



HOW MONDELÉZ INTERNATIONAL USES DATA AND AI TO TRANSFORM THEIR ENTERPRISE

VIDEO TRANSCRIPT

Venky Rao (00:30):

I am Venky Rao, Accenture's, North America Consumer Goods and Services Industry lead. We are here in Chicago today at the beautiful new headquarters of Mondelēz International, surrounded by some of their more delicious brands. I'm joined by Javier Polit, Mondelēz International's, Chief Information and Digital Officer. I have known Javier you for a long, long time now. You have been a big change agent throughout your career, not just here at Mondelēz, but also through your stint at the other big CPG companies.

Javier Polit (00:59):

Absolutely. Well, first of all, welcome, welcome to our headquarters here, and we're glad to have you. And as always, it's good to be with you Venky and looking forward to the dialogue, and sharing as much as possible.

Venky Rao (01:08):

Thank you. So let me dive right in. We are doing this conversation in the context of the AI Achiever study that Accenture has put out there, which really talks about AI and the capabilities that AI brings into an organization, how that creates the differentiation for companies. And what we have learned through that study is 12%

of the winners in the spectrum of organizations have brought themselves into that space because of the AI capabilities that they have invested in. And we have seen that organizations which have significantly invested in AI have been able to deliver much better results for their shareholders. Right, so in that context, knowing that you have led multiple scale digital transformation initiatives and you have been successful at that and knowing and understanding Mondelēz International's own digital journey and your own journey to becoming an AI Achiever, we wanted to have this conversation today to learn a bit more about your journey, to learn a bit more about how Mondelēz is getting on its path, to becoming an AI achiever. What was the impetus for Mondelēz to becoming more of a data driven data led company?

Javier Polit (02:22):

I think it all starts with our goal at Mondelēz International is to be the leader of snacking. And, we need an even stronger growth strategy to keep up with the pace, and even influence, our consumer demand and our consumer behavior. So we really started to focus on a relentless consumer centricity in making certain that we started to aggregate 360 degree insights of, of



our consumers. And the time was right because we had been preparing from a business perspective and also from a technology perspective. We had the right foundation in place. The company was on a cloud strategy when I joined here, multi-cloud strategy, we brought in the Google Cloud platform. So we had that behind us and the team was doing some great work before I joined, and we finished that work and, it gave us really time to pivot and really start focusing on data and AI.

Venky Rao (03:13):

Excellent. So now Mondelēz is on its way, to establishing itself as an AI achiever. How do you continue to get there on this path?

Javier Polit (03:22):

Well, there's a lot of levers to that. So I could tell you that myself and my entire team we're really invested in establishing Mondelēz as an AI achiever being in that top 12%. We often talk about being industry leaders, right? And we want to create an organization and a culture. We're 10 years young, we just recently celebrated our 10 year anniversary. We have some incredible brands that have been around for almost 200 years, but we're transforming our culture. And, and it's, it's a young company. So we really have the ability to become a data driven in AI focused, enterprise. And with that comes some challenges because, you know, we, you have to change the ways the company worked in the past. You gotta change your behaviors. And we're driving all those things, across the enterprise. And it's a journey. It's a continuous journey.

Venky Rao (04:08):

I like the phrase, I mean, it is a journey, right? I mean, but then the question is how do you start a journey like that? Where do you start from?

Javier Polit (04:14):

The starting point is really spending time with the business, Venky, and really understanding, when I first joined, I was listening and learning. I'm still learning. I've only been with the company two and a half years or so now, but really understanding what the pain points were. And,

and it really wasn't about just filling one hole. It was really trying to understand the holistic opportunities that we had. And once we had that defined, it was building that vision and that strategy and making certain that you got support of the strategy by the C-suite, which we did. And the executive team and the board were all behind us, and we started communicate that strategy to the enterprise. And that required a lot of work for us to do and say we need to start investing in our people elevating capabilities, looking at the strategic partners that we were gonna use, right? Besides the Accenture's and, and the Microsoft's and the Googles of the world and other strategic partners. How we're gonna firmly have the conversation that we had with you and all the other partners, bring your best to us as we're continuing to try to be the best that we can and leverage partners as we're trying to build capability inside the enterprise and, and driving change in the enterprise as well. From a behavioral and work perspective.

