



2006

MISSOURI QUALITY AWARD RECIPIENT

Nestlé Purina PetCare Customer Development Group

Nestlé Purina PetCare Company is a leader in the pet products industry, dedicated to improving the lives of cats and dogs through quality nutrition and care. Core philosophies include promoting responsible pet care, humane education, community involvement, and the positive bond between people and their pets.



Nestlé Purina PetCare's North American headquarters is located at Checkerboard Square in St. Louis, where Ralston Purina was founded more than a century ago. The company has approximately 6,800 U.S. employees in its manufacturing facilities, Customer Development Group regional offices and corporate office. Nestlé Purina is part of Nestlé S.A. of

Vevey, Switzerland, which is the world's largest food company.

Nestlé Purina's Customer Development Group (CDG) delivers on the U.S. sales goals for Nestlé Purina's North America Pet Foods Group. Total sales accomplished by CDG in 2005 were US\$4.8 billion. The organization, consisting of approximately 380 associates, is responsible for all sales to customers in the United States, either through direct sales or through distributors. Customers are primarily retailers who sell pet care products to consumers. Services delivered to customers include consumer insights and category management to increase retail sales, shelf analysis for inventory management, and analysis and special studies associated with the pet care industry.

To help achieve its overarching goal of being "a high performance organization and a great place to work," CDG employs a formal, annual, iterative strategic planning process, involving direct or indirect input from all key stakeholders, with defined process steps that occur throughout the calendar year. The annual Strategic Plan (CDG Department Plan) defines strategies, action plans and objectives for the shorter term (12-18 months). The annual plan supports the tactical execution of a Customer Excellence Blueprint, a longer-term (5-year) planning process, which is used to define the future state of the organization; capabilities; resource requirements, includ-

ing skills and technology; and the organization's Vision, Values, and Core Competencies.

All of CDG's work is performed through teams that work together to support, manage, and deliver customer requirements or CDG objectives. Employees all work on one or more customer, account, or functional teams. Team composition by role and position are cross-functional and are defined as part of the Strategic Planning process. Great care has been taken to maximize the empowerment and entrepreneurial spirit of customer/account teams so they can manage their business as they deem fit within certain parameters and controls. This level of empowerment is key to ensuring the satisfaction of customers.

CDG has instilled a "General Manager's Mindset" concept as a means for defining and reinforcing high performance across the organization. This concept defines the expectations, parameters, skills, and competencies for CDG leaders to emulate, based on three dimensions - Business, Organization, and People. By focusing on these three dimensions, a balanced approach to leadership is emphasized. This approach goes beyond traditional financial performance and helps raise expectations and competencies at all levels. This performance-based approach defines behaviors and practices from a Business perspective, including financial, budgets, and customer service; from an Organization perspective, including building teams, staffing, and capabilities; and from a



People perspective, including employee development, learning, and performance management.

CDG has developed, deployed, and refined a formal approach for determining employee satisfaction through its Organizational Capabilities Questionnaire (OCQ), which measures associates' perceptions of the business, organization, and people initiatives. More than 90 percent of CDG associates routinely complete the annual survey, and every CDG team is responsible for developing and executing an action plan based on survey results. Analysis of survey results, both numerical and subjective responses to open-ended questions, are used to assess the effectiveness of initiatives and approaches, and for implementing improvements to CDG's processes, practices, and offerings throughout the organization. A "workout" team of approximately 40 associates is created each year to address concerns identified through the CDG-wide survey results. CDG has determined a direct correlation between OCQ results and business successes, as well as a direct correlation between employee satisfaction and customer satisfaction.

CDG has also developed, deployed, and refined a formal approach for determining customer satisfaction through a number of customer survey programs. CDG has consistently found a direct correlation between customer satisfaction results and customer/account profitability. CDG uses customer satisfaction information for improvement of processes, practices, and product offerings. This linkage between employee measures, customer measures, and financial measures allows CDG to have a holistic view of its business.



Nestlé Purina PetCare Customer Development Group Core Values

- We will be recognized and valued by our customers as the best pet care company and category resource in the industry.
- Our people will be committed experts, relentless in the pursuit of improving mutual operating results for both Purina and our Customers. To accelerate our people advantage, we will continue to invest aggressively in training and education.
- We will establish an unchallenged position as the most resourceful and innovative organization in the areas of consumer demand creation, supply chain optimization, and nutrition expertise.
- We will be a leader in the Consumer Products Industry that "expects to win" while continually driving industry innovation and leadership.
- We will be a leader in creating Influential recommendations of Purina products by demonstrating a shared passion for superior animal health. Our unsurpassed standards of excellence will establish us as a trusted partner of choice.
- We will be widely recognized in the industry as the best customer organization based on our innovation and superior results, driven by the only real competitive advantage - **our people.**

Through a pervasive and effective business planning process, coupled with empowered, entrepreneurial associates, customers have ranked CDG number one in the pet category for eight straight years, and the most recent customer rankings place CDG second in the entire consumer packaged goods industry.

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