Mars was incredibly difficult because you could have an e-commerce person say, oh, digital is e-commerce a supply chain, purchasing digital supply chain. So, what we did together with the leadership team is really understand that what all associates wanted was to go faster, to get decisions faster, to get stuff done. Most large companies struggled with that, and so we circled around this idea of moving at 100 times faster not 10% faster, but 100 times faster. So, we labeled it 100X. Ambitious bold, aspirational, but it allowed everybody in the company to understand oh, digital means going 100 times faster.

Well, it's leading. And I can say that very authoritatively, since I work across the industry and the industries. You mentioned partners and you know, maybe talk a little bit about how you thought about partners fitting into going 100 times faster and such a bold ambition in terms of how you were thinking of transforming and how Accenture then sort of factored into that thinking.

So, Mars works off five principles I talked to you about that the founders said. One of the principles is mutuality, which really is deep rooted into partnerships and how mutual and win-win these partnerships could be. And so, 5 years back when we looked at our partner landscape, and we looked at our ambition, a 100X, massive investments into 15 plus large transformation programs, at least it didn't seem like we could execute this by having just a plethora of, you know, strategic partners all over the landscape. So, we decided to zero in on a few partners that we could really trust. And frankly, Julie, I remember meeting you at that time you were in you enroll and you were trying to drive in your own transformation that you shared. You were kind enough to share nuggets with. I took a lot of inspiration from that.

My team took- you came to one of our town halls, and we felt Accenture had history with Mars, but now the opportunity and potential for Mars and Accenture to really take this partnership to the next level, to trust each other, which we did with just literally a handful of partners. And you were one of them. The point was this, if we trust each other, we will be able to stop watching our backs, and just moving forward at 100X to move from different transformations, trust you on thought leadership in some cases, innovation in some cases, research in some cases, execution in some cases, automation, some outsourcing. Whatever be the toolkit of our digital arsenal, if we begin trusting each other and moving forward, if I can leverage Accenture's vast network of resources, other clients, if you can leverage Mars's context, we think there was mutuality in there. We would live up to our principles. We would go faster, and we would get 15 plus programs done fast, a 100X fast. So that was the point. And I think Accenture has shown up brilliantly in every which way. And I should give credit to you leaning into the relationship, being our key sponsor on Accenture's side, getting us those best resources and capabilities. And we have several successful programs to show for that.

Well, and you've been a great partner and I love that principle of mutuality. And actually, I think one of the things that I remember that dinner we bonded over was that we both work at companies that have core values. And that that was important to each of us in that if you're going to build a partnership and it's going to be built on trust being at companies that really value things like mutuality, that can actually care about each other is really important. And you have been that same sponsor of this relationship and building that trust. And as I think about the relationship and how we've been able to move together, one of the things that's been so critical is the inspiring vision to do 15 programs and to do that. And I remember our dinner as well. And that was when I said I would personally sponsor it because you were embarking on something that was bold.



And I want to paint a little bit of a picture of that because since the pandemic, a lot of companies have needed to move much faster, we call it compressed transformation. And you led with compressed transformation before that was a term, right? Because you said 100X, right. But also, we talk about now total enterprise reinvention, which saying the leading companies are going to need to put tech data, AI, new ways of working, new ways of partnering, new models across the enterprise. And again, as you talked about, that was, you had that vision kind of ahead of other companies. And that's how I think about why have you been a leader and does that sort of resonate as we sort of now- Looking backwards, right?

Accenture's gone through a reinvention with your leadership as well, which I think is a great example of a compressed transformation. Mars had to catapult from being, in our minds, behind in the digital race, to being leaders in a very, very short timeframe. We actually- before the pandemic, we gave ourselves three and a half, four years and it's taken five. So, we've stumbled along a little bit and learned from mistakes, but it has taken five and it's worked in most part. I think the idea of taking an entire organization together fast goes through contradictions. And on the one hand you're asked to focus on two or three things. On the other hand, you want the entire organization moving, and everyone's got initiatives. So, what can we do? In this particular case, I remember starting out by challenging our joint teams saying, "Let's cut all projects to 12 weeks or less." It's a simple concept, but 12 weeks or less. At that time, I remember both the teams were struggling to get an SOW signed in 12 weeks or less, but they took the challenge. The Accenture team, the Mars teams, and structured a way by which even large programs, which normally sort of drift into nothingness after three years a sponsor quits, couple of leaders leave, the budgets are overrun. They got compressed into 12-week cycles. That doesn't mean much except that now every 12 weeks we could really look at which programs to resource further, which programs to stop. Because guess what? We fail in half of our programs and that's okay as long as we are failing fast and stopping those resources.

So, I think that sort of a challenging mindset to drive that agility in both teams, which you challenged our teams, I challenged our teams, and the teams really were up to it. So, I feel good about that. Sure. There've been a few stumbles around the place, but in the end, those are learnings, and we are both smarter for it.