Venky Rao (05:15):

You know, there is this old saying, you know, what you track and what you measure actually gets done. So when you get on a transformation journey like this, especially in this space of AI, AI enabled, which is all new, how do you start measuring success?

Javier Polit (05:29):

Yeah. Well, you know, you can't manage what you don't measure. We've all heard that, that nomenclature, I can tell you that we've had some really, really good maturity here over the last 18 to 24 months in regards to how we track, how we measure the ROI's on work that we're delivering to the, to the business and the value based on the business case that we initially put together for the business. And, and through that work, what we're seeing now in all our business reviews that we have conversation around digital comes up the work that's being driven around digital. And with that we talk about data science and we talk about the AI work that that's being done, right? You know, you set a transformation strategy and a vision and you say, okay, it's a three year horizon. I always say that after the second year, you start figuring out what your next three year horizon's gonna be. So it's, it's



something that is just never done. Venky it's just continuous work.

Venky Rao (06:17):

Now, having said that, what are the most important factors in making a transformation successful?

Javier Polit (06:23):

Well, I think when, when you think about a transformation in any large enterprise, and I've had the opportunity to do this a couple times, is you need to have the right sponsorship. You know, once you develop that strategy and that vision, making certain that the board, the executive team is behind it, and then you need to communicate as much as possible and communicate that strategy and what you're trying to do, and communicate the sponsorship so that the whole enterprise feels good about the work that you're trying to drive. And they understand that there's a sense of importance and urgency to what you're doing. And, and when I talk about communicating a lot of, I have about 30 touch points with my organization on an annual basis, and we talk about these things. And then the last thing is making certain that you have a core strategic central AI data science team that's really helping the organization. You can't have these silos in the enterprise where they're going on and building their own data science and data strategies without understanding that there's a holistic data driven strategy that all that data needs to come together and somebody needs to be the steward of that. And monitoring is the data inside the enterprise is data outside the enterprise what data needs to ingress or egress from different sources? And you just can't have that working in a silo. So I would say it's probably those three dimensions.

Venky Rao (07:32):

Getting through a massive enterprise transformation. It's difficult, especially in large enterprises. There are complexities, there is the corporate headquarters, there are the functions, there is the businesses. Then there are this whole notion of, hey, what's back office, what's front office? And so on and so forth.

And then there is this aspiration that every part of your organization wants to have capabilities. They all want to get those AI enabled capabilities and so on. Can you dig a little bit deeper and talk to us about how does the total enterprise reinvention happen practically in large organizations with all the complexities of, of a large organization?

Javier Polit (08:08):

Yeah. It, it is a little sophisticated when you look at large enterprises and, and in my experience, having served Fortune 15 and Fortune 100 companies, it, it doesn't get easier wherever you sit. But, but I'm always a believer that there's a trigger in every business that could be an external trigger, like what we've lived through the last 24, 30 months, or it could be an internal trigger that, that drives a transformation for a company or embarks in the beginning of a transformation that'll then just forever be continual. And I think when, when you look at those things[that starts helping you define what the strategy is gonna be and what the overall company's mission and purpose is, as well as you think about empowering people in the organization to really drive some of these capabilities. Right?

You know, some companies, as you know, are mandating digital fluency and there's a difference between digital fluency and digital literacy. We, we were talking about that recently. And, and here what we're trying to do is get beyond literacy and drive fluency, right? But, it really happens with the organization. You gotta bring the people along, understand the strategy, and then have the right foundations to be able to do that.

