



ORCHESTRATE CREATIVITY

Mention digital transformation and you conjure up ideas about e-commerce, social networks, and big data. Too often, we overlook the fact that it is also about the strategic and organizational processes within the company itself. Digital transformation brings with it profound organizational change, a change that relies on and impacts individuals deep in the ranks of the company yet requires coordination by a strong leader.

At L'Oréal, CEO Jean-Paul Agon initiated and orchestrated the transformation by preaching relentlessly for change and by drawing from the company's legacy and culture to activate the transformation. L'Oréal has a long tradition of balancing creativity and inspiration with discipline and scientific rigor, whether it be in its dual-channel approach to research or its distinctive market-entry strategies. When encouraged to emanate from deep within the organization, creativity delivers innovative solutions that are truly relevant and responsive to the market. Scientific discipline and rigor can boost the impact of disparate solutions from across the organization by turning them into explicit knowledge to be shared throughout the organization.

For Agon—faced with a double objective of bringing the entire organization on board and transforming it through and through—the tried-and-true blend of creativity and rigor offered a natural path forward. Although the need for a profound transformation seems obvious in retrospect, the 2010 context in which Agon declared a digital emergency was very different from our current understanding of the

business landscape. Having had the vision and confidence to declare a digital emergency, Agon not only needed to get buy-in throughout, he also had to think ahead to how he would operationalize the transformation more broadly. In resolving this dilemma, Agon's priority course of action combined a strong and urgent message from the top with an invitation to the entire organization to innovate and improvise.

Enabling improvisation is an important way for a leader to blend creativity and discipline. Jazz music is legendary for its reliance on improvisation, as illustrated by the story of trumpet player and bandleader Miles Davis's recording session for his 1959 album, *Kind of Blue*. Davis showed up at the recording studio with two new musical modes that had never been played before. With no time to reflect on how to use these modes, band members had to improvise by integrating them into the performance at the same time they discovered the modes: they combined the creativity of adapting the forms to their own style and mood with the rigor of sticking to the required forms. *Kind of Blue* turned out to be one of the greatest jazz recordings of all time. No time to ask questions—just discover, dive in, and improvise. Agon's digital emergency declaration was nothing short of the proclamation of a new type of musical harmony for L'Oréal. While the score was being written, he demanded that the entire organization face up to this new beat and let it guide and inspire future initiatives. These improvised responses, tentative and disparate at first, would eventually be harmonized and made to rise into a full-blown collective achievement: creativity integrated with discipline.

Having inspired improvisation, Agon launched the second phase of L'Oréal's digital transformation by appointing a CDO. There was still plenty of room for improvisation but, little by little, improvised practices were formalized and shared across units and supported by the new leader as cohesion, harmony, and systematicity traveled from the parts to the whole. Throughout the process, Agon held on to his evangelist role by consistently delivering the same urgent and reassuring message: digital is our collective imperative; it starts with you, but it belongs to all of us.

The Importance of an Evangelist ---

Digital transformation is first and foremost a change process. And, as with any significant change, it requires strong leadership and determination if it is to succeed. This simple statement does not, however, capture the true complexity of transformation. And this is particularly

true for a digital makeover, where everything ranging from new products to new partnerships, new manufacturing processes to new supply chains, new practices to new functions and business units has to be rethought from scratch. It must all be reimagined and reinvented, often in real time, and in a context of great uncertainty, volatility, and, very often, anxiety throughout the company.

From the start of his digital mission, Agon was driven by his profound belief that the moment for transformation had come and that any delay would severely jeopardize the future of the company. Having decreed 2010 “the digital year,” he embarked on a crusade to convince L’Oréal’s employees that digital transformation was no longer optional, a message he reinforced consistently and vehemently over time. In true L’Oréal fashion, much of Agon’s conviction came from his observations and discussions with leaders across sectors and his thorough understanding of the sector and the market. He notes, “Some friends in the digital world were explaining what was going on, and I realized a tsunami was coming. I could see it from far away.”¹ Throughout the history of L’Oréal, the CEO’s personal conviction provided the impetus for major changes; that conviction has often developed organically through personal experience, sometimes serendipitously, other times more systematically.