And I like to think that you're not really pushing yourself. If everything is always executed perfectly, you probably aren't moving fast enough and you're not being innovative enough.

Absolutely. Yeah.

So let's take a sort go around the enterprise because we've been talking about a lot of different programs and one of my sort of favorite things that we've done together, maybe because it started with Skittles, I don't know, is around what we've done with digital twins in manufacturing, which truly is a model, both for how it was done together with Microsoft, one of your other partners, the speed, but even more importantly, something that most of our clients struggle with is being able to go from a MVP to scale.

Correct. Yeah.

And so maybe talk a little bit about that work.

No, I vividly remember. I think I was a bit sort of arrogant about saying, "Hey, if we have sensors and we have data, we can nail this and we can roll out digital twins," until I grappled with a real challenge, which is you can prove a digital twin in a pilot or two. But when you're talking about scaling it to 160 factories of Mars that produce more than 10,000 different SKUs that have factory managers who are very protective about the quality, the safety and the processes, the scaling part needed, not just investments, they needed a very entrepreneurial mindset, factory by factory. And actually, you along with Judson and Satya approached us and really inspired us by a very innovative entrepreneurial model.



So sure, the technology was there, sensors, calibration, flow meters, all that was good, but the investment and use case discovery model was interesting where everyone put skin in the game and had returns for it. And of course, if it worked, the business was yours. So, this was mutual on both sides. And I think that was a breakthrough in that Skittles case. We in our production lines sometimes have overstuffed bags of Skittles and M&Ms, which seems like a good thing if you get that bag. But, when customers order by the ton, they sometimes get less fewer bags or fewer cases now because they ordered one-ton courses, and so when we started putting sensors along, we found, we could predict when packaging lines would get out of tune and start over stuffing bags. Because we could predict it, we could intervene. Because we could intervene, we could ensure better quality, better service levels. And that's just one-use case. And that one use case has now scaled in dozens and dozens of production line. We have 20 more use cases proven by the Accenture Mars teams that are scaling. I think the entire dream of this factory of the future, digital operations really start coming to life when this sort of an entrepreneurial initiative is governed at scale and goes viral. And the funding model, the commercials, the business case start making sense, suddenly something that looked difficult, it's just unlocked in the enterprise. So, it's one of our very successful projects. Maybe not our largest, we have more large projects to talk about, but I love this because of the way it's gone viral by itself.

And I love it because of the way you were able to crack the scaling problem. And as a part of that was the focus actually on people because we used people from the factories as part of the MVP and really looked at what had to change in talent, culture, how do you actually scale this and take into account each of the factory sites? And that was also a unique part of the way we work together, which is kind of goes back to where you started about focusing on the associate.

A hundred percent. I mean, this is a relationships company. Your company is relationships company. And when that comes together, those relationships just start multiplying.

So, let's go to supply chain and tracking and traceability. So important for you as a company that produces things we eat, right? So how maybe talk a little bit about the work that we've done there. And again, it's work that is also about scale. So, I'd love for you to frame that conversation.

You know, one of our top five principles is quality, just like mutuality. So, we obsess over quality. We are very, very careful about what we feed our consumers and customers. And so, a big challenge with thousands of SKUs is each SKU is made up of hundreds of ingredients and each ingredient comes from hundreds of suppliers. So, the idea of tracking and tracing, where everything comes from, where everything is now, checking quality all the time and then tracing it right into the market is a very, very complex supply chain problem to solve. Traditionally, it's taken years to land a fully scalable system, but partnering with Accenture and a few other partners, we did them. Some design workshops, with consumers, with supply chain managers, with factory managers, with suppliers. And we framed the problems differently. We broke them down into agile sprints. We use new technologies. And I'm please to tell you we're almost done with the program. It's considered one of our most successful programs. It's lived up to the five principles, so it's lived up and celebrated our legacy. It's used new technology, new techniques, and gotten a very tough scale problem solved differently. And Accenture, frankly, has helped really connect our supply chain associates with these new concepts, with these new methods, with these new technologies and made them feel comfortable with it. For that, I'm grateful. Because they're projects and then they are projects. This one goes right up to our top five principles.



And I think there, also, we use solutions. And that was part of what sort of got to the enterprise is that we weren't starting from scratch. Because I remember that was really important when we talked about that work is that things shouldn't be bespoke, they don't need to be bespoke.

Large legacy companies have that tendency to sort of build everything from scratch. This program, you brought some accelerators to the table, some platforms to the table that helped us really drive speed. And again, that trust means that people embrace those solutions better and we move faster. So absolutely.

