How The Estée Lauder Companies stays ahead in the digital era: CNBC report

In a compelling article, The Estée Lauder Companies was featured this week by CNBC’s Technology Executive Council® (CNBC TEC) in the US media company’s highly influential analysis of the digital transformation of organisations across diverse business sectors.

The Estée Lauder Companies Chief Information Officer Michael Smith, who is a member of the organisation, offered CNBC TEC four lessons that the US beauty powerhouse has learned as part of its own digital transformation. They offer important learnings for everyone in travel retail, a sector affected by the digital revolution at every level of business.

Here is an edited summary; for the full article click [here](#).

The CNBC Technology Executive Council comprises top tech executives across corporations (public and private), nonprofits and government entities, who are transforming organisations by leveraging innovation and disruption.

### 1. Agility is key as consumer demands shift more quickly

Being agile enables organisations to “quickly pivot” in an ever-changing consumer landscape, Smith says, allowing the company to create new customer experiences and better engagement with its brands.

The Estée Lauder Companies responds to the growing trend towards personalisation by leveraging multiple technologies to customise packaging, consumer experiences, retail offerings and more. At its MAC Shanghai Store, the company’s IT team used differentiated retail marketing to converse with digitally-savvy Gen Z consumers, deliver extra in-store and online experiences via WeChat technology and provide real-time
influencer recommendations in-store via social media.

This “mobile-first” store uses a WeChat Mini Program for service booking, event reservation, ratings and review and self-service payments. It also features touch screens that integrate social platforms, provides interactive touch-tables to show product information, offers 3D customised printing and virtual try-ons with payments functionality. [Click here for full details].

This month’s Estée Lauder Holiday Exhibition with China Duty Free in Haitang Bay, one of travel retail’s biggest promotions of 2019, marries digital media with fashion illustrations, customer interaction and travel retail-exclusivity.
2. Relationships with non-technology partners are essential to digital success

Smith says that it’s important to understand there are times when transformation requires external support and that identifying the right partners is critical. Underlining that principle, The Estée Lauder Companies hosts the annual ‘ELC Hackathon’, in which company and external employees come together to solve a problem from scratch through hours of coding and project analysis. The ideas that are spawned are subsequently used to further the company’s strategic vision within IT.

Smith notes how critical it is to have the support of senior management in recognising the need for digital transformation.
In an ever-changing landscape, agility is key, argues Michael Smith

3. Anticipate change, but focus on and define the playing ground

Smith says he encourages his team to take a broad view of the company’s business, the industry and the consumer environment to anticipate and plan for the future. “It is also important to have the ability to focus and define where to play, how to win, and what capabilities and management are pivotal to success,” he argues.

4. Take the time to develop employees aligned with digital aims

“Developing your employees, actively recruiting top, new talent, refining processes and investing in new technologies are fundamental to fully maximising the potential of your team’s inherent strengths and unlocking its full potential,” Smith says. With IT being such a fast-changing sector, it is key to offer teams support through internal and external resources, he notes.

The Estée Lauder Companies offers various “stretch opportunities” for its IT employees to take on additional projects to develop skills other than tech/IT. Employees are encouraged to take on projects in which they partner with various teams within the company (such as legal, HR and communications among others) to get a holistic picture of what it takes to run a large-scale and global initiative.

Talent is also constantly recognised and rewarded talent. A prime example is the Estée Lauder Information Technology Excellence (ELITE) Awards, which celebrate and honour those in the organisation who represent the best of IT.

*About the CNBC Technology Executive Council*
The **CNBC Technology Executive Council** comprises top tech executives across corporations (public and private), nonprofits and government entities, who are transforming organisations by leveraging innovation and disruption. The council, in conjunction with CNBC, leads ongoing high-priority discussions about employing breakthrough technologies to solve problems and power growth while addressing the challenges presented by these innovations.