



Accelerating performance through
GLOBE / NCE

Mr. José Lopez
Executive VP, Operations
& GLOBE

These slides differ to those shown at
the Nestlé Investor Seminar 2011

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.



and



... the most important
part is the

“and”

This is what we've accomplished ...

91 Nestlé Markets/Businesses are operating with GLOBE processes, data and systems

- 96% sales coverage
- 169,000 users
- 806 Manufacturing Sites
- 1109 Distribution Centers
- 594 Sales Offices



In 2010, GLOBE achieved a “[first-of-its-kind](#)” worldwide major upgrade with zero business disruption. This will enable Nestlé, during the next 5-7 years, to fully [leverage the GLOBE Solution](#) using the latest technologies.

GLOBE Evolution

2000

« *Unlocking our Potential* »

- Leveraging our size as a strength
- Uniting and aligning us on the inside
- Enabling us to manage complexity with operational efficiency



2010

« *One Step Ahead* »

- Creating gaps at every stage of the value chain
- More responsiveness/flexibility to external environment
- Driving people engagement through NCE



Lean Thinking – the Nestlé Way : 5 Guiding Principles



ENGAGE OUR PEOPLE

Develop, Empower and Involve our people in support of creating value for our Consumers and Customers



UNDERSTAND VALUE

As perceived by Consumers and Customers



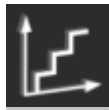
EVALUATE WHICH ACTIVITIES ADD VALUE OR NOT

Looking at all processes within the Value Chain



ELIMINATE NON VALUE ADDED ACTIVITIES (NVA)

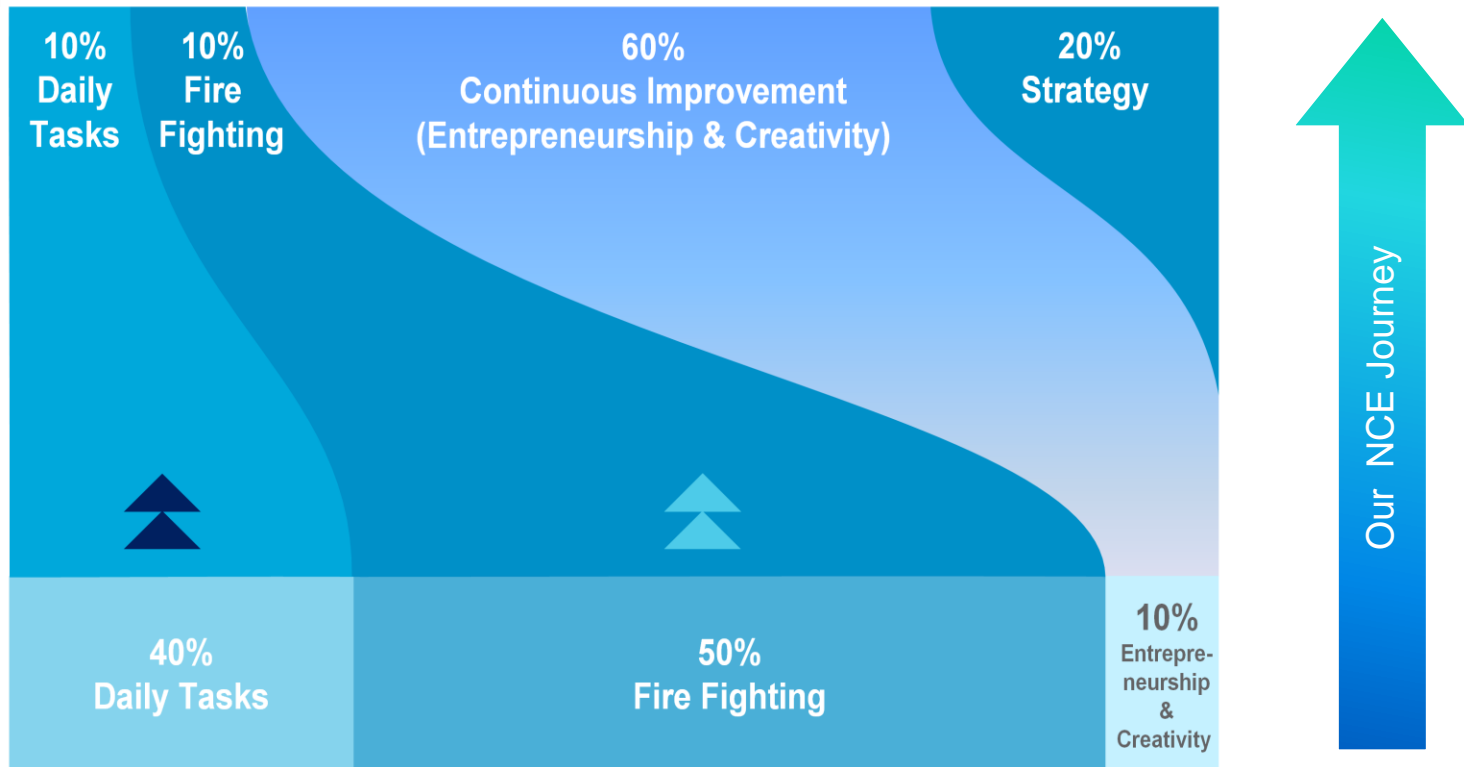
Free time and resources for Value Added Activities (VA)



CONTINUOUSLY IMPROVE VALUE CREATION

Relentlessly pursue the elimination of NVA, and the Optimisation of VA

NCE will change the way we go about our day-to-day activities



Creating Value is done through reducing waste, and consequently freeing up our minds for more entrepreneurial and creative activities



- Started in Manufacturing in 2008
- Extended across most Functions / geographies
- 100,000 Nestlé people mobilised on the journey so far
- Focus on **behaviour** (living the Nestlé culture) ...
- ... and **results** (not about capturing low hanging fruit but about fertilising the tree)



and



Have the same endgame ...