So, I'm continuing my trip around the enterprise. Let's go to straight to the center, which is the customer. And in fact, you had as part of this program, zero distance to the customer. For me, your products are so important, not just that we like them, but they become part of the family. And whenever I get M&Ms, still I think about that. And so, some of the important work that we've done has been around the customer. How do you translate that feeling? How do you reach the customer? But do that at scale across the companies. And some of the work we did, for example, in programmatic media, to help you think differently about it, to build capabilities is a part of being able to create that experience, create that feeling at scale. So maybe just talk a little bit about that work and how we've been helping you and the customer.

So far, we have been very successful in living up to the purpose by being a mass media CPG company. And the old techniques were bring out the right message. Have a large consumer base and blast the advertising in Super Bowl or in Halloween or on TV. But as you know, the world's changed and we are now completely disaggregated with the amount of media that we see and different TikTok ads, versus Netflix, versus others. And so, we really started to understand with Accenture. I literally- I remember calling Accenture saying, "How do we understand this world of programmatic media? How do we make this algorithmic yet responsible and purposeful?"

How do we respect our consumers and yet really live up to our purpose?" And, I didn't know that, but Accenture could pull together with your acquisitions and your internal capabilities so Droga5, your analytics and AI capabilities, a bunch of thought leadership workshops for me and my team, different business segments, and really customize how we should think about the future in terms of possibilities. This isn't a project. This isn't a specific program because we don't even know the problem we are solving for. It's not just putting a whole bunch of data and some analytics on it. We have to be clear about what messages are we trying to give, which cohorts? What engagement, what listening techniques are we doing? And so, we were super inspired. Following that, we started several pilots in several divisions. This involved change management because there's a certain way marketing is done in these companies for decades. And I think again, our marketing organizations, our digital organizations in Accenture have partnered in some very, very promising sprints. We could see the sales lifts. We could see the consumer uptake and some great results. That program has now, therefore, caught momentum on its own, just like the previous programs. Once we frame the problems, like this, once we get thought leadership and experts, I really feel it becomes entrepreneurial and that scaling problem... These programs reach escape velocity at a point. I think this program is now at escape velocity, and I feel very excited about what the future could bring.

That's great and one of the things I love about that program is we have this commitment. We talked about 360-degree value. So, one of our core values is to help our clients build their own skills and capabilities. And this was a great example of that, where you wanted to learn. You wanted to understand how could we do more of this in house? And I feel like that work had clear outcomes that you were trying to do, but it was also about helping you build new knowledge and new capabilities.



Absolutely. Yeah.

So, Sandeep, as we take a step back and think about the digital transformation, two of your five principles are responsibility and efficiency. And that's where I think about the work we've done together in cyber security, because both responsibility and efficiency were at the core of that important and ongoing work. So maybe you could talk a little bit about how you think about cyber security and how our partnership has really helped achieve your goals.

Julie, five years back when we embarked on this digital transformation, we also realized that the information security world was changing. There was IT attacks all over the world. They were the dark web and new insurgent attacks coming all over the way. Our surface area was increasing as we acquired. We're at hospitals, and now we have more than 3000 bed hospitals in our chain. We are the fiduciary owners of consumer data owned by the consumers, held by us. We have mission critical operations in the factory. We have special recipes, which we don't want anyone to get hold of. And so, there was really a lot to protect in terms of operations. We were responsible to do that, and we needed to find the most efficient ways as well of driving that. This needed a combination of talent, some unique tools in an area that's already being very, very hot in the industry. And so, the partnership with Accenture was very interesting because Accenture then didn't just bring us a great cyber security operations centers in the right locations, all over the world, the right talent, the right expertise, but the tools and the accelerators that helped us really go again a long way in improving the maturity of our cyber security services. Today, our cyber security investments, along with Accenture's capabilities, are helping us protect this fantastic enterprise. And that gives us then the capability to drive the rest of our digital transformation meaningfully across all the aspects that we discussed.

So, Sandeep, you and Mars have been leading in digital transformation. So, I have to ask what's next? What is really exciting you right now when you think about digital transformation?

We really think and discuss this a lot. Right now, the world's going through all kinds of stuff, inflation, invasion, infection, inventory problems, interest rates. And the one thing we are finding in Mars, because we have invested in AI capabilities that we can point our AI capabilities at scale to any of these trends coming up. So, for example, inflation, commodity inflation, we are using our AI capabilities at scale to help us hedge and work against the inflation that we are seeing. So, I'm not a big prediction guy, but I would say I think AI will become like arithmetic, like Excel, like everybody using it at scale for every new challenge they see. The second area, honestly, I believe is the way the Metaverse has shown up. Now different people have different interpretations. There are hype cycles around it, like all technologies, but we've found meaningful use cases. And frankly, Accenture has helped us in that process. Think about Metaverse for the value we can derive off it. The example today, if you go to the M&M site, we have the birthday M&M's on sale. And it's a limited sale, so you got to grab it quickly. But there have been other experiments around really internally motivating employees. We got inspiration from how you're onboarding all your employees on the Metaverse. And I saw that. I saw you showing up in the Metaverse welcoming all employees, and tens of thousands of employees. So, we've taken a lot of inspiration from Accenture's early work. We have a few other partners we've brought together to figure out how can we drive the same experimentation, and then who knows what will scale and where will it go next. Our early experiments tell us that parts of these capabilities are really going to be very meaningful in the future. And the last area, I think are some multi-sided platforms, new business models. So, business models in partnership, we talked about digital twins and how Microsoft Accenture and Mars came together for a completely new business model around it, but we see more examples of those kind of partnerships coming together. So, AI at scale, the Metaverse and I think multi-sided business models will be in our destiny soon.



