Power in the Food Industry

Christopher von Schirach-Szmigiel
None Executive Board Director
Unilever Sweden
Christopher von Schirach-Szmigiel, Ekon. Dr.
cvss@predicom.com

Professional Experience

**Board Director**
Mobilaris, Unilever, KTH Holding, Comintel, Porsche Sweden, Stora Data, SDR Group, Predicom

**Strategy Director**
Unilever Nordic
Ericsson Group – Business Intelligence Function, Audi-Volkswagen Scandinavia

**Director for Corporate Senior Executive Development**
Ericsson, Unilever, Audi - Volkswagen, Nordbanken

**Executive Corporate Teaching**
Rockwell, Compaq, Ernst & Young, Sandvik, Statoil, Saudi Aramco, Volvo

**Visiting Professor**
- New York University, Stern Graduate Business School
- Stockholm School of Economics (Handelshögskolan i Stockholm)
- Kasetatsart University, Bangkok
- The Pennsylvania State University, Smeal College of Business- Associate Dean for Executive Programs

**Executive Corporate Teaching**
Rockwell, Compaq, Ernst & Young, Sandvik, Statoil, Saudi Aramco, Volvo
1. Extracting and synergizing knowledge creates a winning company
   If your company only knew what it knows

2. Moving company to a higher level of knowledge productivity creates a leader
   Learning faster than your competitors
   is the only sustainable competitive advantage

3. Company has to grow top and bottom lines or parish
   Winner takes it all on all three markets: customer, investor, talent

4. Openness for change drives success in business
   If the management is not the owner of the change
   there will be no lasting change
Agenda

• Power shifts in the past
• Power shifts in other industries
• Current restructuring in the food industry
• Consumer impact on business models in the food industry
• Business models for the future and how to spot them
Customer Focus ABB

Fundamentals for Change

If the management is not the leader of the change process there will be no lasting change
<table>
<thead>
<tr>
<th>Period</th>
<th>Farmers</th>
<th>Manufacturers</th>
<th>Wholesalers</th>
<th>Retailers</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1900</td>
<td>Dominant</td>
<td>Minor</td>
<td>Major in few trades</td>
<td>Very minor</td>
</tr>
<tr>
<td>1900</td>
<td>Declining</td>
<td>Dominant</td>
<td>Major in several trades</td>
<td>Minor</td>
</tr>
<tr>
<td>1950</td>
<td>Minor</td>
<td>Dominant</td>
<td>Dominant</td>
<td>Minor</td>
</tr>
<tr>
<td>1960</td>
<td>Minor</td>
<td>Dominant</td>
<td>Dominant</td>
<td>Minor</td>
</tr>
<tr>
<td>1970</td>
<td>Minor</td>
<td>Dominant</td>
<td>Rapidly declining</td>
<td>Dominant</td>
</tr>
<tr>
<td>2000</td>
<td>Minor</td>
<td>Declining</td>
<td>Rapidly declining</td>
<td>Dominant</td>
</tr>
</tbody>
</table>
Inflection Point
triggers
restructuring and power shift

computer industry transformation

1980  1995

sales &
distribution

applications

os

computer hw

chips

IBM  Dec  Wang

inflection point: the pc
creative destruction
Inflection Point triggers restructuring and power shift

**telecom industry transformation**

<table>
<thead>
<tr>
<th>1990</th>
<th>2005</th>
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<tbody>
<tr>
<td>sales &amp; distribution</td>
<td>retail stores</td>
</tr>
<tr>
<td>applications</td>
<td>oss/j based</td>
</tr>
<tr>
<td>os</td>
<td>symbian</td>
</tr>
<tr>
<td>computer hw</td>
<td>lu</td>
</tr>
<tr>
<td>chips</td>
<td>intel</td>
</tr>
</tbody>
</table>

inflection point: the net
### Current Restructuring Drivers

#### Info Age Markets: Dynamic Yet Anchored

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Industrial Age</th>
<th>Info Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Features</td>
<td>Standardized</td>
<td>Mass Customized</td>
</tr>
<tr>
<td>Product Configurations</td>
<td>Stable</td>
<td>Mobile</td>
</tr>
<tr>
<td>Customer Expectations</td>
<td>Value and Satisfaction</td>
<td>Value and Delight</td>
</tr>
<tr>
<td>Price Configurations</td>
<td>Discrete Prices</td>
<td>Bundling</td>
</tr>
<tr>
<td>Competitive Strategies</td>
<td>Seek Sustainable Advantages</td>
<td>Sequential and Overlapping Advantages</td>
</tr>
</tbody>
</table>
Reading consumers minds  
How do consumers perceive…

<table>
<thead>
<tr>
<th>farmers</th>
<th>nostalgia</th>
</tr>
</thead>
<tbody>
<tr>
<td>manufacturers</td>
<td>brand factory</td>
</tr>
<tr>
<td>wholesalers</td>
<td>who are they</td>
</tr>
<tr>
<td>retailer</td>
<td>my supplier</td>
</tr>
</tbody>
</table>
CASE UNILEVER

Focus:
Searching New Position in Value Chain
If Unilever only knew what Unilever knows

Exchange Managerial Knowledge and Experiences!!!
Looking for new in Unilever

Foresight project

- Young perspective
- Out of the box approach
- Growth into future
What creates value for the consumer?

- product - brand
- market place - distribution
Future road maps

- food
- shopping
- possible structures of supply chain and information flows
- consumers - trade - manufacturers
Unilever Strategy

The ten point programme:

1. Direct Corporate resources to priority categories
2. Maximize the short term value of low priority categories
3. Stress priority regions
4. Reinforce support systems for Rest of the World
5. Exploit opportunities for Foods in Rest of the World
Unilever Strategy cont.

The ten point programme:

6. Take advantage of the synergies of Unilever
7. Simplify and clarify structures
8. Eliminate the competitive disadvantage in our processes
9. Enhance the performance ethic in Unilever
10. Communicate better internally and externally
Unilever’s new vitality mission provides a shared purpose around which we can all unite to simplify and grow our business. It expresses our desire to build and leverage the diversity and richness of our unique organization.

As we deliver our vitality mission, our portfolio of products and our engagement with the environment and communities will have an increasingly positive impact on the people and societies we serve. So that by working for Unilever we can all feel that we are making a positive contribution to the world in which we live.
New Value Chain Structures in Food Industry

1. Farmers → Food → Food Designers → Retailers → Consumers
   → Tronix

2. Farmers → Manufacturers → E-retailers → Consumers
   → Physical Distributors

3. Going back to Farmers- The story of the egg in Dansk Supermarket
   egg, dansk egg, aunty Agda egg, hen Ruth egg, hug, pet, pick
   Kroner: 1, 2, 4, 8, 20

4. What STORY drives your company ?????????
Prediction Markets – High Accuracy Crystal Ball

prediction market solutions

dynamic perception trading

capture collective wisdom
prediction paradigm shift

applied nobel prize winning research:

experimental economics,
game theory,
knowledge management
wisdom of crowds
- a crowd is smarter than its individuals

corporate prediction market
- distilling the wisdom of the crowd

business benefit
- high accuracy forecasts
Dare to talk with the mirror

Mirror, mirror on the wall
tell me the truth
who is the best
to create a winning food STORY
and to execute it?

Try it, it is the first step to be
Best in Class
Your race is just starting

God

Luck

and

Thank you very

God