



2nd Tier Operations (Last Mile)

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2nd Tier Global Manager

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Agenda

- **AB InBev Company Overview**
- **2nd Tier Operations (Last Mile)**
- **Managing Worldwide**
- **Main Challenges**
- **Wrap Up**



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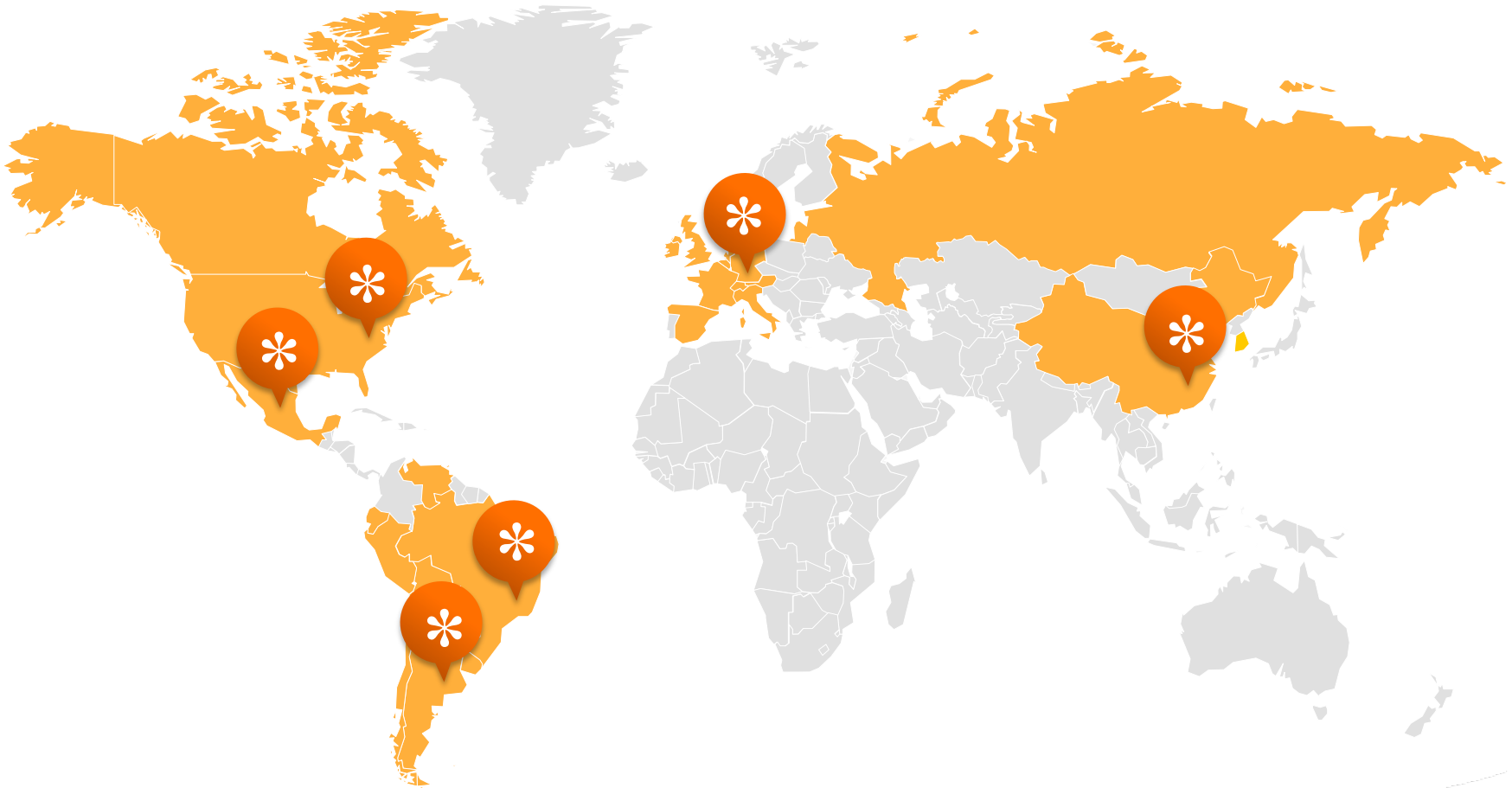
Anheuser-Busch InBev at a glance

