

7th ICC - EFFICIENCY & BEYOND



ARE WE ON TRACK?
ASK THE FRIDGE!

HEINEKEN HRVATSKA



Sebastian Strobl, Finance Director Heineken Croatia
7th ICC "EFFICIENCY & BEYOND" | 15 November 2019

 **HEINEKEN**

HEINEKEN

A global FMCG leader

70+
COUNTRIES

170+
BREWERIES, MALTERIES,
CIDER PLANTS,
PRODUCTION FACILITIES

300+
BRANDS

218mhl
CONSOLIDATED BEER
VOLUME IN 2017

80,000+
EMPLOYEES (FTE)



HEINEKEN CROATIA

A local stronghold



HOW THIS SESSION WILL LOOK LIKE

FRAMEWORK

- Provide snapshot of **business objectives & performance management** and their **specific challenges**

OUR SAMPLE CASE

- How IoT can help to move to data driven business **performance & efficiency management of Point of Sale**
- We are not yet there - So **what comes next!**



Our four key business priorities

Engage and develop our people

- Develop great business leaders
- Grow talent pipeline at all levels
- Build critical capabilities and strengthen functional excellence
- Leverage our diversity & culture

Brew a better world

- Reduce carbon footprint
- Decrease water consumption
- Increase use of local sourcing
- Spread responsible consumption message



Deliver top line growth

- Accelerate Heineken®
- Win with local brands
- Develop our international brands
- Shape the cider category
- Build craft & variety
- Lead in low- and no-alcohol
- Drive draught innovation and e-commerce

Drive end2end performance

- Strive for zero bad costs
- Drive functional efficiency
- Disciplined management of CAPEX and working capital
- Maximise benefits of global scale





On top of it comes product quality!



Product quality is an

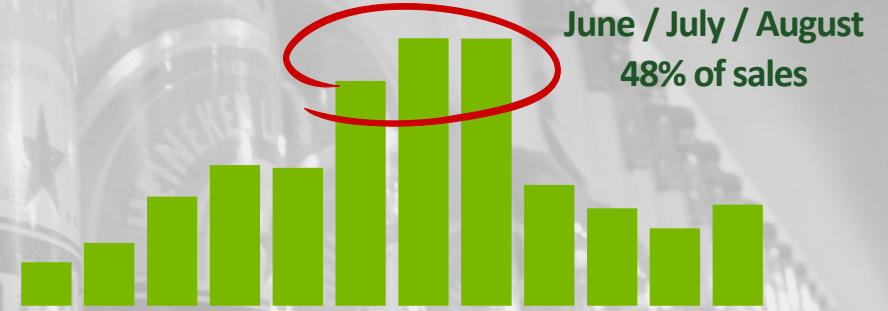
IMPERATIVE

at any point of time!

OUR SAMPLE CASE EFFICIENCY & BEYOND



Three month to drive our business priorities!



+ 7.000 cooling POS assets
(Draught Beer Installations, Fridges)



