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STRATEGY | CLOUD

## Mars Petcare: Innovating at speed to address the customer's 'new normal'

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**Miao Song**, Global Chief Information Officer (CIO) at Mars Petcare, describes how a lightning-fast roll-out of new applications, digital technologies and process innovation has enabled the company to get the products that people and their pets rely on delivered to their homes and keep 2,500 veterinary hospitals open to look after the health of millions of pets — throughout the coronavirus pandemic and into the future.

By Jessica Twentyman

## Mars Petcare: Innovating at speed to address the customer's 'new normal'

**L**ike many people living under lockdown and working from home full-time as a result of the coronavirus pandemic, Miao Song has assembled a raft of strategies to keep her business focus sharp, energy levels high and work/life balance in check.

Her job as Global CIO for Mars Petcare means she is in virtual meetings from her home in Brussels with colleagues in different parts of the world from early morning until late in the evening — but she's been careful to carve out some time and space in her day to focus on herself. After the early weeks of lockdown when she worked non-stop, she now starts the morning with a walk or some yoga. Lunchtime is spent away from her desk. She takes regular breaks to walk her dog Ellie, a Japanese Spitz, and to participate in online workout classes.

"It's a challenge — but you really have to make your mindset and your health a high priority," she says. She readily embraced the health and wellbeing recommendations from Mars; the company has been focused on putting the safety of its employees (or Associates as they are known) first, encouraging them to do their part to prevent the spread of the virus and care for their communities. Deploying these strategies has made a big difference for Song in terms of getting the balance right.

The idea of balance has also defined Song's approach to her role over the course of 2020. As a global business with manufacturing facilities in China, Mars Petcare was impacted in the early stages of coronavirus.

As the virus spread, tactics deployed in China at the pandemic's outset have helped inform the strategy for other regions of the world. With operations in more than 55 countries worldwide and home to around 50 brands, Mars Petcare's ability to be agile and responsive as a business was — and remains — critical. Digital transformation and acceleration have been key to powering its operations through the current period, enabling it to make digital technologies work for changing consumer and customer needs.

### Acceleration and de-prioritization

At its heart, Song's strategy aims to achieve the right balance in her team's focus and workload by accelerating digital initiatives that will make the biggest difference during the crisis and de-prioritizing those with less short-term impact — initiatives that span ordering of pet food online to telehealth services provided by the Mars Veterinary Health Group.

"As a large organization, we had a solid business plan in IT at the beginning of the year," she says. "But then, as the crisis unfolded, we had to take another look at our investments and initiatives, to make sure we were focusing on two things. The first was to protect business continuity. The second was to focus on critical investments that would enable business growth."

With those overarching aims in mind, immediate candidates for de-prioritization soon emerged to unlock greater opportunities elsewhere. These included more exploratory projects focused on emerging technologies and those focusing on the longer-term, strategic goals of individual functions and segments within Mars Petcare, she says. De-prioritization in these areas has meant that internal resources could be diverted and redeployed to support the most strategic investments. Also added to the list for de-prioritization, she says, were those projects where meaningful progress couldn't be achieved during remote working conditions.

Song says that these decisions will continue to be reviewed frequently. "Our assessment is based on an Agile process that can be performed very fast, guiding our culture to enable greater customer satisfaction, faster delivery of value and higher engagement across teams. It won't be a once-a-year exercise; we'll do it at least on a monthly basis. And that's because the pandemic is changing constantly around the world, reaching very different stages in different geographies. When our teams can safely return to workplaces, to connect new systems or provide training to others, we'll see the opportunity emerge to revisit some



### ABOUT MARS PETCARE

Mars Petcare is a growing business segment of Mars Inc, made up of 85,000 associates who spend their days thinking about the 400 million pets of the world and how to improve their lives. This involves everything from their nutrition — through brands like Pedigree, Whiskas and Royal Canin — to high-quality medical care provided by Banfield Pet Hospitals, VCA and Anicura.

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projects — always with a focus on safety. So, for me and my team, this is a live, ongoing, reassessment process that will continue for the foreseeable future.”

### Speeding ahead

So what projects did Mars Petcare accelerate, even as the world slowed down around it? Starting in China, the twin goals of business continuity and right-sized growth were at the forefront. At its Royal Canin manufacturing plant in Shanghai, the Poka mobile app was deployed in the interests of business continuity. This app enables the company's socially distanced factory-floor Associates to share information and access work instructions and training content. The result, says Song, was that the factory was again 100% operational by early February, only a few weeks after it was closed, making it one of the first government-qualified manufacturing plants to reopen in China.

Mars Petcare also accelerated the rollout of its E-Vet online store which enables pet owners in China to book vet appointments online, obtain electronic prescriptions for their pets and order high-quality Royal Canin brand dog food online, even via social media platforms that are popular in the region, such as WeChat.

That early experience in China soon proved invaluable. As the virus spread worldwide, so did the acceleration efforts at Mars Petcare. As Song shares, “In Europe, we knew that customers would be in their homes and in need of pet food that could be delivered safely. So very quickly, we launched a digital platform to enable ordering and home delivery of Royal Canin products in France, the Netherlands and Germany. Later we applied those learnings in Mexico.”