- * **Leading global brewer**
- * **Top-five consumer products company**
- * **EBITDA of 17.2 billion USD in 2013**
- * **Revenue of 43.2 billion USD in 2013**
- * **Global HQ: Leuven, Belgium**
- * **Operations in 25 countries**
- * **Sales in 100+ countries**
- * **150,000 employees worldwide**
- * **Ticker:**
Euronext: ABI
NYSE: BUD

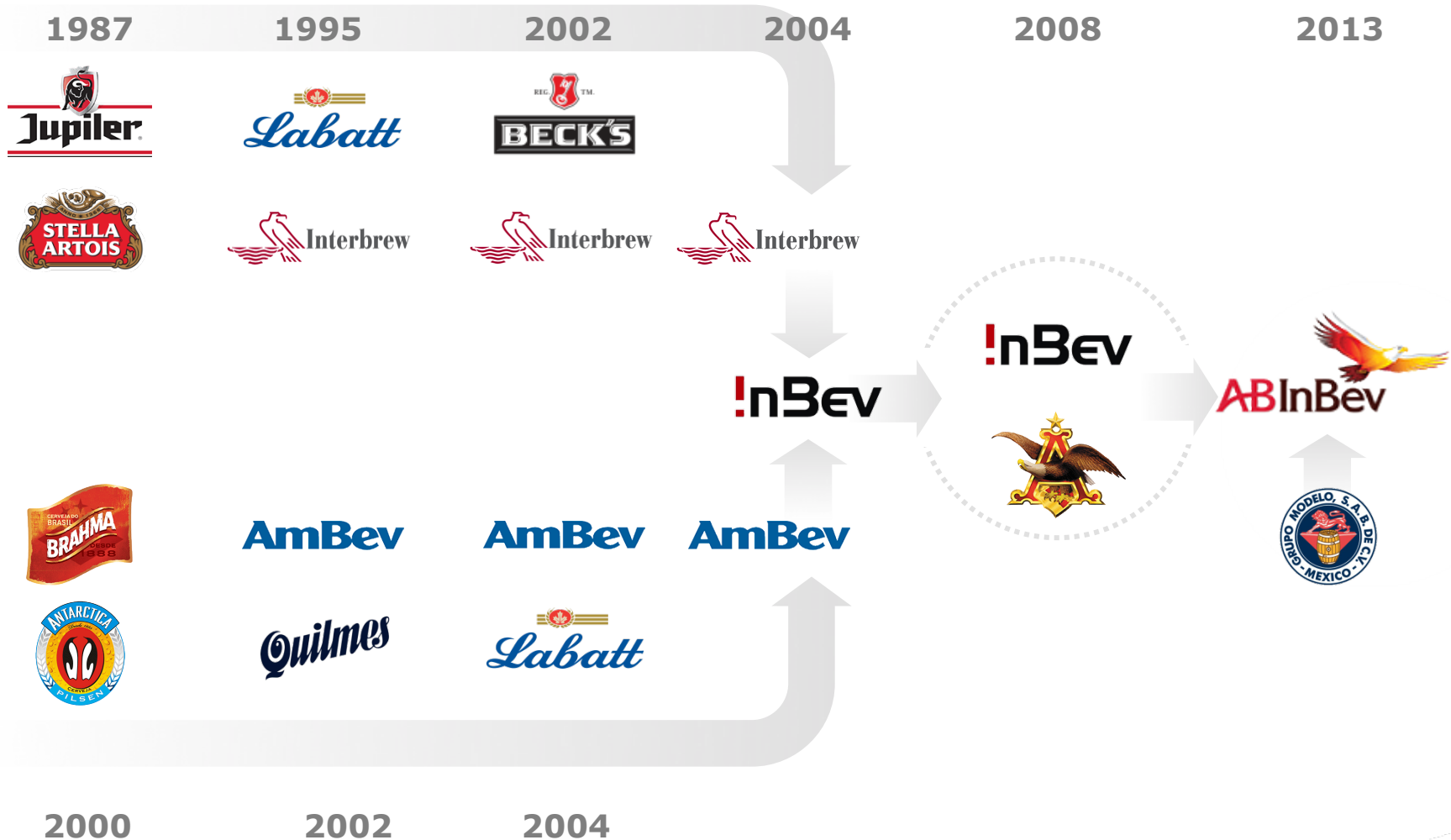


A truly global company

