Emerging and transformative technologies in retail with Mariya Zorotovich

Podcast transcript

David: Welcome to the Microsoft Industry Experiences Team Podcast. I'm your host David Starr, and in this series you will hear from leaders across various industries discussing the impact of digital disruption and innovation, sharing how they've used Azure to transform their business. You can find our team online at aka.ms/indxp, or on Twitter at Industry XP. For a very special set of episodes, we've partnered with Vince Menzione to highlight the thought leadership of our teams' principal program managers who are doing great things within their specific industries. And now, your host for this episode, Vince Mennzione.

Vince: In this special series of the podcast, I sit down with leaders from Microsoft that are helping important sectors of industry to transform and thrive through the use of this innovative cloud technology. In this episode, my guest is Mariya Zorotovich Microsoft's worldwide industry lead for retail and consumer goods on the newly created industry experiences team. In this episode, Mariya and I discuss her background and experience, the transformation going on in retail and consumer goods, Microsoft's commitment to this segment, and if you're a customer or partner, why you should invest with Microsoft and Azure in retail and consumer goods.

           This episode of the podcast is sponsored by Microsoft and the Industry Experiences Team. Thank you for listening and I hope you enjoy this episode. Mariya, welcome to the podcast.

Mariya: Thanks for having me Vince.

Vince: It is great to have you here. Thank you for taking the time today. You were the worldwide industry lead for retail and consumer goods as part of this newly organized Microsoft C&E Industry Team under Paul Maier. I'm excited to have you here today to talk to our listeners about your organization's role and focus, Microsoft and Azure's compelling value proposition in retail and consumer goods, this amazing transformation, and why it matters to customers and partners. So welcome.

Mariya: Thank you. I'm glad to be here. And excited to be able to share Microsoft's point of view within retail and consumer goods.

Vince: So, worldwide industry lead for retail and consumer goods. Can you explain to our listeners in simple terms, your role in the Microsoft Organization and the mission and objective of the team?

Mariya:	Yes, so ultimately, Microsoft has been evolving and I think we've seen a lot of press, a lot of coverage under saatchis leadership on a number of facets from technology to industry, and I'm one of those lucky people that get to come in working from the industry into a technology organization like Microsoft and essentially be an advocate. An advocate for retail and consumer goods, the focus within retail and what they're trying to drive from a customer perspective internally with many counterparts across Microsoft, and then also externally be an advocate for Microsoft. The technology that we're bringing to bear our cloud platform to the communities and customers that we're serving.
Vince:	So you sit in the C&E organization, the Engineering Organization, and I know you came from the other side of the business, so I wanted to differentiate for our listeners a little bit about how your role is different and unique from the other people focused in on retail and consumer goods at Microsoft.
Mariya:	Yes, that's a great question because Microsoft is a very large organization and even with the term that you're using, C&E, we should probably say what exactly that means and it's actually evolved in the last few weeks. So, Cloud and Enterprise is what that stands for and actually now we're evolving to Cloud and AI as an organization and we sit within the engineering organization. So previous, when I came into Microsoft, it was the US retail consumer goods industry. My focus was purely the US marketplace, US customers, and helping work with the teams that support the different accounts or customer accounts and helping to translate the technical agenda of Microsoft into really business outcomes or business language of our customers.

Really pushing that conversation from technology centric to business centric. And then now in my new role within the industry experiences team that sits within the Cloud and AI team, is continuing that effort but again with a slight pivot around more advocacy focus for internally, what is retail consumer goods means for Microsoft and the things that we develop, and again, externally translating everything that we do in terms of why it's relevant to that industry. |
Vince:	So you're reaching out to the industry, but you're also becoming that feedback mechanism back into the Microsoft engineering organization, is the way I heard that.
Mariya:	Absolutely, and I think that's important from any know organization, especially, retail consumer goods, but we're so focused on improving experience, delivering new experiences for customers. That feedback loop is so important. We have to have a listening mechanism that helps to validate, course correct, or provide new ideas that us as an organization can take forward.
Vince:	So my listeners are fascinated with the career journey and you have a very extensive background in the retail industry before joining Microsoft, could you take our listeners through your journey and transition from the retail industry to the tech giant and how path got you to this spot in your life and career.

Mariya: Yes. So, if you were to ask me even two years ago, would you be at Microsoft? Would you be leading conversations in retail consumer goods? I would have never imagined that my career path would have landed me to where I am today. But overall, I've spent over 20 years in retail, I've worn many hats across a retail organization from sales, operations, marketing, org development, technology, product management. But everything that I've done in retail has always been focused on improving customer service or improving the service experience.

