

Alexandra Jankovich: SparkOptimus has existed for 10 years and for the last five years we have been working together with Heineken on their digital transformation. Jean-François van Boxmeer has been CEO of Heineken for the last 15 years. He stepped down over six months ago. What an honour to speak with you, Jean-François. Welcome.

Jean-François van Boxmeer: Thank you, Alexandra. Nice to be with you. Albeit at a distance.

Alexandra Jankovich: Yes, it is somewhat at a distance. Well, let's see when we can sit together again. My first question. Of course, you were with Heineken for a long time, selling beer. So, why was it logical for you to also think about digital?

Jean-François van Boxmeer: Yes, it was, as you said, fairly logical because you quickly realise that digital is just one more channel to communicate, to sell. Communicate internally, externally and also sell to your clients. That is what we realised, and so it is a natural evolution of society. For us, it is not a revolution, but it is certainly a strong evolution. And if we look back at how digital entered of course it was first and foremost into our office and administrative lives. It is the way you build clients and the whole ERP systems were invented a long time ago. So digital is a very kind of loose concept, but I think it happened in three steps. The first one was the automation of all the administrative tasks. The second step was communication. I think it revolutionised the way we communicated with our end customer which is the consumer. Instead of putting up billboards and preformatted movies we were kind of entering into a direct dialogue with people. And that was quite a revolutionary thing to do – but that already happened, I suppose with Facebook's opening. When was that, 15 years ago? That is not so long ago. And then the last mile would be the online trading of things which is a new channel for us, so all three things happened over a period but it is just a continuation of using new technologies to our advantage.

Alexandra Jankovich: Yes, absolutely. And I think Heineken has a long tradition in that, no? In focusing on innovation and using the available technologies or inventions to improve stuff.



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Jean-François van Boxmeer: Yes, we can go back to the 19th century and making, eh brewing lager beers was something that was innovative. It was invented by the Czechs a long time ago but it could only be produced in wintertime because the fermentation process to make a lager or pilsner beer is only possible when the temperature stays well below 20 degrees so they could only make it in winter. With the invention of the cooling compressor in the second half of the 19th century you could industrialise the process the whole year round. And if you look at our founder, Gerard Adriaan Heineken, he was keen to adopt that new process and that new technology. Back then it was very revolutionary. So he imported the machines from Germany, the cooling compressors from Germany and he also imported the brewers of Germany, who could make that type of beer. And he also imported the kind of yeast that was used to ferment that beer. And he was the first to do it in the Netherlands and it was quite innovative and in those years, they were the ones who first took the market. And that was exactly what he was doing. And afterwards, his father kept perfecting the techniques to make a very good quality beer and make it stable through time, so we could export it. And after all, Heineken developed, because it made a superior product that would travel overseas and maintain its freshness for quite a long time and so being exported overseas all over the world and get a premium out of it. That was innovative, so I would say innovation is in the DNA of the company. Beer is all about the taste, the refreshment and ultimately, bringing people together. And so digital is means to still take our trade, if you will, our traditional trade one step forward.

Alexandra Jankovich: And what do you think what type of leadership have you shown, I think in the last five years we have been working together to really bring a new topic like digital forward?

Jean-François van Boxmeer: Well, it is the realisation we were very much on the lookout. We were at a stage where we were exploiting the digital world very well to build the brand but we realised that we were not exploiting it to sell the brand, if you will. How can we exploit these new technologies to improve our sales capacities? And that is when we realised we would have to take a step forward. And the way we went about it: We started to have the discussion in the executive team, as a team a conversation: What could we do? We booked ourselves into Silicon Valley. I know it is very classic, perhaps a little bit cliché. But during our visits, we continued to speak about what we could do. And then we returned and said: What can we do? And we did not opt for a big-bang approach, but for developing initiatives that could immediately make sense, bring business

and be examples for the whole organisation of what the new possibilities are with these new technologies. And so this requires that your executive team is very well aligned, understands and is equally passionate and fired up to do it. And then, of course, you have to positively infect the rest of your organisation as step 2. And for doing that, you have to develop initiatives not at the centre but you have to develop initiatives in the business. That is what is important, that people in a certain country realise that by developing XYZ system and deploying XYZ technology it will really improve their lives, but also their performance.

