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Tassilo Festetics just might have beer in his blood — not because he's been drinking, but because he has spent his whole life around beer. Long before he served as the head of global solutions at Anheuser-Busch InBev, his grandparents owned a brewery, and he sold beer to finance his education. Today, he can still fix a commercial cooler or a draft machine.

As someone who deeply respects the craft of beer, Festetics has used technology to grow AB InBev's business capabilities and, over the past few years, has helped the company build a suite of in-house technology products from the ground up. He believes that connecting brewmasters, farmers, shop owners, and other supply chain members with technologies empowers them to spend less time on rote work and more time on tasks that propel the company forward, like dreaming up new beer recipes.

In this interview, the first in the Leading With Impact series, Festetics and Chris Clearfield, a contributor to *MIT Sloan Management Review*, discussed the innovation-driven approach that has helped the largest international beer maker and distributor make the pivot to also become a developer of cutting-edge technologies.

***MIT Sloan Management Review:* I have a thesis that I want to test with you: That no matter their business, every company is a technology company. Does that ring true at AB InBev? How has technology changed or shaped the way you operate?**

**Tassilo Festetics:** I think our core competency will always be making the best beer in the world. We will never compete with top-notch technology companies like Google, just as Google will probably never make better beer than we do.

But technology *has* become much more of a core competency. Our CEO came to me a few years ago and said that he wanted an education on technology. We organized a weeklong training, where both academic and business experts gave sessions about the cloud, about machine learning, and he asked a lot of questions. That was the first step.

Then we said, “There are products out there that we should build ourselves instead of having other companies do it.” We began to hire engineers and architects, and we acquired other companies to give us more capabilities.

## What was the first product that you decided to build yourselves?

**Festetics:** We started building a platform about five years ago called SmartBarley that applies machine learning to barley production. If you look at the ingredients of beer, it’s relatively simple, right? You have water, hops, barley, and yeast, and we rely on farmers to cultivate barley for our products.

With SmartBarley, we work with farmers to collect data about their soil and their use of water and fertilizers, and then we feed that data into a model. Now, when a new farmer comes on board, we can tailor solutions for them based on the data we’ve collected about different locations, soil types, and the best crops for that region. In 2019, we added real-time weather and satellite data to SmartBarley. Today, we have about 50,000 to 60,000 farmers on the platform.

From there, we built BrewRight [an AB InBev program that uses machine learning and artificial intelligence to identify compliance issues]. It was not born as a technology product, and I would say that we’re still not a product-first company. We’re still learning; our evolution is far from done. But building products for our customers and seeing people engage with them — it’s fascinating.

We have about 300 breweries. Have you been to one of them?

## Not yet.

**Festetics:** You should. Breweries are very emotional places. But there is also a lot of machinery. We thought, “Let’s create a program that connects our production-level machines and extracts data out of them. From there, we can optimize brew rates and ultimately provide the best-quality beer.” The program is called Connect the Brewery.

Our chief of supply is a fifth-generation Budweiser brewer. Brewing is ingrained in him. It’s in his DNA. He was not a

fan of the technology until he understood that it could help improve the quality and consistency of his product. It has been an interesting transformation.

By connecting breweries, extracting data, and starting to optimize, we believe that we can improve our beer while also freeing up time for brewmasters to develop new products, change recipes, and do things that they were previously unable to do.

**It makes sense to me that this technology would initially appear threatening to brewmasters, even though it actually enables them to do their best work. The less time they spend doing routinized tasks that can be automated, the more time they can spend doing creative work and innovating.**

**Festetics:** True. It’s fantastic to build something for our customers that makes their lives easier. A recent example is our work in connecting our B2B ordering platform with local convenience stores in the Dominican Republic. These mom-and-pop stores are not just grocers; they are drivers of the community. And some have been our customers for decades.

In our traditional model, we sent sales representatives weekly to take orders from them. Here, the high-touch, in-person experience was sometimes less than ideal. If a sales representative arrived at an inconvenient time, a busy owner might not have a moment to answer, “How much do you want of X, Y, and Z?”

The platform eliminated this issue by giving owners the ability to order themselves. However, the first feedback we received was that they did not know how much beer to order because the sales rep always told them. So we started building recommendation engines for them that suggest orders.

We began to see that owners used the app to place orders when it was convenient for them — often between 10 p.m.

and midnight, while they were closing the store and doing inventory.

We saw a transformation happen for these owners, many of whom had not been digitally savvy to begin with. They were now spending up to an hour on our app each week. That's real engagement. The added benefit is, now many of them have come back to us and said they would like to continue to work with sales reps, but on higher-order concerns, such as how they can improve their business, find new products, or change execution strategy.

## **You manage a large team, with members who live around the world. What tactics do you use to lead a distributed team?**

**Festetics:** The idea is to talk to a lot of people. I talk with everybody. I have one-on-ones with reports.

I do an internal podcast every two or three weeks. I take one or two people from my team, and we talk about a topic for 30 or 35 minutes. Then we send it out to the team. A podcast is an easy way to consume content. People can listen to it on the way to work. It's more relaxed than a meeting.

I also rely on my team to communicate my message throughout the company. If you have the right people in place, it's much easier. And then technology — Zoom, especially — facilitates a lot today.

## **Do you have a mentor that you bring issues to?**

**Festetics:** I catch up with the CEO for 20 minutes every two or three months. He asks very, very tough questions.

At AB InBev, we value candor and openness. We're also not very hierarchical. You can approach anybody in the company with a question and expect that people will pick up your phone call and reply to your email. Yesterday, for example, I saw our chief of sales, and I said, "Can I find 20 minutes with you?" He gave me two or three times [that] when he was free. That's just fantastic.

And it comes back to me. I need to live the same way as my

colleagues. I need to be as approachable as I expect others to be. I've never had an office. Nobody has an office. People come to my desk if they have a question. We chat, and we solve problems fast.

So, in that sense, of course I have people who I go to if I have a problem. I can go to anybody to ask for help, and people will find the time.

## **I think of candor and openness as pillars of psychological safety, and one of the consequences of working in a psychologically safe environment is that everyone gets a chance to learn all the time. If the environment is shut down and people aren't talking about what either is or is not working, then there is more fear and less access to the data about what is *actually* happening. So how do you make sure early-warning signals or bad news makes its way to you?**

**Festetics:** You need a very open environment — one that is not restrictive, one where people don't feel bad for making a mistake. I rarely punish people for mistakes. Mistakes are actually good. The more mistakes you make, the more you learn.

Having an open environment also means giving people honest feedback. If there's something that I'm not happy with, I just tell my team, because it helps us to tackle the problem. You can't solve problems without talking about them first.

One of our principles is ownership. We all have equity in the company, and that changes the types of discussions we have. It's not about my opinion or your opinion — it's about what's the better thing for the company.

In the end, we all profit if our company thrives.

## About The Author

At the time of this interview, which took place before the COVID-19 pandemic, Tassilo Festetics was the vice president of global solutions at Anheuser-Busch InBev. He is now general partner at the Growth Equity Fund, a department within ZX Ventures, the growth and innovation group at AB InBev. [Chris Clearfield](#) is a coach and consultant who works with engineers, software developers, and C-suite executives to solve complex problems. He is also coauthor of *Meltdown: What Plane Crashes, Oil Spills, and Dumb Business Decisions Can Teach Us About How to Succeed at Work and at Home* (Penguin Press, 2018).



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