



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)
- Kasetsart 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

Christopher von Schirach-Szmigiel, Ekon. Dr.
cvss@predicom.com

My strategic visions

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 perish

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



Food Industry

Power in the Value Added Chain

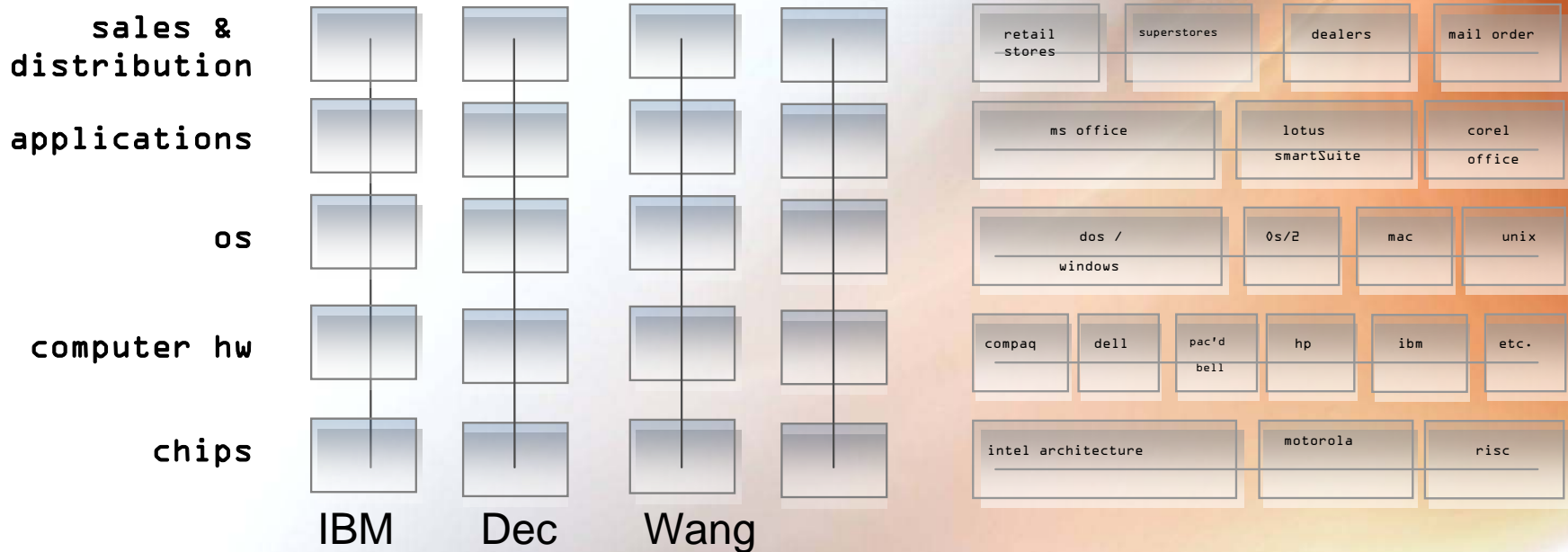
Period	Farmers	Manufacturers	Wholesalers	Retailers
-1900	Dominant	Minor	Major in few trades	Very minor
1900	Declining	Dominant	Major in several trades	Minor
1950				
1960	Minor	Dominant	Dominant	Minor
1970				
1980	Very	Declining	Rapidly declining	Dominant
2000	Minor			