Venky Rao (09:08):

It's very, very interesting that you say that because our study, the AI Achiever study, it really looks and calls out that in the, among the leaders, we see the top leadership really embedding AI as a strategic priority, right? I mean, they're making it part of their corporate strategy and they're embedding this as a key part of their core transformation initiative. Can you talk a little bit more around how that sponsorship actually happens and why that is so



important that it comes top down?

Javier Polit (09:39):

I think, the initial sponsorship, when I at least first joined Mondelēz a few years ago, you know, I sat and I listened to the business and I spoke to the business a lot about some of the things that we were trying to do. And it wasn't that I was trying to just solve one particular problem. I was trying to connect all the dots and see how I could solve a holistic problem, and build a holistic capability. And that sponsorship really starts happening once you start creating awareness of what's the possible and how you could really create that value for the business. And we did that. We, talked a lot about that when I first joined. And, you know, there was quick followers and there were some that weren't that quick. And what I did with our team is we leaned forward with those quick followers and went, worked in those parts of, of the world building capabilities, knowing that we create value with the team and then others would follow.

Venky Rao (10:29):

So in my experience, some of the big challenges that I see is this whole notion of information asymmetry, especially in large enterprises, right? So where yes, the ambition is there, the intent is there, but it's not very often that you have the whole organization on the same page. So how have you tackled, this challenge of bringing everybody on board with the right messaging and, you know, getting, making sure that everybody's on the same page?

Javier Polit (10:55):

Yeah. In, that challenge is continuous messaging. And the message is data matters and data's critical, and we're gonna win with data. You know, that there was always this, this nomenclature that we would talk about a race for talent. Well I say it's a race for data, it's a race for data that's contextual and that's relevant. That's enabled that the edges of the business with the right data governance models that the business owns, the data and ingress is the data into repository where they have the capability to do that, combined with our data scientists and then then build the AI capabilities. And that's

how you're creating value with velocity. And we've been able to stand up those models and we're still on the capability maturity curve, but it's really moving along at a quick, quick pace force. And it's working really well. We've seen some fantastic results. You guys may know a little bit about that cause we partnered with you on some of the solutions. But, we're getting very, very good results. And the organization's understanding when you get business leaders talk, talking about data and the importance of data, you know, that you're making progress.

Venky Rao (11:56):

Oh, absolutely. So Javier, how do you see talent and tech working together to achieve the Mondelēz vision?

Javier Polit (12:03):

Yeah, there, there's a lot of dimensions to that. And I will tell you that, you know, we win with our people. Our people are our greatest asset. And we invest in our people in many different ways and our people are critical to anything we change or anything we make, you know, our success is possible because it's 79,000 incredible colleagues that we have around the world. And some of the things that we're doing right now is as we continue to drive the importance of being data driven enterprise and have an innovative culture, we're able to make those pivots and become a dynamic organization. We talk about being a dynamic learning organization, right? Where we, we are not a knowing culture, we're a learning culture and we want to continue to innovate and take risk. And I think, you know, all that's done through sound leadership, but, but it's also having the right partners at the table, right? And, we firmly encourage our partners, whether it's Accenture or whether it's Google or whether it's Microsoft and many others, to bring the best that you have. And we've had those conversations too, bring the best to us and make certain that we could really partner and do some really industry leading things, right? So, it's really not something that you could do on your own, but you have to have a pool of experts inside the enterprise as well as the experts that your partners bring as well.



Venky Rao (13:19):

Absolutely. And there, I really want to emphasize that, you know, it has been a massively different experience working with you and Mondelēz in terms of your ability to see across the whole ecosystem, whether it's your partners like us or, you know, the big cloud providers like Microsoft and Googles of the world. You collaborate in a way wherein the learnings flow seamlessly between these organizations and then that's really a key for success

We have recently also seen in press that organizations are coming out and saying, 'Hey, we have made our investments in cloud, we are making our AI investments, we have made digital strategy as part of our core strategy and so on'. But they are still complaining that they're not able to see the ROI, they're not able to see the growth, right? I mean, there is something missing here. How are you seeing Mondelēz get the ROI that it planned for?

