Nestlé:
Defining the commercial benefits of Nestlé's Creating Shared Value strategy
Client profile

Nestlé S.A. is a multinational food and beverage company headquartered in Vevey, Switzerland. One of the largest food companies in the world by revenue, in 2014 it ranked 72 on the Fortune Global 500, with some 330,000 employees and operating revenues of 91.6 billion CHF ($95.6 billion).

Opportunity

Nestlé’s ambition is to become known as the world’s leading health, nutrition and wellness company. Its Creating Shared Value (CSV) initiative signifies the company’s approach to sustainable business. Priority focus areas include nutrition, rural development, responsible sourcing and water as well as climate change, human rights, and food safety. These themes are closely related to Nestlé’s value chain and are simultaneously of significant importance to external stakeholders.

While the societal impacts of these initiatives are well-documented and measured, the commercial value derived from them had not yet been clearly assessed nor expressed. A clearer view of these benefits would enhance internal understanding, buy-in and management as well as help demonstrate value to investors and stakeholders.

Accenture’s proven capabilities and experience in both strategy and sustainability positioned it well to support Nestlé in developing a better understanding of the commercial relevance of CSV and its associated activities.

Solution

Nestlé initially asked Accenture Strategy to host an internal workshop to examine how the commercial value of Nestlé’s sustainability efforts could be more effectively communicated to its shareholders.

Following a small number of interviews with selected, internal stakeholders, Accenture Strategy designed and delivered a workshop to a cross-functional audience of business leaders. During the workshop, Accenture Strategy presented a high-level mapping of Nestlé’s CSV initiatives on water, rural development and nutrition to key drivers of commercial value and discussed options for communicating this value both internally and to investors. Nestlé then recognized the benefit of a clearer articulation of the specific value contributions of its CSV efforts, for both internal and external stakeholders. This recognition led to Nestlé’s interest in extending the analysis to include the entire range of CSV issues.

The extended analysis was integrated with Nestlé’s efforts to enhance its annual CSV-reporting. As part of its reporting, Nestlé regularly undertakes a materiality analysis—a process to prioritize its various CSV issues in light of their importance for both external stakeholders and the business. Nestlé asked Accenture Strategy to support its materiality process, contributing to its design, and through complementary commercial analysis, its execution. Accenture Strategy leveraged a number of sources including an internal survey and interview documentation to derive conclusions for the commercial relevance of the issues examined. This analysis helped clarify the links between sustainability issues and key commercial success drivers such as premium pricing capabilities, sales volumes, security of supplies, value chain integrity and intangibles, as well as efficiencies and costs of capital.

Results

Accenture Strategy’s support helped strengthen the strategic focus of Nestlé’s CSV agenda as well as providing a foundation for bolstering its internal narrative on the value of CSV and sustainability, serving to better align the company’s CSV issues to its commercial success. This was further confirmed when the results were broadly discussed and Nestlé’s C-level executives encouraged further investigation into the commercial value of CSV.

On April 8, 2014, Nestlé published its 2014 Creating Shared Value (CSV) Report in which it prominently mentioned Accenture as the firm helping it understand the business benefits of its sustainability efforts.

“We asked Accenture to review the commercial relevance of the issues we are seeking to address through our Creating Shared Value commitments. The work has been very valuable in enhancing our understanding of the synergies between societal interest and shareholder expectations.” Janet Voûte, Global Head of Public Affairs – Nestlé.

*A company’s efforts to address social and environmental challenges will not succeed without internal buy-in and shareholder support. Clearly articulating the business benefits of these efforts is key to achieving this buy-in and support. *Alexander Holst, Managing Director – Accenture Strategy, Sustainability Services.
About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 358,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$31.0 billion for the fiscal year ended Aug. 31, 2015. Its home page is www.accenture.com.

About Accenture Strategy

Accenture Strategy operates at the intersection of business and technology. We bring together our capabilities in business, technology, operations and function strategy to help our clients envision and execute industry-specific strategies that support enterprise wide transformation. Our focus on issues related to digital disruption, competitiveness, global operating models, talent and leadership help drive both efficiencies and growth. For more information, follow @AccentureStrat or visit www.accenture.com/strategy.