Inflection Point triggers restructuring and power shift

computer industry transformation

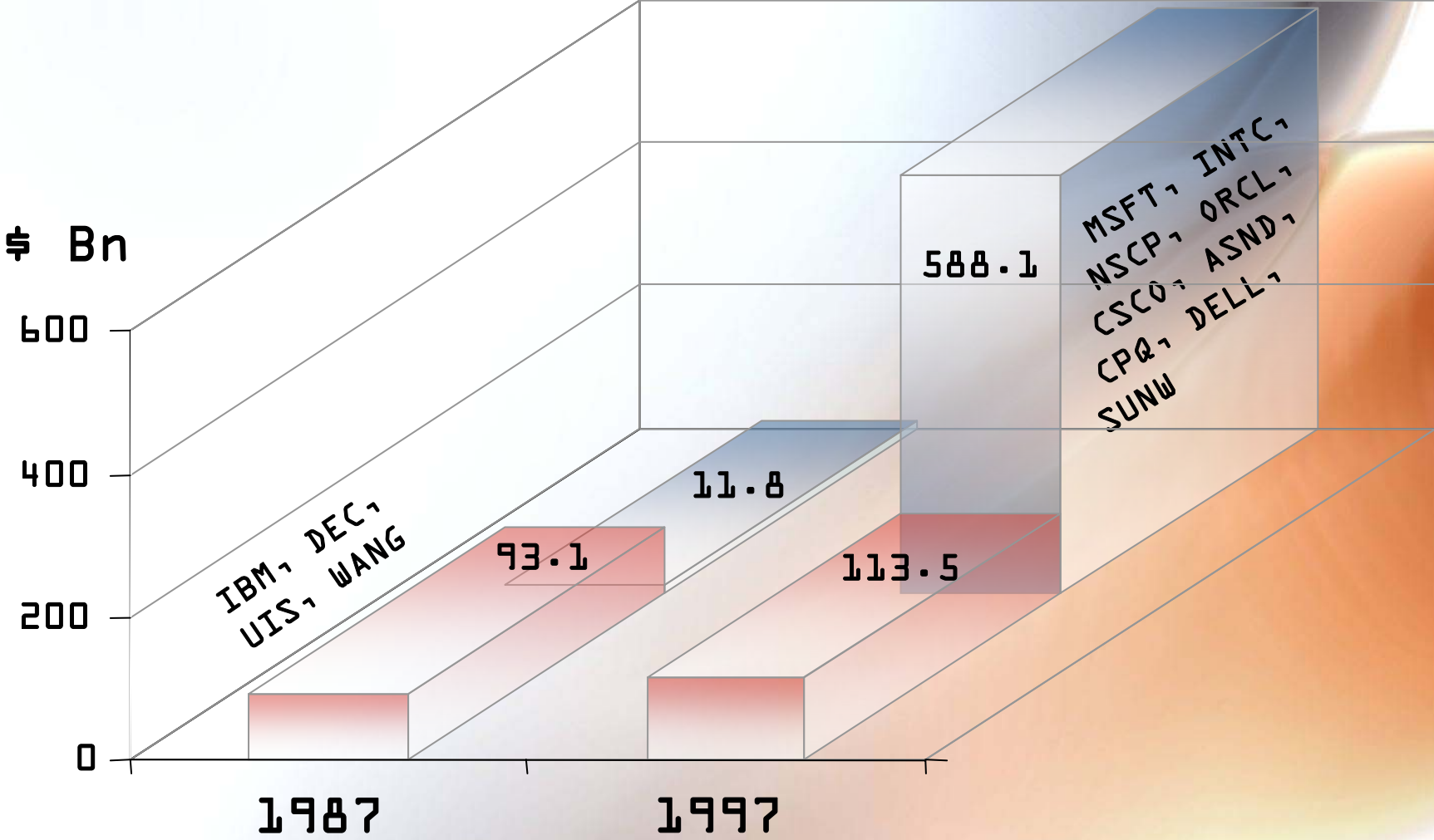
1980

1995



inflection point: the pc

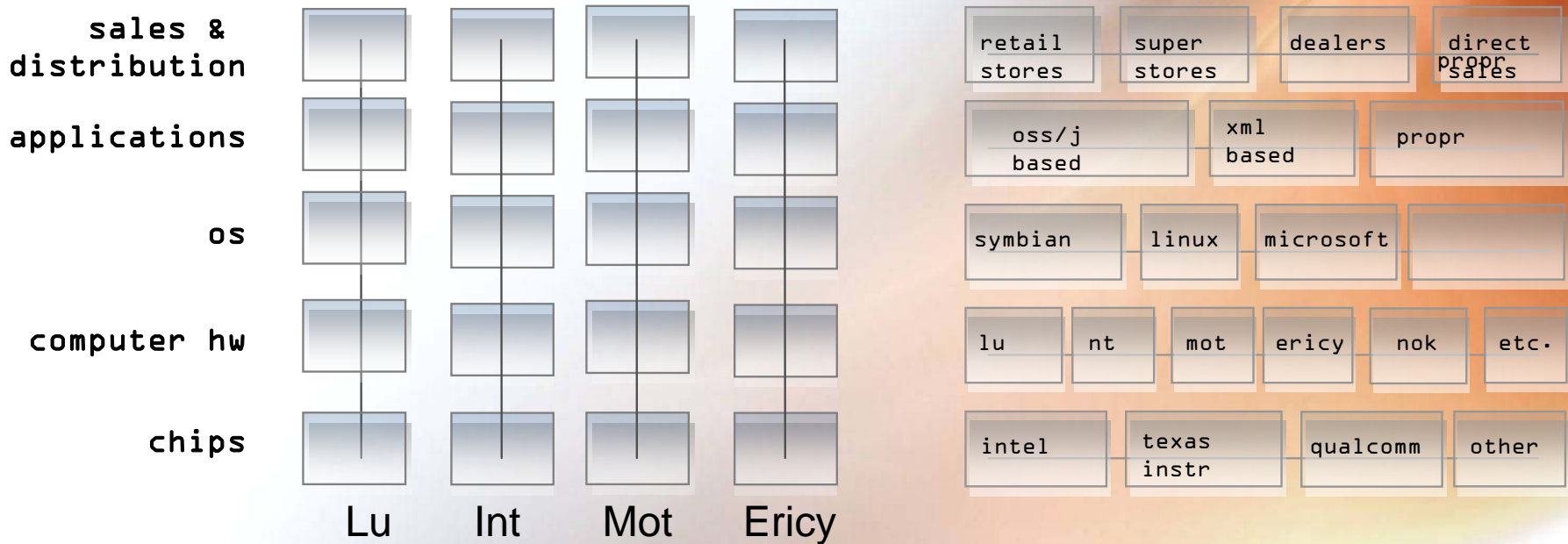
creative destruction



198

Inflection Point triggers restructuring and power shift

telecom industry transformation 1990 2005



inflection point: the net

Current Restructuring Drivers

Info Age Markets: Dynamic Yet Anchored

Dimension	Industrial Age	Info Age
Product Features	Standardized	Mass Customized
