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Conversation with
Jan Zijderveld





Jan Zijderveld is an experienced global executive, with a 30-year international career at Unilever, living in multiple countries and leading different businesses across the world. During his later years at Unilever, he served on its Executive Committee and as President of Unilever's \$14 billion European business. In 2018, Jan became the CEO of Avon (NYSE)—the iconic, purpose-driven beauty business—to create a new chapter for the organization.

Jan believes in growing brands and businesses by connecting with consumers and citizens and bringing a company's purpose to life. In today's incredibly fast-paced world, more than ever before, "we need to understand and serve the needs of our consumers today. We need to reinvent ourselves to stay relevant in the way we do business." He also believes that organizations must put purpose first as they pioneer new ways of doing well by doing good.

We talked with Jan about how organizations should be thinking about their purpose (which may include but isn't just about sustainability), technology transformation, connecting with consumers and how organizational culture can help them be successful.

Why do organizations need to think more than ever about their purpose?

It has never been easy to lead an organization, but we now have big challenges facing us: increased complexity in the operating environment, volatility, uncertainty in markets, rising consumer expectations, rapid technological change, and the global climate threat—to name a few. Leaders can no longer focus only on hitting quarterly targets but must have multiple leadership skills in their toolbox if they want to be successful in the long term.

One of these tools is a single-minded clarity about why the organization exists—what its purpose is beyond just existing and making money. In other words, why do you exist and how do you go about getting things done? Especially with the onset of the global pandemic, individuals are thinking more deeply than ever about their purpose and the role they play in the world.

Individuals are keen to be part of something bigger, something that improves the world and the people in it. They want to work for organizations with good people and positive, clear values. They want a Northern star to rally around and support.

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How can Consumer Packaged Goods (CPG) companies prepare themselves for the constant and rapidly changing consumer wants and needs and the required continual redefinition that implies for the business?

First, **ensure your business is relevant.**

You need to be in love—and a little obsessed—with the core need you are meeting. Are you serving it in the best possible way? This will require staying close to your current users AND keeping a keen eye on who will be your future users.

Having said that, many incumbents underestimate the new. At Unilever, for example, we underestimated the growth of non-black and premium teas.

Second, **future-proof your portfolio.** The portfolio drives long-term growth, not market share. Markets and opportunities continuously shift and move as new ideas and options for consumers become available. These shifting opportunities do not go unnoticed by leaders, but sometimes, are ignored or underestimated because they are still small.

In the end, brands that win are able to build penetration, loyalty and a following over time because they kept staying relevant and delighting their consumers.



How can leaders identify passing fads versus trends that are here to stay? What current trends do you think are longer-term in nature?

This is challenging for any leader. It's back to that being quite thoughtful about your portfolio, and actively, intentionally managing it, and avoiding complacency. It's also being obsessive about serving consumers better than anyone else. At the same time, leaders must be aware and open to shifts that are occurring around them.

Trends that I think are here to stay are sustainability; knowing how to get, sell to and communicate with consumers; understanding how consumers shop and interact with the brand; and eCommerce. The digital aspects are critical to get right. Speed is another key trend: a sense of urgency is essential to be able to act on new challenges or opportunities. A start-up mentality is required.

What role does social commerce and newer technologies like augmented or virtual reality play in the consumer engagement arena?

These all represent important new potential channels for CPGs to reach consumers. Social commerce is a particularly effective way to drive personalization with consumers for an end-to-end, seamless experience. It's critical, again, to have real clarity around your brand to understand how you can best apply social commerce to drive growth. Some products may not require personalization for your consumers, while for some, social can unlock a vast array of new opportunities.

Augmented and virtual reality are already being used to create experiences that are novel for consumers. For example, [curology.com](https://www.curology.com) has created a whole app for photographing your face and then advising you on skin care, makeup,

etc. And Adidas allow consumers to design their own sneakers. Several professional sports teams are using VR to create fun, new, virtual fan experiences. Using these technologies just for the sake of novelty can be risky and costly—beware of the shiny new objects. But if they truly drive consumer engagement, they can be another effective tool to connect and build loyalty.

What role does digital transformation play in future-proofing your business?

Digital transformation is the great accelerator and needs to be integrated into all aspects of the business systems and operations. But figuring out how to bring digital technologies is not easy. First, leaders must really understand what the real core of how they make money is and why their consumers love them. That knowledge will require deep business understanding, which then informs how to unleash the power of technology and digital where it can add most value to the business.