Javier Polit (14:13):

You know, you have to start by taking a strategic look at the work that you want to, to drive and the value you want to create, right? And normally when you're doing those things, and you're, and leveraging AI, it's to replace the latent human ability to do some of these things right? And making certain that you have that ability in the enterprise. And once you're confident that you have a use case that's gonna drive a business result, you start driving those and you start measuring that work, right? And seeing the changes in behaviors and the changes in the ways that you work and the speed of the outcomes that you're driving. And you measure those. And you know, as I mentioned earlier, we've partnered in some on some work that we were able to do those things and now we're using it as an example and it's proliferating across our regions and across our geography, right? But there's a lot of expectations. You know, it's about the investments and improving the entire structure of the enterprise. It it's not just providing a band-aid, right? That you wanna try to solve something very, very quickly. You gotta think about in certain, these cases I said earlier, short term and long term strategic sustainable capabilities, right? We drive that

across the enterprise and, and you know, we look across the ecosystem and depend on our partners to help us as well.

Venky Rao (15:27):

Yeah. And then that's what I really appreciate about the change that you're driving in Mondelēz is we do see that you guys measure the outcomes, consistently measure the outcomes, and you are evaluating how far you have gone on the business case that you started the journey with. And you're also absolutely right that sometimes you have to take these risks because you, for many organizations, these are uncharted waters, uncharted territories, right? So you have to make those investments early on, but you still have to ensure that the ROI and then the business outcome mindset doesn't go away. Now if I...

Javier Polit (16:02):

And, and just to add something to that Venky, it's that business mindset, right? And also the contending business initiatives and understanding that if you start an initiative later on, then was expected that ROI that you had identified suffers as well and it depends how you look at things. You could look at it from a capital allocation perspective. Oh. Which you haven't spent the capital, but you haven't put the capital to work. So do you look at what's my internal rate of return or versus my return on investment? And sometimes companies take too long to make decisions, and we're breaking those barriers too here, we're making decisions a lot quicker now as an executive team to go ahead and get these initiatives moving on time to make sure that we capture those ROI's, right? So those are things, and we measure 'em. We, measure on a quarterly basis. We know what our strategic initiatives are and we come back and measure how they're performing based on our business plan.

Venky Rao (16:54):

Now how are you prioritizing long and short term investments?

Javier Polit (16:58):

Yeah. You know, short term it's about



understanding the broad needs of the business and aligning with external partners that can help us deliver on that. And we think about long term Venky, it's about building the skill sets you need within your own talent to be able to do it internally. You know, today we have a lot of partners helping us and, and how do we continue to bring those capabilities and build those internally? Is our strategic longer term roadmap, right? But I think all these are happening simultaneously in a very complex environment as you're trying to deliver value to the enterprise and the true value proposition for this investment. It's gotta be sustainable, anything that you do has gotta be sustainable and you gotta get to that destination of having the right skill sets and capabilities that have a sustainable business model. And the core doesn't have to be large either. You're always gonna have a need to bring in partners to bring in their expertise and their skill sets. I always say that, that our partners have broader apertures than we do because they're dealing with the top 50 companies and they can bring learnings to us that help us even improve even more. So, it's never gonna be, you have all the skill sets you need internally, just do it on your own. It's always gotta be a strategic blend.

Venky Rao (18:06):

Ah, that's, that's really fair. And if I think about, you know, the whole talent spectrum, you are not just training your employees, but you're also giving those opportunities for them to participate in various events with the ecosystem partners and partners like ourselves. I think that's a, that's a big change for this industry is not just be inward looking when it comes to, you know, creating the talent asset, creating the AI core, but be more participatory in a, in a larger ecosystem. And that is something that we have seen that, you know, under your leadership, you guys are driving there at Mondelēz. Now how have you industrialized the tools, the tooling, and, you know, how have you created a strong AI core that people don't have to reinvent this journey each time they come on an initiative?