Alexandra Jankovich: And as a CEO, maybe also for other CEOs who are on this transformation journey you say: Okay, we all got inspired, the executive team needs to be aligned you really need initiatives in these countries. What else could you say in terms of inspiration for other CEOs? You can be quite lonely on this journey, I guess. You know, it needs a vision, it needs stamina?

Jean-François van Boxmeer: Well, I think when you say to an organisation: We go more digital naturally people will cheer you on, because it surrounds us in our daily lives so that is not the difficult call to make. Everybody sees we have to go there where the whole world is going. But now the real issue comes: When you have a problem. Because it is a process where you have to accept that you make errors. And people in a big organisation like Heineken are used to flawless planning and execution and do not know how to deal with problems along the way so it is a matter of developing adaptative capacities when things do not work out. To take a step back and say: No problem, if it does not work this way, we try it another way. So installing that kind of mental agility of how to deal with something that you cannot totally plan in advance towards an outcome. You have to have a direction, but you cannot plan the exact outcome. You have to deal with that and be able to live with it. This is, I think, as an organisation what you have to learn. And for the leadership, you have to show tolerance for failure more than ever I would say, and then you have to have a lot of resilience and tolerance for failure, knowing that perhaps the beginning is the period when you will pay a hefty price for little success. If you pull the plug too early, you could forgo gigantic opportunities, maybe. But it is also to know where it really does not work and when to totally exit a project. Learning that is quite difficult. You have to show a certain degree of calmness in your organisation. And also looking at facts, rather than getting emotionally affected when things go wrong, if you see what I mean. So that is, I would say the crucial thing in deploying that.



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And it is also important to capitalise on the learnings. It is important that you learn from your mistakes as well and that you know what to do and what not to do and not repeat the same mistakes. So you have to create, people call it an ecosystem but the way you work about it has to be a very open book, how you progress. Transparency is really required, doing that. So people should have an environment to work where they feel safe. And in a large organisation, to tell the truth, we at Heineken have chosen for an approach where some initiatives were really made or developed at arm's length from the group, rather than within the group because we thought that if we would integrate it too soon you know, the natural inertia that you have in a big group would have killed or at least made the deployment or the development of these initiatives a bit difficult. So yes, that is more or less what we did.

Alexandra Jankovich: And I think we have also seen on the ground for the last years that you did that. And that is all part of the fact that you have a longer-term vision as a company.

Jean-François van Boxmeer: Yeah, sure. And the vision, again, is how do you deploy it as a leading brewing company but also how you deploy your product portfolio and how you deploy your approach to clients, customers and consumers. And that is in constant evolution. And I think the product evolves, obviously, at a very slow pace and society evolves a bit quicker and you always have to find the right adequation between these two speeds. And with digital, you had a noticeable acceleration of habits, of people and of the technologies they were using in daily life. And you have to weather that through. When I started in 1984, and I did my duty as a sales rep in the organisation you were calling on individual clients. It was important to develop a personal relationship with them knowing who they were, the names of their wives, children, dog and where they went on holidays. That personal contact was very important to set a conducive, good atmosphere to conduct business and develop a business relation with that person. Now fast forward to the grandson of that owner of a pub and he would still be in pubs but he would be a lot less interested by my visit talking about his dogs and last holidays but he would be a lot more interested if we would offer him a digital environment where he can quickly make his own choices and can also have a look into other things than just only my category of products if I can help him with things like showing where he, showing him the way around where to find the best architects, the best kitchen fitters in the country and so on. It is very important to create a larger universe than only the one of your product. And if you can give a tool, a digital tool, because today people

consult themselves. They are all on screens, so they do a lot of the work themselves but you also have to create an environment where they can quickly and easily find a solution to their problems. So in a way, what you do is still taking the same fundamental steps of looking at what is adding value to your customers and in the end it is only the means that change over time.

