

# COMPANY STRATEGY AS A KEY TO ENABLE PRODUCT ORGANIZATION



### **VICTORIA SHEER**

Aldi Product & Strategy Operations lead/ Co-founder OKR Consortium

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- Experienced product leader, with 9+ years of experience working as a product owner, setting up new products and development processes
- Worked in energy, FMCG, and retail industries
- Trainer, mentor, and consultant on product transformation and OKRs.
- Currently manages OKR roll out at Aldi Süd globally & value streams strategy set up
- Co-founder of OKR Consortium, responsible for relations with partners and industry consulting

#### **ALDI SÜD IN A NUTSHELL**

#### ALDI SÜD - 5th largest food retailer in the world

1980+ Stores in 11 countries 100000+ Employees €140+ bln Yearly revenue

6 Product Departments 40+ Product Teams per Department

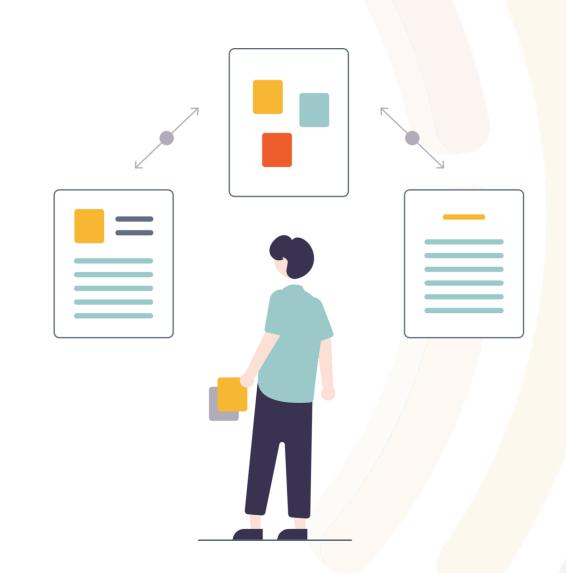
Countries of Operations

## ORGANISATION MANAGEMENT CAN BE SPLIT INTO 3 LEVELS: MISSION & VISION, STRATEGY, EXECUTION



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## STRATEGY



#### STRATEGY HOUSE SHOWS LONG TERM STRATEGY OVERVIEW

#### **ALIGNED WITH VISION AND MISSION**

#### **OBJECTIVE**

What are our next winning aspiration?

#### WHERE TO PLAY

A set of choices that establishes markets, channels, products

#### **HOW TO WIN**

How the company can best **create**and deliver unique value to
customers (e.g. innovate vs follow)

#### **VALUES - HOW WE OPERATE?**

Values that we apply to our working mode and to nonfunctional requirements

#### STRATEGY HOUSE - ALDI SÜD E-COMMERCE EXAMPLE

#### **ALIGNED WITH VISION AND MISSION**

#### **OBJECTIVE**

Make our e-commerce offering profitable with market-leading quality and a curated product range

#### WHERE TO PLAY

Markets: USA, Germany
Channels: exchange existing nontransactional offering with
transactional
Products: E-shop web, mobile, loyalty

