

THE DRIVE TO BUSINESS SUCCESS

Talking strategy with Michael I. Schwartz, leader of Kraft's worldwide marketing information program

As Vice President, Consumer Insights and Strategy (CIS), at Kraft Foods, Michael I. Schwartz is one of the top marketing information leaders in the consumer industry. He directs more than 500 professionals in dozens of countries around the world, spanning the complete spectrum of Kraft's businesses and categories.

A longtime Easterner—now transplanted to the Chicago area with his wife and two daughters—Schwartz started his marketing research career at General Foods (which would become part of Kraft). Schwartz progressed through the Kraft/General Foods organization until he joined Campbell's Soup Company in 1996. There he rose to become the Vice President, Market Research and Consumer Promotion, and also had a broader Marketing Services role encompassing other marketing areas. Schwartz then returned to Kraft in 2000 to run the Grocery Division's Consumer Information team before becoming Vice President of Kraft North America CIS, and he was recently promoted to his current job of Vice President Global CIS for Kraft Foods.

Recently, Knowledge Networks President and CEO John J. Lewis sat down with Schwartz in his office to get Schwartz's perspective on the marketing information

world in the 21st century—its challenges, imperatives, and opportunities. *KNOW* was there; this is what we heard ...

MIKE, TELL ME ABOUT HOW YOU VIEW YOUR JOB AND THE FUNCTION YOU RUN HERE AT KRAFT.

The Consumer Insights team prides itself on the fundamentals—not the fundamentals of marketing research, but the fundamentals of business. We need everyone on our team to understand the business issues and the issues of our cross-functional partners. Our goal is to use our consumer knowledge to drive for business success. Obviously, we also need the best marketing research skills, but that is not enough.

IT'S ONE THING TO PUT TOGETHER A TEAM WITH GREAT MARKETING RESEARCH SKILLS, BUT QUITE ANOTHER TO EXPECT THAT TEAM TO DEVELOP AND POSSESS TERRIFIC BUSINESS SKILLS. HOW DOES KRAFT DO IT, AND HOW HAVE YOU DEVELOPED BOTH SETS OF SKILLS IN YOUR CAREER?

It is difficult, but critically important. We train people a great deal, not only in marketing research, but in business situations. However, the greatest teacher is having a diversity of experience. Working



EVERYBODY HAS KNOWLEDGE THESE DAYS; BUT UNLESS YOU DRIVE IT TO ACTION, YOU ESSENTIALLY GO NOWHERE.

across many categories, businesses, and countries—and the experience that comes with it—is the best way to be prepared for the next business situation.

In my own case, I have been very fortunate to have that diversity. I started in the Minute Rice business at General Foods and have moved through all the businesses at our company for the most part. In my four years at Campbell's, I worked on different businesses, expanded my role to broader Marketing Services, and even got involved in Investor Relations. I cannot stress enough the importance of this training in becoming valuable to your company's business.

WHO IS YOUR KEY CONSTITUENCY WITHIN KRAFT?

It's clearly senior management and the leaders who run the businesses. Kraft is very reliant on consumer knowledge, and management looks to us to use that insight against their business goals.

WE HEAR SO OFTEN ABOUT THE NEED FOR MARKETING RESEARCH TEAMS TO REGAIN A SEAT AT THE MANAGEMENT DECISION-MAKING TABLE. IT SOUNDS LIKE THAT IS ALREADY THE CASE AT KRAFT; CAN YOU TELL US WHAT YOU ARE DOING TO MAKE THAT HAPPEN?

We have always had a seat at the table at Kraft, and we are working hard to keep it. It's one of the reasons people remain loyal to Kraft—because it's rewarding to have that role. The team is totally focused on adding value to the

business and the required business decisions. While we also have our own corporate functional goals, we align ourselves against the business issues and make full use of our seat at the management table.

HOW DO YOU MEASURE WHETHER YOU ARE DRIVING BUSINESS SUCCESS?