Alexandra Jankovich: Exactly. I love also how you refer back to your own time as a sales rep and now the grandson of that sales rep. I completely agree with you that those needs are different now. And before we get to some initiatives that we took together in several countries I take a step back, because we also supported you in drafting the commercial digital strategy. We did that on the one hand together centrally with the executive team and then we also visited ten operating companies. So why did you choose that method?

Jean-François van Boxmeer: Heineken is a fairly decentralised company. Why? Because we operate everywhere across the world and we have one brand that unites us all and that is Heineken because that is sold all over the world. But mind you, Heineken is only 15 percent of the volume that we sell. It is a lot more of the profits, but it is 15 percent of the volume that we sell. It grows faster than the rest which makes us a special company with the Heineken brand but next to the Heineken brand, we have 350 other, local brands. Beer, but also cider and sometimes non-alcoholic products. And when you visit all the 80-plus countries in which we operate with their own production sites and a whole supply chain those are very local operations and so the best way is to devolve the power to run this to the local management. So that is why I am saying we are a fairly decentralised company. Now, there are a number of We are stronger as a group, because we must be clear about what you do locally and what you do centrally because there is also a lot to be gained by doing things centrally. Think about purchasing and, you know, IT stuff and all that jazz. When it comes to digital deployment, it is new so it has to work, and for an operation company you have to create an environment where others can look in the kitchen of the company where you develop an initiative so they can get excited and not reinvent the wheel on their part. So that is the whole ecosystem you have to create. So you have to have a vision that you have an executive team going in one direction you have to be all crystal-clear, everybody behind it. I think the top management has to realise it costs money, you will come across flaws, but you have to believe that ultimately you will find a few nuggets that when you will scale them up across all these operations you will indeed make a difference but you have to start deploying it in the

operations, not in the head office. You do not sell beer in the head office. That is a little bit how we have chosen to work.

Alexandra Jankovich: Yes, and I think very successfully and we were then also able, based on the strategy to help on the ground around the world with the execution. As you said, also the way Heineken did it, really start with initiatives on the ground. So that is also what we did. We supported both to serve your business-to-business customers better but also to help your teams on the ground in a new way of working. So I wanted to talk about two markets out of all the markets where we helped. And the first one is Mexico, where of course you sell directly to your customers. How did we support that? Which types of initiatives were taken there?

Jean-François van Boxmeer: You had in effect, if I recall well, two initiatives because mind you, I am retired from Heineken, so you talk to a pensionado of Heineken. I am not with them anymore. There were two things. The first development was around, if I recall well, a digital app that we gave to our customers. Customers in Mexico are typically pop-mom shops, small shops. They were visited once or twice a week by a sales rep and he would take up the order and then it got delivered by our trucks. You can complement the sales rep with an app so they can also order directly themselves. That was what was developed in the first place. It now exists in a lot of countries, but Mexico is very big for us so it was kind of a big deployment. It is an addition to the sales rep, it is not a total replacement of him but it is offering that extra kind of feature because, again, the world moves on and they are also digitally savvy in Mexico. Everybody has a smartphone. People find it easier to handle things online instead of having to wait for a sales rep. So we adapted to that. That is one of the applications. The second one was more of a people thing, rather than a technological development. It was called, if I recall well, Citylabs. And it was, and in fact this is the correct approach to take. It is to go at grassroots instead of plotting with the management team what do we need as further digital deployment. It is rather sitting down with district sales reps and saying: What is it really that we can do differently to sell more and give our customers a better service to have a more satisfied customer? And so you will sit around, that is why it is called Citylabs. People gather around and give examples from their daily lives and I think SparkOptimus helped in that, in recognising the patterns because a sales rep always comes with his particular kind of example, right? And in all these examples, you have to recognise the pattern and out of that pattern you can see if you can develop a solution which is digitally enabled and



