

EMPOWERING YOUR LEADERS FOR ORGANIZATIONAL EXCELLENCE



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AB Agri Ltd

Head of Performance
Improvement Manufacturing & SC

Brief Introduction to AB Agri Ltd

AB Agri manufactures animal feed, nutrition- and technology-based products and offers data services for the agri-food industry.

Global Operation: £2b+ Revenue

+2500 employees

Operates 54 physical sites and
11 key 3rd party suppliers
across 12 countries



Two small case studies to share

EMPOWERING OUR LEADERS FOR ORGANIZATIONAL EXCELLENCE

Strategic Driven Programme



Improvement Driven Programme



Strategy Driven -

Background

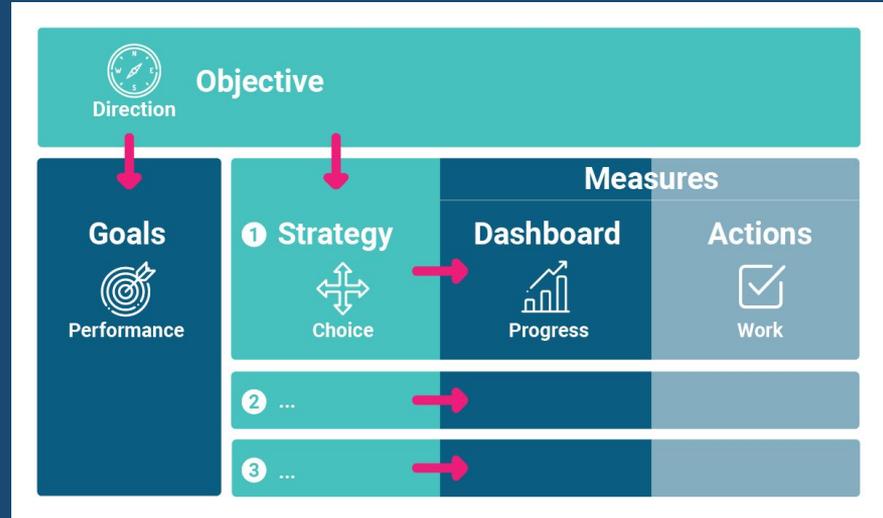
- Strategy defined for Global Responsibility and turned into a Programme
- Programme goals reported at AB Agri level to senior stakeholders
- Delivery towards goals achieved through improvement activity within each Business Unit
- Utilised KaiNexus to show Goal progress as well as Improvement activity as well as light project governance

Strategy driven – Two typical models

Hoshin Kanri

HOSHIN PLANNING MATRIX (X-MATRIX)			
<ul style="list-style-type: none"> Pilot culturally diverse idea incubators that drive ideation and disruption Increase customer engagement in product design Reduce customer complaints Increase customer loyalty Deploy Performance Excellence improvement methodologies Increase overall market share in SW territory Increase number of new interactive packing customer accounts Develop new distribution channels for new digital packaging 			
<p>Achieve 52% market share of the new digital packaging service</p> <p>Develop at least 10 new products with a vitality index above 65%</p> <p>Grow total revenue by \$75 million</p> <p>Reduce all process waste by 40% using sustainable improvement methodologies</p>	<p>Top-Level Improvement Priorities</p> <p>Annual Objectives</p> <p>Target to Improve</p> <p>3-5 Year Breakthrough Objectives</p>	<p>Increase active distribution channels by 6</p> <p>Achieve 20% of incremental revenue growth from new customer accounts</p> <p>Increase market share in the SW region by 15%</p> <p>Implement Performance Excellence in all 8 business units</p> <p>Reduce customer complaint calls by 50%</p> <p>Reduce R3 Team turnover by 25%</p> <p>Increase customer second product conversions by 25%</p> <p>Increase number of customers with contracts longer than 5 years to 40%</p> <p>Establish three successful incubators</p> <p>Increase the number of ideas going into stage 2 (feasibility) by 50%</p>	<p>Fred Burstein (Chief Innovation Officer)</p> <p>Jim Gruber (VP of Quality)</p> <p>Dave Nies (VP of Marketing)</p> <p>Mark Miller (VP of Sales)</p> <p>Nancy Ruckley (VP of Accounts)</p>
<ul style="list-style-type: none"> Achieve world-class quality production as certified by Malcolm Baldrige standards by the end of 2017 Create an empowered culture of collaboration resulting in a 200% increase in new products launched by the end of 2018 Achieve 50% market share of the new digital packaging service by the end of 2018 Grow total revenue by \$250 million with an EBITDA of 18% by the end of 2019 		<p>RESOURCES</p> <ul style="list-style-type: none"> Primary Responsibility Secondary Responsibility <p>Jack Speers (CEO)</p>	