Among L’Oréal’s direct competitors, French cosmetics house Clarins had already begun to make significant strides in digital transformation. On the retail side, Sephora was developing innovative approaches, particularly in the United States, built on data collection using its loyalty programs and e-commerce platforms. While L’Oréal’s direct big competitors were increasingly investing in digital media and distribution, none of them had undergone a wholesale digital transformation. Similarly, digital had yet to accelerate the beauty sector’s massive shift toward the ascent of indie brands, often led by highly influential celebrities. Agon’s crusade was motivated by his faith in the power of digital, but it also reflected his recognition that there were no simple rules of the game for how to go about orchestrating a digital transformation. There was no roadmap and Agon wasn’t about to pretend to have one.

One thing Agon understood from the very beginning is that digital transformation, more than any previous type of change initiative, must involve the entire organization and, beyond that, the whole system around it, including its customers and partners such as distributors, retailers, and others. Not only does digital transformation foster greater participation within the entire system, but it can only happen through a

participative process, a lesson that brands learned the hard way early on when they tried to censor customer reviews or critics. In 2010, having been accused by Greenpeace of using unsustainable palm oil in its KitKat bars, Nestlé tried to silence the critics by claiming their video, which had gone viral, broke copyright laws. The social media uproar was such that the company had to reverse course. It learned that the power of consumers could not simply be ignored and instead had to be used as an opportunity to better understand and respond to their needs. Nestlé eventually learned to engage with its critics and the wider market, and used the opportunity to overhaul its product sourcing and policies.² The very nature of digital technology is that it allows information to circulate freely and to be shareable. Once let loose, information is there to be used by anyone who has access to it and is able to, or chooses to, participate. This is true for customers who share product reviews and how-to tips, as well as for employees whose success stories through trial and error are extolled as best practices.

Agon recognized the value of sharing information to promote participation, as well as the value of participation in the transformation process. He wanted digital transformation to touch all areas of the company and to involve everyone. The process, in his view, demanded an open mind and a relentless desire to experiment. This is the message he repeated every time he spoke, both within and outside the company—he never visited a division or country without addressing the issue of digital transformation and encouraging participation and experimentation. In 2011, for the first time, L'Oréal devoted a chapter of its annual report to digital projects, a move that symbolized the tenacity of Agon and his board of directors in pursuing the digital endeavor as participative.

Across the company, executives began to embark on a series of digital initiatives, many of which were true improvisations. Agon heartily encouraged and supported all of the experiments, even the most imaginative, from taking a chance with up-and-coming influencers to querying search data for creative product development to inventing new ways for hair colorists to better serve their clients.

Time to Improve

As in many other companies, the early days of digital transformation caused confusion and anxiety. Markets such as the United States took an early lead in integrating digital initiatives around customers' path

to purchase.³ In a 2011 interview, then U.S. Chief Marketing Officer Mark Speichert was sanguine about the strategic opportunities not just in increasing digital spending and building partnerships with digital players, but more generally in rethinking the relationship between brands and consumers.

On the other hand, at the corporate level, the 2010 annual report was more cautious in addressing the scale of the transformation to come, seeking to “secure L’Oréal’s leadership in the digital channel.”⁴ Reflected here is the fact that many understood the need to use digital tools to communicate both internally and externally but didn’t appreciate the magnitude of the technological, societal, and human changes that were about to unfold. L’Oréal’s areas of great strength and competence had always been its impressive product development capabilities and its intimate understanding of distribution channels in all its markets. In spite of Agon’s reassurances, digital reared its head as an unknown and somewhat ominous development for many: suddenly, the tried-and-true formulas of success, no matter how much innovation they had delivered, were no longer enough. Not only was the mold broken, it had to be thrown out the window and who knew if another one would ever replace it? Because the company did not have its own retail network, it did not have much direct access to consumers other than through retail brands such as Kiehl’s and The Body Shop, companies it had acquired in 2000 and 2006, respectively.⁵