I've been able to work for the online channels, mobile, the physical retail store with different business and customer engagement models. And ultimately, to me, I'm just a curious person that's always focused on improving service. So, Microsoft, as I had mentioned, is really leaning in on industry retail and consumer goods. And just through just natural relationships that I've had within the retail community, and of course, overlapping with technology given my background with product management, there was a natural fit where my network tapped on me to say, Hey, Microsoft's taken this journey. They're evolving from being a software licensed company to moving towards cloud consumption. And that means they have to be closer to the industry they're serving, closer to understanding their customers' needs.

And they're looking for people that have your type of experience and curiosity to be able to come in and help shape that story and help shape really this evolution. And so that's what made it super interesting for me to come to Microsoft, was I could still rely on my retail background and experiences that I've had and get the pull that forward for a large organization like Microsoft. I sat on the other side being a customer and realize Microsoft was massive and trying to figure out and help understand what was Microsoft all about. And now I get the opportunity to help translate, like I mentioned, translate, what does that mean?

Vince: What was the best piece of advice you received when you joined the organization?

Mariya: Definitely take every opportunity to learn, grow and share. Here at Microsoft the scale is immense and it's mind boggling. I came from an organization that was North American focused, but coming into a global organization and the size of Microsoft, the opportunity to learn to access resources and people is a really great opportunity in front of you. And having that advice about taking the opportunity to learn, grow, and share, that is something that I've been carrying with me here that has definitely helped me continue to grow and take on new opportunities within the vertical.

Vince: Now, retail as an industry is going through massive disruption, right? The explosion of online and mobile and we've all experienced the Amazon effect. I've been astonished in my talks and interviews about the pace of change and transformation going on right now, and it's accelerating rapidly. Can you tell our listeners about what you're seeing happening in retail and how Microsoft is working with retailers to transform?

Mariya: Yes. So I think for retail, and let me start by saying the lens that I'm seeing the world through. My experience has been predominantly North American retail, and that is starting to expand to view globally. So, when I say that, we know that there are different indicators or different components that really push or drive the pace of some change

within the commerce, or retail, or consumer goods vertical, so we have to be mindful of that. Not every place is going to be the same.

But ultimately, some of the things that I'm seeing is, we're really at a point moving beyond talking about change and talking about transformation, where we're seeing enough evidence, whether it's Ecom pure players or some of those first mover brands that have a legacy footprint, that are starting to make some tangible changes within their business in terms of how they're going to serve customers, in terms of delivering new capabilities to their business and they're seen an ROI on that.

And that is the type of evidence that's starting to get folks from talking about it to actually seeing it in action to where they're making decisions about their business. And that's really exciting because transformation or digital transformation has been a conversation that's out there for over five years now. But we're starting to see how things like advanced analytics, machine learning are play a part in the business. We're seeing automation, we're seeing modernization, and frankly, a handful of companies are coming in and innovating and disrupting. So, again, exciting time, but a big crossroads in terms of where to start.

Vince: I'm going to ask you to peel back a little bit here on some of these trends you've mentioned. You talked a little bit about AI and IoT and machine learning. Can you talk specifically about some use case examples?

Mariya: Yes. So, let me start by clarifying some of the trends where I sit. So, we know that the customer or consumer engagement is evolving rapidly in terms of really having experiences centered around that consumer. Unified Commerce is a point of conversation, Where no longer can I work in siloed channels across web, mobile, and store, but I need to be able to start to unify these pieces because an order is an order.

It's about getting down to the right data. Having that data in a way that you can utilize it quickly across the organization. A single view of customer, again, siloed by channel, but it needs to have a single truth of a customer profile and how you gathered that data, where you keep it, and continue to enhance it. Digital store, being able to digitize, gather data and the way that you may on a digital platform. Connected supply chain. That's a huge component because if you don't have product when, where, how that customer wants it, you don't really offer a full end to end experience. And lastly, this retailers as these tech companies with these expanded business models or new sources of value.

So the technology then it gets applied to some of these trends, of course, is around the advanced analytics and machine learning aspects about figuring out, how do I take all of this data within my properties? Meaning online, mobile, and store and have it work for me in new ways. Be able to process in new ways beyond human capability leveraging so much data that's out there just based on the ability of the Cloud to compute through all of this in store.

For artificial intelligence, this is a new one where we see this term a lot and we're really now starting to get down to some really specific use cases. Some that I think are pretty exciting around price intelligence, leveraging computer vision to create insight around either customer behavior, customer sentiment, around optimizing inventory or automating tasks in terms of inventory stock fulfillment. You have the natural language processing where you're seeing commerce start to take a new spin where it's multimodal. There's different ways that I can engage, whether it's through image or through voice versus this traditional checkout scenario.

Intelligent inventory, intent detection. These are all examples of things that are coming forward and it's pretty exciting to see.