OGSM



Strategy (OGSM) – Responsibility Programme

Business	AB Agri	
Objective	Making affordable, responsible food	
Goals	Roadmap Actions	Annual Measures
	Climate Lead favourable... 	% reduction tCO ₂ e & tCO ₂ e/tn 100% PEf for AB Agri manufactured compound feed products in FY22/23 % completed to Level 2 for Cat 1 suppliers Strategy milestones
	Responsible Sourcing By 2030 everything we purchase will meet a defined AB Agri responsible sourcing standard, which will be industry leading	% reduction target for ethical high risk suppliers % zero deforestation >30% recycled plastic content in X% of AB Agri packaging % reduction in finished product packaging
	Animal Health & Welfare Lead best practice for animal, health & welfare	Strategy milestones X AH&W red flags raised % compliance declaration completed for suppliers / research partners Zero exceedances of 8-hour transportation % reduction in in vivo trials
	External influence/engagement Engage the industry and government to influence positive change towards making affordable food responsible	Involved in X activities No of events/PR activities
	Customer Understand and respond to our customers' responsibility priorities	Customer needs from strategies provided Individual business response plan created
	Growth in capability Enable our colleagues' growth by supporting their understanding around our Responsibility priorities	% colleagues training to specialist level % colleagues trained to AB Agri standard

