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LIMA SUCCESS STORIES: TYSON FOODS

Forging Leadership in Uncertain Times

Breaking Digital Inertia

Quick Take

Change agents at Tyson Foods sought to develop an enterprise-wide digital vision to break the inertia caused by silos, traditional business models, and data readiness. After several false-starts, they selected an experienced digital transformation consultancy, Lima Consulting Group, to identify and build an integrated 3-year roadmap and digital transformation strategy. They valued LCGs flexible and personal approach and compared that to the global firms also competing for the business. In reference calls, Tyson learned that Lima would take great care in learning the nuances of the way Tyson does business, while also balancing industry-leading businesses models with the flexibility to tailor-make deliverables. Ultimately, Tyson trusted LCG to help create the right experiences to rapidly produce both quick wins and foundational underpinnings.

Lima Consulting Group began Tyson's digital transformation journey by leading a scenario planning initiative, where a range of business and operating models were evaluated and selected. The plan was unanimously approved and funded.

LEADERS IN DIGITAL TRANSFORMATION

Lima Consulting Group is a boutique consultancy focused on helping organizations leverage digital innovations to accelerate growth by scaling and standardizing experiences using consumer insights to gain competitive advanges, and differentiating through innovative business models.

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Executive Summary

While digital transformation (DX) is a top priority for most senior leaders, especially in response to the new reality, many organizations struggle to break the inertia. And when they do, they often fail. There are several characteristics of digital inertia, including:

Shared vision of what digital can do for the company

Business model definition

Operating model definition

How to structure the teams

MarTech road-mapping and architecture

How to monetize and leverage the company's data

Migration path to digitize and transform customer experiences

These dynamics were all in play at Tyson Foodservice, Inc. In 2019 Keith Barber, the company's Director of Digital Engagement, first approached Lima Consulting Group (LCG) as a strategic partner for its digital transformation. This case study describes how LCG leveraged its Digital Transformation Maturity Model (DTMM) with Tyson to:

Break the digital inertia within Tyson's leadership team to build consensus for the plan, and get it unanimously approved and funded

Develop a comprehensive cross-functional and step-based digital strategic plan to align the performance, people, processes, and platform needs of the organization
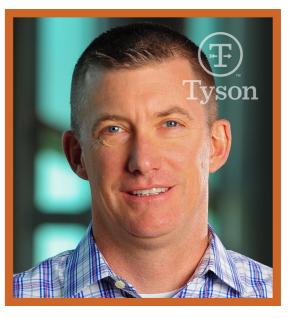
Enable direct digital engagement with the more than one million B2B customers served by third parties and distributors

Scale the digital capabilities of the salesforce to provide more control and insight into relationships with high-touch clients while simultaneously establishing direct lines of communication with the millions of smaller B2B customers

The challenges Tyson faced during its digital transformation and how it overcame them offer lessons for any organization that seeks to improve the customer experience using digital channels. It is doubly relevant for organizations that lack data about their end-customers, either as a result of selling or serving customers through a third-party or other market dynamics that prevent them from having an end-to-end view of the customer.

"Every recommendation we made internally is being funded and activated," said Barber. "I don't normally see that at Tyson. There's usually a lot of gauntlets other department throw in, but we didn't have to deviate because it was a solid strategy built with tremendous input from within thanks to Lima's early guidance to have us get out in front of the need to build consensus."

Barber is inspired by what the strategy is unlocking during the pandemic saying; "We're in a position to innovate how we serve our longstanding distribution relationships while also opening up lines of communication for the first time with 1.4 million businesses. We have new ways and new answers to bring to the market at a time when they need us most."

"Having a third-party help to educate our decision-makers and at times serve the role of arbitrator was essential. Our ability to arrive at a cohesive, multi-year strategy couldn't have happened without LCG and its model. It provided us with a disciplined and deliberate roadmap that aligned everything with meticulous detail."

**Keith Barber
Director of Digital Engagemen
Tyson**

The Tyson Situation

Tyson Foods, Inc. is a **$40 billion wholesale food manufacturer, ranked 66th on the Fortune 500. Tyson employs over 100,000 people to produce approximately 20% of the U.S. supply of beef, pork and chicken. Tyson** also maintains a portfolio of over 35 foods brands under the Tyson®, Jimmy Dean®, Hillshire Farm®, BallPark®, Wright®, Aidell's® and State Fair® brands.