Javier Polit (18:58):

Yeah. Look, when, when we think about AI, we know that it's essential, it's essential to our growth, and it provides us competitive advantage. And, and we're really seeing, really understanding what data should look like and what the data strategy is. Because without good data and having accurate data, you can't build ML that supports the AI. Right. So, we're making some good progress also in, in harmonizing data.

Venky Rao (19:22):

So Javier, how would you assess, CPG industry in terms of AI maturity compared to other industries? I mean, especially, I know that you look at the tech sector quite a bit, and, and you take a lot of inspiration from how some of the big technology companies operate. But how do you see that evolving in the CPG industry?

Javier Polit (19:42):

Yeah, you know, we're continuously doing industry sensing in that space and see how we match up to other CPG companies or fast moving consumer goods companies. But I think it's fair to say that the tech sector is still far ahead. But I would also say in the same breath that I think that the gap is narrowing and especially I think what's, what's helped us narrow that gap that that gap is companies really advancing their digital roadmaps in the digital plans, right? So I think, there's enormous room for growth in AI Adoption and AI Adoption across all industries. Every company's a tech company. We've heard that phrase. I always try to extend it and say, every company's a tech company and if you don't conduct yourself as such, you're just not gonna be successful.

Venky Rao (20:25):

Absolutely. And that's such a spot on answer and, and a brilliant one at that. So Javier, where do you see the whole AI Adoption space evolving to? And if you have organizations who want to become an AI achiever, what would be your advice?

Javier Polit (20:42):

When you think about the evolution of AI today, companies are using narrow AI, right? It's taking



the ability to have a human process be conducted through AI with greater efficiency. And you have companies that are adopting that well, that are the 12% AI achievers and those that are falling, following and, and a little bit behind. And then the next level of AI is general AI or human AI, where you have artificial intelligence that can basically do what a human thinks. And the more complicated AI that's gonna be happening in the future, and it's happening in different parts of the world today, is super AI, where AI can now do things better and in a smarter way than humans can. So it's gonna be an evolving space. We'll have to see how those technologies, when they come to be commonplace are gonna be leveraged in in different industries. And, and they're already starting to be used in, in certain industries.

Venky Rao (21:34):

So in closing, any thoughts, Javier as we wrap up.

Javier Polit (21:37):

You know, there's probably an abundance of thoughts and because I think we'd all agree that it's a complicated space, but I think there's maybe six pillars of an AI strategy, right? And I always say start with the business value, right? Define the trap business value and recognize the leverage that you need to unlock that growth for the business. And when you think about algorithms, which are the critical algorithms that are gonna solve the business value that was defined by the business, and when you think about algorithms today, it's a complicated world, right? We need to make certain that they're designed to scale and that they're unbiased because we hear a lot of algorithms are being defined with bias now. And we have to be very cautious about that. And then you have to think about data, right? Cuz you understand the business now, you, you're built, you're defining the algorithms are gonna support that business value that you're trying to capture.

And you gotta look at the data and have a clear first, second, and third party data strategy, right? And make certain that you have a life cycle around that data that to create signals of value for the enterprise. The fourth area that I would

say is a platform strategy, making certain that you have the right ecosystem, and we talked about that earlier, making certain that you have the right foundation of capabilities to create and be able to manage inside the enterprise. And then the ability to execute that strategy, right? How should our enterprises be organized to be able to execute that strategy across the enterprise? And that means different teams and different responsibilities and different ways of working and different behaviors in the enterprise. And then the greatest investment is, is the six piece of this is focus on your talent and the culture that you're building and how you're gonna continue to retain, attract and engage those resources that are helping you bring this value to life and this distinctive capability that you're building in your enterprise.

Venky Rao (23:24):

Javier, that was an outstanding response and a very, very good framework for everybody to follow, right? So thank you so much.

Javier Polit (23:31):

Venky that was a pleasure, thank you for the time. Thank you for the partnership.

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