



Agile Marketing a new reality – really?

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This experience paper is a recollection of a rewarding career, great mentoring, a fun voyage and an amazing project that became a business proposal to McDonald's Canada. It tells the story of our marketing pilot project, which taught us to embrace the negatives and turn them into positives every step of the way as we were working to develop this new customer offering.

1. INTRODUCTION

In early 2012, I turned away from my advertising career and joined Pyxis Technologies where I was first introduced and fell in love with Agile Methodologies and the Agile Mindset. Pyxis creates software and organizational solutions that improves the lives of users and teams across the world. Reminiscing about my first exposure to Agile recently reminded me of an earlier marketing experience with a project I adored. To kick start my story, I will share the project seed that sprouted and eventually introduced a new brand, a new offer, and a new(ish) name "McCafé".

Through restless progression, increased innovation and adaptation – McCafé saw the light. It all happened because we were able to entertain a different type of conversation, work as a team, keep our fingers on the pulse of the market as we tested and catered to new demographics for this restaurant mogul.

This experience paper is a recollection of a rewarding career, great mentoring, a fun voyage and an amazing project that became a business proposal to McDonald's Canada. It tells the story of our marketing pilot project, which taught us to embrace the negatives and turn them into positives every step of the way as we were working to develop this new customer offering.

Many years later, my experience with the McCafé Marketing Plan changed the way I think. This experience ended up being Agile even though I joined Pyxis and learned about Agile afterward. It taught me the importance of working in partnership with the client and measuring results frequently! It also taught me that understanding the customer and focusing on effective and actionable marketing strategies is the key to making continuous progress.

2. MY STORY

My story begins in the 1990's, working as the National Account Director at Médiabec, one of the most prestigious and not so traditional ad agencies in Montreal and Toronto. Médiabec was a advertising and promotion firm, a niche of marketers for marketers. It promoted a "carte blanche" approach that created an environment that was safe and supportive for me.

My story also includes Nestlé Canada, the agency client I managed for 10 years and a new business opportunity with McDonald's, and my passion for the restaurant business

You see my Dad had two Dairy Queen restaurants when I was a kid – I know... this sounds amazing – it was. When you grow up in the restaurant business, you are trained very early to smile, to be creative, become a people person, and have vision and a business mindset for marketability and profitability. You learn as you go and you practice to get better.

Ultimately as a family, my siblings and I learned at a young age to be entrepreneurs and plan for staffing, facilities, purchasing and cleaning, as well as goals & profits. We did it via collaboration, one sunny or rainy day at a time, with daily family meetings and time outs. We did it out of passion for the clients that came for a treat at my Dad's Dairy Queen.

My experience with the family business gave me a particular interest in the Nestlé project with McDonald's. It allowed me to relive some nice childhood moments and the passion it lit up in me inspired the team to let me lead them in this project.

After Dairy Queen, Concordia University and the United Nations, my life became all about advertising, communications and being my client's best partner...À la "MAD MEN"; we worked hard and played hard.

2.1 Background

A change in menu – a new daily routine ...not just for breakfast anymore!

The McCafé launch was the culmination of a lot of deep thought, strategic discussions, design arguments, and hard work. It was the result of months spent working with two teams, our client Nestlé, and their business partner McDonald's to articulate what coffee is all about, where we want to go, and how we can best serve our client Nestlé's business into the future.

McDonald's historically targeted families with children through toys in Happy Meals and the PlayPlace playground. The draw of children would lead (or sometimes drag) their parents there as well. With the introduction of the McCafé concept and specialty coffee drinks, going to McDonald's would not seem as much of a chore for these adults, since they would be able to sip on a nice latte while their children play and eat.

By improving their image and introducing quality luxury coffee and espresso drinks, the idea was to create an atmosphere at McDonald's that would greatly appeal to young adults, teenagers and parents as well.

It is important to understand that for the busy consumer, coffee is a grab-and-go item. My experiences in our family Dairy Queen business gave me a good understanding of the cost of the daily basic restaurant logistics. Here are some key things my father often reinforced with us at the Dairy Queen:

1. Be customer oriented, be quick and give good service. It's the Best Policy.
2. Word of mouth marketing can be the absolute best advantage or the worst drawback for our family business. It get's people talking about us!
3. Let's always communicate between each other and work as a team. If we work together we can improve, plan for change or prevent the same mistakes from happening again.
4. Planning requires time kids and we do not always have that luxury. Always give a good and honest service/offer/product and try your best every day.
5. Opening and closing a restaurant is very expensive. During these periods, we are paying employees to do work during a certain period of time that is not serving customers and during which we are not making money.

Looking back at our family strategy and objectives helped me identify how to best position our starting point. We were building a blueprint marketing strategy for the McCafé offer with a new emphasis around business and convenience.

