

adidas

FROM 6-EYE PRINCIPLE TO RELEASE AT SCALE

FERNANDO CORNAGO, VIKALP YADAV AND ANDREIA OTTO

ADIDAS DIGITAL TECH 2021



EXCITING MOMENT ON GROWTH JOURNEY 20% TECH BUDGET CUT **COST CONTROL TOWER AND ZERO-BUDGET** 53% **DIGITAL GROWTH** 2016 - 2019 2020

OUR PRODUCT DOMAIN MAP AS BASE OF OUR DECISIONS



TECH INVESTMENT STRATEGY

WIN

Prioritize invest to create differentiated competitive advantage by **engineering best-in-class solutions**

COMPETE

Constrain costs by leveraging market leading **3**rd-party solutions with limited customization

FOUNDATIONAL

Evaluate spend through lens of maximizing business & tech cost efficiencies





Rent: Where we want to drive efficiencies, leverage out of the box software (SAAS or COTS) and minimize customization



Buy: Where we must differentiate but lack capability, explore acquisition, acquire or JV opportunities



EXPERIENCE



FROM

A REGIONALLY FOCUSED. LARGELY E-COM CENTRIC LOYALTY PROGRAM. REWARDING PURCHASES

A WHOLESALE-DRIVEN BUSINESS

6 GLOBAL KEY CITIES WITH TOKYO, SHANGHAI, PARIS, LONDON, NEW YORK AND LOS ANGELES

TO

MEMBERSHIP

OFFERING UNIQUE

EXPERIENCES AND

PRODUCTS ACROSS ALL

CONSUMER TOUCHPOINTS

DTC

KEY CITIES

A DTC-LED BUSINESS, WITH E-COM AND OWN RETAIL AS OUR PRIMARY CHANNELS TO **ENGAGE WITH OUR CONSUMERS** 12 GLOBAL KEY CITIES. ADDING MEXICO CITY, BERLIN, MOSCOW, DUBAI, BELJING AND SEDUL

FROM TECH AS A SERVICE DEPARTMENT

TO A CORE COMPETENCY AND VALUE DRIVER



DIGITAL

OUR TEAMS

Bring data and technology expertise in-house

Scale teams across seven Tech hubs around the world

Integrate Tech and Business teams to drive accountability

DIGITALIZING THE CORE

Build an end-to-end connected company from creation-to-shelf

Expand our creation engine to build 30 products at scale

Harmonize data and processes via rollout of S/4HANA until 2025

DATA & ANALYTICS

Leverage in-depth, realtime insights to improve decision making

Establish standalone D&A organization

Enter into partnerships and invest in specific D&A capabilities

RIGHT SOURCING | OPERATING MODEL TAYLORED FOR ADIDAS

ORGANIZATIONS ARE LIVING CREATURES ADAPTED TO THE HUB VISION AND THE REALITY OF EACH MARKET



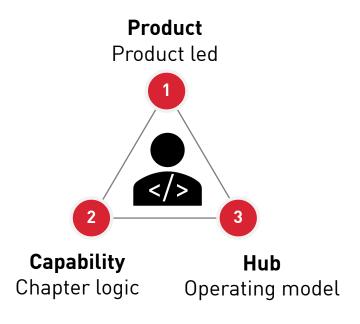


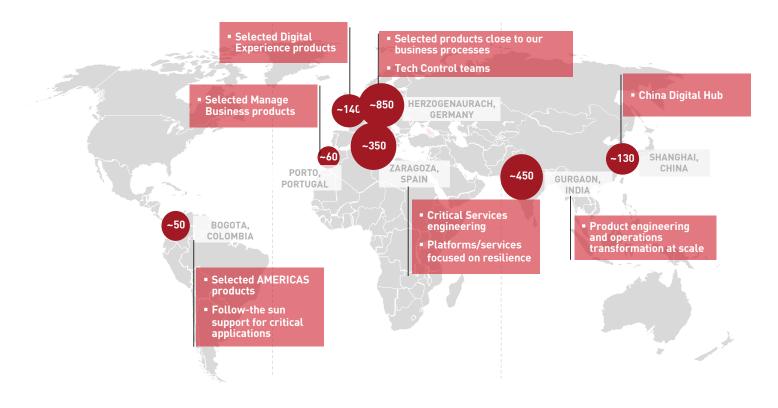
INTEGRATING TECH AND BUSINESS TO DRIVE END-TO-END ACCOUNTABILITY



EMPOWERED TO SHAPE GLOBAL CAPABILITY

Tech Hubs are global **strategic locations** with a significant capacity of Tech resources. Global footprint ensures access to **global talents** and diverse **skills**.