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which will help these sales reps very effectively and the customer very effectively. If I look back, and it is only an example, but one of the examples was the fridges. Now, Mexico is a hot country, so you have to sell the beer cooled. People buy it on the go and they buy it cooled. So we deploy a lot of fridges. The brewery deploys thousands and thousands of fridges. It is a business in itself, equipment of fridges at the points of sale. What is important is that the sales rep does not get in at two o'clock in the afternoon and sees that the fridge is, I don't know, not working or is not well replenished Or the price tags are in the wrong order. Better to do it before the shop opens, so you had better do it before opening the shop. Now, the only way to do it is online and then you have to deploy photographic recognition technology. People make their own photo, send it they get feedback from the sales rep on WhatsApp on how to do it. Eventually, the client would get delivered more if needed. Very concrete things. Then the next step will be to develop it a bit further. Of course it is a dream to start immediately with a perfect system wholly automated, but I think the beauty of the collaboration with SparkOptimus is always to reach milestones that are already delivering additional business and to have that open opportunity to still build improvements further on. I think that has been the great thing about Citylabs in Mexico. At least, the Mexican operation was very enthusiastic about it. It was wholly embraced by that operation.

Alexandra Jankovich: That is great to hear. But I also liked the fact it fitted in with Heineken's no-nonsense approach to say: Okay, we first see with our own sales people whether it proves value for the customer exactly as you say, and whether it has proven value for the business we make the milestone, then we automate it and then maybe, one step further when you think: If we will really do this large-scale with all these pictures of fridges, then you might want to use artificial intelligence to process those types of amounts of data. But, you do not start with it.

Jean-François van Boxmeer: No, you do not start with it and I think if you really look at digital I do not know what the percentage is, but it is for the majority people change and for the minority real technology, what technology brings. I don't know, in some cases 80 to 20, so 80 people and 20 technology. In some cases they brought a little bit more technology. In practically all the cases, you were only successful if you addressed the people component. That people understand how that thing works, that you make them part of it working. And that requires a lot of time because most people in management positions understand conceptually how all this works but it has to work very practically for the thousands of people who handle it every day. And if it is not



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proved by practice, it is useless. And I think, when you refer to our no-nonsense approach it is essentially that it has to be practice-proved. And we live in a time when you hear a lot of things about digitalisation and people start speaking about 'We have got to create a data lake. Then my question would be: What for? So I think it is always putting the things in the right order.

Alexandra Jankovich: And I think also what you said before is that when someone on the ground, like one of the sales people, needs to work with it they also need to see the benefits for themselves because then they will be more active in using it.

Jean-François van Boxmeer: Well, it is embracing the thing. They have to see it works better than my old way of working. And if I can be rewarded for it, whether it is a monetary reward but also just the reward of seeing your work progressing never underestimate how potent that is when a sales rep receives a compliment from his customer. We work not only to feed our families, but also for our personal pride, at all levels.

Alexandra Jankovich: Exactly, I completely agree. And great that digital can help. Now, I would like to talk about another market we supported. That is South Africa. And of course that is another situation. It is a relatively young operating company. They can be a challenger. You have a more indirect route to market there. There are distributors between you and the customer so Heineken does not know much about the customer. How were we able to help you there? Which initiatives did you take in South Africa?