Based on my family experience, we quickly realized the McCafé concept could provide McDonald's with the following **3 WOW** strategic benefits:

- **WOW 1** - 24 / hours - With this new coffee offering McDonald's could now operate and stay open 24 / 7 for the very first time...just with their drive-through service. Coffee is an around the clock business – not burgers.
- **WOW 2** - Convenience - With an on the go coffee menu offer for pressed customers and easy access to all the McDonald's real estate everywhere
- **WOW 3** - Lean production line and quick service - How easy and cost effective to prepare a good cup of coffee. The behind the counter production line with McCafé, would not disturb the other menu items preparation time.

These potential benefits demonstrate the extent to which today's customer values convenience and quick and attentive service.

2.2 My Strategy

My line of thinking and rationale for this Marketing Plan was to give parents, teenagers and young adults a reason to come back to McDonald's by having specialty coffees fill up "gap periods" in the restaurants. By

introducing McCafé, it would significantly increase incremental sales by adding sales of daily coffees or treat purchases during gap periods of the day. Gaps periods refer to times such as between the rush periods where there are no customers in the restaurant.

We also wanted to position McDonald's in the consumers' mind as a worthwhile place for soccer moms to stay and have a conversation over a cup of cappuccino. We would help save time for these busy parents as they would not have to travel to two different places to satisfy themselves and the cravings of their children, something that Starbucks could not provide.

We believed at the time that entering the competitive coffee market would not complicate operations for McDonald's restaurants; it would only strengthen the "menu offering" and increase revenue by getting the customers to come back more often for a good cup of coffee.

2.3 My Beliefs

At the time, I did not know anything about Agile but the way I approached this marketing concept was through a pilot project that encouraged us -- the client and the agency -- to learn and adapt as we went along one step at a time.

Our key principles as a team were:

- **Collaborate closely with the customer** – work with senior managers and key decision makers from the client present at every step. We did this almost daily over the phone or in person. I remember craving these client exchanges;
- **Bundle products, adapt the menu and maximize business opportunities** – work while understanding the need for change. Embrace and be willing to respond to change (in teams, product, process);
- **Make a difference** – let the client see results (good or bad) early and frequently through the marketing data and proof of concept test results;
- **Return on investment** – by working closely with our clients at each product development stage, the agency, client and team all avoided unnecessary re-work. We were collaborating as a unit with our hits and misses – we learned and moved on rapidly with a constructive approach;
- **Be of service to your client and bring value to the relationship** – I have always presented my ideas and followed my heart with much openness. Because of this my clients know I am a trusting, supportive and a resilient partner to work with.

These strong beliefs were confirmed when I was introduced to Agile approaches in 2012.

At the agency Médiabec it was ok to make good or bad decisions and "failing fast" gave us insights that allowed us to move forward more quickly. As a team we learned to communicate on a daily basis and self-manage. We felt empowered and we shared how we made decisions and why.

2.4 Execution

The ideas we had promoted action and focus which gave us a useful bridge between the planning processes and all parties (McDonald's, Nestlé and Médiabec). The design, the taste tests and look and feel were a continuous process for cups, promotional material and signage. The designs we developed with few mockups because we had a fast feedback loop with the client.

We experimented with different coffee flavors and machinery. We tested different specialty coffee flavors, pricing strategies and whether customers would like to buy coffee at McDonald's among other things. The test results helped us explore how to best reap the desired marketing benefits. McDonald's began pilot projects in over a dozen restaurants in Canada.

We continually experimented to find the best combinations of products, bundles and machinery and reduce waste of resources. We even started playing with the concept of McTreat's. Small bite size pastries like danishes, croissants, bagels and fun desserts. Our plan reflected our customer facing philosophy to satisfy customer and clients needs at all times – planning is key and continuous. Get the planning right and the organization can get more value.

The constant collaboration with our client allowed us to regularly share our planning, provide them with a measure of our progress and also allowed for real discussions with the client around the next planning activities.

For me, marketing must understand the business inside out. Our team was alert, flexible and prepared to work with many different functional areas of our client's organization such as marketing, operations, finance

and human resources as well. Any decision we made had real potential customer-facing impacts and we needed to be able to support many different areas of our client's business.

For me, marketing is also much more than market segments and consumer behavior or motivating customers. It starts with identifying a real picture of strengths and weaknesses of the business and a shared understanding of the **why** because that is **how** we can create momentum around an idea and turn this idea into a change, a movement, a purpose ...a belief.

The planning steps became logical and easy to follow when everyone understands the **why**, but this can take time. There is a need for constant communication up and down the organisations (Médiabec, McDonald's and Nestlé) at each stage – Planning effectively is an iterative process.