#### **HOW TO WIN**

Apply existing offline presence for delivery and customer acquisition

#### **VALUES - HOW WE OPERATE?**



Global Services



Simple & Efficient

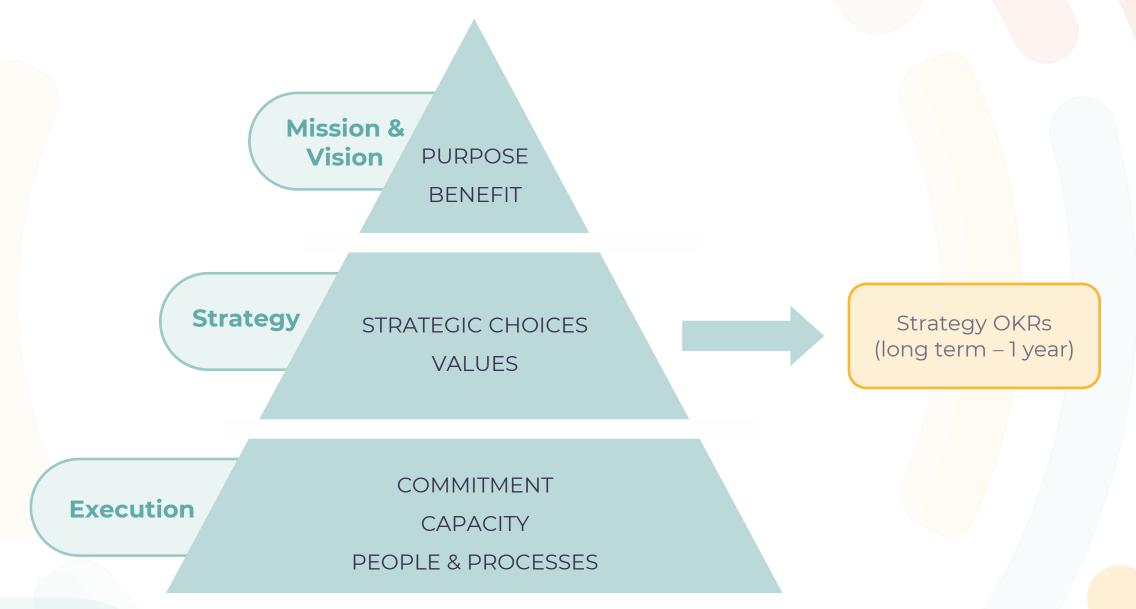


IT & Business as one team

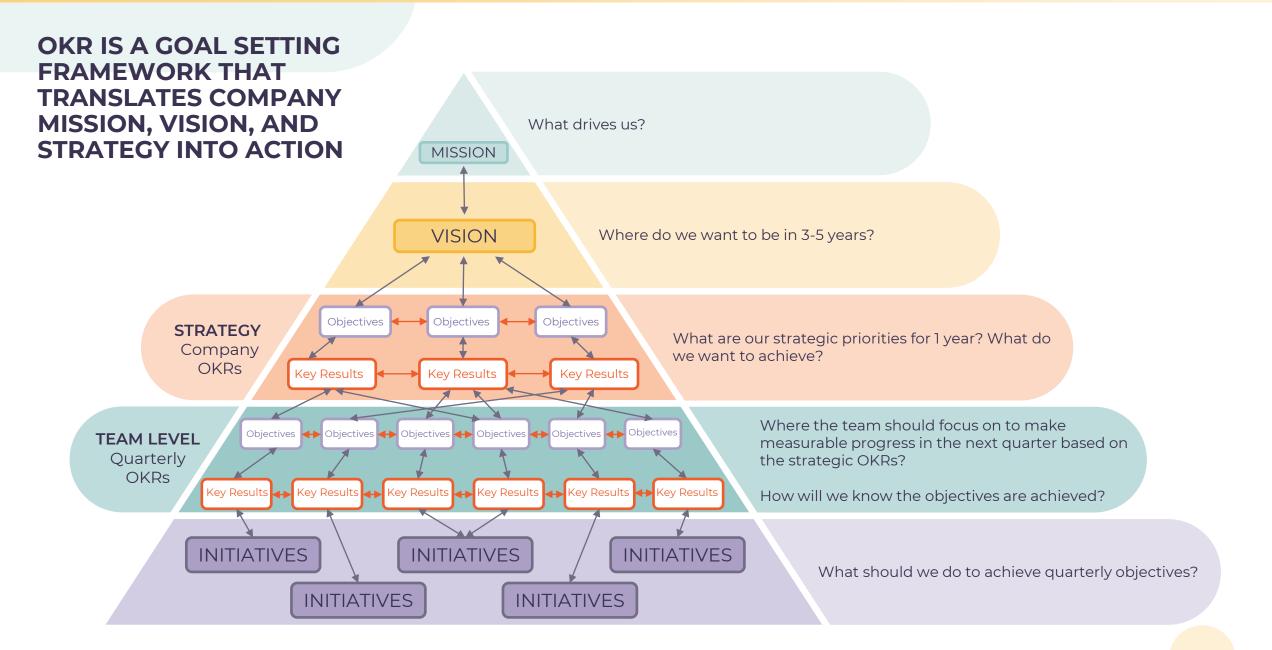


Sustainability

#### STRATEGY OKRS MAKE STRATEGY TANGIBLE FOR THE TEAMS TO MEASURE, ALIGN AND EXECUTE



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#### NEXT BIG OBJECTIVE: LAUNCH ALDI E-COMMERCE ON A NEW MARKET

#### 1 Market Opportunity

- Total Addressable Market (TAM)
- Serviceable Addressable Market (SAM)
- Ideal Profile Market (IPM)
- Available partnerships to launch ecommerce
- ...