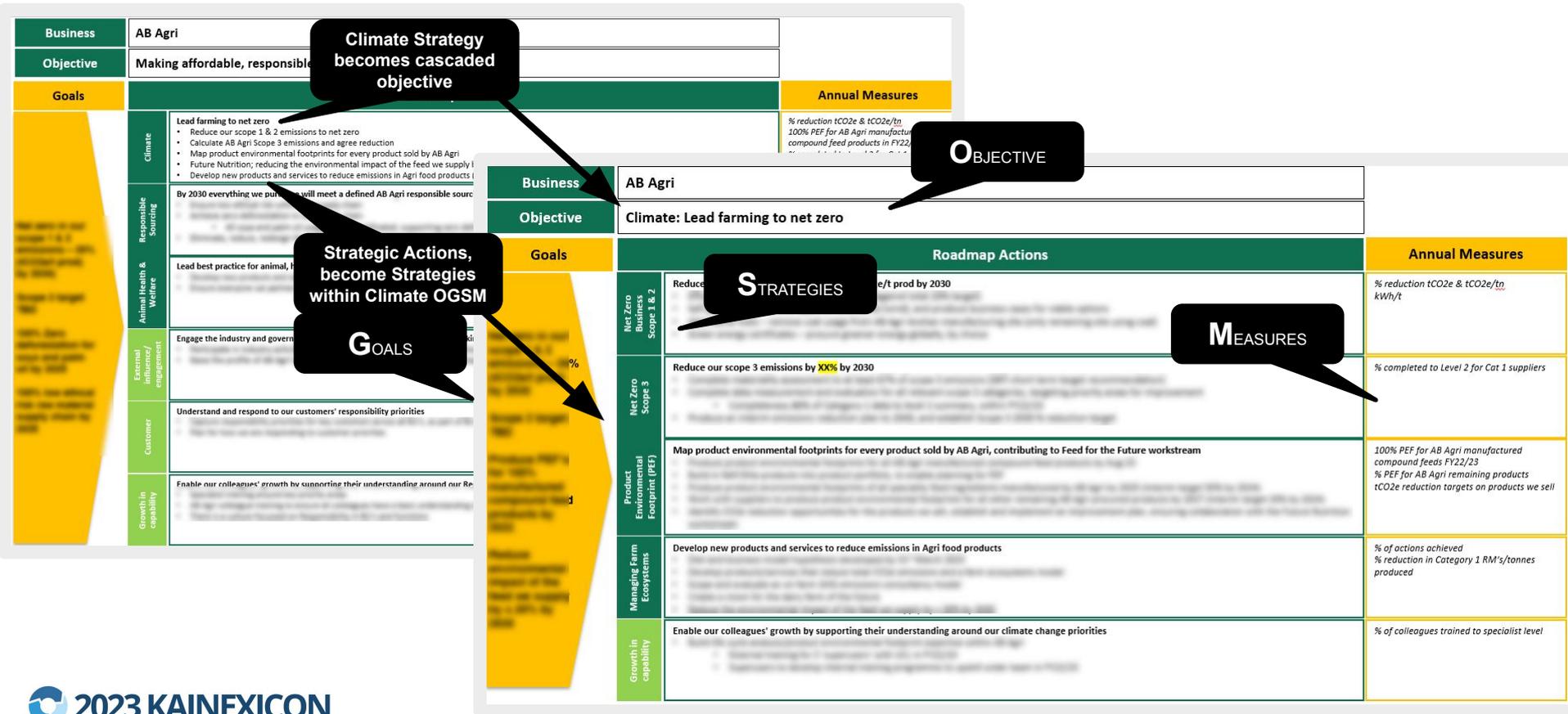
GOALS

STRATEGIES

OBJECTIVE

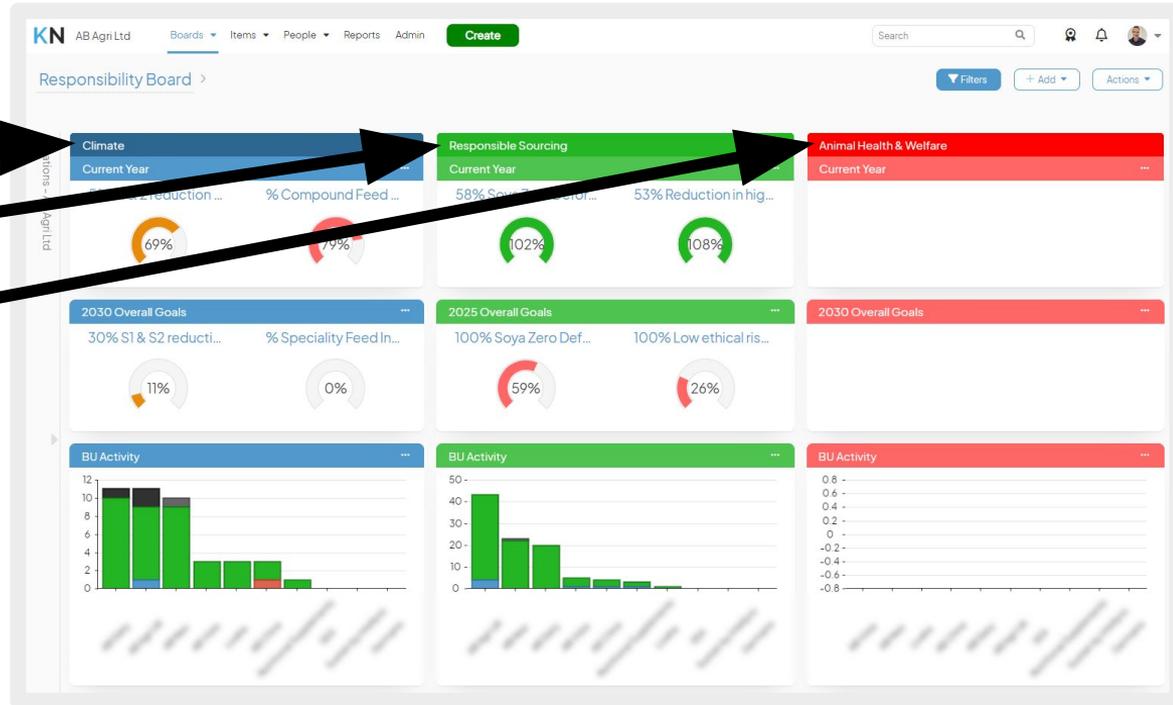
MEASURES

Responsibility Programme – OGSM - Cascade



Responsibility Programme – KaiNexus Alignment

Business	AB Agri
Objective	Making affordable, responsible food
Goals	
Climate	Lead farming to net zero
Responsible Sourcing	By 2030 everything we purchase will meet our standards
Animal Health & Welfare	Lead best practice for animal health and welfare
External Influence/engagement	Engage the industry and government to influence positive change
Customer	Understand and respond to our customers' responsibilities
Growth in capability	Enable our colleagues' growth by supporting their understanding of their responsibilities