Operations across six geographical Zones



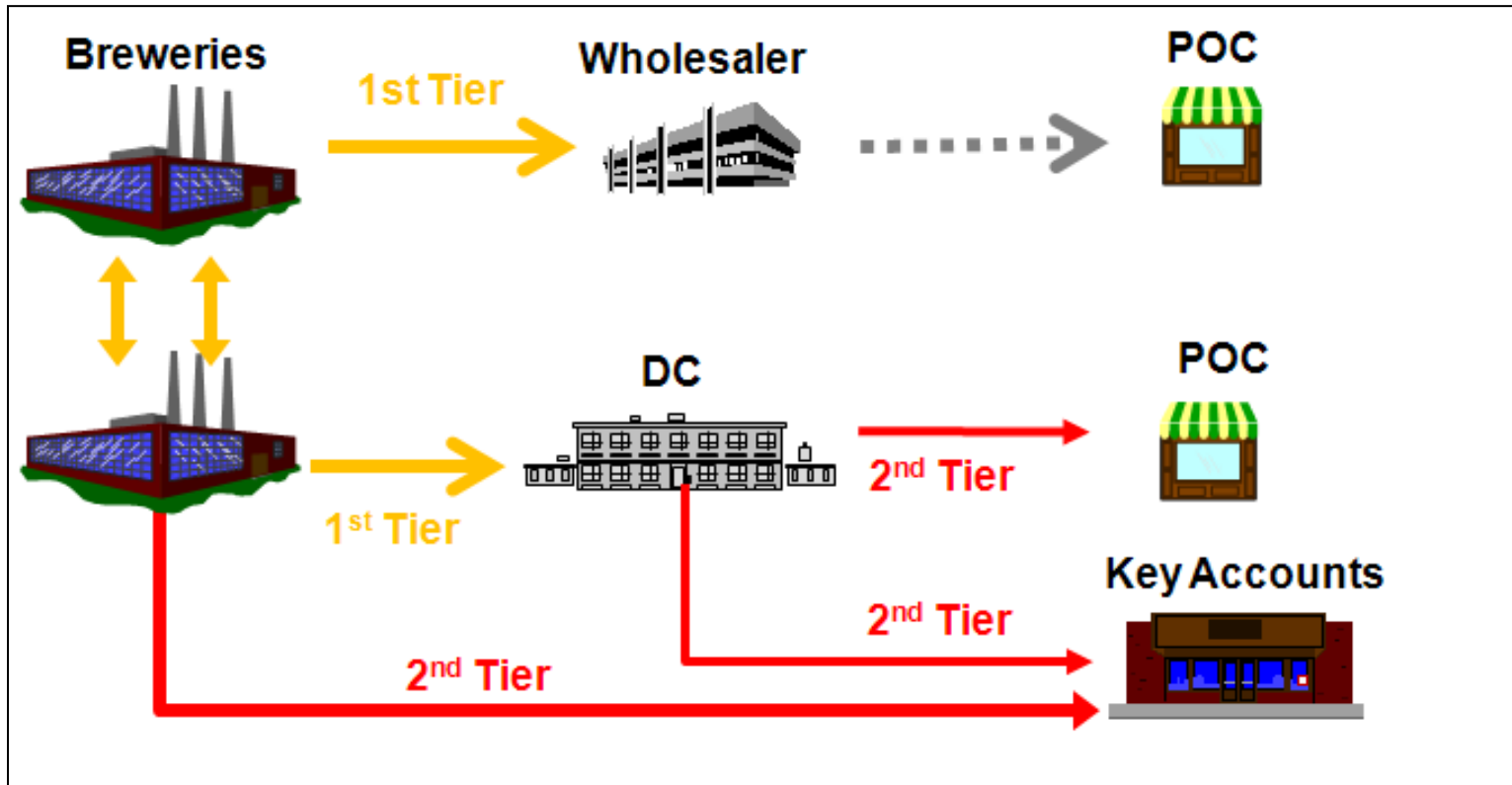
Our History





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2nd Tier Scope



→ **2nd Tier: Last mile operation (transport and warehouse)**

2nd Tier Numbers Worldwide



- 19 Countries♪
- + 500 Operations (DCs)♪
- + 12,000 trucks per Day♪
- + 30,000 employees♪
- + 10 Million Cases per Day♪
- + 200,000 stops per day♪