Selecting which technologies are best for your organization can feel a bit like a child walking into a toy store wanting everything in sight. However, the focus should be on internal improvements—

how to run finance, supply chain, procurement and HR—to create a backbone of excellence. This may require taking the old value chain apart and putting it back together in new ways. And an analytics insight engine will be critical for leveraging data to optimize efficiency in the full value chain.

Digital transformation should also improve how organizations connect with their customers and consumers, e.g., going from old 30-second ads on TV to digital marketing and social selling that creates a full on-and offline relationship.

In addition, the selection of technologies should help improve how people in the organization team and work together. Collaborative ways of working, rather than rigid functional silos, should be adopted to solve customers' and consumers' most vexing challenges.



The culture must be steeped in values that prize honesty, integrity, hard work, a hunger to win, and the need for speed and progress.

How important is organization culture in the digital organization?

Organization culture is the glue that holds purpose, values and people together. Creating a vibrant, healthy work environment—based on the organization's core purpose and values—becomes even more important when managing remote teams, during turnarounds and when facing unprecedented changes.

In addition to knowing the purpose of the organization, the culture needs to be passion-filled with a love of the brand and product and providing the best solutions for consumers. Implementing new technology platforms and tools will need to be accompanied by a clear plan for integrating the technology and people. This human + machine combination is powerful, but either one in isolation will not be enough to sustain long-term growth.

The culture must be steeped in values that prize honesty, integrity, hard work, a hunger to win, and the need for speed and progress. This includes encouraging diversity in all its forms and rejecting unethical behavior. An openness to the outside world is also critical. Opening the culture up fosters collaboration and cooperation, which are key to long-term growth and success. Promote curiosity and stay humble to learn.

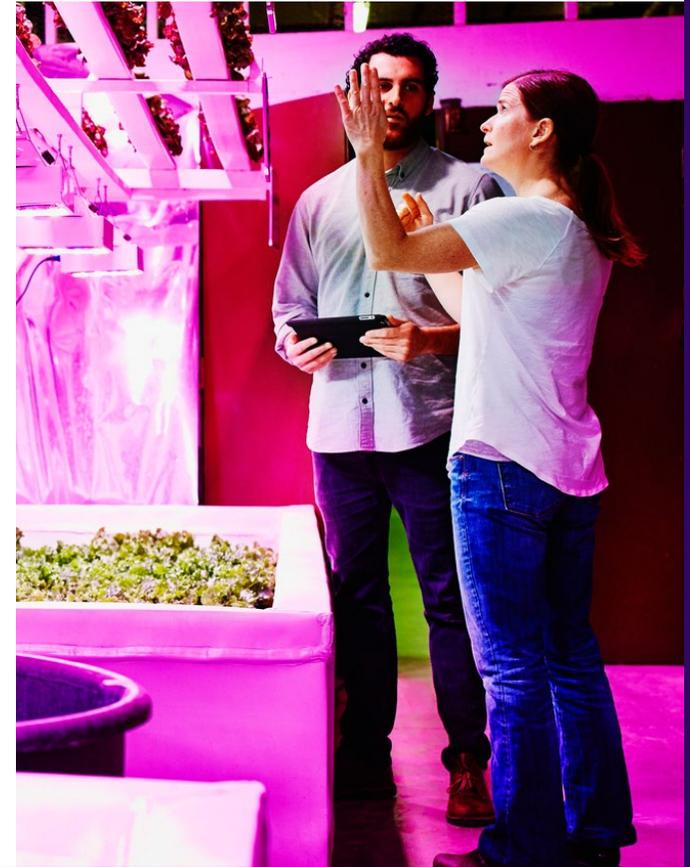
Culture needs to be nurtured and adapted over time, particularly in established companies with long histories or those undergoing rapid change. Leaders will need to balance the burning platform and the need to change.

What do you see as the long-term growth priorities and pockets of value for CPGs going forward?

As already mentioned, the ongoing theme of sustainability offers a variety of opportunities. How can we reduce waste or have a lower impact on the earth in what we produce or consume? How can we create healthier foods such as meatless options and more fruit that are better for us and for the environment?

Personalization for the consumer is also here to stay and a significant growth opportunity. It may come in the form of very individual consumer personalization or in fully immersive, integrated experiences. Either way, CPGs will need to get closer to consumers to deeply understand what drives and engages them.

Digitalization is another growth priority that, if accompanied by the right people and cultural elements, can help drive long-term growth for the organization.



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