



# Nestlé Business Excellence

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# Disclaimer

This presentation contains forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

# One organization leveraging specific skills & capabilities



Business  
Excellence



Global  
Business  
Services



**CONTINUOUS**  
DELIGHT CONSUMERS  
DELIVER COMPETITIVE ADVANTAGE  
EXCEL IN COMPLIANCE  
**EXCELLENCE**



**GLOBE**  
ONE STEP AHEAD



# Business Excellence

## FUEL FOR GROWTH

SIMPLIFY · STANDARDIZE · SHARE

Optimize  
Global End-to-End  
Flows

Provide  
World Class  
Business Services



Support  
Demand Focused  
Organizations



**ENABLE THROUGH PEOPLE**

Alignment, Leadership and Lean ways of working



**ENABLE THROUGH TECHNOLOGY**

Processes, Data and Systems



Business

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**SIMPLIFY**

**Optimize  
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**FOR GROWTH**

**STANDARDIZE**

**· SHARE**

Support  
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Organizations

Continuous  
Improvement  
Excellence

THROUGH PEOPLE

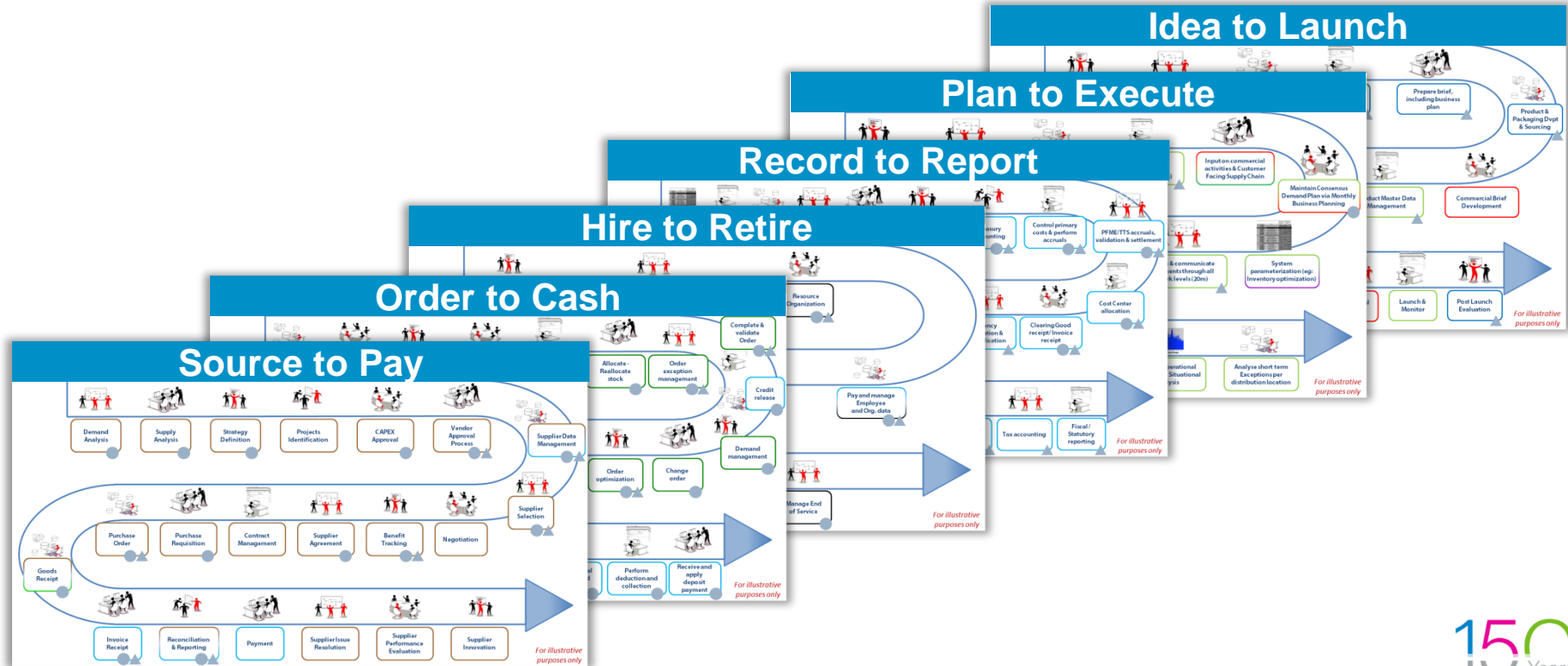
Partnership and Lean ways of working



**ENABLE THROUGH TECHNOLOGY**

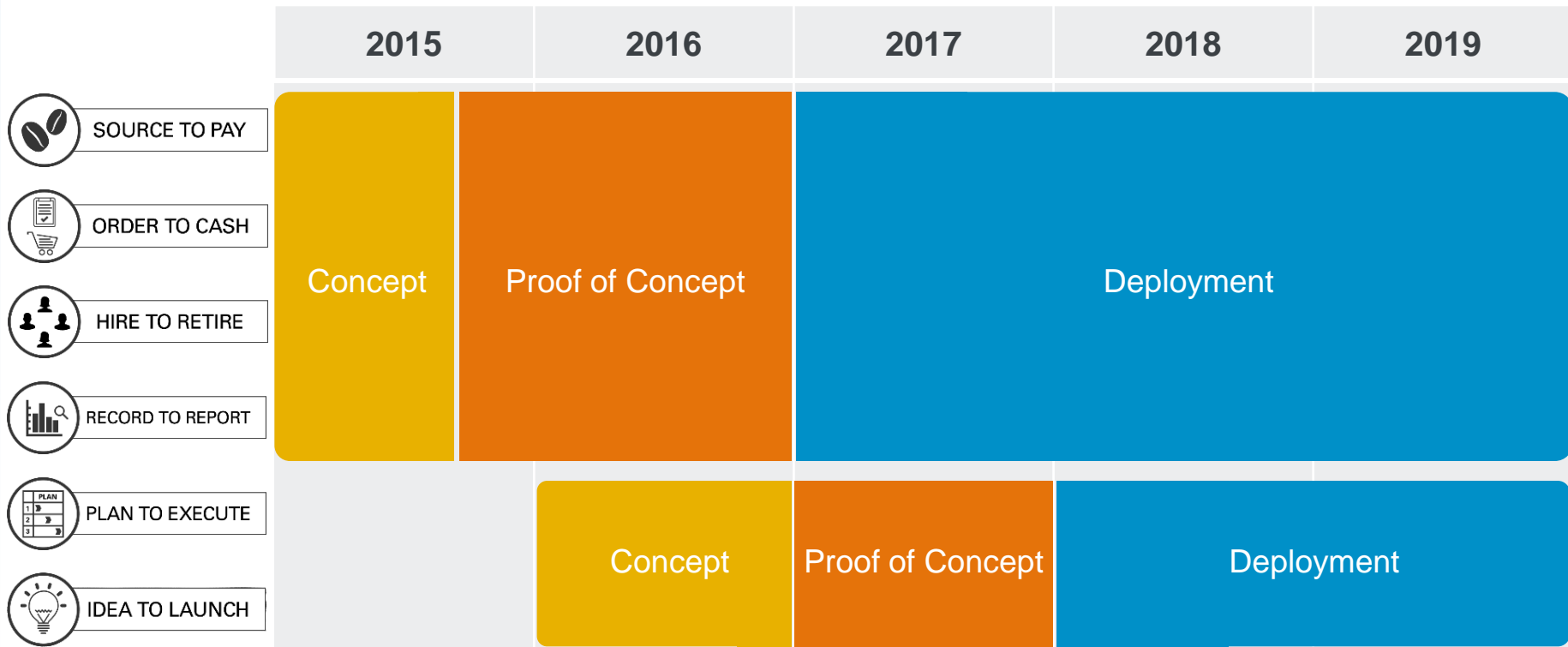
Processes, Data and Systems

# Optimizing End-to-End Flows will bring value to consumers and customers





# End-to-End Flows Optimization Program

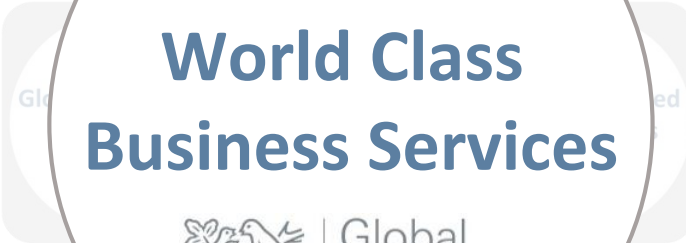




Business  
Excellence

FUEL GROWTH

SIMPLIFY SHARE



Alignment of working



ENABLE THROUGH TECHNOLOGY

Processes, Data and Systems

# Leveraging skills and scale to drive agility

**In-Market (Local)**

**Non-Shareable Category / Business / customer focused**

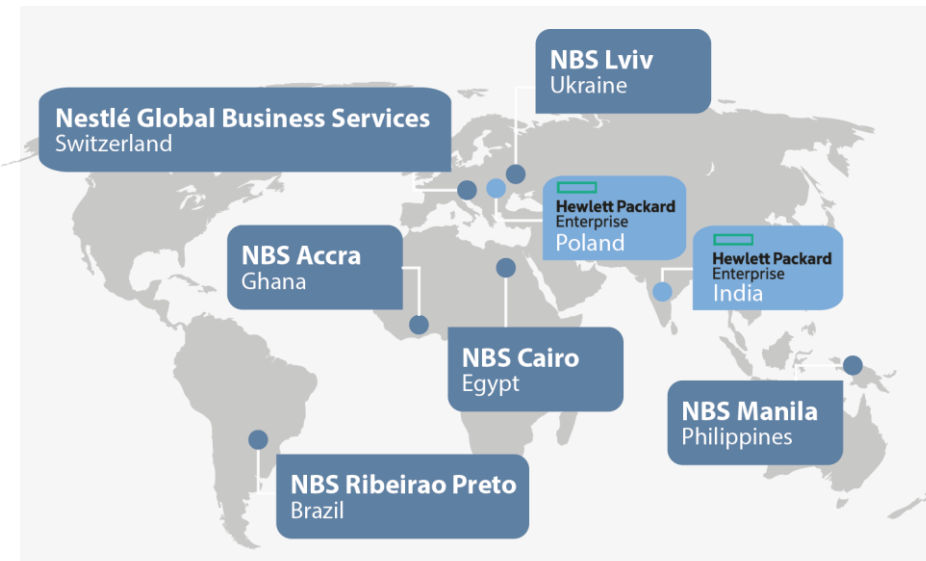