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Journey

LEVEL 1: FUNDAMENTALS

- Focus on process and tools to improve the actual routine

LEVEL 2: BOOST KNOWN SOLUTIONS

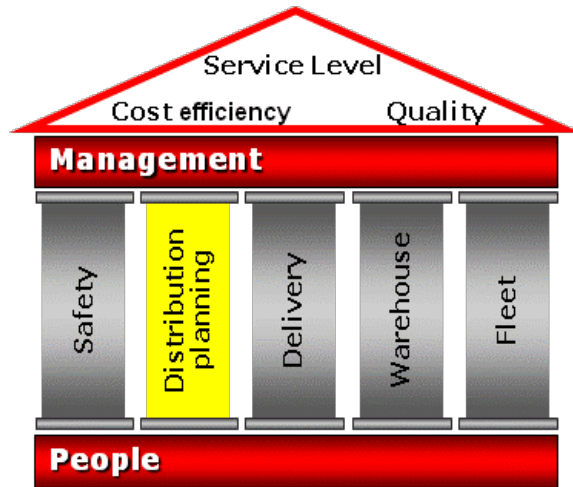
- Tools and process other companies or some operations are already using but not us

LEVEL 3: NEW NEWS

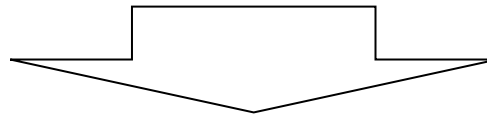
- Be connected with new technologies and have the capability to prototype/test /evaluate new solutions