#### Key challenges, opportunities, risks

Similar to SWOT analysis

#### 2 Growth Assumptions and Expectations

Financial predictions for the next 3 years:

- SAM
- SAM penetration rate
- Monthly revenue
- Gross margin
- ...

#### 5 Plan & Investments Needed

How much investment is required from:

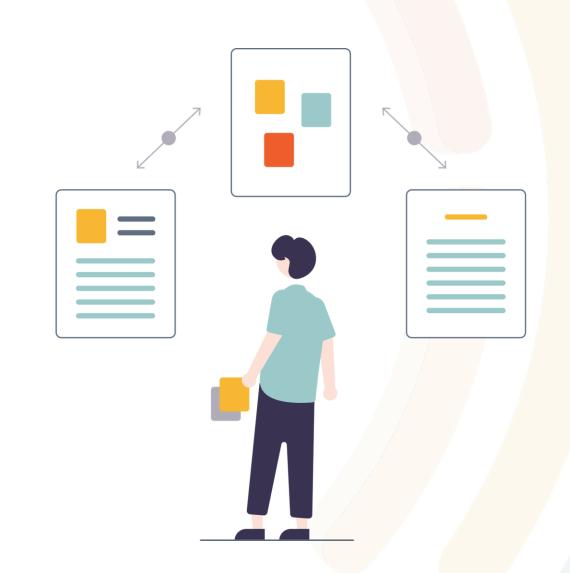
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- Marketing
- Building Delivery capability
- Operations
- ..

#### 3 Current Situation

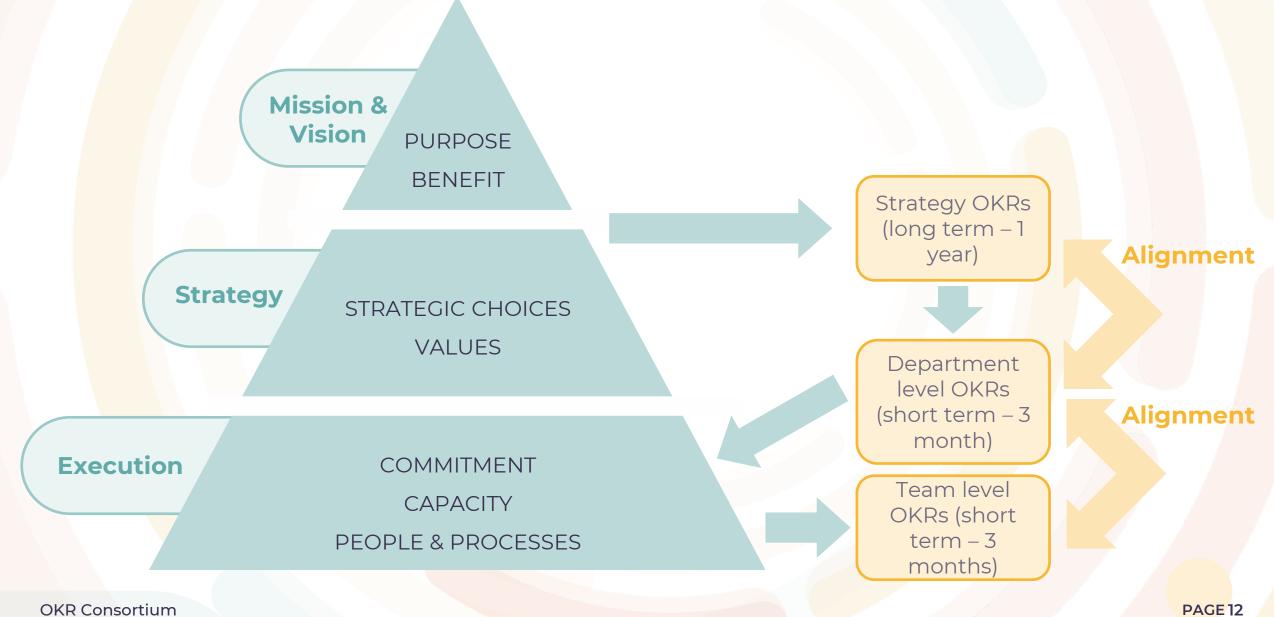
Trends and market research & Their implications