On Trade



Off Trade



Key success factors at PoS

Distribution

- ✓ Number of (working) taps at POS
- ✓ Number of (working) fridges at POS



Availability

- ✓ On Tap
- ✓ In Fridge

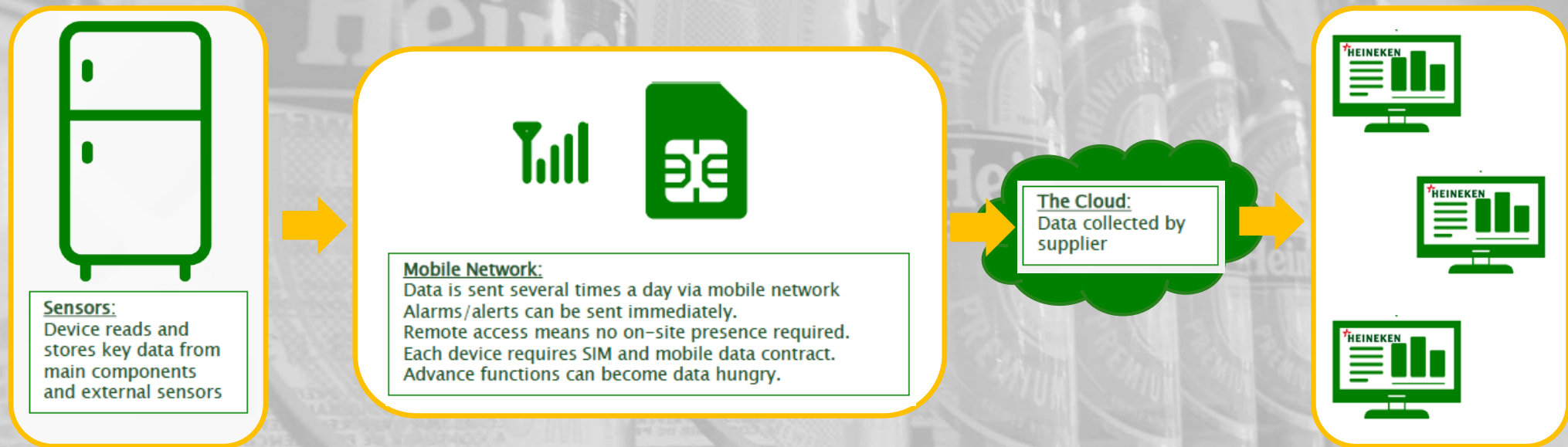
Quality

- ✓ Temperature

Connected equipment to achieve step change in managing business performance & efficiency at PoS!

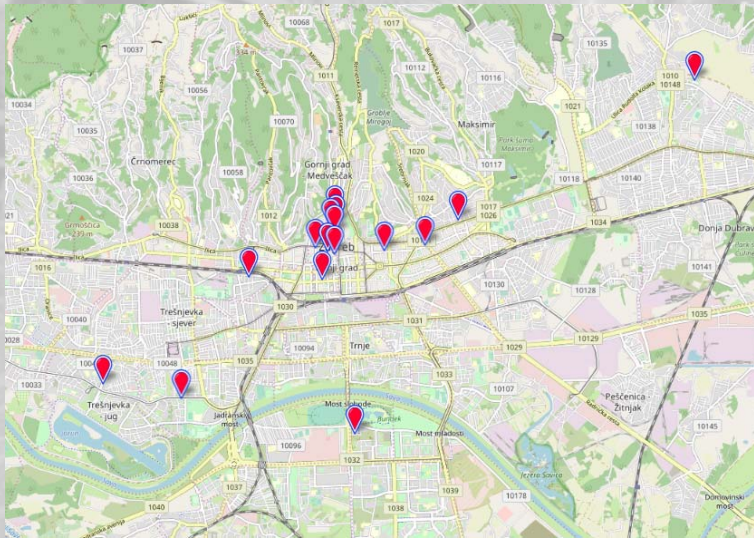


Connected Equipment – how it works



What insights do we gain to drive business performance?

Location



Insight

- ✓ Location of asset clear at any point of time

Business Impact

- ✓ Investment protection: Minimizing “lost” equipment
- ✓ Simplifying asset accounting procedure



What insights do we gain to drive business performance?




Location

Overall status

Fountain 35863608127...

Barbar, Ulica Pod Kaštelom, Rijeka (OPCINA RIJEKA) Croatia


 No Power
09/11/2018 21:09 (Location time)

Powering

- No Power
Equipment powered off for more than 3 days
- Undervoltage
The line voltage is less than minimum threshold level.
- Overvoltage
The line voltage is greater than maximum threshold.

Fountain 35863608207...

Rio, Osječka Ulica, Rijeka (OPCINA RIJEKA) Croatia

 Wrong Configuration
29/08/2018 12:10 (Location time)

Insight

- ✓ Information about asset being ready to sell
- ✓ Information about communication status

Business Impact

- ✓ Avoid lost sales due to asset not ready to sell
- ✓ Input for preventive maintenance schedule
- ✓ Support sustainability agenda

What insights do we gain to drive business performance?



Location

Overall status

Temperature

Fountain 35863608207...

Guitar Caffè, Kastav, Kastav (OPCINA KASTAV) Croatia

● Condenser Temperature Out of range
21/12/2018 17:36 (Location time)

Fountain 35863608207...