Jean-François van Boxmeer: In South Africa, it has been a little bit of serendipity, I have to say. And it is a bit the opportunity that created the strategy, if I am perfectly honest. We came across a start-up which is called Touchsides and which has been developing a what in effect is a cash register machine for a sales outlet but allowing more than that, it also allows an ordering function towards the supplier. It also offers an analysis function of different categories of products and the competitive field you are in. And it also offers a possibility to organise promotions with it loyalty cards with specific promotions. All from one device that looks like a cash register, a bit modern, a bit sturdy and all connected wireless and that was invented by these people. Imagine, South Africa is a market where small trade is still very dominant and logistics, it is what it is in South Africa. It is



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far better than in many other African countries but still it is very dispersed, it is a vast country. And here you have something for a challenger that Heineken is in South Africa. With a market share back then of only 10 percent growing, but we came from a really small market share in order to grow, we would need, in a very vast country a number of sales reps to do the intelligence work which does not make economic sense, and here comes Touchsides' technology where you have an active electronic sales rep, if you will. And that was the opportunity we saw, in Touchsides because you could install the machine in far more outlets than you could regularly visit. And that device could make the market intelligence that you would normally do with human beings, if you will. And that was the very big discovery. Second thing is, you could read the markets. You could read patterns of consumption on a weekly basis. What is it that the people got out, what is it that the people buy and bring home? You could see that all in real time and organise your business accordingly and tailor your promotions, offerings of products, but also your delivery hours to the patterns of real consumption. That was the big deal about Touchsides. Now, the founders of Touchsides wanted to you know, as often with start-ups, they wanted to cash out, but also stay in because they were very interested to see how we would keep developing this technology further and in practice scale it up and use it in other countries. This was also where SparkOptimus came in because scaling that up and taking over because we effectively bought out Touchsides, a technology company. It is not our turf. So it is where the help of SparkOptimus to keep everybody honest in the process was very important. And creating a practical link to our business, because you had seen It was not your first experience of SparkOptimus with us, in South Africa. You had earlier experiences with us, so you helped us in deploying that and also to have a look in other African countries. I left six months ago, but I believe it is still in its early days to declare this technology an absolute winner but there are enough elements that you can build on for the future that are extremely valuable and you also have, again, crossovers, spillings, because all markets where sales are predominantly done through small-sized stores you can use that kind of solutions and technology to do a better job. So yeah, that was a bit our South Africa adventure.

Alexandra Jankovich: Exactly, and I think also that what you say: You could get a lot of data out of all these cash registers at the small stores and I think it was also a lot about helping, really, on the ground, the sales people with using these data to make better offers. I think that was also part of it, the way of working.

Jean-François van Boxmeer: And it is this thing about training the people how to use the technology. It is that. Because deploying technology is a matter of money it is how many machines and placing them. On the other hand, it is learning sales reps to retrain themselves how to work with that. Because they have to work from data and not directly from information they gather in an oral way from the customer, but rather through a totally automated thing. They got all they need in advance. And, again, you have to train them to recognise patterns and do something with it. And it is a lot of training, I have to say.

We had, in the sales field organisation at Heineken, the same kind of evolution that we had in the supply chain twenty years earlier. The whole automation and digitalisation that we see now coming in and coming up in the sales process is what a company like Heineken had rather at the beginning of the century from I would say 1990 until 2010. Those were the 20 years when the whole production process to the supply chain of Heineken went from a traditional way to the 4.0 kind of technologies. And if you look at the people who work in the brewery, what we call operators they are an entirely different breed of people than the ones they were and again, when I started in 1984, we were fifteen at a production line that was making 15,000 bottles an hour. Now you have five people for a double line of 80,000 bottles an hour. But if you look at the equipment of today, it is entirely automatic so people who are the operators have to be trained for that kind of devices. And a bottling line of two times 80,000 costs the price of a jet airplane. It is not a free thing, right. It is a very expensive piece of equipment. And the way you are going to drive it requires a level of technical skills which most people did not have thirty years before. I think for a sales rep it is a bit the same kind of evolution. It is a big human retraining that is required to make sales as an activity in our company powered by digital technologies, effective and a winning tool for us. That is the revolution we are in. The strong evolution we are in. It is a strong evolution. It takes years, but you have to do it very consistently, as we did in the supply chain. It is fairly similar to what we have seen before.

