

# **Business Society and the Planet**

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## **Assessment 2**



## Part A- Business Values Assessment Report

1. The companies selected are:

**Nestle India** – Founded back in 1866, it is one of the largest known names in food and beverage sector with over 2000 brands. Paul Bulcke is the chairman and Ulf Mark Schneider is the CEO of the company.



**Airtel India** – One of the well known names in telecom industry with services ranging from 4G network, prepaid and postpaid plans etc.



2.

Particulars	Nestle	Airtel
<b>Values</b>	The nestle believes in not only creating the values for itself but also for all the stakeholders involved. CSV (Creating Shared Values) is what they believe in and work for the same.	Airtel wants to serve everyone across each sector and segment. It has three values that it strongly believes in, they are: 1. Alive 2. Inclusive 3. Respectful
<b>Approach</b>	They believe in creating CSV by: a. Focusing the issues that have maximum impact on the society as whole b. Carrying the business in ethical manner c. Building a very sound governance d. Contributing to 17 sustainable development goals e. Believing in collaborative partnerships	The company plan to achieve the same by: 1. Monitoring the needs of customers across segments and working on them. 2. Knowing the community it operates in by depth and breath. The ideology followed is “anticipate, adapt and deliver solutions” 3. The last and the best one. Follow humility, be open and honest and achieve mutual

		respect.
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3.

I)

Particulars	Nestle	Airtel
<b>Core Business Activities</b>	It produces a wide range of products in food and beverage category ranging such as: <ul style="list-style-type: none"> <li>• Tea</li> <li>• Coffee</li> <li>• Ice Cream</li> <li>• Pet Foods</li> <li>• Snacks</li> </ul>	It is the one of the major players in telecom industry. Some of the major business of the company are: <ul style="list-style-type: none"> <li>• Telecom provider</li> <li>• Fixed Telephone provider</li> <li>• Broadband</li> <li>• Subscription television services</li> </ul>
<b>Country of Operations</b>	With headquarters in Vevey( Switzerland), it does it business in almost 80 countries	Airtel operates in 20 more countries exclusive of India. They are clubbed under the name of 'Airtel Africa'. Some of the countries are: Niger, Uganda, Gabon etc.






ii)

Particulars	Nestle	Airtel
<b>Range of issues</b>	<ol style="list-style-type: none"> <li>1. Supply Chain Issues to reach each part of the world</li> <li>2. Difference in opinion of Nestle and their Supply</li> <li>3. Ban on Maggi which lead to loss of image in the market</li> <li>4. Demand of nutritive foods items by customers as a result of awareness in the health among masses</li> </ol>	<ol style="list-style-type: none"> <li>1. It has over 30000 crore debt with them and repayment would be a big issues going forward.</li> <li>2. Entrance of competitors with lower prices and better technology</li> <li>3. Network issues across the globe which questions the quality provided by the service provider</li> </ol>
<b>Depth of Coverage</b>	<ol style="list-style-type: none"> <li>1. By building an efficient network of supply chain and handling it properly</li> <li>2. Talking and negotiating with the suppliers and distributors</li> <li>3. Building a new brand building strategy</li> <li>4. Change in the ingredients used in the products</li> </ol>	In order to combat the competition, the approach followed by the company is diversification and collaboration. It is trying out hands on different products such as mobile phones etc. Also, the company is trying to get into partnership with different companies and provide a better combined value to the customers.

		The company is trying to project itself as the one that provides quality services rather than low cost services in recent times.
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iii)

Particulars	Nestle	Airtel
<b>Sustainable Goals</b>	<p>Nestle mainly supports 3 sustainable goals by the UN, they are:</p> <ol style="list-style-type: none"> <li>1. Providing a good health and a well being to each and every individual of the world</li> <li>2. Investing in the young population of the world in order to build a better tomorrow</li> <li>3. Next focuses on clean water and sanitation. Proper usage and recycling of water resources. In addition, provide safe access to water to the public.</li> </ol>	<p>Back in 2015, the Airtel drafted their ‘Sustainability Plan 2020’ which draw a blueprint of their sustainability goals. They are:</p> <ul style="list-style-type: none"> <li>Doubling their Mobile Base Transmission Stations by 2021</li> <li>Investing over US \$ 10 billion dollars to improve the infrastructure</li> <li>Approximately invest 2% of their net profit of last 3 financial years in CSR and social development activities by 2020</li> <li>Giving amount worth rupee 3 billion to their own foundation ‘Bharti Foundation’ for the development of young minds between years 2015 and 2020.</li> </ul>

 <p><b>Nutrition, health and wellness</b></p> <p>192 billion Number of servings of fortified foods provided worldwide</p> <p>8041 Number of products renovated for nutrition or health considerations</p>
 <p><b>Rural development</b></p> <p>760 000 Number of farmers supplying directly to Nestlé</p> <p>10 950 Total number of Tier 1 suppliers audited from 2010-2015</p>
 <p><b>Water</b></p> <p>41.2% Cumulative reduction since 2005 of direct water withdrawals per tonne of product in every product category</p> <p>7.7 million m<sup>3</sup> Quantity of water in our operations either recycled or reused</p>
 <p><b>Environmental sustainability</b></p> <p>42.7% Cumulative reduction since 2005 of greenhouse gas (GHG) emissions</p> <p>105 Number of factories achieving zero waste for disposal</p>
 <p><b>Our people, human rights and compliance</b></p> <p>6049 Number of work opportunities offered to young people by Nestlé in Europe</p> <p>34% Percentage of women holding leadership roles</p>

**Nestle**

iv)

Below the quality of the two companies have been discussed based on ZADEK et. al. 1997 eight parameters of social accounting. Parameter in which category specifies to what extent the mentioned parameter has been conformed and contributed to the best practices across. The parameters are: inclusivity, comparability, completeness, evolution, management policies and systems, external policies and continuous improvement.