WHAT OUR BUSINESS SAYS ABOUT TECH



SCOTT ZALAZNIK, SVP DIGITAL

THANK YOU FOR DELIVERING THE **BIGGEST GROWTH IN OUR MOST DIFFICULT TIME EVER**ADIDAS SHOULD BE THE **MOST TECHNICALLY SAVVY** AND PROGRESSIVE WITH REGARDS TO OUR WAYS OF WORKING WE WILL ONLY WIN WITH **TECH AT OUR CORE AND DATA AS OUR CATALYST** THERE ARE NO REPORTING LINES OR BATCHES, ENGINEERS AND ARCHITECTS SHOULD **SPEAK UP** IN PRODUCT CONVERSATIONS

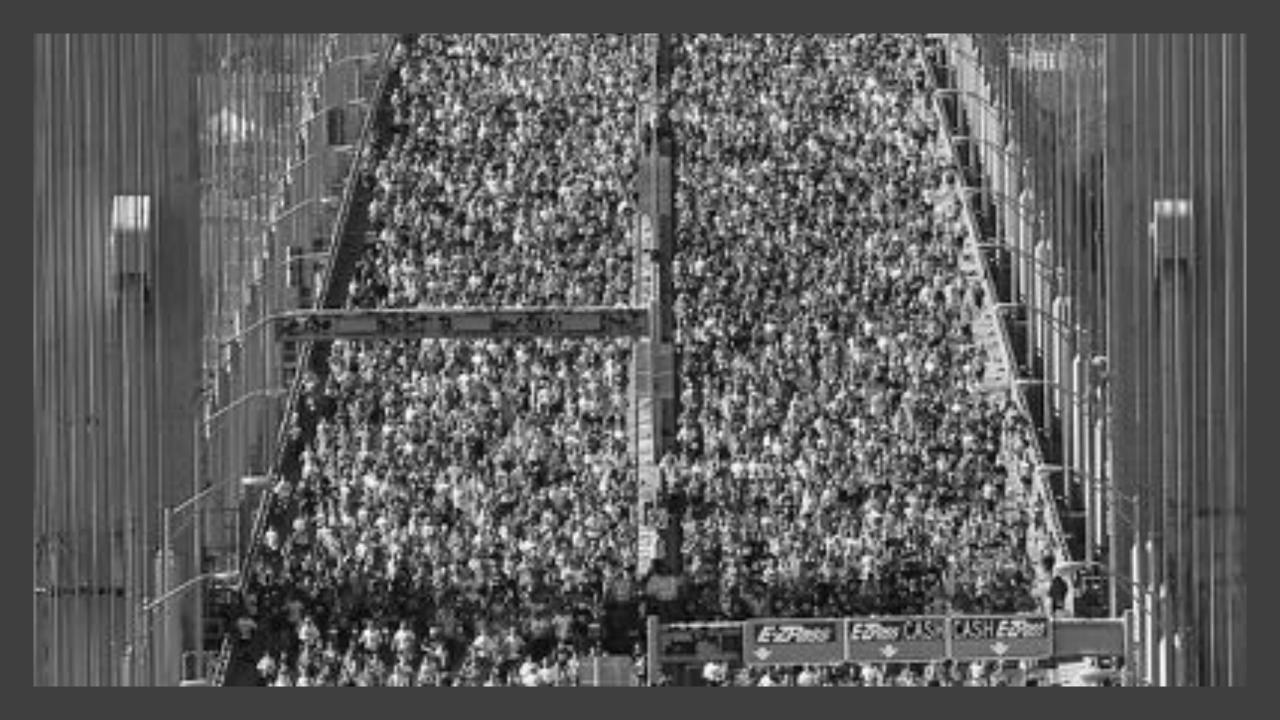
NIGEL GRIFFITHS, SVP SALES

ONLY BY UNDERSTANDING **DATA ACROSS OUR ENTIRE VALUE CHAIN** WE WILL BE IN THE POSITION TO IMPROVE OUR PRODUCT DESIGN, SUPPLY CHAIN OR FORECASTING.
I DON'T GO ANYWHERE WITHOUT **TECH ON THE TABLE**

