An $800M marketing budget doesn't drive more volume by spreading it thinner. Simplifying our innovation process guaranteed successful $150m+ brand launches.

PepsiCo · Office of the CMO · Chief of Staff

THE NUMBERS

$800M

Annual marketing budget managed across multiple $1B+ brand portfolios

25%

Reduction in the overall innovation pipeline, the system backed the big bets

$150M

First year brand launch orchestrated inside the rebuilt process

01 The Situation

PepsiCo's innovation pipeline was full. Multiple billion dollar brand portfolios, including the launches that became bubly and Lifewtr, were all competing for a share of the same $800 million annual marketing budget and the same annual planning cycle. Full isn't the same as focused. A pipeline with too many initiatives may look healthy, but doesn't produce more winners. It produces more underfunded product innovations, too many products for limited shelf space, and results in each being less likely to break through.

Do you feel these conflicting pain points across a portfolio of brands? Let me show you the process.

02 The Stakes

Every additional initiative in the pipeline was a claim on the same finite budget and the same finite attention from more than 13 cross functional teams. Keep adding bets without cutting anything, and even a genuinely great idea, the kind bubly and Lifewtr needed to be, gets diluted down to "one of many" instead of funded like the priorities we need to drive volume from innovation. That’s what Wall Street paid attention to.

03 What I Did

Took the plan to where the real decisions get made.

I led 3-5 year strategic planning initiatives and presented more disciplined annual multi brand portfolio plans directly to the CEO, the Board, and our bottler system, the audiences whose buy in actually determined what got funded.

Cut the pipeline before adding anything new.

We simplified the “stage gate” innovation process and reduced the overall pipeline of product innovation by 25%, forcing a shift toward fewer, bigger bets instead of widespread smaller ones. We set floors for volume and pricing to insure the velocities would be reached for our commercial partners. Every brand manager bringing a new product to our bi-weekly Stage Gate process was vetted in advance through to assess potential success. If they hadn’t modeled out the forecast to case volume expected for success, initiated the priority accounts and validated the consumer insight preferences, they didn’t get a seat at the table. Only the truly validated winners would be added to the agenda. No storytelling skills would win over the room.

Rebuilt planning around KPIs that actually connected.

Annual marketing planning was redesigned to link enterprise level targets down to brand and market level frontline field plans, using a consistent KPI framework, so a market level plan and a boardroom conversation were finally talking about the same numbers and forecasts. Year over year we moved up the following year's annual plan to be presented a few weeks earlier. We added new transparent looks at each of the plans for the distribution system.

Used the rebuilt process to launch at scale.

Inside that new discipline, I helped orchestrate a $150 million first year brand launch, directing cross functional annual planning across a multi billion dollar portfolio to get it done.

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04 The Result

The pipeline shrank by 25%, and the process that came out the other side is what carried bubly and Lifewtr into market alongside a $150 million first ten months launch each built the same way. The KPI framework gave every level of the organization, from market teams up to the boardroom, a shared language for what "working" meant.

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05 Why It Matters

Growth stage companies almost never have too few ideas. They have too many, spread across too little funding and attention to give any of them a real shot at success. The instinct is to add resources or add headcount to cover more ground. The better move is usually the opposite: cut the pipeline down to what can actually be funded and championed properly, then launch those fewer things like they matter with a commercial commitment to your partners. Many innovations find their opportunity later with greater understanding of what it takes to succeed for the manufacturer, for the brand, for the distributor and the end consumer.

That's the same diagnostic I run under JDR Growth Advisory on a smaller scale for every client. Before we talk about adding a channel or a hire, we look at what's already on the plate and ask honestly whether it's all earning its place there.



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