The new digital focus laid bare the lack of direct interactions between L’Oréal and its customers and the massive challenge this presents for a company trying to turn itself from its traditional focus on product to consumer centricity. Digital technology has made consumer centricity an imperative for consumer-facing and industrial companies across sectors. Often misunderstood as renewed focus on customer service, consumer centricity is a profound strategic, operational, and cultural shift for organizations. As consumers have gained greater control over how they choose, buy, and experience products and services thanks to digital technology, they have become much more demanding of the brands they select. At the same time, companies can access so much information about consumers that they can develop products, services, and, more generally, experiences that are much more relevant to individual and small segments of their customers than ever before. Consumer centricity does, however, require the ability to collect data directly from consumers, something that is difficult for brands that do

not have direct-to-consumer access via retail operations or digital platforms, and poses significant privacy and ethical challenges.

Inside the organization, the realization that the digital initiative was much more than the introduction of some digital tools and that it would lead to wholesale transformation in the way the company did business challenged people's thinking of what made L'Oréal a dominant player. For most of its history, hard scientific research and innovation were such a strong core competence for L'Oréal that it even ventured into the pharmaceutical sector. It had also built an impregnable distribution network throughout the world, based on a strategic approach to sales, painstaking on-the-ground sales efforts across its markets near and far, and, in large part, unequaled market research. In many ways, these two elements of L'Oréal's success—outstanding research and distribution—now made it ill-prepared for consumer centricity. Scientifically informed product development is exactly that, and it is not easily compatible with consumer-informed innovation. Close partnerships with distributors and retailers often require that a company steer clear of the direct-to-consumer relationships that are crucial to a consumer-centric strategy.

The task of transforming L'Oréal toward consumer centricity was immense. And, while Agon's vision was strong, to believe that L'Oréal's digital transformation was driven by a firm idea of where it would eventually lead would be to seriously misunderstand the process the company went through. In fact, his strong vision was coupled with a calculated creative blurriness that left lots of room for local brand leaders to innovate with and for their own customers. This blurriness is precisely why Agon's approach of letting people up and down the organization improvise in response to his call to action was so appropriate and effective. What Agon was looking for through this improvisation approach was twofold: on the one hand, he wanted people to start buying into the need for and opportunities to be derived from digital transformation and to "get on board"; on the other hand, he was looking for people throughout the organization to participate and start building some great digital initiatives that would serve as proofs of concept for the very idea of digital transformation. The two are clearly related: as more proof of concept projects emerge, more people come on board, and vice versa.

Agon has referred to this first phase as one of chaos,⁶ albeit "organized chaos." The systems scientist Peter Senge calls such a state of ambiguity "creative tension," a tension that produces intense energy if channeled properly. Agon himself used the metaphor of a volcano,

saying, “It’s a bit hot but it produces a lot of energy.” Other management experts have referred to an “aesthetic of forgiveness” that makes experimentation and exploration permissible.⁷ What is clear is the highly productive effect of giving up control and accepting uncertainty in the face of the unknown. The poet John Keats referred to this idea as “negative capability.” He described it as a quality that William Shakespeare “possessed so enormously . . . that is, when a man is capable of being in uncertainties, mysteries, doubts, without any irritable reaching after fact and reason.”⁸

This first improvisational phase of the digital transformation started in 2010 and carried on for a few years without a formal framework and without a leader other than Agon himself. Instead, the global chief marketing officer, Marc Menesguen, was tasked by Agon to “accelerate the movement to strengthen L’Oréal’s leadership in digital, intensify initiatives, and develop expertise.”⁹ At the same time, Georges-Edouard Dias, senior VP for e-business, was charged with deploying some of the new initiatives, particularly in the area of programmatic advertising. The ambiguity and ambivalence between these different roles reflect a real tension between vision and current reality, and between intuition and pragmatism within the organization.