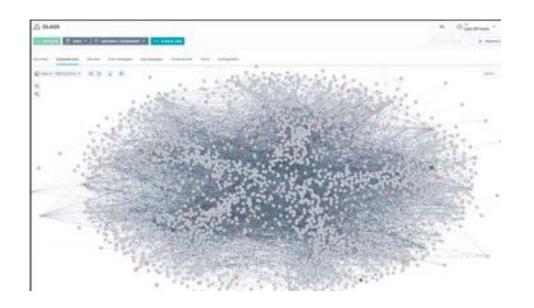








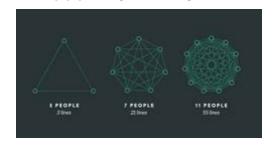
10X | GROWTH MINDSET TECHNICAL, PROCESS AND TEAM DEPENDENCIES NEED TO BE TREATED AS LIVING COMPONENTS OF YOUR ECOSYSTEM





22000 K8S SERVICES 450 MILLION LOC 1.5 MILLION REQUESTS PER SECOND **3 BILLION LOGS PER DAY**

59 DIGITAL PRODUCTS 150-200 FEATURE TEAMS 1500 ENGINEERS

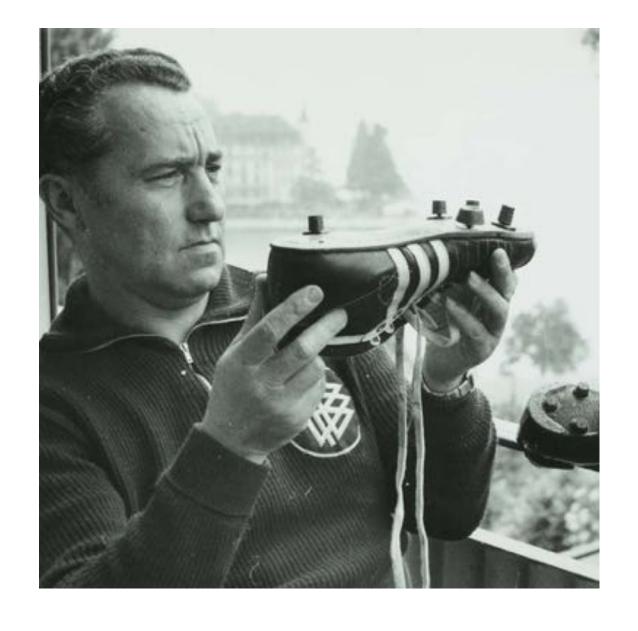




NOVEMBER 2020

A VERY EXPENSIVE 6-EYE PRINCIPLE

CONSUMER **EXPERIENCE ON OUR BIGGEST** SHOP HAS TO BE **AS RELIABLE AS OUR PRODUCTS**