This direct-to-consumer (D2C) platform was rolled out at lightning speed — in just 15 days. It went live on April 1 when the coronavirus was hitting its peak across Europe, with 100 individual SKUs [stock keeping units] listed. “We worked on the

Agile principle of delivering a minimum viable experience by launch date, and we continued to enhance our Associate and technical capabilities, which includes introducing new features regularly,” she says.

In the US, meanwhile, the Vet IT team launched a telehealth service, enabling owners to book and participate in remote, video-based consultations with vets in pet hospitals run by Mars Petcare. This was achieved by linking Microsoft Teams, via APIs (application programming interface), to the company's telehealth solution and its veterinary hospitals administration system.

At the end of a remote consultation, when the veterinarian judges that they need to perform a hands-on examination of the pet, the owner can make an appointment at the hospital via Teams. The pet owner can then drop their pet off in a zone that allows suitable social distancing to be safely maintained and is messaged when it's time to pick up their pet.

“The innovation makes a big difference,” says Song. “In the first week we launched, this service was available at about 30 hospitals. In the second week, it was 60 hospitals. But within one month, we had launched the service for six groups of hospitals, which led to more than 1,000 telehealth consultations.”

Finally, in India, where small local stores are a major distribution channel for pet food, Mars Petcare launched a business-to-business (B2B) mobile app, integrated with WhatsApp, to enable store owners to order products from the company and communicate directly with its staff. This meant Mars Petcare's sales staff in the field could maintain the highest health and safety practices by avoiding in-person visits to numerous outlets to manage orders. According to Song, the app was rolled out in just seven days and will soon be extended to other local markets where it has similar distribution networks, such as countries in South East Asia and Latin America. >



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### A solid cloud foundation

Very little of what Mars Petcare has achieved over recent weeks and months would have been possible had the company not already made significant progress in the past few years on its cloud-enablement journey and digital transformation, Song shares.

“The challenges that some companies faced in moving quickly to remote working at the start of the pandemic, for example, were barriers we could overcome because we already had an established cloud strategy, the infrastructure is solid and the network had been upgraded to support more remote access,” she says. In other words, many of Mars Petcare’s Associates already had the flexibility to access the key tools and applications they need to get work done via the internet, regardless of their individual location.

Take, for example, Microsoft Teams as a virtual collaboration platform: this was implemented at Mars Petcare prior to Covid-19 but roll-out was accelerated as more of the company’s Associates began to work from home. Since not everyone was up-to-speed on the various features and functions of Teams, another focus was virtual

training on the platform, so that within the first month of the pandemic hitting Europe and the US Mars had scaled and accelerated the global roll-out of the tool.

Another example is Mars Petcare’s implementation of the Fujitsu Glovia Order Management (OM) system in its Royal Canin US business — the largest Royal Canin market worldwide and one of the fastest-growing businesses in the Mars Group. Implementation of this cloud-based OM system began two years ago and went live last year across warehouses in the US.

“What we realized we needed some time ago was a system to manage large-scale transactional order management, integrated with our back-end ERP to handle our B2B2C [business-to-business-to-consumer] model in North America,” says Song. “So when the Covid crisis unfolded, the foundation was already strong — and if we didn’t have this, I can’t imagine how we would have coped when Covid started and we had to keep pace with changing demand patterns from our distributors and our customers.”

In fact, it’s changing such demand patterns >

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that might occupy Song and her team for some time to come. That's something she has in common with pretty much every executive steering their company's digital transformation strategy. After all, nobody is sure at this point what the much-discussed future will bring, in terms of consumer behavior.

"I think one thing we can be sure of is that this 'new normal' will definitely be different, and online channels and social commerce will be dominant for at least the next 18 months," says Song. "After that, consumer behaviors will have shifted in ways that seem unlikely to change in the future."

In that respect, she feels her team has made huge and important strides over the course of the pandemic. That's particularly impressive when you consider that Song has not had any extra IT budget to handle the crisis. "I've had to work very smartly to really manage our internal capabilities. When you know you can't do everything you'd like, you have to have a very clear view and focus on what will add the most value."

Song's team has also mastered the art of steering its way through dramatically shortened decision-making cycles. "Before Covid-19, as a large organization, the

decision-making culture at Mars had traditionally involved a high degree of collaboration, which can sometimes slightly hinder agility and decisiveness. We've had to accelerate decision-making and run the business with even more creativity to ensure health and safety are our top priority as we meet the needs of our consumers."

But while that acceleration has happened against a wider global backdrop of heightened health and economic risks, Song doesn't feel those shorter decision cycles have been risky in themselves.

"Every decision we've made has been closely aligned with our existing strategy on digital transformation and guided by the company's Five Principles [quality, responsibility, mutuality, efficiency and freedom]," she says. "And, at the same time, our projects opening up digital channels for customers and distributors have been in step with our overall purpose at Mars Petcare of creating 'A Better World for Pets.' So, while there's been plenty of acceleration, there's been no change in direction or what guides us at Mars, as a private, family-owned business of 125,000 Associates during this challenging period." ■