Luxury Leads the Way

At L’Oréal, some of the early digital experiments and successes came from the luxury sector, with Lancôme taking a pioneering role in opening a retail website at the end of the 1990s and developing apps in various countries, including China in 2010. The luxury division as a whole managed to achieve 50 percent of L’Oréal’s global turnover in e-commerce in 2013.

Lancôme continued in its pioneering role and ventured into the realm of digital entertainment with the launch of the Hypnôse Doll Eyes mascara in 2011, drawing consumers in with an animated teaser film and an app that allowed them to create their own doll avatar modeled after the film’s characters. The film was viewed by more than three million consumers and contributed to making 2011 Lancôme’s best year in fifteen years, signaling a real renaissance for a brand that had slowly been losing its youthful luster. Lancôme continued to use social media to rejuvenate its image and build greater engagement with a younger audience by launching its new lipstick Rouge in Love with a video featuring

Emma Watson that went viral, reaching 120 million viewers in China in 2013. In addition to these initiatives, the Luxury Division multiplied and expanded its e-commerce experiences through its Kiehl's brand, which benefits from its own retail channel. The huge risk-taking and creative impetus behind these initiatives is difficult to qualify but is testimony to Agon's success in fostering significant improvisational drive and audacity.

By launching the new L'Oréal Paris Super Liner Blackbuster with an unprecedented integrated digital presence across channels, including search, social, blogs, and YouTube tutorials, the Consumer Products Division also showed that it had received the leader's message loud and clear, and in turn sent a clear strategic message to the market that L'Oréal was now fully committed to digital and would spare no means to build a dominant digital position. Around the same time, the L'Oréal Paris brand also began using insights gained online to fuel product innovation, with the introduction of ombré hair color products. Using a combination of search and social data, the brand identified the ombré consumer trend of blending different shades of the same color over the length of the hair and responded swiftly by launching a new line of products. Thanks to their intimate understanding of what consumers were searching for and talking about, the brand's marketers were able to target consumers more effectively and to build brand awareness quickly and establish ombré as a new high-performance style.

For its part, the Professional Products Division also heeded Agon's call by introducing the Salonworld platform, offering hair professionals advice and training as well as opportunities to connect with their community. In 2012, the Active Cosmetics Division began innovating around omnichannel opportunities by launching eSkin, a successful information and advice platform in China, integrating a loyalty club, apps, retail and online stores, and social networks.

Digital innovation was also brought in from outside the company. In 2012, L'Oréal acquired two American brands that targeted millennials: Urban Decay, an affordable luxury brand, and NYX, a mass-market brand. Both brought L'Oréal much-needed experience in mastering social networks, digital marketing, and multichannel distribution. NYX, in particular, routinely co-developed its products with beauty bloggers. Beyond the competencies they injected into L'Oréal, these acquisitions also provided powerful inspiration for other brands within the L'Oréal

group. The group's brand leaders were encouraged to visit NYX headquarters in San Francisco and meet its executives in order to develop ties and learn from their new little sister's digital culture. As a result of these integration efforts, a L'Oréal Paris boutique, launched in Paris in 2016, incorporated many of NYX's trademark digital tools, including in-store tablets with tutorials, screens showing Instagram posts in real time, and a display of top bloggers' favorite products. Shoppers get to take home a video of their own in-store makeup tutorial.

Expect Failure

With experimentation inevitably comes failure. One notable disappointment was the ill-fated partnership with YouTube celebrity Michelle Phan, launched in 2013. The “modern essentials” makeup brand, named Em (“sister” in Vietnamese), was introduced online to great fanfare and with ambitious mass-market aspirations. In 2014, it was featured on Amazon's Luxury Beauty Store but never managed to get past the start-up phase and inspire a critical mass of Phan's young followers; eventually, the line was sold back to Phan. The takeaways were harsh for both Phan and L'Oréal: consumers have minds of their own and expecting a celebrity's YouTube fans to become customers of that celebrity's brand is a big ask, particularly when the brand is owned by a multinational company that operates with its own rules. For Michelle Phan, the brand's failure to connect with her followers marked the start of a profound reflection journey to better understand and formulate the distinctive inspiration she can offer her fans, and for L'Oréal it was a sobering reminder of the power of consumers and fans.

