

Cost reduction & agility through ETS



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London 4th December 2014



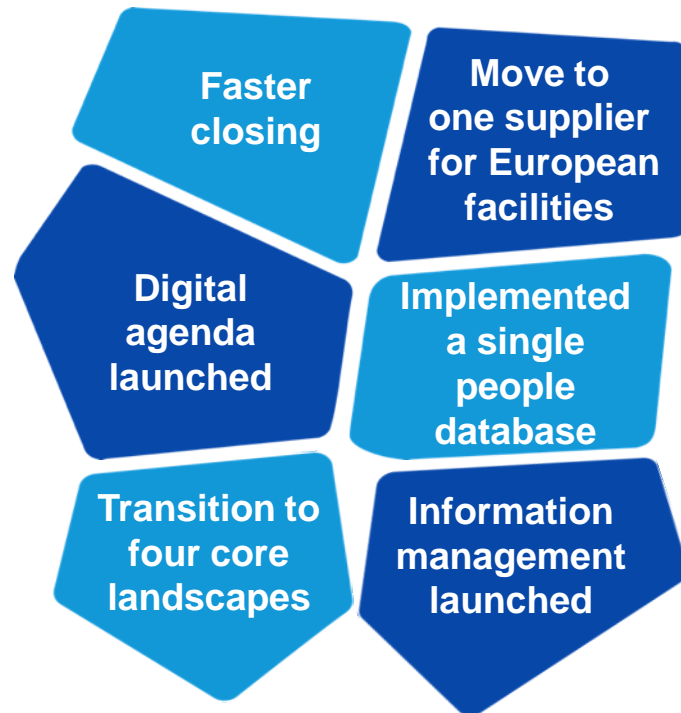
OUR JOURNEY STARTED FOUR YEARS AGO



Two organisations



Some major achievements



TODAY WE HAVE ONE TEAM AND ONE AGENDA



WE HAVE A BROAD SCOPE OF RESPONSIBILITY

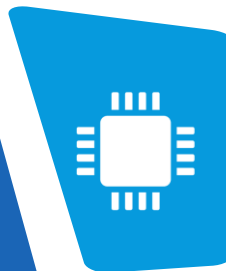


Finance
Solutions

Real Estate

Technology

Information
Security



HR Solutions

Travel &
Facilities

IT Solutions

Information
& Analytics

EVERYTHING WE DO MUST MEET TWO CRITERIA



**Creating a better, simpler,
more agile place to work**



**Delivering profitable growth
& cost efficiency**

WE HAVE FIVE PRIORITIES



**Driving
organisational
simplification**

**Enabling
employees to
be more
productive**

**Efficiencies
in business
infrastructure
& processes**

**Providing
platforms &
tools for
growth**

**Cost efficiencies
in our
operations**

1. ORGANISATIONAL SIMPLIFICATION THROUGH PROJECT HALF



**Simplified & faster
recruitment**



**50% reduction in
agency spend**

**Better travel &
expenses system**



**20,000 employee
hours saved**

**Reduced reports of
higher quality**



**Reports down
40% in 2014**

2. ENABLING EMPLOYEE PRODUCTIVITY



The right tools for the job



Electronic Lab Notebook for 1000 Discover Scientists facilitating 'First to File'

Collaboration in an agile world



Laptop video conferencing rolled out to 30,000 employees

Key tasks on the go



Launching HR app on mobile & iPad

3. MORE EFFICIENT INFRASTRUCTURE & PROCESSES



Facilities Management



Global roll-out –
delivering savings of more than
€10m p.a

Finance Solutions



Enabling Finance costs to move
to 1% of global turnover –
intention to improve by further 25 bps

IT Infrastructure



5-6% year on year reduction
in run costs – Intention to move to
10% with increased use of cloud

4. PROVIDING PLATFORMS & TOOLS TO DRIVE PROFITABLE GROWTH



Customer



Demonstrating 4% improved sales growth through new distributor management systems

Marketing



Direct to consumer platform now live for Maille

R&D



Product formula re-modelling now 4x faster

5. COST EFFICIENCIES IN OUR OPERATIONS

Headcount



15% reduction in
people costs in 2014

Insourcing



Saving of €20m
in 2014 & 2015

Focus on D&E Locations



On track for 70%
by end of 2016

BUSINESS IMPACT

The background features a large, dark blue shape that tapers towards the bottom right. Below this, there are several overlapping, rounded rectangular shapes in various shades of blue and white, creating a layered, geometric effect.

IN SUMMARY



A more agile organisation

Increased employee productivity

More efficient systems & processes

Innovative platforms driving growth

For reduced cost

8-10% year on year efficiency in ETS costs

Incremental profit of €300m pa from projects

€100m+ pa cash release

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