**Center of Competence**

**Shareable Judgmental or competence-driven activities**

**Center of Scale**

**Shareable Transactional activities - limited judgment required**

# We have an effective but limited network of transactional shared services

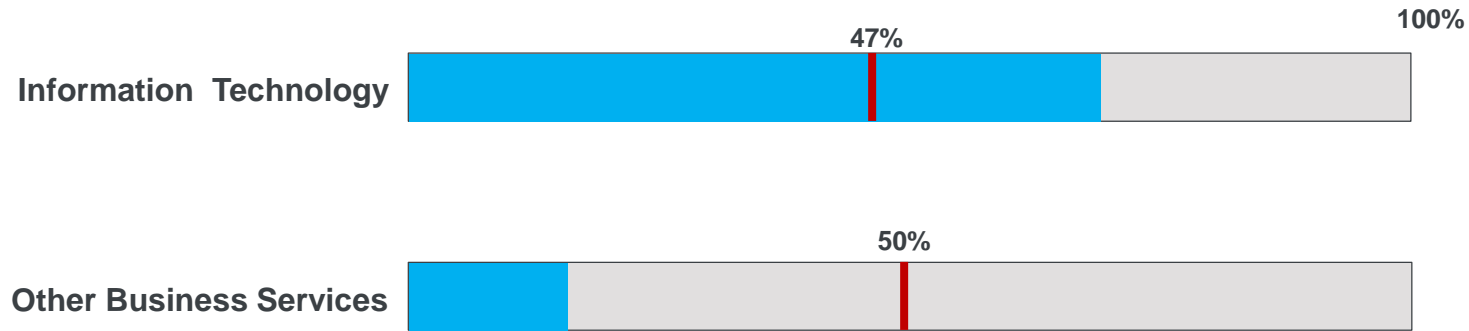


Strong multi-functional service experience

Non-standard flows and non-mandated service solutions

Regional Service delivery model

# Opportunities to increase penetration of Shared Business Services outside of IS/IT





Business  
Excellence

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ENABLE THROUGH

Alignment, Leadership and Learning



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**Support  
Demand Focused  
Organizations**

# Supporting demand focused organizations

## Lean Value Stream



## Business Analytics



## eCommerce



## Social Media





# BENEFITS





# Time and Effectiveness

- ✓ Less time on administrative activities and in meetings
- ✓ More time for value added activities
- ✓ Better analytics for better decisions



HIRE TO RETIRE

## As-is:

- 95% of process time is “waiting”
- 30'000 hours spent keying in new hire data twice

## In the future:

- time to hire -30%
- time to on-board -20%
- time to run transactions -30%

# Speed and Agility

- ✓ More focus on innovation
- ✓ More investment behind our brands.
- ✓ More organizational flexibility



## ORDER TO CASH

### As-is:

- Over 55 m orders processed annually
- 250 order processing centers
- 90% of orders require rework

### In the future:

- Over 30'000 sales representatives can spend up to 5% more time with customers.