Bring in the Tech

In 2012, L'Oréal created an incubator in San Francisco, dubbed the “CBI” (for Connected Beauty Institute), that housed a diverse team of twenty people dedicated to the search for new services that could be developed and delivered via digital technologies. The most innovative project was Makeup Genius, released in 2013. This virtual makeover app simulates makeup application, allowing consumers to “try on” colors before purchase, using their own image on a webcam or a smartphone photo. Beyond its tremendous commercial success, particularly in the

Chinese market, the app served as a milestone that marked L'Oréal's ability to come out with a powerful statement in the digital space.

The success of Makeup Genius provided highly visible and unquestionable proof that the group could indeed position itself at the cutting edge of digital innovation. Internally, Makeup Genius served to increase confidence and to spawn lots of innovative tech-enabled beauty solutions, ranging from sun exposure sensors to an acne scanner. It also pushed L'Oréal's marketers to begin to think much more strategically about how to use the enormous amounts of data collected through the app.

Where To from Here?

As the different digital initiatives, or proofs of concept, we have just reviewed unfolded one after the other across divisions, they built much more than a collection of successes and failures. They constituted an organic learning process born from improvisation, the desire to participate, the creative impetus to contribute to something bigger than one product or one brand. The improvisation logic was starting to deliver. Failure became somewhat more tolerable, experimentation increased, and people learned from one another and from their mistakes. Employees began to respond to one another's initiatives by taking them further, embellishing and improving along the way. Agon has referred to this phase as one of creative chaos. The aesthetic forgiveness that characterized this first step of the transformation also allowed a shift in human relationships at L'Oréal: openness to one another became prized, and a collective spirit began to take shape.

But critical questions also arose: How could the company scale up the various projects developed by brands or countries? How would it manage different levels of digital maturity across markets and brands? Complicating matters was a disappointing e-commerce performance in 2014; only 3.5 percent of sales were from online purchases that year, less than the market average of 5 percent, a sobering result that prompted L'Oréal to rethink the overall e-commerce strategy and give greater focus to consumers' omnichannel experiences throughout their journey with a brand.

To address these and other emerging challenges and aware of the need to accelerate digital transformation and to create an internal strategic framework, Agon called on French digital consulting firm

Valtech to help him define L'Oréal's digital strategy. Valtech's Managing Director for Southern Europe was a talented young consultant named Lubomira Rochet.

From Creative Chaos to Orchestrated Rigor

In 2014, L'Oréal became the first company on the French stock market CAC 40 to include a chief digital officer on its executive committee, recruiting Lubomira Rochet for the position.

The recruitment of a CDO happened relatively early at L'Oréal, compared with its direct competitors and other consumer goods companies. One of Valtech's chief recommendations was to recruit a digital leader and give them a seat on the executive committee, who would consolidate the nascent digital initiatives and strategies across brands, divisions, and markets, and formulate and implement a digital roadmap. In early 2014, the executive committee approved this recommendation.

The Unlikely CDO

Rochet was selected by the executive committee after an extensive internal and external search revealed that she was by far the most qualified candidate to “orchestrate and channel the flow of energy” that had been unleashed in the improvisation phase.¹⁰ Her four-year experience as a Valtech consultant advising L'Oréal on its digital strategy did not spare her from having to sit through fifteen interviews before she was finally tapped as Chief Digital Officer. Unanimously endorsed by the executive committee, she became the fourth woman and the youngest member on a committee composed essentially of pure “L'Oréalians.” This term is typically used for lifers who start in the company early in their careers and who embody its values and culture. Interestingly, for a company whose products are targeted primarily at women, L'Oréalians were mostly men until recent years.