Alexandra Jankovich: I think it is a very good comparison.



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Jean-François van Boxmeer: The same goes for finance activities. That was even earlier than the supply chain. I remember, in my first brewery in Africa they still did the accounting manually in books with carbonic paper. You have to realise in the 1980s, it was still around there. So you also have to retrain people every time. Technology makes that you have to retrain people. But you never have to doubt for a second that you have to embrace the latest technology. Because you never go back, you have only one way. It is forward. So that is what we are trying to do at Heineken too.

Alexandra Jankovich: Yeah, absolutely and we have seen that up close, so you are actually doing it. And now on another topic where we supported you. Next to the B2B serving of customers we supported you on the e-commerce platform Beerwulf. Direct e-commerce – to consumers, it was a completely new thing. So, what was the idea behind starting that and what kind of decisions did you have to make along the way?

Jean-François van Boxmeer: Very exciting. It is one of the few B2Cs that we developed because in our business the B2B, as you call it, is the bulk of what we have to do. I mean, it is 90 percent. B2C worked for Beerwulf, because the idea was people have a big interest in craft beers. And the world of craft beers has been a bit similar to the wine world with a lot of varieties, a lot of little stories to be told a lot of people using different ingredients, you have an infinite variety of products. And since, I would say ten to fifteen years thirty years already in America, ten to fifteen years here in Europe you see a generation of people having an increased interest in these special products. Now, you can either build a store where you put a lot of craft beers together or you can do it with a digital store, and that is what we did.

In effect, the approach was not revolutionary and we were not the first one to do it. but we were certainly the first big brewer to do it. And we have chosen, and again this has nothing to do with technology we have chosen to offer all products in an open system so not particularly favouring our own special beers. We have them, but they are a minority in the portfolio we offer through Beerwulf. It is a lot more products from everybody else. And I think it is also important that you keep that openness and that you do not try to be cute and start doing too much advertising: If you choose a competitor's product, to use an algorithm and say: Hi, I have more or less the same. Won't you buy this one? Your competitors will say 'They are cheating us' and will go away. So it only works if you are able to operate it as a platform and the business is that platform. It is not us



as the Heineken brewer, it is us as a big international or a big European online shop of all the specialties you can find in Europe. And that is how it was conceptually engineered. And again we did the little-step approach, we started in the Netherlands kind of deploying the concept and seeing whether it was getting traction and then we went on to other countries, the neighbours, France, Belgium and then the UK and we are now in ten countries, keeping that architecture.

Of course, the portfolio of the products we offer varies from one country to another because otherwise it would be a bit difficult to handle. Beyond that, the logistical machine that you have to organise has to be flawless. And it is economically viable, because special beers small series but high prices, it is like wine, so you can pay for the last mile for the individual transportation of a box whereas for big brands like Amstel or Heineken, the economics do not work out. You better go to your Albert Heijn to buy your crate of beer. But for special beers that you cannot find otherwise, Beerwulf is the place to go. We developed it at arm's length from Heineken, totally independent. We had chosen a manager from Heineken, a very experienced one. At that time, he was a young man but he had a wide commercial experience and he had worked in foreign countries, also sometimes difficult countries, like Egypt. That was one of his stints. So we took a really top-notch guy and a guy with a lot of entrepreneurial experience. If you want to survive in an environment like Egypt you are by nature an entrepreneur, otherwise you will not survive there. It is a kind of profile of people who with their background and experience are open-minded, are entrepreneurial and you give them a kind of freedom to set up a team and also recruit the people they need because the people you need for doing such a business you won't find at Heineken. So that is how we did it.