Enigma, Ulica Ivana Tkalčića, Zagreb Croatia

● Ice Bank Temperature Out of range
19/12/2018 15:44 (Location time)

Refrigeration

- Set Point Temperature failure
The set-point value is greater than maximum set-point or less than minimum set-point. The minimum and maximum set-point values are set on telemetry.
- Fan Status
Fail of the condenser fan.
- High Condenser Temperature
Condenser temperature is too high.
- Pressure Switch fault
Pressure switch is broken or malfunctioning.
- Critical Pressure
The pressure or the temperature of the condenser have exceeded the maximum threshold or the condenser filter is dirty.
- Fault Compressor
The compressor has been on for a long time.
- Low Cooler Temperature
The air temperature has been under the threshold for a certain period of time. The threshold and the time are set on the electronic thermostat.
- High Cooler Temperature

● Return Temperature Out Of Range
19/12/2018 15:14 (Location time)

Insight

- ✓ Working status on key elements of Draught Beer Installation (DBI)
- ✓ Temperature a key indicator for quality of serve

Business Impact

- ✓ Input for preventive maintenance schedule
- ✓ Improve quality to serve to customer
- ✓ Support sustainability agenda

What insights do we gain to drive business performance?



Location

Overall status

Temperature

Performance

Fountain 35863608207...

Corto Maltese, Riva, Rijeka (OPCINA RIJEKA)
Croatia



Low Sales
13/01/2019 14:00 (Location time)



No sales after week 3!

Reason: seasonal outlet with limited opening times in low season

Insight

- ✓ Information about sales volumes & throughput of our products
- ✓ Customer proximity

Business Impact

- ✓ Ensuring return on investment
- ✓ Improving efficiency of sales force work especially during season

What insights do we gain to drive business performance?

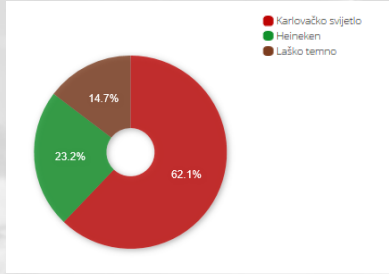
Location

Overall status

Temperature

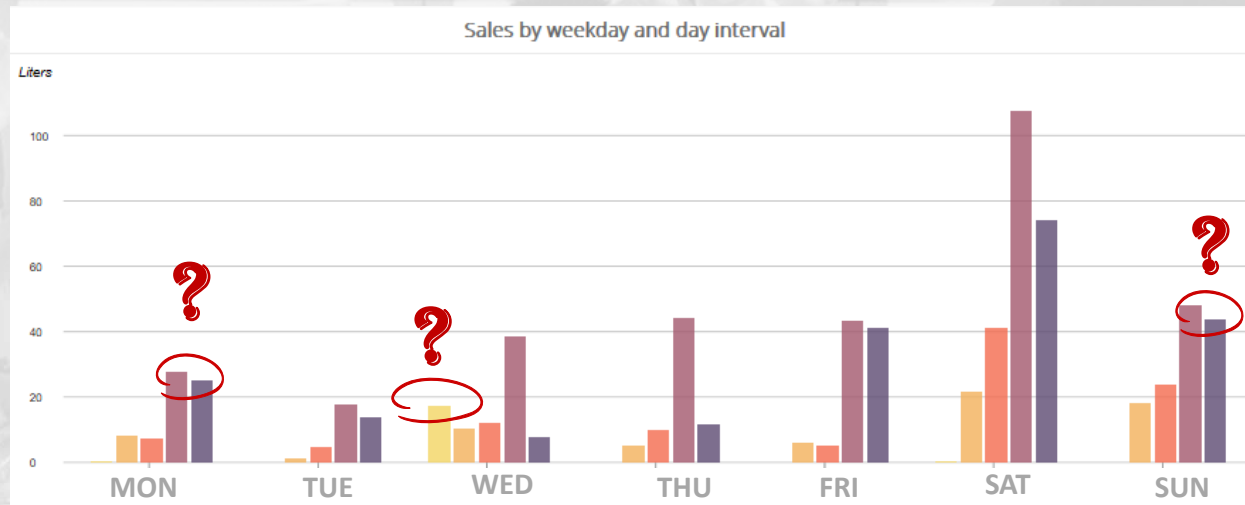
Performance

Sales analytics



Insight

- ✓ Understand consumer behavior
- ✓ Understand customer needs



- 8 - 10
- 11 - 14
- 15 - 18
- 18 - 21
- 22 - 7

What insights do we gain to drive business performance?