Successful CDOs cut an unusual profile in many organizations. The position requires a leader who can promote a digital culture but whose perspective goes far beyond technology, someone who can advance digital transformation in the face of resistance and convince others that change is imperative. It calls for a profoundly empathetic approach that turns people throughout the organization into partners, co-creators, and

evangelists themselves, and bandleader-type charisma to rouse audiences and bring them into the project. Rochet fit the bill on all counts. And yet, technology was not the path Rochet had initially set for herself. An economist by training, she had intended to pursue a career as a civil servant but became fascinated with Silicon Valley's tech boom and optimistic atmosphere when she spent a year at the University of California at Berkeley in the early 2000s. She was amazed to see that "people were betting millions of dollars on guys in flip-flops."¹¹

When Rochet returned to France, she joined the IT consulting company Sogeti, a subsidiary of Capgemini, where she became VP of strategy, specializing in the development of digital and software solutions. She described her early days this way: "I was trained as an economist, not an engineer; I had never written a line of code before. I was scared to death and full of envy. I always tried to go off-center, to go where I can bring something because of my difference."¹² Later, after leading Microsoft's start-up and innovation ecosystem for France, she and a friend took over Valtech, an independent digital agency, where she consulted on digital transformation for clients such as Rolex, Chanel, Louis Vuitton, Michelin, Allianz, Société Générale, and L'Oréal.

Indefatigable Determination

Agon was impressed by Rochet's eclectic background, curiosity, and intelligence.¹³ Others pointed out that Rochet exhibits the characteristic strength of immigrants, that of being able to adapt to any environment. She was born in Bulgaria and her family moved first to Morocco when she was five years old, then to Paris when she was thirteen. Among the staunch Loréalians, some first saw her as an intruder while others found her talents overrated. She admits to experiencing more than a few moments of solitude at first and found it difficult to fit in as a woman, particularly as a young woman with no experience of the beauty sector, or of business itself. She responded by throwing herself into her mission to accelerate digital transformation. Her strategy was one of trial and error to learn what worked and what didn't, and of reliance on building relationships.

As a relatively new breed, CDOs don't have too many best practices to draw from: they have to invent everything—their job, their role, their projects, their teams, their working methods, their strategy, their models, their metrics. They have to figure out how to involve the entire company, how to work with the Human Resources department

to spread digital culture, how to build on existing projects, and how to create and strengthen digital teams, all while developing digital assets such as e-commerce sites, insight platforms, and more.

Call in the Commandos

Rochet initially formulated two objectives for herself: to define an overall strategy for digital and to create a core group of digital experts whose role it is to enable and support the transformation process across the company. She sees herself and her team as enablers, commandos who can intervene rapidly on specific strike missions and then leave each team to continue to implement their projects on their own, having learned from the digital intervention. Beyond their interventions, the commandos also play a critical role in disseminating ideas and practices as they travel from headquarters to the field and back. Success stories resulting from improvisation turn into practices that are shared across markets. Codification, consistency, and coherence are driven by headquarters but are informed by and adapted to local practices and contextual requirements. Rochet's vision and the change management approach she adopted reflect her desire to transform the company without creating additional silos; to create links between divisions, brands, and countries; and to multiply the human interactions that facilitate the integration of digital into the core of the business.

More concretely, she chose to work with a small core team of twenty experts in different facets of digital strategy who combined so-called hard tech skills and soft people skills; she also relied on a broader network of six hundred digital employees, who had begun working across divisions, brands, and geographical groups. At the heart of Rochet's mission is the desire to enable L'Oréal units to deploy digital tools to reach their customers in the right place; at the right time; with the right messages, products, and experiences; and through the right channels. Borrowing from the language of entrepreneurship, she sees the role of the core digital team as enabling the acceleration and scaling of local projects to give them greater scope, visibility, and impact: "We are here to facilitate, not to make," Rochet repeats constantly.¹⁴ In other words, she will never press her ideas on a business or operational executive, choosing instead to inspire and support them as they implement the digital transformation in ways that make sense

for their piece of the business. In her view, a CDO “must have frugal leadership, where what matters is not how many armies you have, but how many disciples.”¹⁵