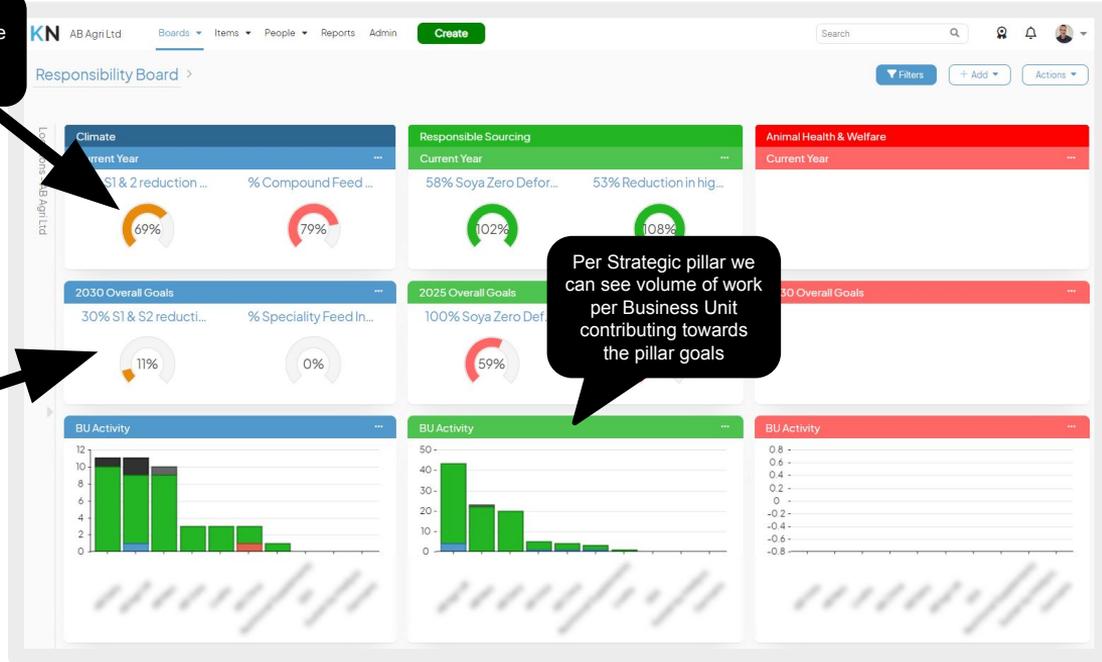


Responsibility Programme – KaiNexus Alignment

Business	AB Agri
Objective	Making affordable, responsible food
Goals	Annual Measures
<p>Climate</p> <ul style="list-style-type: none"> % reduction tCO2e & tCO2e/tn 100% PEF for AB Agri manufactured compound feed products in FY22/23 % completed to Level 2 for Cat 1 suppliers Strategy milestones <p>Responsible Sourcing</p> <ul style="list-style-type: none"> % reduction target for ethical high risk suppliers % zero deforestation >30% recycled plastic content in X% of AB Agri packaging % reduction in finished product packaging <p>Animal Health & Welfare</p> <ul style="list-style-type: none"> Strategy milestones X AH&W red flags raised % compliance declaration completed for suppliers / research partners Zero exceedances of 8-hour transportation % reduction in in vivo trials <p>External Influenced / Influencing</p> <ul style="list-style-type: none"> % completed in X activities % completed in CSR activities <p>Customer</p> <ul style="list-style-type: none"> % completed in X activities <p>Growth in capability</p> <ul style="list-style-type: none"> % colleagues training to specialist level % colleagues trained to AB Agri standard 	<p>Climate</p> <ul style="list-style-type: none"> % reduction tCO2e & tCO2e/tn 100% PEF for AB Agri manufactured compound feed products in FY22/23 % completed to Level 2 for Cat 1 suppliers Strategy milestones <p>Responsible Sourcing</p> <ul style="list-style-type: none"> % reduction target for ethical high risk suppliers % zero deforestation >30% recycled plastic content in X% of AB Agri packaging % reduction in finished product packaging <p>Animal Health & Welfare</p> <ul style="list-style-type: none"> Strategy milestones X AH&W red flags raised % compliance declaration completed for suppliers / research partners Zero exceedances of 8-hour transportation % reduction in in vivo trials <p>External Influenced / Influencing</p> <ul style="list-style-type: none"> % completed in X activities % completed in CSR activities <p>Customer</p> <ul style="list-style-type: none"> % completed in X activities <p>Growth in capability</p> <ul style="list-style-type: none"> % colleagues training to specialist level % colleagues trained to AB Agri standard

MEAURES become our ANNUAL Goal Charts in KN

GOALS become our long term Goal Charts in KN



Per Strategic pillar we can see volume of work per Business Unit contributing towards the pillar goals

Responsibility Programme – Board per nested OGSM

Business	AB Agri
Objective	Climate: Lead farming to net zero
Goals	Roadmap
	Net Zero Business Scope 1 & 2 Reduce our scope 1 & 2 emissions by 30% tCO2e/t prod by 2030
	Net Zero Business Scope 3 Reduce
	Product Environmental Footprint (PEF) Map product environmental footprints for every product sold by AB Agri.
	Managing Farm Ecosystems Develop new products and services to reduce emissions in Agri food products

Climate Strategic Pillars shown on KN Dashboard with activities within the pillar shown

Responsibility Board > Climate

Filters: + Add Actions

Responsibility Department: Priority: State: Location:

FY22/23 - Climate Goals

5% S1 & 2 reduction (tCO2e/t prod) 69%

% Compound Feed PEF Ready 79%

2030 - Climate Goals

30% S1 & S2 reduction (tCO2e/t prod) 11%

% Speciality Feed Ingredients PEF Ready 0%

(2) Scope 1 & 2 Emissions Reduction

Title	Priority	Due Date	Status	Responsible
	1-Rocks	31 Aug 2023	Active	AB Agri Responsibility
	2-Pebbles	31 Aug 2022	Active	R3, R4
	2-Pebbles	31 Aug 2022	Active	AB Neo Denmark

(4) Scope 3 emissions Reduction

Title	Priority	Due Date	Status	Responsible
	2-Pebbles	31 Aug 2023	Active	AB Agri Responsibility

(2) Product Environmental Footprints

Title	Priority	Due Date	Status	Responsible
	1-Rocks	31 Aug 2021	Active	AB Agri Responsibility

(5) Managing Farm Ecosystems

Title	Priority	Due Date	Status	Responsible
	1-Rocks	31 Aug 2021	Active	Intellync, AB Neo, ABN, AB Agri Responsibility, AB Vista, AB Dairy, Livalta

Activity Feed

Tuesday 09 May 2023

1:42 PM

1:42 PM

Friday 05 May 2023

Responsibility Programme – Board per nested OGSM

The screenshot displays a 'Responsibility Board' for 'Climate' with the following sections:

- FY22/23 - Climate Goals:** 5% S1 & 2 reduction (tCO2e/t prod) at 69% completion; % Compound Feed PEF Ready at 79% completion.
- 2030 - Climate Goals:** 30% S1 & S2 reduction (tCO2e/t prod) at 11% completion; % Speciality.
- (12) Scope 1 & 2 Emissions Reduction:** A table with columns for Title, Priority, Due Date, Status, and Responsible Party. It lists three items with priorities 1-Rocks, 2-Pebbles, and 2-Pebbles, all due by 31 Aug 2023 and in 'Active' status.
- (4) Scope 3 emissions Reduction:** A table with similar columns, listing one item with priority 2-Pebbles, due by 31 Aug 2023, in 'Active' status.
- (5) Managing Farm Ecosystems:** A table with similar columns, listing one item with priority 1-Rocks, due by 31 Aug 2023, in 'Active' status.
- (21) Product Environmental Footprints:** A table with columns for Title, Priority, Due Date, Status, and Responsible Location. It lists several items with priorities 1-Rocks and 2-Pebbles, due by 31 Aug 2023, in 'Active' status.

During Programme reviews with specific BU we filter using locations to show their activity in the Global Programme

We do not show all child activity on 1st load of Board, we drill down as required

Workstream leads can see feed of activity without the need to go into each item

Responsibility Programme – Supporting Boards

Responsibility Board > Responsibility Projects Pipeline

Filters + Add Actions

Locations

(0) Animal Health & Welfare

Responsible Locati...	Title	Key People	Responsibility Drivers	In Responsibility Pro...
No results matched your filters.				

(3) Climate

Responsible Locatio...	Title	Key People	Responsibility Drivers	In Responsibility Pro...
		Facilitator: Louise Groenewald, Sherri Lilley		
		Facilitator: KaiNexus CSM		
		Facilitator: Louise Groenewald, Sherri Lilley		

(0) Responsible Sourcing

Responsible Locati...	Title	Key People	Responsibility Drivers	In Responsibility Pro...
No results matched your filters.				

(0) Other

Responsible Locatio...	Title	Key People	Responsibility Drivers	In Responsibility Pro...
No results matched your filters.				

In Responsibility Programme:
To Be Decided x
Yes
No
To Be Decided

Programme
Supportment
Management
Effort)