Now, SparkOptimus also supported this business. And I have to say I visited a few times and what I discovered there, again, it is a bit about technology but it is a lot about human organisation. And you see you go on a site and that site is always perfected but the way you do it, in the beginning it is not artificial intelligence. It is just post-its on a big wall every morning of people who say: Well, this works and this does not work, this product is in high demand this promotion works, this region loves this kind of products. And so you start to tailor it just from observation. Data analytics is a big word, but it starts with observations of patterns and exploiting these patterns. Now, the first flow of it is often just done manually. And then you start to automate it. That is called algorithms. That is only that. And I have seen that at work and growing in Beerwulf but in the beginning it was like a kitchen shop, it was an incredibly People at the Mother Heineken would have called it very unprofessional. Because it looked very disorganised, messy, people shouting everywhere. Like: Are they really working or are they having fun? I tell you, they worked really hard. And I have to

say there were a few stops and goes and we altered the business model. Some things did not work and we had to redraw that. The whole logistics had to be reconsidered. We also considered putting our Beertender systems and the Sub, these cartridges into Beerwulf. Entrepreneurship is always accepting also that you will never reach an end point. It is going to be a perpetual evolution, and Beerwulf has been doing that quite well. And I have to say that, I would say that our site founder was Hans Böhm. And he did a marvellous job. You know, he is now running the Netherlands in our empire, which is a big position. The Netherlands is still a big market for us, so he is now relieved of that function. But this is an example of a B2C that worked quite well. We have developed many other things B2C that we had to stop. They did not work. You know, in the Netherlands we developed cool beer deliveries at home, like Uber Eats. It is very funny, people like it, but if you want to lose money, just keep doing that. There is no end to it because I think digital commerce is very exciting. There are many stories going around, but there are also many graveyards. So we have to be cognizant of the law of statistics.

When you are in our business, at the end of the day you transport something that is relatively inexpensive and weighs a lot so the logistics in it are the leading driver in how you have to organise it. You cannot deny the laws of gravity in our business, if you will. And as long as you keep doing that I think digital solutions can really add channels to it but again, and I stress that, I am a user of Beerwulf, as a consumer. I am very happy with it. But the big benefits for Heineken going forward in digitalisation is certainly B2B and in market intelligence and in the way you approach your consumer and in all kinds of management services that you can offer to your clients in order to improve their return on sales, too. It is not only improving our return, it is also improving the return of our customers because that makes us a credible B2B partner at the end of the day, if you will. And that is where we should put our money.

Alexandra Jankovich: I agree, and next to that, what I also really liked about our whole Beerwulf experience with you, from idea to launch is that you also embraced all the best-practice principles of a venture like this. Like for one, doing it out of a business reason an attractive fast-growing market where you just want to play but then also putting it at arm's length, being really open and transparent which is very difficult for loads of boards and CEOs to really do that but I agree with you it is the only way. But then also putting someone in charge who is as you said top-notch, very experienced and not putting an intern or someone that almost leaves the company anyway and then say: Okay, we have a venture, we just put someone like that on it. But it also proves, because I think sometimes there is a reluctance of people within companies to go to the digital side or

digital ventures because they are afraid their career will be over afterwards. And I think Hans Böhm proves that your career is not over afterwards.