■ Struggling to position segments effectively

Like many companies that grew through multiple acquisitions, Tyson struggles to break down siloes between product categories (beef vs. pork vs. chicken vs. processed foods) and brands (Tyson® vs. Jimmy Dean®). Many customers buy products that fall into multiple categories and want one seamless view of the organization. Large customers get that seamless view by working with one of Tyson's several internal salespeople, or one of the many representatives that work with Tyson through an exclusive brokerage relationship. These salespeople handle several thousand of Tyson's largest accounts (e.g., global and regional restaurant chains, major regional accounts, etc.), but there are over a million customers that purchase Tyson products through a distributor like Sysco or US Foods. Tyson refers to these customers as "unattended operators," since Tyson doesn't have a direct sales relationship with them.

Distributors don't sell Tyson products exclusively, and they may have conflicting financial incentive to promote Tyson brands to buyers; they may even push their own private-label products. Nor do distributors typically share data about end-customers. Tyson knows how much in aggregate they sell to distributors, but they do not have line of sight to the restaurants or businesses that place and pay for orders.

■ Leveraging digital transformation to accelerate results

For the past half-decade, Tyson's digital transformation efforts have taken place within a siloed, multi-brand, product-driven organization. **A core group of leaders from dispersed product teams hoped to leverage digital technology to scale its sales capability and establish direct lines of communications with the unattended operators, while also learning who they are and what needs Tyson could meet.** While the groundswell was chaotic the momentum demonstrated it was time to fund digital engagement.

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Challenge

Digital marketing and sales enablement became the rallying cry for launching a coherent digital change effort. Yet leaders struggled to align on a vision and a corresponding set of goals. The vision and initiatives that were funded were at odds and senior leaders and even customers were unimpressed.

A lack of clear vision made individual leaders vulnerable to the glitzy presentations and exciting promises of technology vendors and ad agencies selling narrow solutions. Tyson had bought a few of them and launched projects that promised extraordinary results, but without a comprehensive program to drive digital transformation across the organization, the outcomes were disappointing and led to turnover. To complicate matters, leaders did not trust their data and consequently regressed to opinion driven decision making while aspiring to adopt a data driven operating model.

"Everybody and nobody wanted to lead digital transformation at Tyson when I came into my role," said Keith Barber, Tyson's Director of Digital Engagement. Everybody wanted the glory, but nobody wanted the risk. "We had a ton of 'special interest' digital projects happening at the department level, but none of the work was connected. For instance, we'd just done an expensive agency-led overhaul of our website and invested in banner ads, only to get a clunky, disconnected user experience that didn't line up with the way we measure sales bonuses. Bottom line was, we had a ton of competing interests and we didn't have a digital strategy that aligned the people, processes, and platforms to specific performance outcomes. We weren't ready as a decision-making team to get serious about digital and we didn't know where we were going."

Tyson was mired in the fog of inertia

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Action

Keith Barber realized when he stepped into his role as Director of Digital Engagement that Tyson would need an experienced partner to facilitate and evaluate various business models; select, build, and implement the tech; and develop and deliver content. Tyson started looking for a single provider for all these needs. But as Barber spent more time with the business unit leaders, he realized that the early state of digital maturity across the organization translated into fragmented visions, which in turn created a mis-alignments among the leaders and funders. Barber decided he needed to narrow the focus and first identify a strategic partner that could help him develop a core digital vision and gain cross-organizational, multi-disciplinary consensus.

Digital Transformation According to Lima Consulting

The re-alignment and investment in **PEOPLE, PROCESSES, PLATFORMS,** and **PERFORMANCE** in support of existing and **NEW BUSINESS MODELS** to more effectively **ENGAGE CUSTOMERS** at every touchpoint with your brand.

After a series of rigorous and lengthy RFP processes, Tyson chose LCG as its trusted digital strategy partner. Tyson also considered several global consulting firms and Madison Avenue ad agencies. Tyson valued LCGs flexible and personal approach in contrast to the "globals". **In reference calls, Tyson heard that Lima would take great care in learning the nuances of the way Tyson does business, while also balancing industry-leading businesses models with the flexibility to tailor-make deliverables and bring the right experience to rapidly produce both quick wins and foundational underpinnings.** Keith needed to balance the competing objectives of speed with depth and LCG's model did both with one motion.