# Quality and Compliance

- ✓ Better relationship with suppliers, customers and consumers
- ✓ More visibility and transparency
- ✓ More focused and efficient audits



## SOURCE TO PAY

### As-is:

- Over CHF 30 bn in services/indirect materials purchased annually through over 100'000 suppliers.
- Over 10 m PO's need to be reworked; half on paper.

### In the future:

- E-Catalogue will improve efficiency and adherence to group sourcing strategies, reducing overall spend.

# Cost Efficiency

- ✓ Better ability to leverage scale (e.g. Procurement)
- ✓ Less operational costs
- ✓ Less structural costs

Benefits will be tracked within the Group's existing initiatives.

# Employee Engagement

- ✓ More collaboration, empowerment and fulfilment
- ✓ Better work-life balance
- ✓ More fast, intuitive and user friendly tools



Enable employees to re-focus time on added value activities.

# NBE for our future



# NBE take-aways

1

## PROVIDE FUEL FOR GROWTH

by leveraging Nestlé's Size and Capabilities for Competitive Advantage to Win in the Marketplace and position Nestlé to compete in the 4<sup>th</sup> industrial revolution.

2

## ENABLE AGILITY

with consumers and customers through leading digital capabilities and within Nestlé through six «best in class» simplified, standardized and shared End-to-End flows.

3

## DELIVER WORLD CLASS BUSINESS SERVICES

by establishing a global, integrated and highly automated world-class Service Delivery Model for the Nestlé Group.

4

## TRANSFORM NESTLÉ

by bringing benefits in time and effectiveness, speed and agility, quality and compliance, employee engagement and cost effectiveness.