IOX MINDSET
IS NEEDED TO RUN
A 9 BILLION SHOP AT THIS
MIND BOGGLING SCALE



PEAK ORDER RATE

CONSUMER COMMS

HYPE DROP VISITS

PRODUCTION DEPLOYMENTS

3000 ORDERS/MIN 11 B

1.5 M/SEC

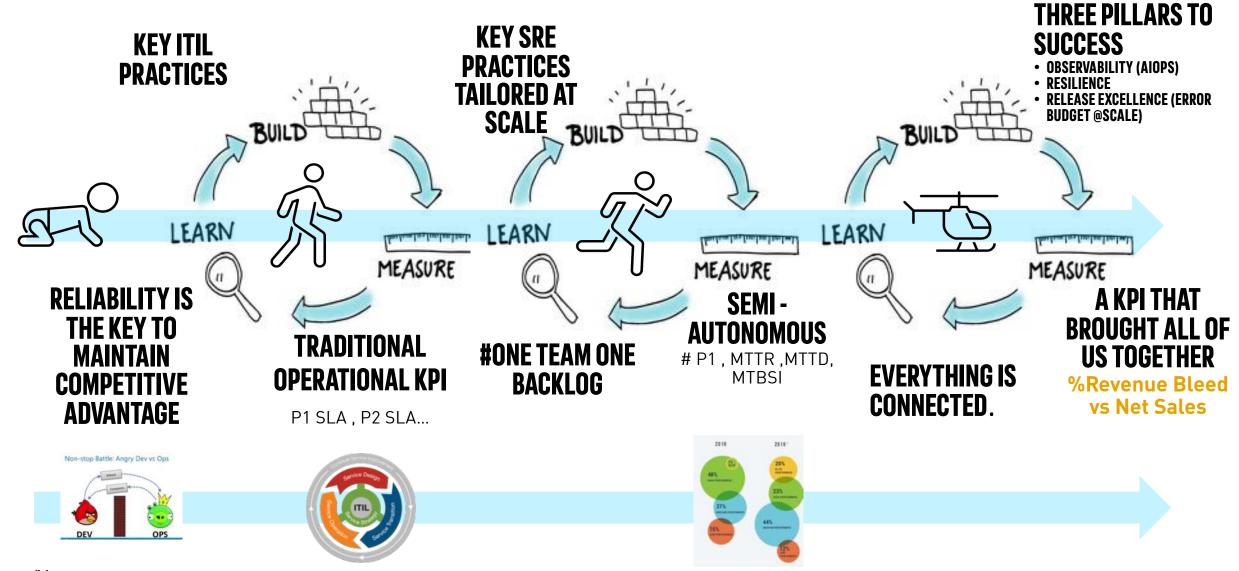
MULTIPLE DEPLOYMENTS PER DAY

168 M MEMBERS

OVER **200** HYPE DROPS IN 2020

OUR JOURNEY FROM A RELIABLE TO A STABLE AND RESILIENT CONSUMER EXPERIENCE

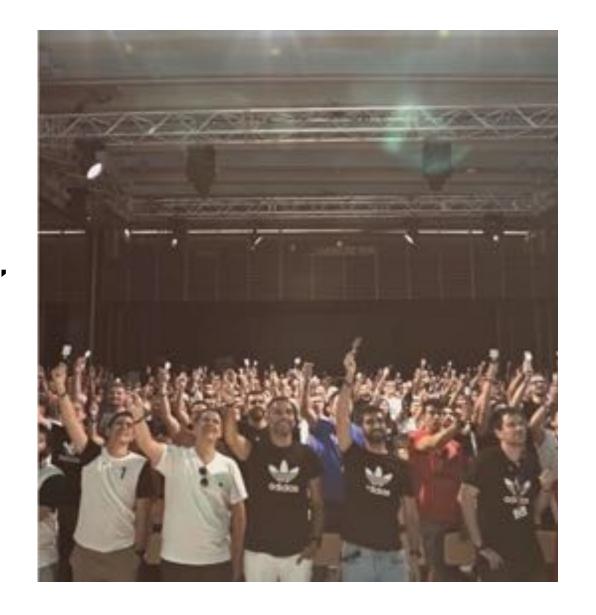
EVOLUTION OF STABILITY AND RESILIENCE KPIS TO MORE BUSINESS FOCUSED



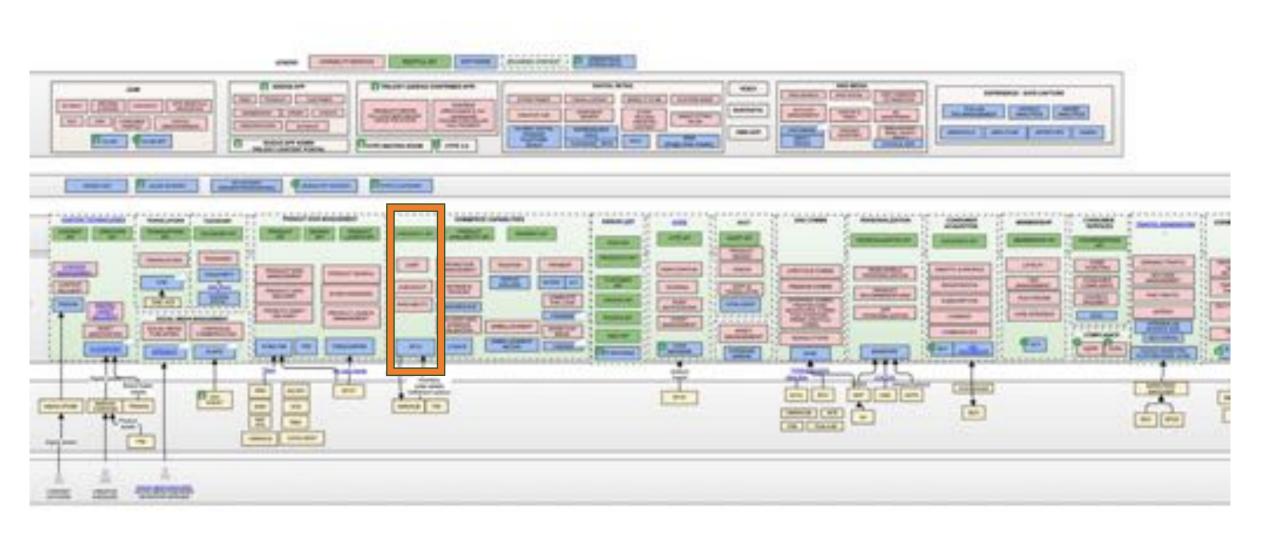
RELEASE FITNESS

