

Faster, Stronger, Better



A “Well” Team Is Good for Business



The team at Pepsi Beverages North America (PBNA/PepsiCo) set out to not only create a more efficient legal department and team, but a healthier one. “Individual wellness and team organizational health are incredibly important and intertwined,” said Christopher Lang, senior legal director at PepsiCo Inc. Individuals physical, mental, emotional, and social well-being impact everything from general happiness and relationships to productivity and resilience, in everyday life as well as in the office. Therefore, creating a culture which recognizes the importance of wellness — providing tools and training which support its development and in turn increase productivity — was and remains an important aspect of this global team’s success.

“In a hybrid work environment and as we adapted to the establishment of new teams and new ways of working, it was incredibly important that we also provided tools and prioritization on individual self-wellness,” said Lang. This can only lead to positive outcomes for team members and the broader business as a whole.

An Award-Winning Approach



To better support that broader business, the PepsiCo legal team, under the leadership of Megan Hurley, senior vice president and general counsel at Pepsi Beverages North America (PBNA), created a more “efficient, simplified, and digitally enabled way” to deliver its services — transitioning its contract support process from decentralized and manual, to standardized and automated. “A key aspect of this transformation was the creation of the North America Contracts Center of Excellence (“NACC”), with a new team in Mexico City, in which we built capability and invested in both technology and people to deliver the right solutions, at the right time, at the right cost,” explained Lang. One of three centers of excellence, NACC joins the Legal Operations Global Center of Excellence, and the Sustainability Center of Excellence established between 2023-2024, to “embed tech/digital tools and capability, provide training and development, and lead on organizational health and productivity action plans.”

The team utilized technology like Power Automate and SharePoint to build and automate a self-help tool for contract automation. “This new structure helped drive agility in the staffing

and support to various R&D, Supply Chain, Procurement, Sales, Marketing and Sustainability teams over a multi-year horizon approach,” said Lang.

According to the legal director, Horizon One focused on building and formalizing a foundation, clarifying processes, and improving the way the legal team handled contract support while shifting work to the team in Mexico City. Horizons Two and Three focused on standardization and implementation of the technology tools and processes (with planned integration of a full contract lifecycle management tool). “Through this journey, we’ve looked to maximize ROI by delivering quick savings through labor arbitrage and compression, establish new ways of working, build credibility with this model, setup and build the new functional ecosystem, and lay the foundation for future growth,” he explained.

With change, especially when fueled by technological advances like AI and nearshoring, often comes concerns related to job safety and security. To combat this, while PBNA leadership leaned into technology, it did so while championing the professional development of its team, investing in the advancement of their technological skills, and remained transparent about the potential impact on positions.

“Overcoming (1) status quo bias and (2) employee concerns about nearshoring impacts on their jobs were two concerns we looked to tackle head on,” said Lang. “With challenging budgetary constraints and increasing productivity demands, we looked to be direct and transparent in our goals and the business need in the immediate short term, while also sharing visibility with some of the positive tradeoffs that this new team and new ways of working would provide.” Though some roles moved from the US HQ location to Mexico City for example, the “why” was clearly communicated, and feedback was encouraged.

“The intent was to free up team members time to focus on higher value-add legal support, adopting a team mindset of delivering the right solutions, at the right time, at the right cost,” said Lang. “By adopting change gradually and implementing development milestones over a multi-year Horizon approach focusing on progress over perfection, we’ve simultaneously sought feedback and diverse perspectives on what’s working and what’s not to help us build and adapt.”

Significant Impact and Outcomes



The PBNA legal team, which consists of 25 lawyers and legal professionals located in New York, Chicago, Plano, Canada, Mexico (and other field-based locations) under Hurley’s leadership, had a mission to deliver “seamless technical and strategic and business-first focused legal support” to PepsiCo, enabling the company to operate “faster, stronger and better.” The result: the legal team helped deliver more than \$23B in net revenue in 2023/2024 for Pepsi Beverages North America. The team was able to provide “faster” strategic counsel to the business on regulatory compliance, legislation, public policy and more — while leading “stronger” via its global operating model focused on standardization, simplification, and

automation, which created needed efficiency; and “better” on people, culture and the environment through wellness, DEI, and ERG initiatives.

“Through these efforts, the PBNA legal team was awarded the PepsiCo Chairman’s Award, the company’s highest honor, recognizing achievements of associates throughout PepsiCo who are going above and beyond to grow our business and enhance our reputation as the global leader in beverages and convenient foods by Winning with PepsiCo Positive (pep+),” said Lang. He went on to explain that, “pep+ is our strategic end-to-end transformation that puts sustainability and human capital at the center of how we will create value and growth by operating within planetary boundaries and inspiring positive change for planet and people.”

Advice for Legal Teams Embarking on Transformation



“First, recognize that change does not happen overnight. Lasting change requires meaningful investment,” advised Lang, emphasizing that true transformation cannot be a side project. “Second, look to build and influence change through both a top-down and bottom-up approach. Not only do you need to build systems and processes, but you also need to influence and change hearts and minds to new ways of working.”