Vince: Sounds very exciting. And I was thinking about the personalized customer experience and what I like to call the Amazon effect, right? You know what I've purchased in the past, you know my history of purchases, you know the patterns of purchases and so on, and you can recommend products to me, but there's a lot more than that, that you've been discussing here. I think also just making the experience better for the customer, but also optimizing the business operation on the back end.

Mariya: Exactly. And I think that point alone around the optimization of the business, we don't talk about it enough because we're so intently focused on the customer experience and we tend to invest heavily there because that's your connection with the customer. But what I've talked about with a lot of retailers is the reality is, you can focus on continuing to improve that experience on the front end, but if you do not do anything on your back end with your supply chain or your fulfillment, fulfillment logic, optimizing that, you're actually costing yourself. In which then you're costing yourself from being able to spend more effort on the front end and that's where it impacts your profitability.

Vince: We talked a little bit about disruption and I think there's candidly a little bit of pain that's out there right now in this industry, right? They're all looking to transform or because they're being disrupted in many ways by what we've talked about. What what are you seeing? What are the top things that are bubbling up for you in terms of pain points with those customers?

Mariya: So, with retail and consumer goods, when we talk about disruption, we can point to a lot of examples and often they tend to be these Ecom pure plays who are really changing the game and the rules, meaning they aren't following the typical path that would bring a particular scenario to market. Uber is a really easy example. Complete disruption in terms of leveraging the capabilities of digital to create a networked system or a platform in which they can bring a community of people together and do this exchange or trade. I think what I tend to see is this reality of this envy of conversation when these retailers that are massive, who have been around for some time, have what we call a legacy footprint.

They have been operating in a traditional retail mode and also having to then look at how do I stay in the game? How do I remain profitable, but how do I also continue to acquire customers, gain share wallet, etc. when the competition is so high and the rules just seemed to be different? I think this is really the important part of the conversation

with disruption. Is we have to get really practical. We have to get really focused on coming up with a true plan to help retail consumer goods truly transform.

Again, moving beyond the talk and trying to figure out some action because not taking action is not a strategy. Your business will not survive. And that's where it starts to have some really important dialogue with brands that I get to work with between Microsoft and the enablers of the capabilities that we can bring to bear and partnership. That's where you start to really start to get to transformation. And that's the piece that I think is really satisfying for someone where I sit.

Vince: What's an exciting example of transformation that you've been seeing or have seen so far?

Mariya: Well, I am not able to share customers' names, so to speak, but what I really appreciate is when you have leadership that is not only from a technical side of being engaged, but also on the business side and they're all in. They're all into transform their business, and they may have different points of view of how to get there, but they are all in and committed to driving change. And change with transformation is not just about modernizing your technology, it is about transforming how you think and how you do business, and that rocks a culture of a company to the core because you're going to have to bring in new capabilities within the organization even to support the new technologies that are coming forward.

So, if you think about advanced analytics and machine learning, you're training models, but you also have to have your data in the right state to start and do that. Those require new capabilities with our organization. You think about marketing, that's a discipline that is continuing to evolve and transform very quickly from the traditional campaign view to leveraging so many points of data sentiment, social, etc, in almost real time to make new decisions.

So these are the things that I think are exciting, that are changing and, and one last one on top of that, is once you get an organization that is starting to transform and change in terms of how they see themselves, their view on the customer, and they're starting to modernize, they're taking control within the organization, and then they start looking at new sources of value, a way to monetize certain capabilities that they have spent a lot of time and investment in, and decide that we're going to take this forward and be able to monetize it and share it across our competitors because it is a capability that is highly needed, that's really cool to see.

That's really cool of a traditional retailer to start to break out beyond that and start to grow and evolve what their business looks like.

Vince: So, if I'm one of these customers looking to transform, why should I consider Azure?

Mariya: So, I've been talking in broad strokes about retail and consumer goods and some of the high level view of the work that we do here at Microsoft. When we talk about Azure specifically, which is our cloud platform, our focus is about building an intelligent Cloud

platform. It's about bringing all of these points of data together to help drive insights to be much more predictive, to do things that are probably beyond our human capability today, but that enhance the work in retail, the enhanced consumer goods and the missions there, and that's exciting.

We have four areas that we really focus that we think are core to Azure. One, is being productive in terms of we have a view for developers and our developer community, and we are focused on helping them be productive, helping them continue to move forward in open source, this community of building with and building on that is a core tenant that we have, hybrid, especially for retail and consumer goods. The reality is, this type of change and transformation takes time, it takes a plan and you have to be thoughtful.

