



Nestlé, SA - Nestec Ltd  
The Customer Value Dimension  
Meredith S. Devine



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**ABC/M**



**IT Strategies**



**IT Project Management**



**Product/System Management**



# Nestlé in Figures 2004

**World's leading food company founded in 1866**

- Worldwide Sales: CHF 86,769 mio
- EBITA: CHF 10,970 mio
- Net Profit: CHF 6,717 mio
- Factories: 500 in 85 Countries
- Employees: Approx. 247,000



# Cost Management provides ABC standards & guidelines at Nestlé for ...

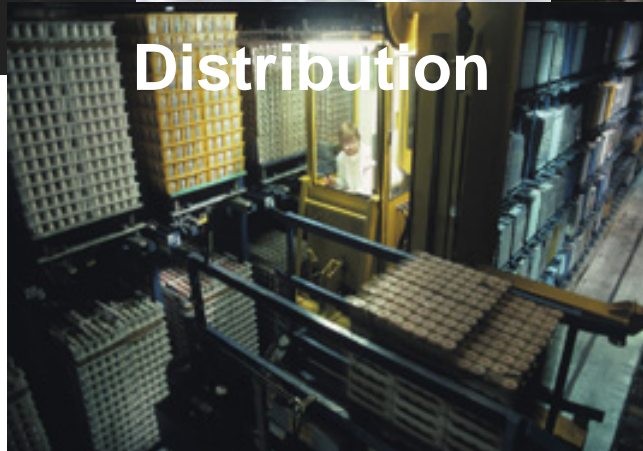
**Manufacturing**



**Head Offices**

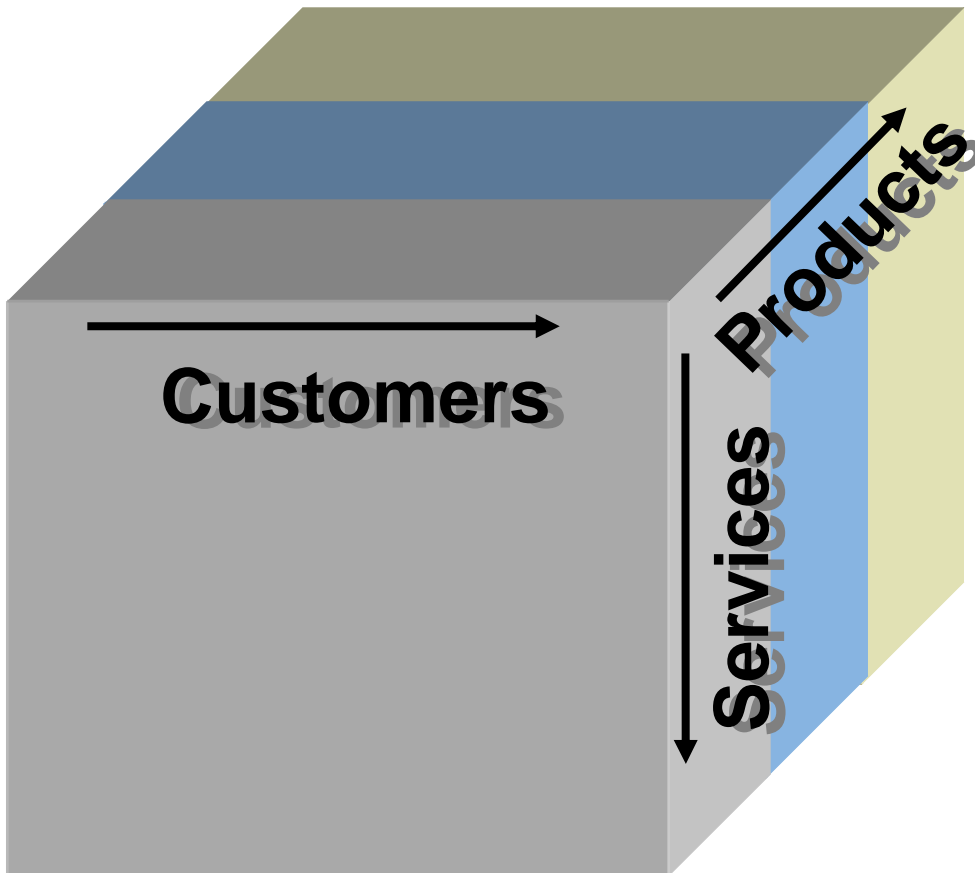


**Distribution**



# Dimension

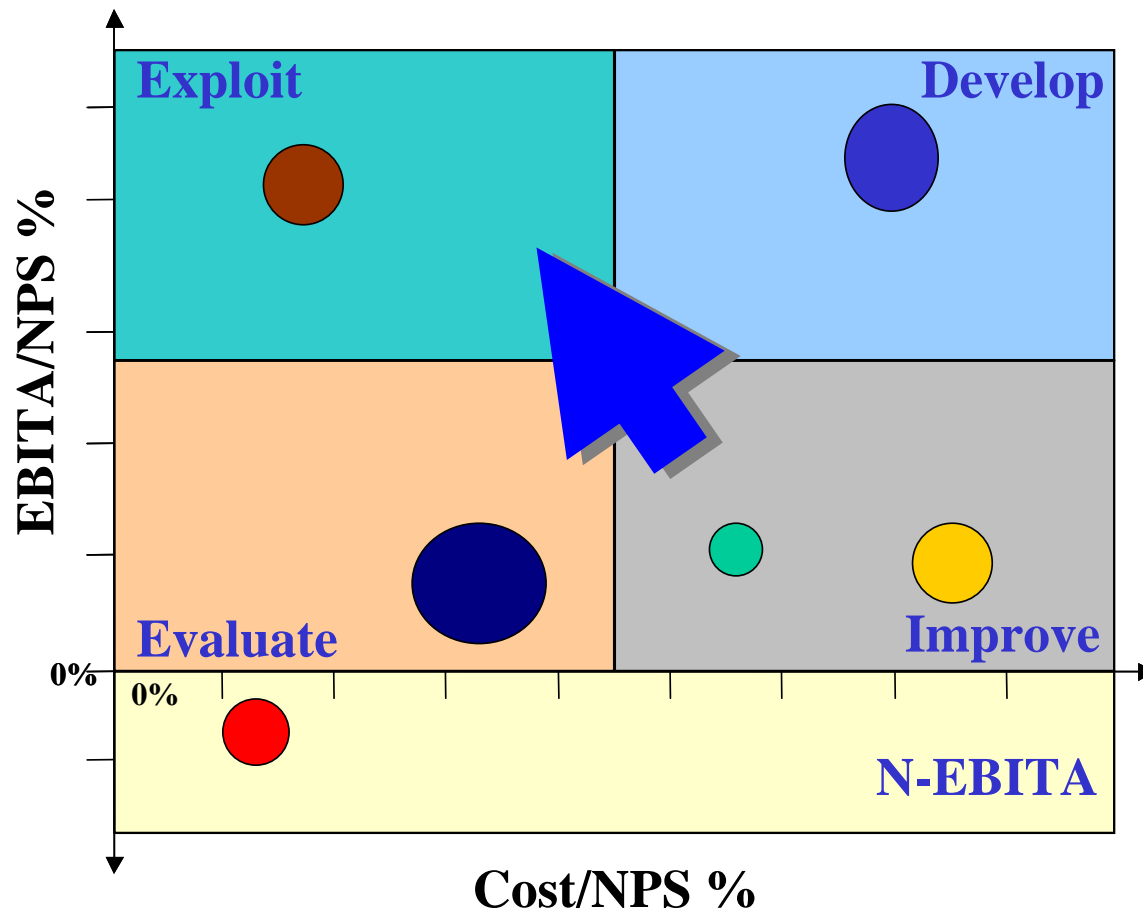
*One of the elements or factors making up a complete personality or entity*



**We achieve visibility to the cost of business dimensions by applying ABC principles**



# ... not limited to the data on the P & L



# What is Value?

**How much we esteem. Relative worth.**

**Is derived by considering factors that:**

- **cause us to differentiate (quantitative & qualitative)**
- **are related to planning & strategy**
- **are related to past, current, & future business environments**



# **Not all Customers Are Equal**

## **No Such Thing as an Average Customer**

- All customers have the potential to be valuable...
- ...it's behaviors, *ours and theirs*, that determine value potential
- Customer value is impacted at every point of customer contact with our business. And beyond.



# The Customer Value Dimension

- customer worth as a total customer picture
  - ▲ financial measures
  - ▲ behaviors at every point of contact
  - ▲ nature
  - ▲ history
  - ▲ strategy
  - ▲ environment
  - ▲ predictive future

**No room for silo mentalities.**



**Getting close to customers is not so much a problem the IT or marketing department needs to solve...**

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**...as a journey that the whole organization needs to make.**

*The Quest for Customer Focus; Ranjay Gulati & James B. Oldroyd; Harvard Business Review, April 2005*





Good Food, Good Life