Establishing the Roadmap

As a first step, Rochet decided to push e-commerce in high-volume markets such as the United States and France, as well as in emerging markets with high digital penetration such as Indonesia and Turkey. For this, she used growth-hacking techniques, setting seemingly impossible targets for ad hoc teams of experts to attain by inventing innovative solutions to reach them. She explained, “E-commerce is, after all, only a retail channel like any other, with banners as gondolas and category management as merchandising.”¹⁶

She set out to demystify digital transformation, using simple words and avoiding acronyms, and convincing local teams to do the same. Her enormous energy and the unfailing support she received from Agon inspired people at all levels of the company to embrace digital and digital transformation. Commenting on Rochet’s mission, Agon noted, “You’d have to live in a hermit’s cave, not to have seen the upheaval caused by digital technology. . . . Digital transforms relationships with distributors and consumers, but also internally with our teams of employees throughout the organization.”¹⁷ Having achieved awareness and buy-in through improvisation, the time was now right to deploy a strategic roadmap that would transform every single aspect of the company, and this is what Rochet was about to do.

Enabling Resonance

Even as the digital transformation strategy was now driven from Paris by Rochet and her core team, it continued to be enabled and supported across markets via decentralized initiatives and experiences. Once a digital process had been tried and put in place, it had to be shared with others via conversations, presentations, and a variety of other interactions so it would resonate with other units, striking an evocative chord and building coherence and consistency across the organization.

This process, which we call resonance, is powerful in allowing corporate digital strategy and local initiatives to evolve in response to each

other. Resonance is facilitated in a granular way through daily conversations among people across the organization, from the CDO team to different units and local markets, and through a high level of mobility among executives. While enabling back-and-forth knowledge sharing between local units and headquarters has clearly been taken to a strategic level as part of the digital transformation process, it is hardly new.

Agon himself had experienced such knowledge transfer when, at the age of twenty-six, he was sent to Greece to lead the consumer products business in that market, which at the time was experiencing a significant slowdown. After managing a picture-perfect turnaround in three years, he was sent back to France as general manager for France of L'Oréal Paris before heading up the Biotherm subsidiary where he led a complete brand repositioning. Five years later, he was sent back out to the field to manage L'Oréal's German subsidiary, and from there to Asia to create the Asia zone, where the group was ten years behind its main American competitors. And in 2001, just a few days before the September 11 terrorist attacks, he arrived in New York as CEO of L'Oréal USA.

Agon's story, while exceptional because of his meteoric rise and success, is fairly typical of many L'Oréal careers, built on opportunities for people to spread their wings while ensuring that they constantly return to the mother ship for strategic alignment.

It is this combination of autonomy and control, distance and proximity that is key to resonance among divisions, brands, regions, and countries. China provides a striking example because of the firm's digital success there and the country's huge digital dominance. L'Oréal's Chinese operations have turned into a living lab for all things digital throughout the group, an incredible disruptive revolution in a highly challenging market, where L'Oréal is one of the only players to have increased its market share in recent years. At the same time that it has been allowed to operate autonomously, L'Oréal China has worked hand in hand with the CDO and Paris headquarters in its digital transformation. The Chinese subsidiary has helped the company develop cutting-edge knowledge that resonates in other markets.

Because the inclinations of Chinese consumers can be seen as precursors of future behaviors in other parts of the world, the impact of L'Oréal's knowledge of these customers on the company's digital

revolution is dramatic. The Chinese market functions as a highly effective laboratory in which L'Oréal can study how to develop customer profiles and optimize customer experience. Data is central to this endeavor, especially since Chinese consumers are less concerned about data protection than consumers in other parts of the world. In Lancôme stores in China, for example, sales staff are equipped with iPads to record each customer's profile and retrieve their WeChat account in order to communicate with them more effectively. L'Oréal goes even further through a partnership with Alibaba that allows it to leverage data-driven consumer analytics from Alibaba's 600 million-plus customer base.