Product Configurations	Stable	Mobile
Customer Expectations	Value and Satisfaction	Value and Delight
Price Configurations	Discrete Prices	Bundling
Competitive Strategies	Seek Sustainable Advantages	Sequential and Overlapping Advantages

Reading consumers minds

How do consumers perceive...

farmers

nostalgia

manufacturers

brand factory

wholesalers

who are they

retailer

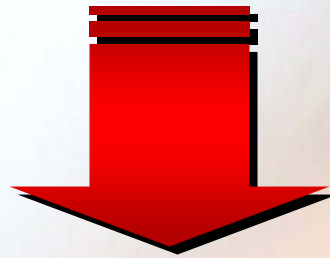
my supplier

CASE UNILEVER

Focus:

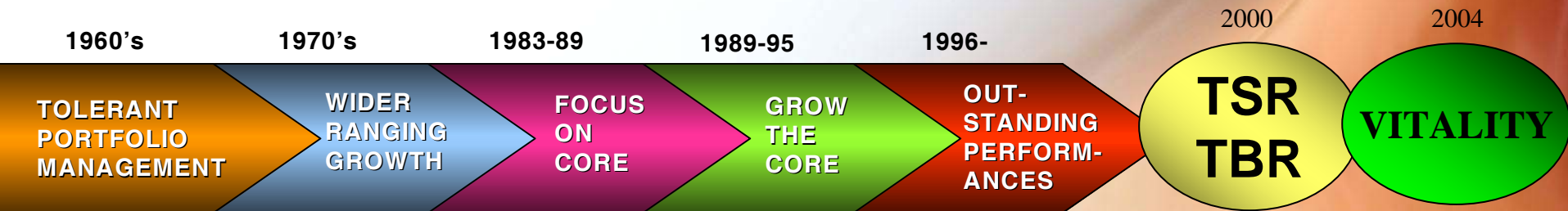
**Searching New Position in
Value Chain**