- 6 Key Results What do we want to achieve?
- # paying customers
- Avg order value
- Monthly purchase frequency

## **EXECUTION**



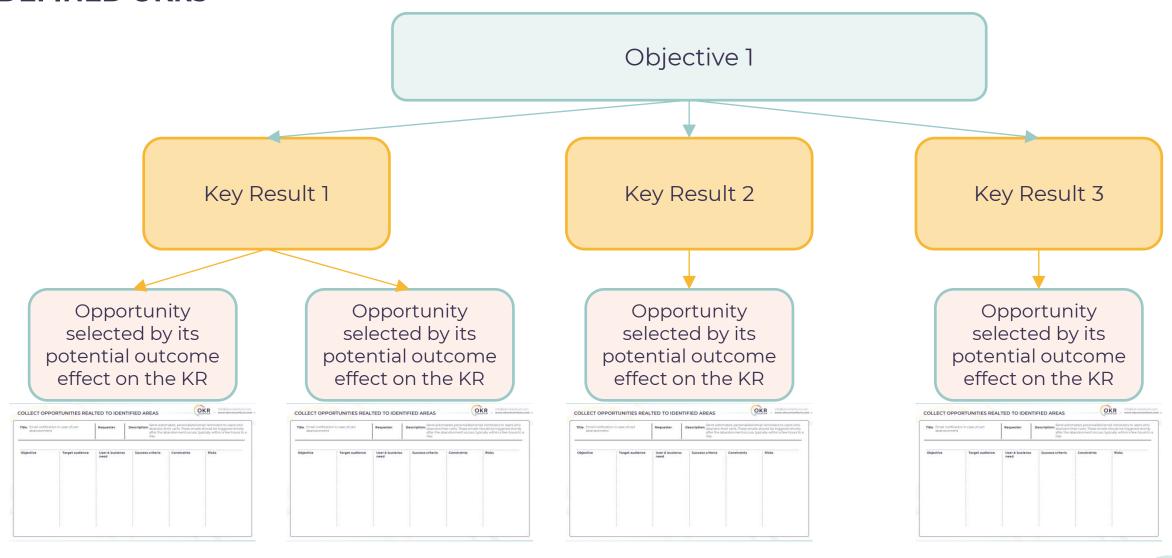
## DEPARTMENT AND TEAM OKRS ARE WRITTEN BY THE TEAMS TO CONNECT THEIR EXECUTION EFFORTS TO STRATEGY



#### OKRs CREATION IS A STRUCTURED CYCLE PROCESS THAT NEEDS TO BE ESTABLISHED



## FOR THE CAPACITY AVAILABLE CREATE POTENTIAL OPPORTUNITIES TO DELIVER DEFINED OKRS



#### THOSE BIG OPPORTUNITIES ARE PLANNED ON THE ROADMAP; **COMMUNICATED AND REVIEWED REGULARLY**

Opportunities are prioritized by their impact on the KRs and by their job size

Mar Apr May Jun Jul

Objective 1: Achieve increase in New User CVR by Implementing Highly Specific Audience Segmentation and Personalization

Key Result 1: Increase the CTR from product listings to the product detail page by 15% Opportunity 1: Optimipze test product selection module Opportunity 2: Add product description and test it Opportunity 3: Key Result 2: Achieve 20% improvement in the "Add to Basket" on the product detail page Opportunity 1: Create 3 options and test those Opportunity 2: Implement Product recommendations Opportunity 3: Opportunity 4: Objective 2: Enhance Product Discovery and Basket Addition to increase new users CVR Key Result1: Decrease the bounce rate of new users by a minimum of 10%, Opportunity 1: implement customer segmentation module Opportunity 2: Personalized advertisement

Opportunity 3: Automate content creation workflow

Key Result 2: Achieve a CTR increase of at least 12% on personalized social media