Level 1: Fundamentals

DPO: Operational Manual based on SOPs, GOPs, and KPIs



Distribution Planning Pillar



Check List - Questions

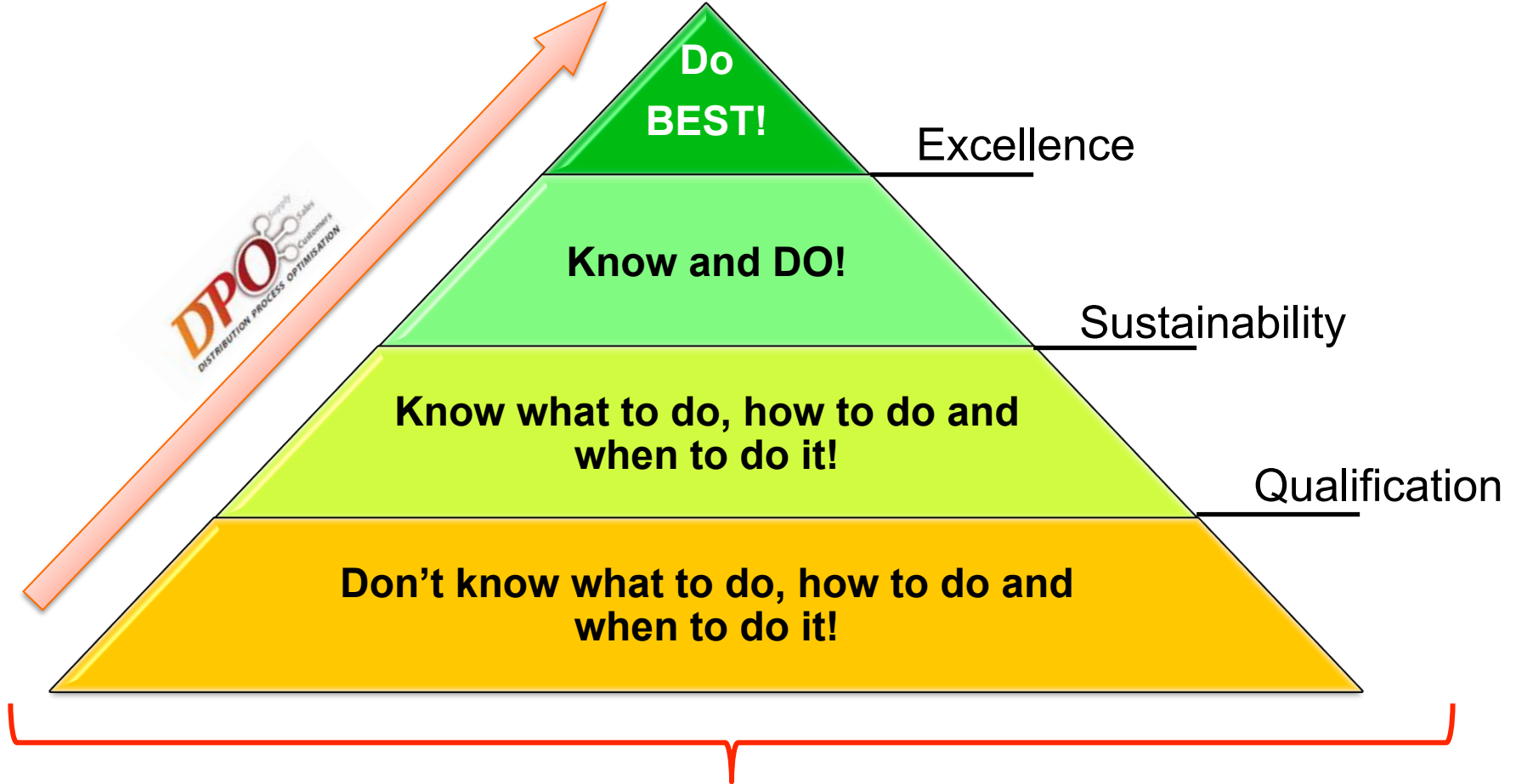
3.0	SERVICE LEVEL PLANNING		
3.1	Is there a Service Level Agreement (SLA) between Logistics and Sales departments with clear information about delivery capacity, forecasting, inventory levels, order cutoff time, and sales curve volume?	Review the documented SLA with Sales to check for capacity restrictions (volume) and sales curve (volume distribution). Validate that this SLA is used to aid discussion with sales during a planning process.	3 - SLA agreement with sales and logistics with clear responsibilities. 0 - No SLA with Sales
3.2	Is there a standard procedure or routine to align Sales and Logistics departments with clear actions to minimize POC service level impact when sales volume exceeds operational capacity (stops or volume)? (e.g. min drop size, out-of-route, SKU prioritization, etc.)	Review the standard routine or procedure used by the DC. Validate that the routine incorporates cooperation between departments and has been used successfully within the last year as necessary.	3 - Standard procedures exist and are followed 1 - Standard procedures exist but are not followed 0 - No standard procedures
3.3	Does the operation monitor the entire order flow to guarantee the best service for the POC?	Review the Service Level monitor (or equivalent tracking tool) to ensure there are KPIs to understand and review the continuous process from order taking to the final delivery. Verify that targets for all KPIs are set up to guarantee the best service for the POCs.	3 - There are clear KPIs that are directly related to service level from the order taking to delivery. 1 - The operation has KPIs that covers part of the total process (e.g. cases return) 0 - The operation doesn't monitor service level
3.4	Is there an annual survey to measure the quality of logistics service to the POC, and a PDCA to close any GAPS?	Review the annual survey results and the action plan developed. Verify that GAPS have been addressed or are actively being improved.	3 - There is an annual survey that covers a cross section of the entire customer base. 0 - There is no an annual survey