Providing a clear differentiation

What LCG offered Keith that no other prospective partners did was **a clear line of sight between start and finish.** For all the other service providers, he knew they had the ability to recommend and stand up a tech stack that addressed his needs, but what he didn't know was "why" they were recommending it, how they would build it, and how closely it would align with his needs. He had to take a leap of faith. What Lima provided was visibility into what happens between start and finish. There wasn't any black box in the middle. LCG laid out and articulated the business case, the required steps /deliverables that had to happen, how each one built upon the other, as well as how they would align with his marketing and business needs. The collaboration with LCG provided Keith the confidence to trust the process because he could see it, understand it, and more importantly could explain it to his stakeholders.

That line of sight was possible because of LCG's Digital Transformation Maturity Model

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How Tyson Leveraged LCG's Digital Transformation Methodology to Accelerate Strategy Development

Based on conversations with executive leaders and business unit heads, Barber concluded that he needed to prove the ability to generate net-new revenue through digital initiatives within three years. He had also drafted a number of new digital initiatives that he wanted help evaluating. First among them was his ambition to create a digital publishing arm dedicated to food-and-lifestyle content in order to establish direct lines of communication with the unattended customers. Keith recognized that he needed to introduce a direct marketing strategy with the nuances of carefully balancing an 85-year tradition of direct selling.

Trusting outsider insight to drive results

Barber allowed the integrity of LCG's methodologies to prevail. Convinced that the processes would produce the quickest and surest path-to-cash, Barber put his preconceptions to the side, and instead trusted the breadth of Lima's frameworks. The outcome resulted in a phased approach that included clear performance measures at multiple checkpoints. Following a disciplined methodology allowed Barber to avoid a common digital transformation pitfall: often the loudest voices dictate strategy based on what they "want" for their departments. Instead, LCG's methodology takes a disciplined and deliberate approach to help the various factions move away from what they "want" and instead explore what the organization will "need" to meet key business objectives.

In the case of Tyson, LCG's initial evaluation identified the need to be inclusive and comprehensive, which was an immediate departure from what the management team had supposed. Hesitant at the outset, they reluctantly agreed to let LCG conduct approximately 70 discovery interviews and engagement sessions with leaders, practitioners, customers, and partners to surface a vast inventory of potential business models, operational innovations, data sources, potential customer journeys, talent needs, and more. Given its vertical product and brand-focused culture, the LCG process allowed Tyson to explore a far wider range

of business models and innovations than it would have considered on its own. This broader exploration led to a strategic plan capable of influencing billions of dollars in value — far more than the $14 million in net-new value Barber had envisioned. LCG accomplished this by adapting a tried-and-true gap analysis framework to create its Digital Transformation Maturity Model(SM) to explore fundamental areas such as:

How do we want to make money vs how we are making money?

Who is our customer vs who is the recipient of the value we provide?

How do we want to provide value vs how are we providing it now?

What is our unique value proposition today and tomorrow?

What are today's strategies and business models and what do we want in the future?

In addition to conducting sensitivity analysis and scenario planning to assess the portfolio of business models and value propositions, LCG's framework also surfaced other foundational needs across the four pillars of its model:

PEOPLE

Consensus building, silo breakdown and collaborative brainstorming

PROCESS

Documentation, data capture and data governance

PLATFORM

Technology selection, implementation, data readiness

PERFORMANCE

Aligning and accelerating sales motions with the potential of quick wins powered by digital efforts

Tyson's Digital Strategy

The cutomized digital strategy that evolved from this process leveraged Tyson's unique strengths — a phased, multidisciplinary plan capable of delivering early wins, while gradually preparing the company to develop new initiatives and even new sources of revenue. Ultimately, LCG proposed that Tyson accelerate existing sales motions, layer in additional digital marketing capabilities, and limit disruptive strategies until it had fully deployed the digital foundation. The plan will unfold over three years, beginning in late 2020:

YEAR 1
Set the digital foundation

In the first phase, Tyson introduced core marketing technology (MarTech) to get some quick wins and enable the sales force to reach more customers through digital channels. As it relates to the "unattended" customers, Tyson would develop a direct Engagement Hub connected to a robust social media presence that would allow it to qualify and serve customers directly through a well-orchestrated digital marketing and sales funnel with the digital analytics underpinnings to serve as the digital foundation.

