

The Nestlé Roadmap to Good Food, Good Life



Nestlé

Good Food, Good Life

Operational
pillars

Growth
drivers



Our business context

Perspective for change

How to describe the environment in which we have been operating these last few years? Turbulent, challenging, unpredictable? Fast-changing, uncertain, dynamic?

Many of the world's economies have been impacted by the global economic slowdown. At the same time, populations have benefited from fundamental, irreversible changes driven by new technologies, by increased transparency and faster, less controlled communication. And populations have found their own voices, often inspired, encouraged or mobilised by digital communication.

Economic challenges and opportunities

The business environment is characterised by greater volatility, whether of currencies, of raw materials, or of sentiment. There are beacons of hope, as the middle class grows in emerging economies and millions of people at all income levels strive for a better life. There are pits of despair, especially in the developed world where economic crises, rising unemployment, rising taxes and retrenchment of government spending linked to austerity programmes have combined to engender a feeling of insecurity.

The fact that the emerging markets are actually emerging is bringing opportunities as incomes rise and consumers have more choice. But there are challenges too as local and regional competitors spring up with their own cost structures, financial objectives and standards of behaviour and communication. This requires that we challenge our established norms, rethink our business models and find new ways to differentiate our products and provide value to our consumers.

There has been a renewed focus on health: positively, as people become more and more aware of their own ability to influence their health through better diets and lifestyles; but also less positively, as governments face up to the reality of ageing populations and the likelihood of unmanageable healthcare costs. The challenge of non-communicable diseases is particularly great; not just obesity and its attendant problems, but all conditions in which bad or wrong nutrition plays a part.

Technological challenges and opportunities

Technology is changing behaviour, whether in populations, governments, opinion leaders, consumers, companies, or even within families. Technology is creating more choice, more openness and more speed. It is giving voice to more people, more democratically. It is creating new businesses, new ways of doing business, new opportunities to reach consumers. It is fostering a closer level of engagement between brands and consumers, and is creating an increased ability for consumers to hold brand owners to account. Our brands are part of that engagement and we understand our accountability and welcome the demands that this makes on our behaviour, our quality levels and on the relationships with our business partners.

Not so New Reality

In past years, we have described this environment as the New Reality. Today, it is no longer new, but it is certainly the reality in which we will be operating for some time to come. Many of today's challenges are also opportunities. For example, the shift of wealth creation from the West to the East or the ability of consumers anywhere to link up with consumers anywhere else to discuss, praise or criticise a brand. The opportunity is for a global company to be part of that shift, part of that discussion.

How can Nestlé do this?

By being aligned globally behind a clear set of priorities. We have pulled these priorities together in our 'Roadmap', reproduced on the facing page. In the next section, we have looked at each aspect of this roadmap and have discussed its importance in the context of the challenges outlined on this page and faced by our consumers and us today and in the years to come.