Strategic Driven Summary

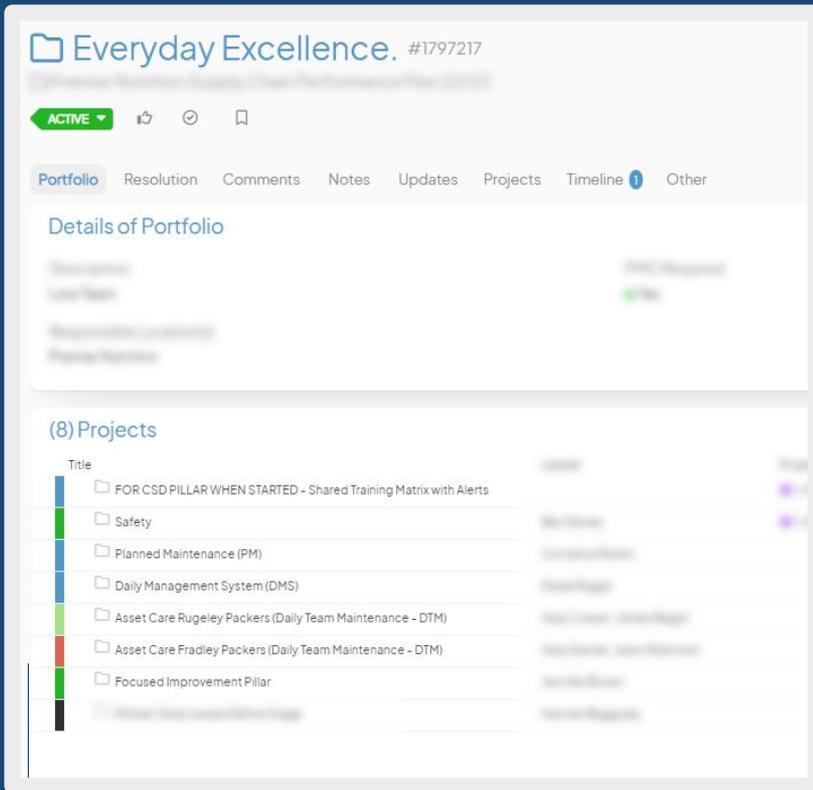
- Ensures consistent alignment back to OGSM that were approved by:
 - AB Agri Leadership Teams
 - Business Unit Leadership Teams
- Provides visibility of all activity and their impact towards the strategy and goals
- Fit for purpose light project governance
- Repeatable approach for other key strategic programmes

Improvement Driven – Lean Management System

Background

- One of our Business Units partnered with external Lean performance management system provider
- The provider did not have a digitalized management system
- BU already used KaiNexus for most Continuous Improvement activity.
- We restructured KaiNexus boards and projects to align to the external Programme structure

Improvement Driven – Lean Management System



- Created a “Portfolio” project – A “bucket” to contain the workstreams
- Created nested projects within the portfolio
- Moved all existing activity under the relevant pillar
- All new activity nested under relevant pillar

Improvement Driven – Lean Management System

Everyday Excellence - Focused Improvement Pillar >

Location

Locations - By Agr Ltd

Team Roles



KPI - FI Financials Totals

FY 2023 Actual - AVOIDANCE	FY 2023 Forecast - AVOIDANCE	FY 2024 Forecast - AVOIDANCE
FY 2023 Actual - SAVING	FY 2023 Forecast - SAVING	FY 2024 Forecast - SAVING
FY 2023 Actual - TOTAL	FY 2023 Forecast - TOTAL	FY 2024 Forecast - TOTAL

(21) FI Financials Assigned

Status	Title	FY23-Actual	FY23-Fcast YTD	FY23-Forecast	FY24-Forecast
Planned	FP - FIBC Fine Tuning Replication Opportunities				
Planned	RUG - FIBC Weighing accuracy - Replicator Opportunities				
Planned	Give overage away FOC if a full bag				
Active	Moving Nestle to R2				
Active	RUG FIBC Weighing accuracy - Threonine				
Active	R2 Overage Opportunities				
Active	FP - FIBC Fine Tuning Lysine				
Active	Change to Stitcher Thread				
Active	Overtime Reduction				
Active	Bulk Card Hours				
Active	Labour reduction				
Active	Bag Shortages				
Active	Gatehouse Labels				
Active	Find solution for AX transfer journals to be live				
Complete	Compressors shutdown				
Complete	FIBC 13 - Not Being Used				
Complete	FP - Compressor Off Between Nightshift & Dayshift				
Complete	R4 Compressor Shut off Over Weekends				