"BUY FREEDOM FOR THE PRODUCT TEAMS"

THROUGH
AFFORDABLE GOVERNANCE
AND FOCUS ON
VALUE STREAM STABILITY



ADIDAS WEB AND MOBILE

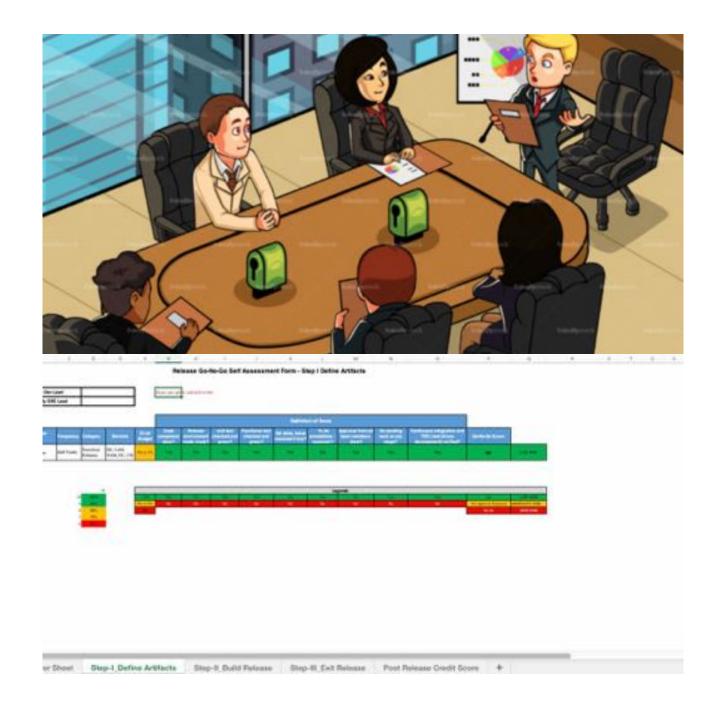


Challenges

FROM COUPLE OF SERVICES IN PRODUCTION TO DEVELOPING DIGITAL PRODUCTS AT SCALE

 3 VPs in a room to approve releases

 Release process with manual input



Release fitness RELEASE BASED ON KPIS

Unique signal based on set of KPIs

Product level

 Error Budget, CI/CD, QA, blocker issues

Value Stream

Dependencies

Environment

- Platforms
- Releases of the day