Great. Very exciting. I'm glad that we got to hear that today.

So, Julie, one of the things that's always inspired me personally in Mars about Accenture's gender parity, you have a bold goal of being 50/50 by 2025. And then across all aspects of DI really, Accenture is world leading. Mars is passionate about the same goals. So, tell us, how are you going about achieving these goals?

Well thank you Sandeep and I know this is again, one of the first things we talked about, because I know for you personally and for Mars, this really is a passion. And it begins for Accenture with a very simple premise, which is we believe that diversity and inclusion is a business priority. And so, we treat it like that. And we have very clear goals, not only for example, in gender for 50/50 by 2025, but also that 30% of our managing directors will be women by 2025 because we think it's important that goal setting not only be for representation broadly, but specifically for leadership, which is one of the ways I think we've achieved our goals is that we focus at all levels on achieving diversity. And setting goals are critical because it is a business priority, and I can't think of a business priority that wouldn't have goals. And we do so now publicly as well with respect to race and ethnicity in the countries where we're allowed to do that as well as gender, which of course applies across the globe. And then following the goal setting is that we have accountability. Our top 500 leaders at Accenture have a single scorecard. And on that scorecard, among the fundamental five for people, is achieving our diversity goals. And so, we clearly hold ourselves accountable, both publicly with our public transparency and as well from a performance perspective. And then we have actions behind that. So, for example, at one point we were looking, the data was showing us that some of the best jobs at Accenture were technical architects and we didn't have that many women.

So, we created a focused program to attract more women into technical architects. And so, when you have plans, you start with data, you understand the data and then you create actions to change things. And so, I'm really proud that in the last 18 months or so, we've added 200,000 people to our workforce, and we are still achieving our diversity goals in the tightest labor market in history, which is pretty hard to do in technology.

It is.

So, these are the types of things that really have helped us achieve these goals. And for us at Accenture, we think that our strong financial results and the fact that we can create so much other types of value are completely intertwined with our commitments to and successes in diversity and inclusion.

I'm going to go back and tell my 19-year-old and 16-year-old girls that Mars and Accenture are painting a better future for them. So, thank you.

Thank you. Well, absolutely.

So, Sandeep, unfortunately, we're getting close to needing to wrap up and maybe we can just end with a couple of reflections on our partnership and where we're going next. I know for Accenture, we feel so much pride that we get to be your partner, that we're working with a company that we so admire and respect, and then a company that is doing so much. It's already looking at the next horizon. So, you know, really thank you for and your team and really all of the Mars leadership for allowing us to be your partner.

Well, we believe in mutual partnerships, and so the thank you is mutual as well. I think you've personally leaned into the partnership and sponsored it. Going forward, these partnerships need work.



I mean, you have fantastic capabilities and Mars is fertile ground for the next phase of digital transformation. I know our leaders are very well connected with each other to help drive that, but it needs continued joint investments, continued joint challenges like we have faced in the last five years and some really exciting projects. I think when Accenture shows up with innovation, strategic inputs, and great execution, and then when Mars shows up with great receptivity, joint experimentation, and sponsorship of new types of business models, then this partnership is at its best. And so, both of us and our leaders have to intentionally drive that behavior together. I'm very excited about where this partnership could go. So far, we've had, I think, half a dozen great programs that have scaled a lot of innovation, some experimentation, but I feel we can go 100X with this much faster, much better.

Well, I love that. So, two final questions, Sandeep, and they're very important. Milky Way or Snickers, Left Twix, or Right Twix?

Well, the second question no one's ever answered. So, I'm going to pick the first question. Snickers when I'm in America, and Milky Way is known as the Mars Bar in the UK, and the Mars Bar in the UK is the Mars Bar. So, Snickers in America, Mars Bar in the UK. That would be my answer.

That's a great answer. Thanks again, Sandeep, and really appreciate you spending time today.

Julie, thank you for your sponsorship, your partnership, your friendship. We really rely on Accenture to drive this next phase of growth and transformation and your sponsorship means a lot to us.

Thank you.

Thank you.

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