Jean-François van Boxmeer: That is an important thing to put your money where your mouth is and that is not only the money itself but also how you deal with the people who go in this kind of things. You cannot say: I find digital important and then after such a mission that person would not make a big step in his career. And it was a big step, because Beerwulf was important. When he was running Beerwulf, it was clearly if you look at his rank and files in the corporation he was a heavyweight for such a small company when he started. But when he left, he went for even a much bigger job. I learned that lesson when I started my career in Africa. It was difficult to get out of Africa because you were not career-worthy, having worked in Africa. Because it was deconsidered, it was kind of nice but not relevant. That has changed with one of my predecessors, Karel Vuursteen. When he was a CEO, he was very adamant to give us a follow-up on our careers. There were a few of us, a few, who worked in Africa and had good careers afterwards. René Hooft Graafland, he was the CFO of the company, myself, Marc Bolland and today even Dolf van den Brink but if you look at Africa today, it is a real business, a big business and a growing business for Heineken, if you consider the last twenty years. I think, what we did geographically I think if you go to Central and Eastern Europe, you are going to make a career. People thought, when we were buying Eastern Europe it is second-class kind of postings, we do not go there. It was London, New York, Paris, the kind of career path. Not Lagos, Warsaw, Shanghai or Jakarta. And I think for digital initiatives and new business models developed in digital it goes the same way. If you are serious, you also have to show that people who work there and had results with it, they got promoted, it is as easy as that. No, I think that was important. It is not specific to digital, it is specific if we branch out of beer to go into cider, as long as you do not have people who have been good at selling cider in a career outside Heineken cider will never develop. It is the same thing, right. It is common sense, in a way.

Alexandra Jankovich: Now, I really enjoyed our conversation, I have to say. I have to say also, as a last embarrassing question, of course now that you are not a CEO anymore, as you already said you can be honest about the cooperation with us so how would you say we are different? I think you already said it once or twice in your answers, parts of it.



Alexandra Jankovich in conversation with: Jean-François van Boxmeer, former CEO HEINEKEN, April 2021

Jean-François van Boxmeer: Awful, we have to stop immediately. Now, you can cut that one, right?

Alexandra Jankovich: No, we will make that the main line. Jean-François thought it was awful to work with SparkOptimus.

Jean-François van Boxmeer: But answering the question: you were not my pick as CEO in this case. I would like to defer the honour to Jan-Derck van Karnebeek, who knew you and took you under the tent. And I think he was very intelligent, politically intelligent to introduce your company into the full-fledged management team so that everybody, from Asia to America, from Africa to Europe from public relations in our company to the people busy with sustainability or finance everybody around the table can see what it is that we want to do and what is the role of the consultant that external person or company that is going to help us. And I think you did a very great job to walk us through what was in front and what the pitfalls were. All that educational work was done at the executive team level, several times. It is not that you appeared once and then worked with the operating companies. No, you came back and did the reporting, so I think our collaboration worked well because there was that constant feedback loop, which was organised not only at the operational side, but also at the strategic side at the table of the entire executive team. This is what made our collaboration special, I think and a bit more than you would usually think it is. And then on the ground I think you have the same practical approach that we like to see. So you are not selling grand plans. You force us to take a stance on where we want to go and not telling us: This is where you should go. Then, you would just blindly follow something. I think you excel in the art of making sure your client is defining their own goal and then you take your clients, us, by the hand to go there. And I think patience is one of your great qualities and I think you are very much focussed on the practicalities of it so you go beyond the conceptual selling points to tackle the practical organisation of things. You also have a network of suppliers who can arrange the technological side. But I think you are a great company to assemble the journey for a company like us. And that is the adventure that, at least on my side, I have been enjoying.

Alexandra Jankovich: Thank you so much. We have been enjoying it as well in a major way. Actually, it is really true. You have of course been a great client for us in the last five years but to be honest, the Sparkies, as we call them were really enthusiastic about Heineken, because they really-

Jean-François van Boxmeer: They liked the product.

Alexandra Jankovich: We liked the product for sure. I am sure you saw that in all the countries we worked in, drinking beer with your people. No, but also it is putting your money where your mouth is, as you said. Once you decide you want to continue on this road, with all the difficult steps needed you just go on and we see loads of companies who do not do that so we were really a fan, because we could make that impact, as you said in every milestone, because we had to proof the value, and it would go up into the executive team, but we could continue with the local people who were then also very enthusiastic, so it has been a great adventure for both sides, so thank you very much. It is really very nice that during these interesting times we could zoom together and talk about this adventure, so thank you.

Jean-François van Boxmeer: Thank you, Alexandra. All the best to all the Sparkies.