Standards KPIs

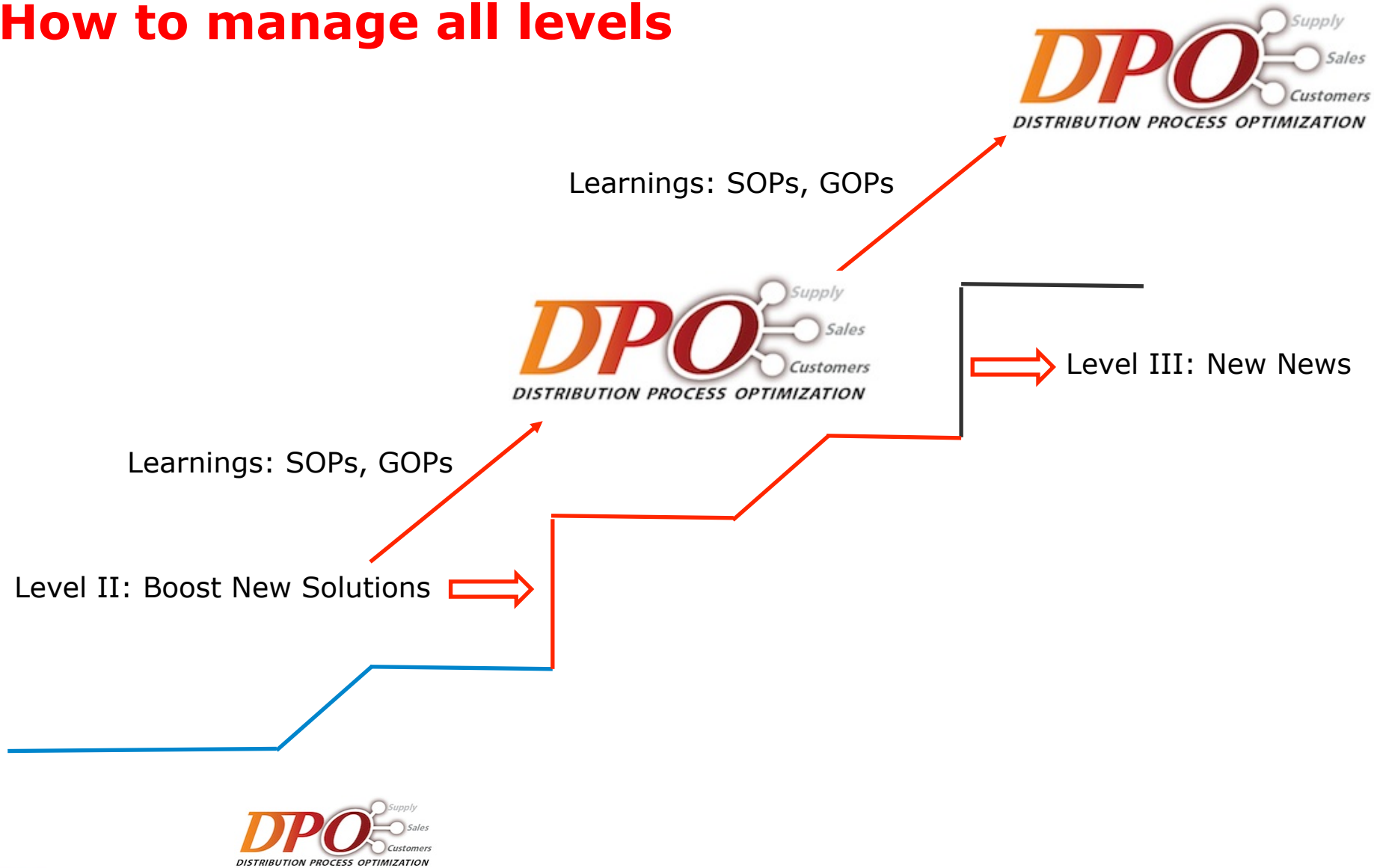
KPIs	KPIs	#
People		
1	Logistics LTI - T2	#
2	Absenteeism (ABI + 3PL) - T2	%
3	T2 Turn Over (ABI + 3PL) - T2	%
Performance Transport		
4	Truck Capacity	Cs Equiv
5	Vehicle utilization (Number of trips per truck per day)	%
6	Occupation (Cases/Trip)	Cs Equiv
7	Transport Labor productivity (Cs/Man/day)	Cs Equiv
Performance Warehouse		
8	Tier 2 Network Productivity (Operational team)	HI/FTE
9	Forklift Network Productivity	HI/FT
Service Level		
10	CDP 2nd Tier	%
11	Refusals	%
12	Sales Curve Index	%

DPO Structure - Evaluation process and recognition



Continuous checking process

How to manage all levels



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Main Challenges



- Safety: + 30,000 People on the streets everyday♪
- Quality (WE ♥ ABI Beers)♪
- Connected with the customers (needs)♪
- Mega Cities (traffic, restrictions, alternatives,...)
- Cost optimization x Complexity Increase♪



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