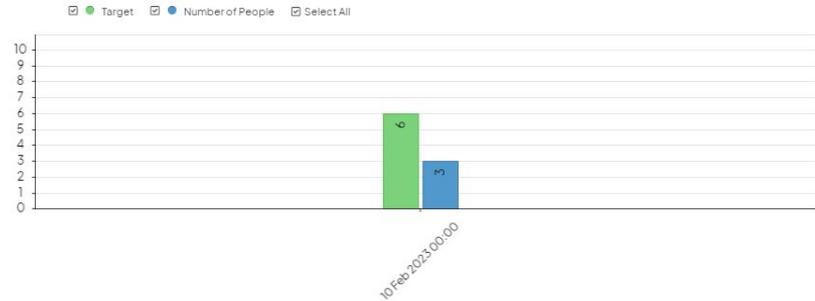
Card 2 of 3

Improvement Driven – Lean Management System

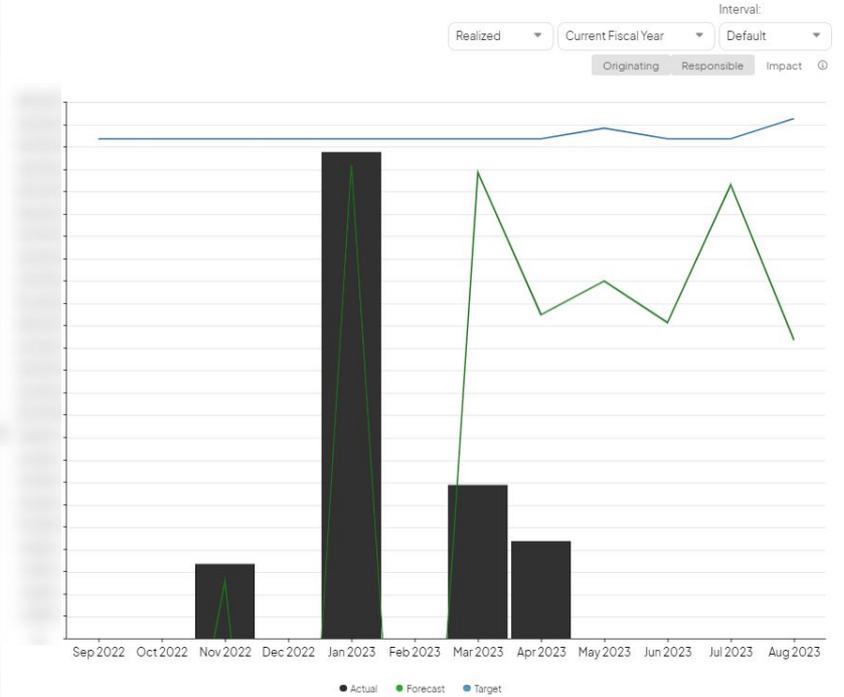
KPI - Percentage of Workforce Engaged in DMAIC Projects