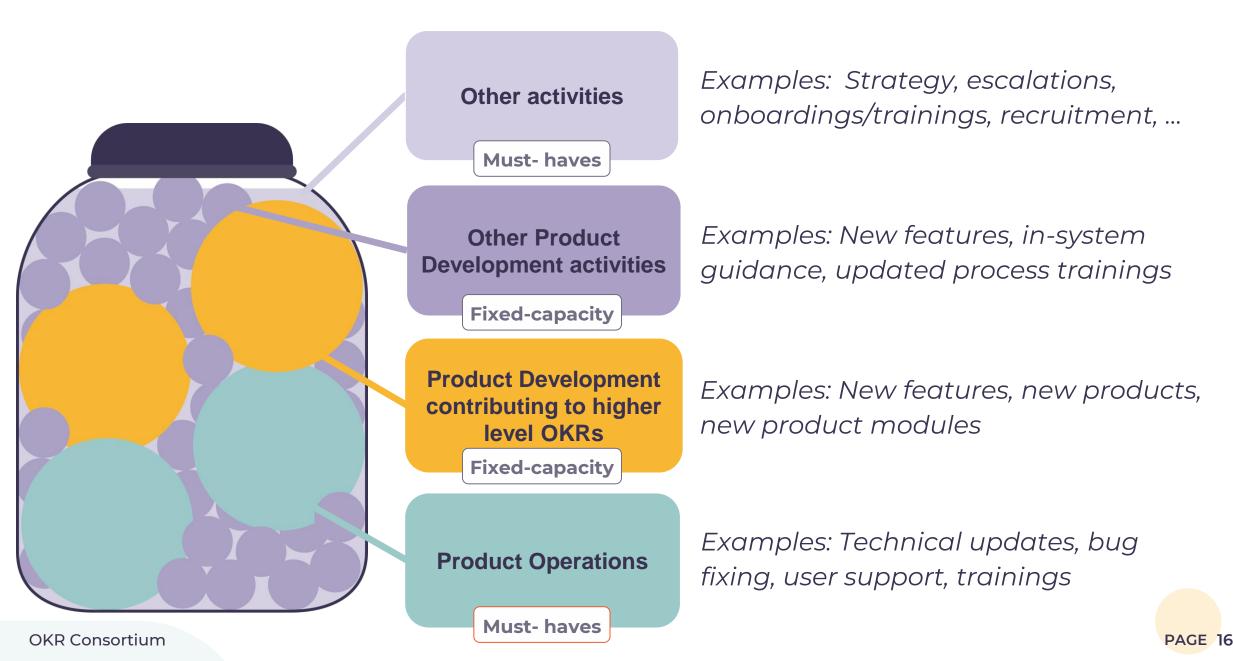
Opportunity 1: Launch 4 SM campaigns monthly

Opportunity 2:

-commerce

Marketing area

#### DO NOT OVERDO IT - OKRs AND ROADMAPS ARE NOT EVERYTHING



#### **CONCLUSION: HOW OKRS HELP YOU TO DEMYSTIFY THE STRATEGY**

#### Strategize

#### Next Big Objective: Launch a new market for e-commerce

- **Market Opportunity**
- Total Addressable Market
- Serviceable Addressable Market
- Ideal Profile Market
- Potentials to increase consumer
- Available partnerships to launch e-commerce
- Key challenges, opportunities, risks

Challenges: competition, profitability Opportunities: brand awareness, customer loyalty, omnichannel strategy Risks: technology is not the key competency, brand damage

#### **Growth Assumptions and Expectations**

Financial predictions:

- market share,
- SAM penetration rate, monthly
- Gross margin,
- · Contribution margin

#### Plan & Investments Needed (as %/rev)

How much investment is required from:

- R&D.
- Marketing.
- · Building Delivery capability
- Operations

#### **Current Situation**

Trends and market research:

- Growth of online grocery shopping
- Price sensitivity

#### Their implications:

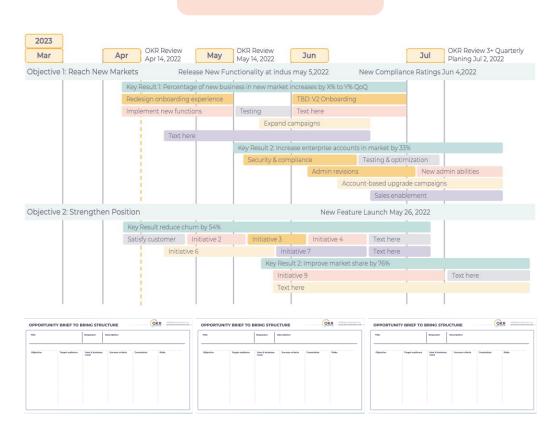
- · Put emphasis on pricing and its
- · Offer convenient delivery options

#### Key Results

# paying customers Avg order value

Monthly purchase frequency

#### Execute



## Do you want to talk more?



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