- Delighting Consumers and Customers
- Delivering Competitive Advantage
- Excelling in Compliance

but contribute differently ...

and

- Best Practices
- Standard Processes
- E2E process thinking
- Compatible data
- Integrated systems
- Information

- Management Practices
- Teamworking (alignment)
- Empowering people
- Continuous improvement
- Building competences / knowledge

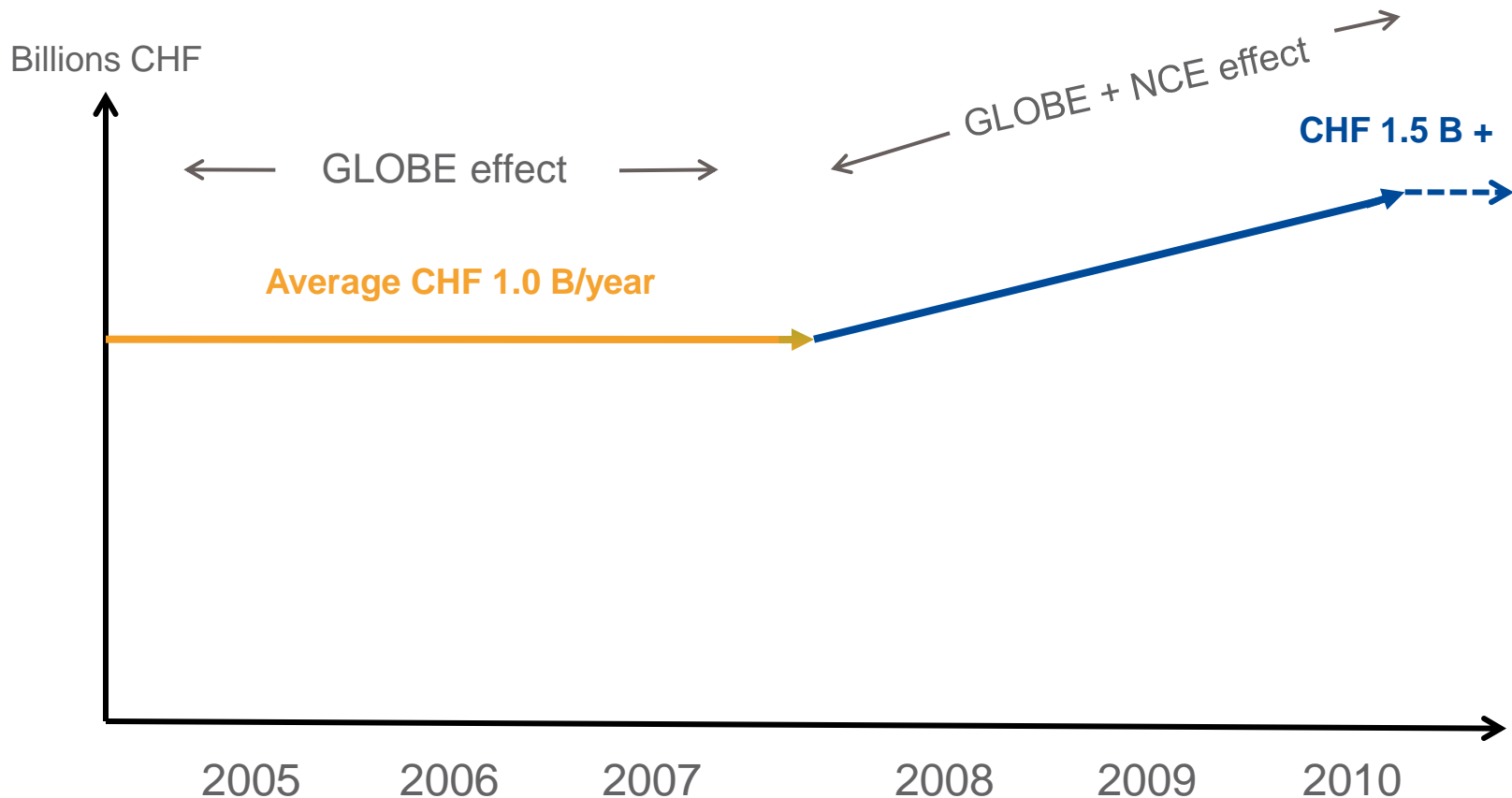


Win the race!



GLOBE + NCE = Acceleration

Annual Savings Evolution



*We don't do NCE for the sake of NCE!
We do it to delight Consumers, deliver
Competitive Advantage, excel in Compliance,
and, therefore, for the Business to win*