

DRIVING EFFICIENCY AND DATA QUALITY: INSIDE PEPSICO'S INNOVATION MAKEOVER

PepsiCo is one of the largest food and beverage companies in the world, with products enjoyed by consumers more than a billion times a day. PepsiCo operates in more than two hundred countries, has annual revenue over eighty-six billion US dollars, and employs more than three hundred thousand people.

Build an Innovation Vision Around the Customer

In late 2020, PepsiCo searched for a new software solution to help them modernize their innovation agenda so they could provide full pipeline transparency to business leaders around the world. "When our CEO or any senior leader talks about a big brand like Pepsi or Doritos and says, 'show me the fifty biggest ideas we're going to drive around the world,' we could do it in theory,

but we really didn't have quality data in a common repository with standard data metrics that people could trust," said Chris Mayson, Sr. Director of Global Commercialization at PepsiCo.

Mayson and his innovation team were tasked to lead the charge to modernize their innovation efforts. In addition to pipeline visibility, Mayson's team had several other pain points and challenges in every market around the world. They had to refresh their stage gate process in order to elevate the necessary questions to ask at every stage of the process. Mayson explained decision-making roles and the vision they wanted. "We talk about innovation being grouped around desirability, viability, and feasibility. We wanted to build those things front and center into a new stage gate process. Those were key pain points that we saw everywhere. The job of a project manager is not necessarily to get the project to market but to ask the right questions so that we make the right informed business decisions."

When it comes to KPIs around innovation, the most important one is how well each



innovation project performs in the market against the approved business case. Basic net revenue is one KPI, but PepsiCo recognizes that innovation is not solely about financial numbers. They emphasize delivering innovations that resonate with consumers and align with growth opportunities. To achieve this, they meticulously analyze consumer segments, demand spaces, and different need states, driving an innovation agenda that caters to these specific consumer cohorts.

Mayson explains, “Are we getting into market the products that consumers are genuinely going to want to love today and in the future? When we segment our portfolio, we look at different need states, demand spaces and consumer cohorts to make sure that we’re driving an innovation agenda that delivers around those consumers. In terms of KPIs, the final thing I’d say that’s critical in these times when resources are scarce, is what we call ‘stickability.’ If an innovation delivers \$5 million in year one, how much will it deliver in year two? What are the actions we need to take to make sure that our innovation is sticky and sustainable within the marketplace? Those are really important KPIs.”

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Align the Right Stakeholders

From the outset of their innovation charter, PepsiCo had the support of three key functions – commercialization, R&D, and marketing. Acknowledging the challenges of managing projects in the innovation space, Mayson elaborated on the internal alliances necessary to succeed. “Everything we’re driving with Planisware is really a partnership between commercialization and R&D. The third critical group is marketing, because of the thousands of ideas that we drive every year, 99% of them come from the marketing community. It was really important for us as we put in a new system, a new process, and a new way of working - that we really took our marketing colleagues with us. If we don’t get marketers around the world embracing Planisware and the new tools that we’re putting in place, we can’t succeed with this initiative.”

Digitalization of the Innovation Agenda

At PepsiCo, cross functional teams now work in a shared digital space to house all data. Mayson explained, “We’re genuinely moving to one version of the truth. That’s great in terms of data quality and also driving efficiency. The other big thing is we’ve moved to a pre-approval system. Leveraging the Planisware app, we can pre-circulate business case Gate documents in advance to our senior stakeholders. They get a notification, then go into the Planisware app to log, approve, reject, or add comments that they want to discuss in the Innovation Forum.”



“Imagine you’re going to an Innovation Forum where there are ten projects to be discussed. If seven have no big issues, they can be pre-approved and moved through to the next stage. The remainder of meeting time is spent face-to-face with senior staff from every function discussing the critical issues. The key topics are the risks on those three projects that we saw commented on through the pre-approvals process.”

When it comes to quality data hygiene across the PepsiCo enterprise, there’s a newfound sense of mission and focus. Mayson spoke about shared responsibilities. “We always talk about whose responsibility is data quality? And my answer would be it’s everybody’s responsibility, right? It’s impossible for me and my small team in New York to drive data quality on every single project within the system. But, with the right training, the right engagement, the right communications with hundreds of users around the world, we can significantly step up our data quality, and we’re already seeing that start to pull through. We’ve got a clear data dictionary, data standards, and tool tips within Planisware to help ensure that from the get-go, every single field gets populated in the right way.”

Multi-Year Journey, a Global Rollout, and More Integrations on the Way

Mayson also spoke about their ambitions to connect their innovation with other third-party tools. “I would say an unexpected benefit is the connectivity of Planisware with other tools and systems. For us, it’s the early days, but there’s

always going to be some data or some kind of other systems that you’ll want Planisware to be able to connect to or interface. That data can move backwards and forwards. Within PepsiCo, a great example of that is we want to be able to connect to our internal systems where we say, ‘here’s the business case that we signed off in Planisware. Once the project is launched, here’s our internal net revenue data so that we can see how it’s performing in the marketplace. So, we have that functionality now and in terms of future enhancements, we want to add a third leg to that, which is to say, here’s the business case we signed off internally.”

PepsiCo’s approach to rolling out Planisware is to think globally, act locally. Mayson stressed the need to tout their achievements while communicating their expectations. “I expect to see within PepsiCo a lot of reinforcement of what we’re learning - a lot of ‘shout-outs’ for all the kind of wins that we’re having along the way, whether they be big wins or small wins. We just need to reinforce that this will be a multiyear journey. We’ve got a huge agenda, a huge roadmap of future enhancements, and I’m confident that Planisware is working to help us deliver those.”



PEPSICO

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