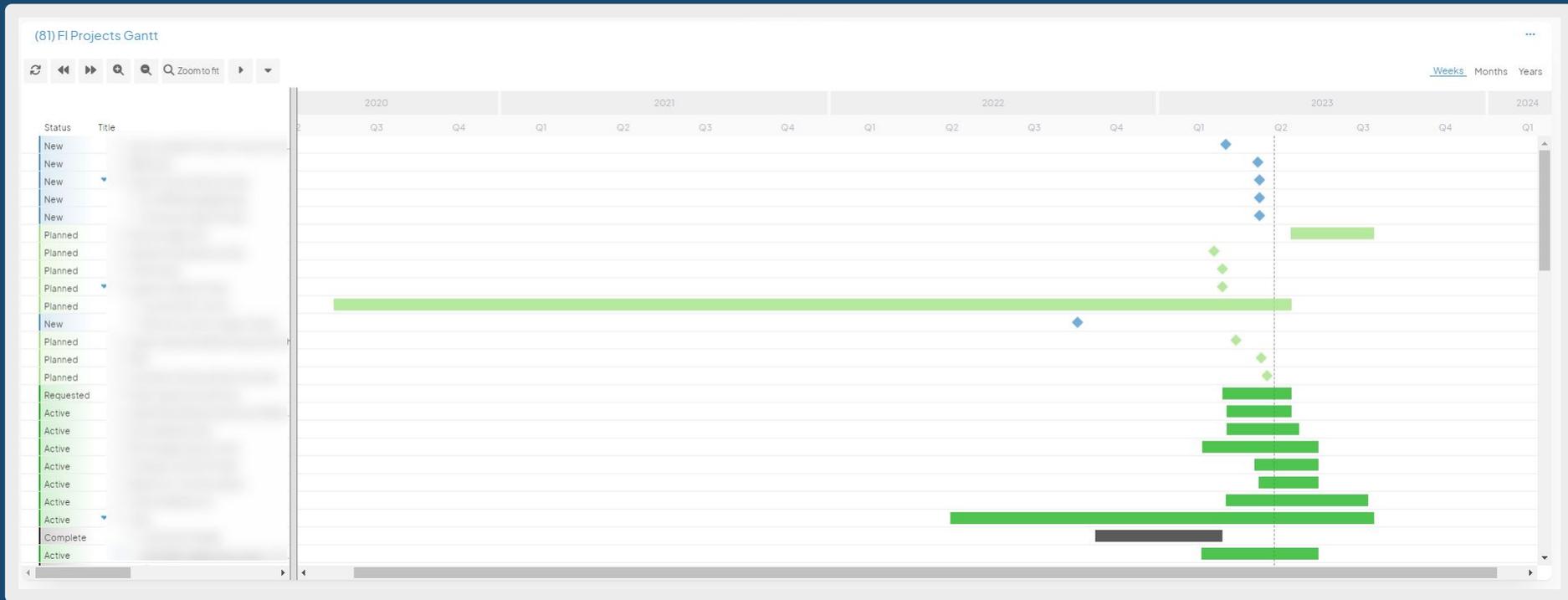
KPI - DMAIC Facilitators



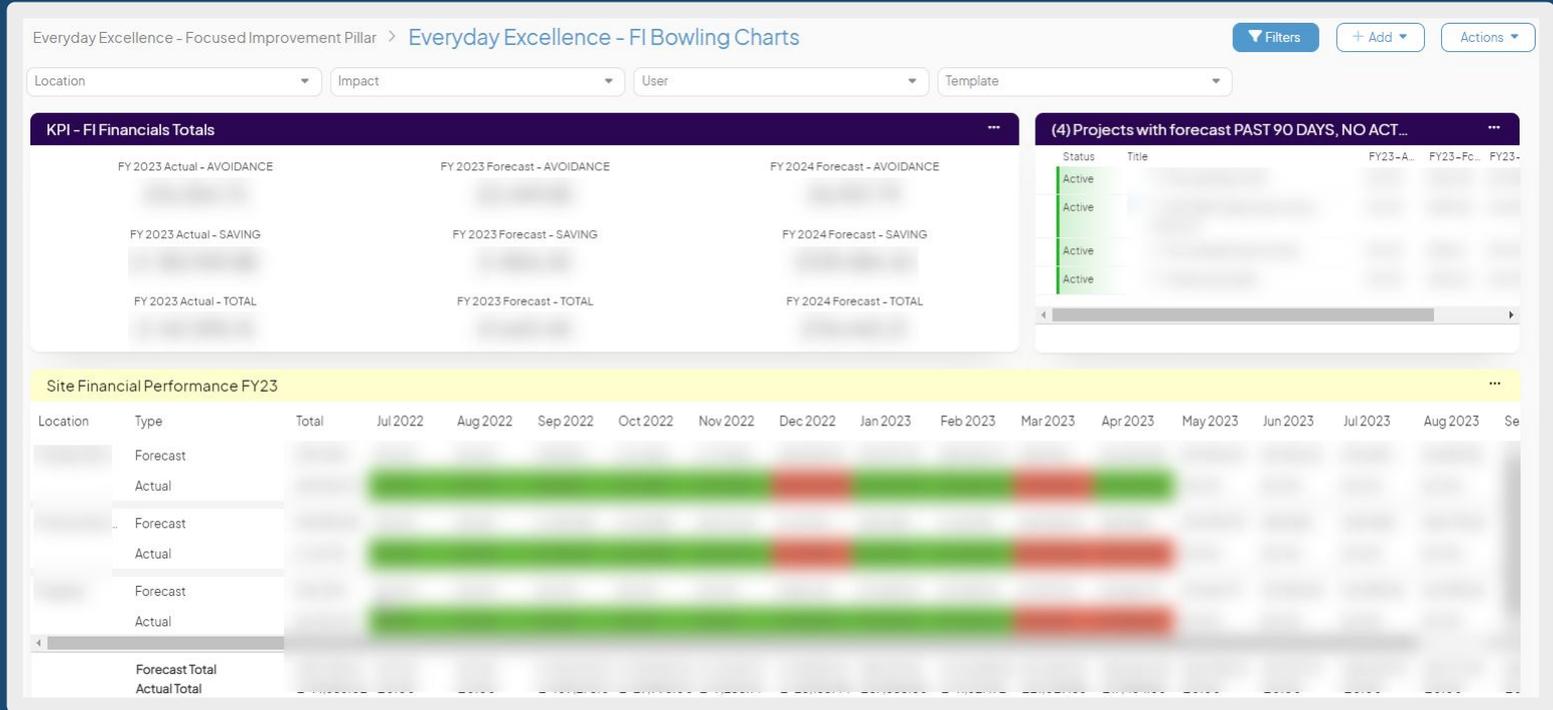
FI Impact Over Time



Improvement Driven – Lean Management System



Improvement Driven – Lean Management System



Improvement Driven – Lean Management System



Improvement Driven – Lean Management System

- Ensures consistent alignment back to external providers Programme
- Internal stakeholder management – Visuals to suit different leaders
- Provides visibility of all activity and their impact towards the loss opportunities
- Fit for purpose light project governance
- Repeatable approach for other lean management systems

Thank you for listening...

Q & A