A key aspect of L'Oréal's China digital strategy is omnichannel experience. By not just building a highly effective e-commerce business but inventing omnichannel solutions for a market where online/offline convergence is much more mature than in other parts of the world, L'Oréal China has carved out a dominant position for itself. In this effort, former CEO of L'Oréal China Stéphane Rinderknech recognizes that he was given a great deal of improvisational autonomy and allowed to take significant risks. He describes his meeting in 2012 with the CEO of e-commerce giant Tmall, Daniel Zhang, who insisted all of L'Oréal's luxury brands be included on his e-commerce platform. While this was a huge gamble and leap of faith for L'Oréal, the two men had established enough mutual trust that Rinderknech decided to go for it. The bet paid off, and L'Oréal has gained tremendously from being a privileged partner of Tmall, accessing not just its millions of consumers but its data and other digital capabilities.

To serve the company's ambitious e-commerce strategy, L'Oréal China has had to develop high-performance logistics systems to deal not just with enormous distances but also with the country's mega shopping holidays such as Singles' Day, also known as 11/11. E-commerce has now been enriched with a whole range of services such as an app that allows users to try on lipstick colors and the more recent offering by La Roche-Posay's Effaclar brand, which diagnoses acne-prone skin. All this without cannibalizing in-store sales.

The omnichannel approach used in China also pays off in the traditional retail space. Thanks to data obtained from their online transactions, customers of L'Oréal Paris and Maybelline receive alerts

and offers on their phones when they approach one of the brands' counters. In the stores, several brands offer augmented-reality makeup mirrors, and QR codes enable customers to obtain information on their smartphones.

Beyond the excellent business opportunities it offers, China teaches the company to see into the future of other markets. What L'Oréal practices in the Chinese market then resonates globally and improves its positioning as a data, e-commerce, and omnichannel leader. As L'Oréal's boss in China sums up well: "We bring Parisians here to learn."

Throughout a digital transformation endeavor, from kickoff to implementation, the role of a leader such as Agon is to convince, motivate, and reassure people up and down the organization, one conversation at a time. In the early days of L'Oréal's transformation process, Agon opted for an improvisational approach that provided the most relevant digital solutions for each market and allowed individual executives and managers to seize the digital opportunity and make it their own. Improvisation thrives on fast-changing environments where new solutions need to be developed in real time. It also emanates in more stable environments, where experience combines with creativity and audacity to give way to new digital practices. It requires an overall culture of aesthetic forgiveness that prizes learning and accepts failure.

Lubomira Rochet's arrival signaled the resonance phase, in which she and her small cadre of digital experts intervene on an ad hoc basis by engaging in conversations, explaining, enabling, and empowering. All the while, as team members travel back and forth from the field to headquarters and back out, they facilitate the sharing of knowledge. When visiting L'Oréal headquarters in Clichy, right outside Paris, teams from around the world are greeted with a sign on Rochet's door that captures her spirit and the source of her early inspiration: "Welcome to Silicon Clichy!" Conversations resonate throughout the organization, making the digital strategy highly dynamic and adaptive to fast-changing technology and market demands. Transformation rolls out through the entire organization in the manner of a compelling wave of change that overtakes resistance.

TRANSFORMATION TIPS

- Accept and communicate that digital transformation is all-encompassing; nothing will remain unchanged.
- Designate an evangelist-in-chief who will inspire the rest of your organization.
- Give people in your organization time to make sense of the changes ahead by encouraging small projects that embody the ambitions of individual teams and can inspire others.
- Accept ambiguity and blurriness at first. A roadmap may take time to emerge and to be formalized, and the process will require the right leader.
- Be transparent and communicate frequently, both formally and informally throughout your company so everyone can participate.
- Know that mistakes will be made; failure will happen.
- Embrace resonance—allow ideas and knowledge to travel and inspire.
- Do not underestimate how difficult change can be for individuals and their teams.