Location

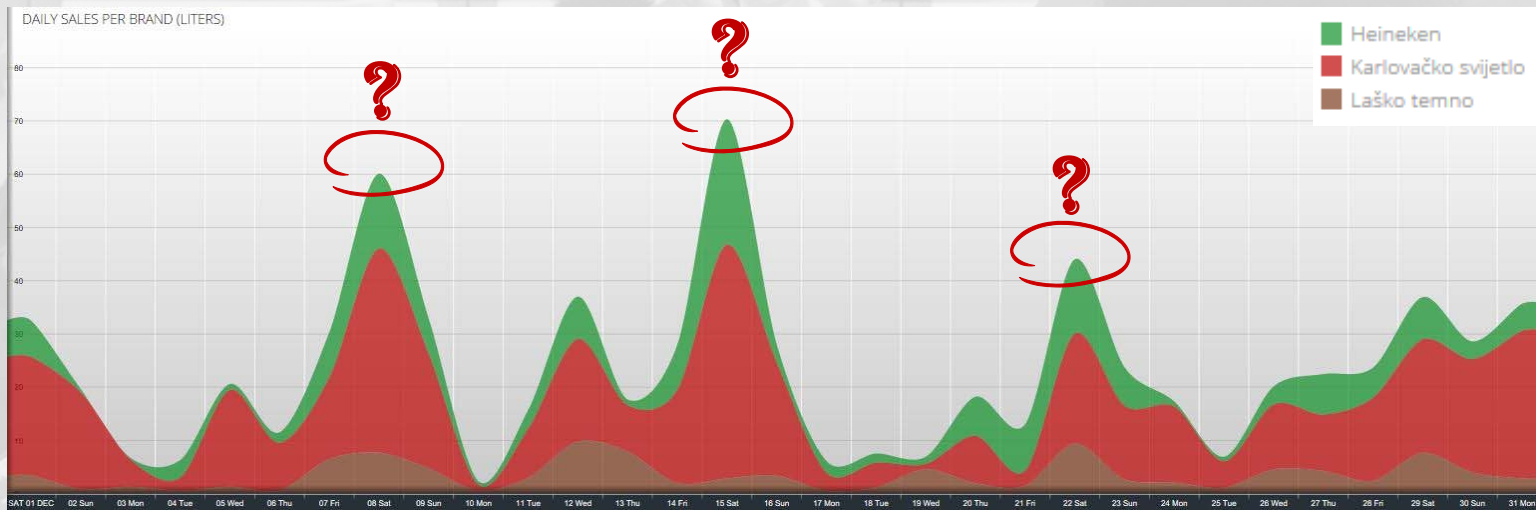
Overall status

Temperature

Performance

Sales analytics

- ✓ Why does Heineken (premium price) sell better on Saturdays?
- ✓ Why does Lasko brand not sell on Mondays & Tuesdays?
- ✓ How can we use this for Revenue Management & Brand promotion?





Benefit landscape

Connected equipment drives our business performance...

...TODAY

- ✓ Factual information about what is happening at the PoS instead of anecdotes from the market
- ✓ Higher availability of our assets, shorter reaction times to incidents occurring
- ✓ Better information about sustainable operation of our equipment (electricity & water consumption), supporting our Sustainability agenda
- ✓ Customer & Consumer insights to drive revenue growth, execute brand agenda & reduce bad cost



FACTS



EFFICIENCY



SUSTAINABILITY



INSIGHTS



Benefit landscape

Connected equipment drives our business performance...

...TOMORROW

CUSTOMER ENGAGEMENT



✓ Benefit for outlet owner through analytics on consumer behavior?

PREDICTION



✓ Predictive planning, supporting our Sales & Operations Planning cycle?

AUTONOMY



✓ Equipment automatically managing (preventive) maintenance if needed?

AUTOMATION



✓ Link to customer stock management & automatic replenishment?



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