Our specific task is to leverage our consumer knowledge to drive action. Everybody has knowledge these days; but unless you drive it to action, you essentially go nowhere. Your competitive advantage is what you do with the information and knowledge these days. So, the measures of success are, did we take action and did the action succeed?

CAN YOU ELABORATE ON THE PROCESS OF USING INFORMATION TO DRIVE BUSINESS DECISIONS?

The information to support a business solution usually comes from several sources; you look for a convergence of evidence. You often have to resolve conflicts in the data, and use judgment to arrive at a business recommendation.

MIKE, KRAFT HAS JUST REORGANIZED TO MAKE THE COMPANY MORE INTEGRATED AND FOCUSED ON THE GLOBAL BUSINESS. HOW HAS THIS AFFECTED YOUR GROUP AND ROLE?

The Consumer Insights group has gotten a lot bigger and more diverse. We are very focused on knowledge sharing and knowledge management to make sure we understand how concepts or other business issues can apply across locations. We are also looking at ways to get synergy across the global team so we can reduce duplication of efforts.

HOW DO YOU ORGANIZE THIS COMPLEX GLOBAL MARKETING INFORMATION EFFORT?

It is very matrixed, as we have to be sensitive to the local markets, the local managers, and still get the benefits of global knowledge sharing. Meeting all these needs requires us to develop better processes and communication, which we are setting out to do.

WHEN YOU LOOK AT THE MARKETING INFORMATION LANDSCAPE TODAY, WHAT DO YOU SEE?

It is a time of unprecedented change in the consumer world, and the market research industry must quickly adapt to those changes. At Kraft, we are focused on innovation and speed in adapting to the changes, and we need our partners and suppliers to do the same.

CAN YOU GIVE US AN EXAMPLE OF A CHANGE THAT YOU ARE FOCUSED ON?

We are focused on multicultural evolution in the US market. The changing face of America is a very important phenomenon, and we think more has to be done to understand the marketing implications and to help us take action.

YOU ALSO MENTIONED THE IMPORTANCE OF SPEED; CAN YOU ELABORATE ON YOUR REQUIREMENTS HERE?

Speed is a huge thing for us. We and our information partners need to avoid overanalyzing. Speed also applies to our request for innovation, which must come with immediate returns, as well as long-term benefits.

WHAT MORE DO YOU NEED TO SEE FROM YOUR MARKETING INFORMATION PARTNERS IN THE YEARS AHEAD?

The better suppliers are the ones who understand the business objectives and are able to innovate quickly to help us drive our business. It is critical that marketing information companies not wait for Kraft to lead them to innovation, but instead take the initiative, again in line with our needs.

WHAT WOULD BE THE BIGGEST CHALLENGE FOR YOU IN THIS JOB?

Setting priorities. There are so many business decisions at hand, so many informational needs and very short timelines. So, deciding which efforts will most help the company is a difficult and never-ending task. We are constantly trying to streamline and focus only on the things that are really important to the business. We try not to just add to our list of tasks, but to take things off the list that are not as important. It's easy to say, but very hard to do with such a large organization with so many constituencies and needs.

MIKE, CAN YOU TELL US ABOUT YOUR INTERESTS OUTSIDE OF WORK, AND—KNOWING YOU HAVE A FAMILY—HOW YOU BALANCE THE DEMANDS OF YOUR CRITICAL AND CONSUMING ROLE AT KRAFT WITH YOUR FAMILY LIFE?

I am a big sports fan, particularly basketball. I am coaching my daughters, who also love basketball. We have recently moved to the Chicago area and are really enjoying our new surroundings. I haven't quite turned in my Yankees hat for a Cubs hat, but we are still enjoying ourselves.

As for finding a good work and home balance, it isn't easy, but if you are creative, you find ways. Kraft is one of the best companies in helping you seek balance; they stress it and even put in personal goals.