3. THE PROBLEMS

Here is where we kind of failed –

We added a second team after 4 Months (distributed – One in Montreal and the other in Toronto). Management at the agency wanted us to ensure we supported our clients' growing needs.

With this new team came:

- a new designer
- a creative director
- a senior consultant with a storm of initiatives and no customer-oriented culture.

This new team created the following challenges for us:

- Gathering market intelligence or outside perspectives was a no-no from now on. They had their expert hats on, and a “stop all this testing” attitude, “leave it up to us”. A “no need to validate with the parties, we know best” attitude. Because of this behavior, silos came up. It was as if we were working on two different McCafé's initiatives.
- Constant delays and no transparency was becoming the norm.
- We were not aligned or moving in the right direction.
- They presented their work directly to the client without involving us.
- They wanted to introduce a new lounge aquarium concept for McDonald's. Can you imagine turquoise walls and “Finding Nemo” creative idea to appeal to kids at McCafé...we were selling coffee!!

Adding the second team caused a situation where we were in two distinct camps instead of collaborating together to deliver the project. We were missing time-lines and drowning which was pushing the client outside of the sacred relationship we had created with them.

Our knowledge was not being implemented nor considered and they seemed to be taking over the project. We were determined to keep going but this was risky business because as mentioned earlier, we had real business impacts on our client each step of the way.

We lost focus and lost our sustainable pace. The second team forgot to begin with the end in mind. Our job was to help introduce a coffee concept and sell coffee at McDonald's not re-brand and re-design the experience at McDonald's.

The sensible thing to do was to change immediately as a team. Re-build a happy team that worked together with rules and respect. We were to focus intently on what the client needed at that moment – and not commit too far into the future, as we should not have done ...turquoise ...arrrrg!

4. THE RESULT

We sold our idea and collaborated for many months after. Then McDonald's took over and went live to test in different markets across Canada and has never stopped testing, improving, adjusting and listening to clients.

What I discovered is this Agile Marketing approach allowed us to keep things simple and identify what could bring the most value to the project. It allowed us to seek value in our on-going micro marketing strategy.

Essentially, we realized our focus needed to be on:

- How to bring the café to McCafé
- How to develop a new brand and position this high in-demand product within the golden arches
- How to build a strong coffee connection with the McDonald's customers.

Agile Marketing makes us look at the essential and simplify. We then can better identify what brings the most value to a project with continuous insight.

Let me share some of the other key learnings with you:

- The client cannot plan for everything and is not always right. This is hard, especially when one of your core values is to serve your client wishes.
- You can't rush frequent inspections of a concept. You need to validate as much as you can before moving forward, even if it looks and feels right.
- You can challenge management and your client. You need to be prepared to not demolish though and maybe push back on things they hold to be a basic truth such as: "Big successful brands have equity" or "product line extensions make eminent sense in the boardroom".
- Be patient, creative, test and share results fast for continuous improvement. For me, this was an amazing example of the new culture we had created. We had an amazing relationship with the client as we were talking not just about concepts, but the heart of the business.

We approached the McCafé project with constant proof of concept. We delivered smaller portions sooner for immediate feedback from both the client and consumer. Agile Marketing belongs in the testing mode of great ideas with continuous improvement and gathering feedback as a safe check to move forward. We sum it up in two words: Program "Roll-out & Release" (potential realized).

This marketing pilot project was more than just a battle for great coffee products in a competitive market – it was also a battle of public perception.

Before I joined Pyxis, my very best work experience was with the following McCafé case study.

With the addition of a new team with an old approach, I got to experience first hand the pros and the cons of using either approach. When I joined Pyxis and learned all about Agile, I knew it was a good fit, as it was clear to me that the best of my extensive marketing was, indeed, Agile Marketing.

For me, the days are long gone of working on advertising campaigns or new products for Months without sleep and keeping our fingers crossed before the big reveal - the big launch. I've seen this from the front row, most marketing mistakes stem from assumption and ego.

Why Agile Marketing?

- It is a solution that allows teams to be dynamic and flexible throughout project's stages;
- It is constant prioritization and helps identify goals for the next steps;
- It is instant improvement with communication and collaboration (breaking silos);
- It is transparency brings trust to a team and to the relationship with the client;
- It is inspect and adapt with "thunder" for decision making;
- It is feedback and test-driven with customer focus;
- It is speed-to-marketing the market;
- It is immediate value.

In today's always on and always connected market - stop - have a nice cup of coffee and bring a killer and unique value to your client with Agile Marketing!

5. ACKNOWLEDGMENTS

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And finally, to My Dad, who is turning 75 tomorrow - I'm still learning and listening ...you will be reading this for the very first time, I am blessed, love you.