**If Unilever only knew
what Unilever knows**



**Exchange Managerial Knowledge
and Experiences!!!**

Unilever Corporate Strategy An Historical Perspective



Looking for new in Unilever

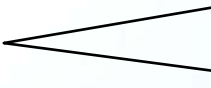

Foresight project

- **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**  **nutrition**
pleasure
- **shopping**  **leisure**
supply
- **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



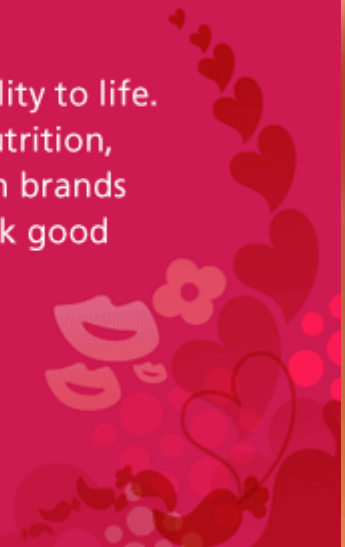
Unilever

Our mission

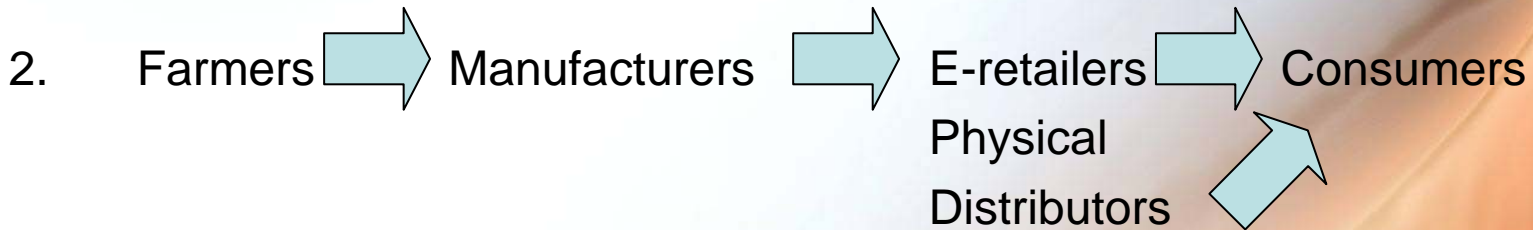
Unilever's new vitality mission provides a shared purpose around which we can all unite to simplify and grow our business. It expresses our desire to build and leverage the diversity and richness of our unique organization.

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.

Unilever's mission is to add vitality to life. We meet everyday needs for nutrition, hygiene, and personal care with brands that help people feel good, look good and get more out of life.



New Value Chain Structures in Food Industry



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

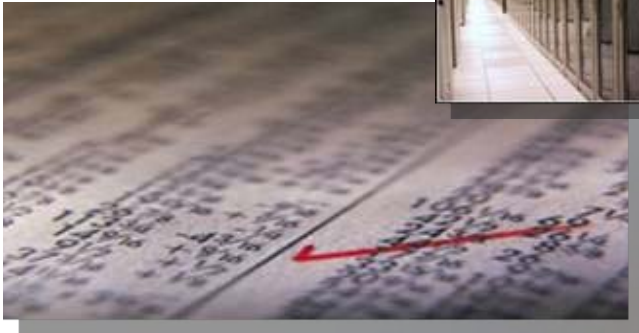
8

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

prediction market concept



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