Integration in practice: 
Nestlé Purina and CROWN

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What are Nestlé Markets doing

Most key Markets are working with suppliers on local initiatives to make the joint supply chain processes effective and efficient

- **Increased forecast visibility**
  - Enabling suppliers to optimize production planning and delivery (transportation)

- **Stock capital optimization**
  - Reducing working capital on both sides

- **Reduction of obsolescence**
  - Dependent on Marketing planning but also on information sharing

- **Improved efficiency at goods receipt**
  - Enabling better data capture to improve traceability

- **Improved financial settlement**
  - Automating invoice matching
Nestlé upstream supply chain program

The scope of Nestlé upstream supply chain program is to maximise the benefits of those initiatives across Markets

Automation of message exchange and integration into ERP systems are prerequisites for accurate and reliable data which are the foundations of a more effective and efficient upstream supply chain
Upstream supply chain roll out plan

Nestlé

Supplier

Supplier

Supplier

Supplier

Supplier

Supplier

Supplier

Supplier

Supplier

Supplier
Current deployment

Standard solution

Current projects through CPGmarket

<table>
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<th>Markets</th>
<th>Nestlé Plants</th>
<th>Supplier Plants</th>
<th>Couples</th>
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<tbody>
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<td>5</td>
<td>22</td>
<td>43</td>
<td>90</td>
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Existing local solutions

Many projects live in key Markets using local solutions (e.g. point-to-point)
CROWN Europe
CROWN « plan to cash » supply program

- Shorten lead times, reduce inventories and improve forecast visibility

- Eliminate non-added value tasks and costs on both sides:
  - Improved financial settlement
  - Simplified ways of working across all plants in Europe
  - Automated traceability

- Ease communication through system integration investment in IS/IT infrastructure
Nestlé / CROWN relationship in Europe

- 30 Nestlé sites
- 26 CROWN sites
- 10 Countries
- Over 25,000 deliveries per year
Nestlé Purina / CROWN project scope

Over 160M cans & 230 M ends managed by exchanging integrated messages (Forecasts/Orders/…)

CROWN
Concarneau
Nantes
Laon
Outreau
Perrywood
Braunstone
Wisbech
Parma
Dunaska
Streda

Nestlé
Quimperlé
Aubigny
Wisbech
Ijmuiden
Castiglione
Bük
Nestlé Purina / CROWN project

Critical aspects to achieve Nestlé Purina / CROWN objectives:

1. Key processes review / simplification / harmonisation

2. Message availability

3. Automation of message exchange and integration into ERP systems
Key processes review

- Review planning rules
- Review lead times and stock management policy
- Re-define goods receipt process
- Integrate use of scanned data of physical flow....
Integration scope

Supplier

CROWN

Nestlé

Retailer

Information flow

forecasts / orders

acknowledgement

dispatch note

invoicing / payment

barcoded data capture

Physical flow
Current status/Achievements

- Foundations of upstream integration between Nestlé Purina and CROWN have been established

- Benefits identified though project still in the process of being rolled out

- Full benefits to be achieved during roll out across Europe
Conclusions

- The project between Nestlé and CROWN has proved the opportunities for upstream integration.

- To scale the benefits across trading partners an industry integration solution should be agreed between companies.