And so, we have a consistent hybrid cloud across key areas of identity and data security and management, so we're trying to be thoughtful in that space of customer's needs. Intelligent, as I mentioned, around this full suite of data offerings, cognitive services, machine learning, really easy ways to again, leverage the data that you have within the organization, also external data to do more. And then the last one is trusted. We take a methodical approach to trust to the relationship that we have with our customers, to our partner ecosystem, and to the communities we're serving. And so, from a security privacy compliance, that is something that we hold high and super important to us.

Vince: You mentioned hybrid, it made me think a little bit more about edge computing, right? Because if I think about retail and or I think about inventory control and distribution there's a real time aspect to some of those areas that you can't have everything run out of a cloud because there's latency and there's maybe a realtime aspect to the work that's happening, is that true?

Mariya: That is true and I think especially if I go back to my days working on point of sale in a physical retail store, if you can't ring the register, you have a real problem. And so, definitely as these technologies start to mature, as we evolve architectures and best practices, I think this thought of hybrid, etc. I think it'll continue to evolve and change. But I think Microsoft recognizes that need. Recognizes that there are different things that different types of vertical industries are focused on that are priority and that the must haves within the business, thus the conversations around edge, around hybrid, super important because we know our customers value that.

Vince: So, if I'm a partner, why should I invest and engage in retail with Microsoft?

Mariya: Well, beyond some of the things that I've already discussed, I think one thing that I hear from partners and working in the community, Microsoft as a scale organization, we have other aspects to us that really helped to embrace our partner community. So, of course, we have the technical side meaning be build with, how can we help you continue to grow your business and technical competencies? So that is definitely there. But the other aspect, especially around our verticals, whether it's retail consumer goods, manufacturing, financial services, what have you, there are many folks that are very focused on helping our partners continue to grow their relationships with the customers that we're serving, because the reality is, as microsoft is building technology, there are

so many partners within the ecosystem that are so laser focused on really important use cases or really important problems to be solved across retail.

And when we say retail or consumer goods, I mean there's so many facets to that across the value chain. And so our partner ecosystem is super important in terms of delivering really key capabilities where Microsoft may not go because we may not be able to cut every single slice across those value chains, but our partner ecosystem can. And then, of course, we have many folks within the organization, whether in field or surrounding areas that are very focused and making these connections, building these synergies. When I came into Microsoft, that was part of it. How do we translate again, our technical agenda? How do we make that connection with the strategic efforts of a particular brand? How does that come into play in the roadmap? And our partners play a very important part of that conversation.

Vince: Sounds like a massive opportunity for partners across retail and consumer goods.

Mariya: Yes.

Vince: What is one thing that isn't taught but you believe is true to successfully working with Microsoft?

Mariya: That is a really great question. I think one thing that I have noticed that isn't taught, per say, but it's definitely discussed at times, is the principles of leadership here at Microsoft around clarity, and generating energy, delivering success. These philosophies and practices are within everything that's happening here at Microsoft. And if you have alignment there, you're able to do really great things, not only amongst the teams here at Microsoft, but also extending out to our partner community, extending out to our system integrators, extending out to the brands that we're serving.

That is something that is truly important understocked this leadership and this current leadership team. These are the things that really drive the evolution of Microsoft and how we look at the customer and how we serve the customer.

Vince: Yeah. A lot of that is around things like growth mindset, right? I get that loud and clear coming out of the Microsoft organization. And if I'm a customer or partner and I want to learn more about working with your organization, how would I do so?

Mariya: So, if people want to learn more about retail consumer goods at Microsoft, I actually have two places that I'd love to send people. The first one is a general overview all up of what Microsoft is doing. And then the second one, because you asked me about Azure specifically, is directing people to our Azure retail. So the first link is aka.ms/microsoftretailcg, as in consumer goods. That's aka.ms/microsoftretailcg, and then the second one that I mentioned because we talked about Azure specifically or Cloud, is aka.ms/azure retailcg. Azure is, A-Z-U-R-E retail cg.

Vince: Great Mariya, we will provide a link to those in the show notes for our listeners who want to follow up on that information. And for our listeners who want to reach out to you and the team, what's the best way for them to do so?

Mariya: The best way is I'm on Linkedin and twitter, I can be searched by Mariya Zoro on either. That's M-A-R-I-Y-A Z-O-R-O, Mariya Zoro.

Vince: Great. And I want to thank you. I know how compressed your schedule is these days, especially where we are in the fiscal year at Microsoft and all the travel you've been doing since you've been on the team. Want to thank you for taking time for our listeners to explain the mission and the organization and for being a guest.

Mariya: Thank you for having me Vince.

Vince: Thank you.

David: Thank you for joining us for this episode of the Microsoft industry experiences team podcast, the show that explores how industry experts are transforming businesses with Azure. visit our team at aka.ms/ndxp. And don't forget to join us for our next episode.