

IESE & NESTLÉ: PREPARING TOMORROW'S LEADERS



“Our managers need to quickly assume leadership roles in a ‘business unusual’ environment. IESE, through its Custom Program, helps them understand our multifaceted corporate culture.”

Bernard Meunier

Country Head of Spain and Portugal
Nestlé

IESE has designed a custom leadership program for Nestlé aimed at preparing the company’s future leaders for the challenges of an ever-changing world. Bernard Meunier, the country head for Nestlé Spain and Portugal, describes how his company is adapting to meet changing consumer needs during this period of uncertainty.

Meunier, who talks of the rise of a “new consumer,” highlights the need to develop new offers in the consumer goods industry as well as carry out exhaustive studies of each market in order to anticipate and address its future needs.

As Nestlé’s Country Head for Spain and Portugal, you are leading the company’s efforts in one of the three European markets most affected by the economic downturn (Spain, the United Kingdom and Ireland). Prior to this, you lived through the 1998 ruble crisis in your leadership role at Nestlé’s Russia and Eurasia division. What did you learn from your first experience of managing in a crisis that you can apply to this downturn?

In a crisis, the most important thing is to act, quickly and in the right direction. Doing nothing is the surest way to suffer the full impact of the deterioration of the environment. Not all decisions will be correct and therefore it is essential to constantly monitor the impact of these decisions on our performance and correct those that do not give the expected results or go in the wrong direction.

For this we need to get closer to our clients and consumers, understand how much they are changing as a result of the crisis, and share this information within the company in real time, through more frequent, direct and concise communications. In essence, we need to get closer to the market, communicate better and faster, and act decisively, while continuously monitoring the impact of our decisions.

What is different about this crisis and how is Nestlé responding to it?

This crisis is unprecedented in Spain, after more than 15 years of sustained growth in the economy and private consumption. It is changing the way consumers look at what they buy, where and how they shop. The consumer has changed more in the last 12 months than in the previous five years. We need to adapt our offer of products and services to this ‘new consumer’ by better differentiating our products from the competition, reinforcing the quality/price perception of our offer and giving to consumers the full benefit of our superior R&D capabilities in the form of higher nutritional values for our foods and drinks.

Nestlé has a wide range of products in its portfolio, from Perrier mineral water to Friskies dog food. Does Nestlé have any plans to increase visibility of the company’s umbrella branding?

We do more than half our sales with products that are marketed under the Nestlé corporate brand, such as Extrafino, Nesquik or Nidina. But we also have a rich portfolio of independent corporate brands such as Nescafé and Nesquik, which enjoy high awareness and appreciation. The link between all our products and the Nestlé corporate branding is ensured through the seal of guarantee and the nutritional compass on the back label.



However, other brands such as Friskies, Perrier and Buitoni do not boast the Nestlé nest on their back labels, as their brand essence would not benefit from such a direct link. That being said, millions of consumers visit our www.nestle.es website each year where the full range of brands and products is clearly visible. As we multiply the points of contact with our consumers' on line (emails, websites, online videos), the link in our consumers' minds between Nestlé and all its brands grows every day.

The global economic crisis has prompted a period of introspection on the part of lawmakers, governing bodies and consumers. Does Nestlé expect to see a greater interest on the part of consumers in socially conscious products that are organic and/or fair trade? If so, how does Nestlé plan to respond to this?

At Nestlé, we have a strategic integrated approach to CSR called Creating Shared Value, which stands for the fact that, while creating value for our shareholders, we also create value for society. This approach, all the more important in times of crisis, is highly valued by consumers and opinion leaders, and contributes to our solid corporate reputation. We have developed a plan to communicate it in a more proactive way in the months and years to come.

IESE runs the Advanced Leadership custom program for Nestlé's Future Leaders. Where do you see the benefit of this program as a newly installed chief executive?

The Nestlé Advanced Leadership Program is designed to accelerate the preparation of Nestlé

Spain and Portugal's future leaders for the challenges facing them in a fast-changing world. Our managers need to quickly assume leadership roles in a "business unusual" environment and IESE helps them understand our multifaceted corporate culture by being exposed to other business models. It also gives participants who have been given new people-management responsibilities insight into their personal leadership style and new skills to motivate their teams.

As a Belgian who has worked for a multinational company in his home country, Russia, Hungary, France and Spain, what do you believe are the keys to working successfully in today's global economy?

Being born and raised in a multicultural country in the heart of Europe has been an inspiration. I always wanted to grow beyond the borders of my small native country and experience working in diverse social and cultural environments. I chose to work for Nestlé because I knew this company would give me the opportunity to do so if I could prove my worth. I believe the key to success in today's global economy is to develop a high level of cultural and emotional adaptability. Understanding a different culture, coming to like it and keeping a good personal balance allow you to enjoy and succeed in a foreign environment. And multiplying experiences in various countries gives you an invaluable vision of the globalized world and a definitive edge over those that have always worked in the same location.

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