YEAR 2
Develop a better understanding of the end customer

Leverage marketing automation capabilities connected to Tyson's owned CRM to track customer behavior and identify targeting opportunities. This capability will allow Tyson to connect campaigns and social media rebates to specific end buyers of its products, develop an end-to-end view of customer lifetime value (LTV), and close the loop to reveal Digital Marketing's Contribution to Sales (DMCS).

YEAR 3
Improve the customer experience

With trustworthy and audited customer insights, Tyson will be able to personalize customer experiences at scale by leveraging the artificial intelligence and machine learning capabilities embedded in the Adobe Marketing Cloud — Tyson's chosen MarTech platform. Having invested in a digital foundation, Tyson will be prepared to rapidly respond to market conditions and improve its agility by layering in additional business models and revenue streams. It will be able to document, and then digitize desired customer experiences that are delivered manually today via the sales organization.

Keith Barber was surprised by the number of interviews LCG conducted with key stakeholders to build the strategy. At times, he thought it might be too much—until he came to see how those interviews allowed leaders in different functions to voice their ideas and concerns. That process laid the groundwork for buy-in and gave both LCG and Barber the insights needed to develop the strategy and side-step the pitfalls from the outset.

"One of the surprising lessons is that Lima Consulting Group provided the most value around consensus building," said Barber. "Having a third-party help to educate our decision-makers and at times serve the role of arbitrator was essential. Our ability to arrive at a cohesive, multi-year strategy couldn't have happened without LCG and its model. It provided us with a disciplined and deliberate roadmap that aligned everything with meticulous detail."

LCG Digital Marketing Maturity Engagement Methodology

| DISCOVERY | VISION FORMULATION | FUTURE STATE BUSINESS OBJECTIVES | GAP ANALYSIS | RECOMMENDATIONS & RESOURCE PRIORITIZATION | DECISIONS & APPROVALS | EXECUTION | MEASURE & OPTIMIZE |

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Results

The end result of LCG's initial engagement with Tyson was a digital strategy that leaders across the organization could agree on in terms of its vision and goals, the results it would produce, the technology used to get there, and the key business outcomes the initiative would enable.

■ Validation and activation

"Every recommendation we made internally is being funded and activated," said Barber. "I don't normally see that at Tyson. There's usually a lot of gauntlets other department throw in, but we didn't have to deviate because it was a solid strategy built with their input. I've presented it to everyone in dozens of desk-side briefings and whether it was IT, legal, procurement, finance, sales, marketing, product management, or our rewards loyalty vendors and staff, it held strong."

When asked how digital transformation is impacting Tyson's corporate culture, Barber responded, "As we move forward, customer data will take on a whole new meaning at Tyson. We aren't just adopting a data driven business model, but we're influencing our culture. We're learning to ask new questions. LCG even gave us rubrics with specific questions and waypoints that will help us recognize our advancement traversing the pre-determined mile-markers so that we can be aware of our cultural maturation. LCG is relentless in pushing us to ask if we 'know our normal'. And we're thinking more broadly about how to accelerate small bets and to fail fast."

"Our challenge was and is our ability to reach and influence a massive number of potential customers by using new digital channels," continued Barber. "Building the right strategy and shifting the culture turned out to be key. Now I am confident we have the right plan, the right tech and the right culture to deliver a great customer experience digitally."

As Tyson realizes value from its organization-wise digital strategy, customer insights will inform and enable new digital models that serve to deepen relationships and enable personalized value delivery to buyers worldwide. Barber is inspired by what the strategy will unlock in the future saying; "We're in a position to innovate how we serve our longstanding distribution relationships while also opening up lines of communication for the first time with 1.4 million businesses. **We have new ways and new answers to bring to the market at a time when they need us the most."**

Schedule a call with Paul today — the first step towards crafting a custom program to guide you on your digital transformation journey

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