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Technology Versus Pandemic

Digital solutions are central to Nestlé's Covid-19 comeback. CIO Filippo Catalano on the consumer goods giant's response to crisis, the importance of preparedness, and where big companies go from here.



A focus on data and AI doesn't mean forgetting people power. In 2019, Catalano spearheaded an effort to move the company onto the Workplace collaboration platform, which is based on a social media interface. When tens of thousands of employees found themselves videoconferencing from home, the platform was a welcome way for teams to connect outside the office. "The organization was already primed for interaction and collaboration," Catalano says. "It was a great foundation to have in the Covid-19 crisis, which reinforced the need for something resilient and easy to communicate across teams." In a company Nestlé's size, such connections and communication proved to be a major competitive advantage. Just as their offices in China provided early warning signals, the workarounds and lessons learned at the Global Hub in Italy in the early days of the crisis meant offices elsewhere had a head start when lockdowns hit. "Country A could learn from country B how to react," Catalano says. "It's not an exact science, but it gives you two or three different ways to understand how things might evolve moving forward."

Meanwhile, the company's thousands of brands were racing to adjust to changing markets. In just a few months, "there's been a visible shift in channel competition," Catalano says. "It's definitely shifted the needle in terms of consumers trying things online for the first time." Remote commerce—online sales, e-retailing, and direct-to-consumer marketing—have surged, with over 10 percent of company sales taking place via e-commerce. And with consumers spending more time at home and online, the ways they evaluate products and ask questions have also shifted. As people stay away from stores, Nestlé is seeing more and more interaction with digital "chatbots" trained using AI algorithms. On platforms like Facebook, WhatsApp, and China's WeChat, bots increasingly answer questions about product availability, ingredients, and safety.

Covid-19 has meant some rapid change. But Catalano argues that fundamentals like communication, collaboration, and in particular a focus on what data can deliver will remain important to Nestlé as the company seeks a new, post-pandemic path forward. "All of the foundations we've worked on in the past three or four years are helping us now as well," he says. His philosophy of giving brands and regions the freedom to make their own decisions on how to assemble and re-use the modules and components provided globally by the Group has proved very effective. "Forget the fluff. Make sure the foundations are in place, and the rest will take care of itself."

Top Trends in Technology — #1

Remote Collaboration

After months of Zoom conferences and Microsoft Teams meetings, this one's no surprise. But Catalano says the next hot companies will be the ones to solve the problem of getting creative collaboration—brainstorming, “post it on the wall” sessions—online. “The next frontier is how do you bring dispersed teams together,” Catalano says. Virtual reality could be an answer.

Top Trends in Technology — #2

Augmented Reality

Travel restrictions and global lockdowns posed a surprising problem for Nestlé's many factories: Repair technicians couldn't travel, so when a complicated machine broke down or needed commissioning, local staff was on its own. Nestlé has now deployed augmented reality, or AR, software that superimposes technical data and drawings on top of live feeds of machines. Point your tablet at the machine and the buttons will be highlighted, helping speed troubleshooting calls with remote tech support. “With travel being halted, maintenance experts couldn't get to factories,” Catalano says. “In less than two weeks, we deployed these AR solutions. The level of adoption was tremendous.”

Technologie-Trends – #3

Touchless and Voice

Covid-19 may have killed the deal-closing handshake. Other casualties could include the old vending machine down the hall—who wants to share buttons with a building full of people? “Touchless tech is going to get a boost,” says Catalano. At Nestlé they're already experimenting with touchless coffee makers and vending machines. One big winner could be voice-activated machines: Alexa at the bus stop ticket machine, for example. “Voice technology has good adoption in homes,” Catalano says, “but I think we will see more embedding of voice in and out of the home.”

Info

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