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**Sent:** Monday, October 10, 2016 7:00 AM  
**Subject:** Week 149 Learning's

[REDACTED]

[REDACTED]

Dear Friend and Colleague,

[REDACTED]

[REDACTED]

[REDACTED]

This week, I will cover digital capability. I was at MMA, the Digital capability program and also met the CEO of an e Commerce company.

I was at the Mobile Marketing Association event. Digital is moving quickly and I realise that every time I sit in an event like this. I have attached the adoption of various digital platforms in India. This diffusion of innovation and early adopter theory was a concept from Professor Everett Rogers . All of us have used these expressions and logic in building our innovations. You can see from this chart that the digital world has moved significantly , however, many companies have not taken digital into account in their value chains.

[REDACTED] The learnings from the MMA event:

1. Digital is MOBILE in India, the laptop is a dying category and the tablet hasn't achieved scale
2. The spend in digital medium is 4200 crores, the third medium after Television and Print.
3. Even though digital is growing, companies still want more data.
4. The brave marketer is making the move to digital.

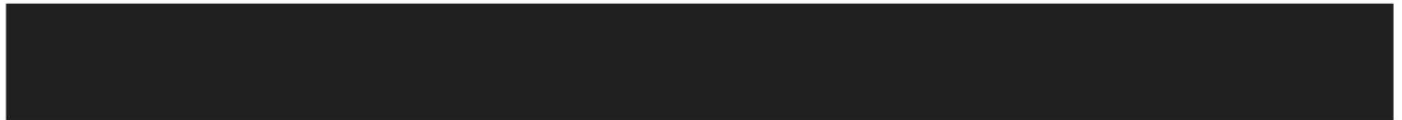
I was in Bangalore for a digital disruption workshop conducted by Professor Ram Nidumolu. This program is being run for a consortium [REDACTED]. I think there was a general consensus that PepsiCo is ahead of many companies in its digital thinking, the way its brands have adopted to digital, the PepsiCo e commerce journey and the digital work in the talent acquisition space. We still have a lot to do and digital capability is a collective skill we must have.

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I met the CEO of an E commerce company for a long discussion. They clearly see the FMCG retail space and the wholesale enabling via IT as a big disruption in FMCG. E Commerce hasn't seen huge success with

FMCG and see the 260,000 crores FMCG industry as ripe for digital innovation. They look at FMCG and see a distribution chain that is not fully integrated and wonder why there is no private label of scale that serves the traditional grocer. They also see the price mechanism as a place to get better information and logic via IT.

Capability is a focus area for us. The best functions in capability so far have been Franchise, HR and Marketing in that order. We have to step up our capability initiatives in sales and Supply chain, two critical functions for success. Capability improvement will help us achieve key execution wins and this share in sales and help us better our customer/consumer focus and run a lean system. While digital impacts the value chain by disrupting the purchase journey, inventory at the end of the day is one entity and number. All companies impacted by digital are grappling with this one inventory, many paths to consumer model. The company that masters this capability will leave others far behind.



All the best , do well, thank you for your continued commitment.

Warm regards,  
Shiv