<b>Particulars</b>	<b>Nestle</b>	<b>Airtel</b>
<b>Inclusivity</b>	AA	AAA
<b>Comparability</b>	A	A
<b>Completeness</b>	BB	AAA
<b>Evolution</b>	AAA	AA
<b>Management policies and systems</b>	BB	BB
<b>External policies</b>	B	B
<b>Continuous Improvement</b>	A	AA

v)

Extend to which the social reports by these companies reflect their stated values:

### **1. Nestle**

The company has very well stated their values in their sustainability report. In the very first page, the company mentions 'Creating shared values and inspiring happiness' which is the major theme. Then all the major leaders across the company give their message about their view of sustainability. The company has not just talked about their values in theory but also in practical terms. They have provided several instances across various countries about the how the company is trying to achieve in what they believe in. They have equally spread their focus 3 sustainable goals they are trying to focus on.

### **2. Airtel**

The Airtel has all very well communicated their values in their report. Since the company believes in connecting each, it has very well illustrated the same through an image on the very first page. The company has used what how and why approach to tell about their sustainability goals. Also, the company has talked about what the company has achieved in terms of sustainability by talking it in numbers. Also, it has used a pictorial representation in order to convey the message which is very good in order to keep the audience engaged. The next best thing is everything is talked in terms of numbers which helps the measure the progress of the company. Various KPI's have been used in order to track the progress of the company towards its future map of sustainability.

vi)

### **Conclusion by the group:**

Each one was of the view that the business should be no longer is just restricted to making profits but making a better place. The idea was to work for the future rather than just the present. In other words, give back to the society as much or more than is taken away from them.

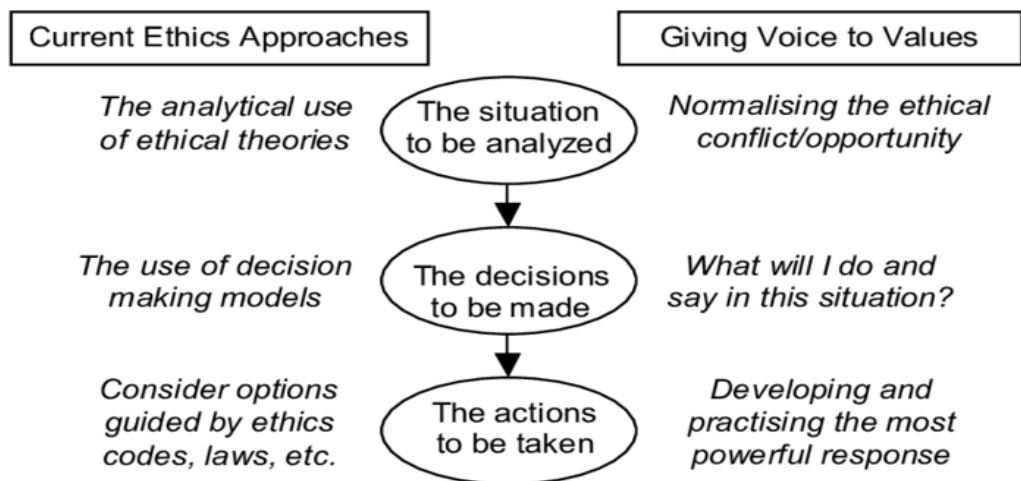
Some of us were of the view that the one should be done through by providing better and appropriate products and services to the society. But some of us deferred by saying that since the company has capability and resources; it should go out of the way in order to help the society be a better place. At last, we agreed that the second is the best and this is what both the companies are doing. Nestle to a larger extent but still the Airtel is doing by providing the improved version of their own services.

Second point was the sustainability should be measured. Some believe that it should be done as much as possible but some felt that the results should actually be measured. Finally, we concluded that it should actually be measured in order to know whether the company is successful in bring the change or not. The Airtel strongly believes in measuring the each step it takes and hence it has incorporated various metrics in place in order to measure the same. While Nestle believes in doing as much as possible, it has done a lot of things and also clear about what the company is trying to achieve through the same but it fails to measure if they are actually successfully in bring that change or not.

**Part B: Application of GVV Framework- Scenario Development, Script Development and Online presentation**

GVV framework is nothing but to drive the leadership with the help of values associated with them. It stands for ‘giving voice to values’ The Company should not have the values in their reposts but should follow what they actually believe in. It has four part associated with it: (K Mint,2013)

- Moral Awareness- Circulating knowledge about what is right and what is wrong
- Moral Decision Making – Taking those decisions which are not just right for the company but everyone who is associated with the company.
- Moral Intent- To provide product and services which are best in quality as well having a idea of going out of way to help the society.
- Moral Action- To help the society in which ever the way it possible.



**GVV framework for Nestle:**

It can be started by asking are the products they are giving to the society best for their own consumption? Second question would be are they really focusing on the shared values ideology? Is their work creating the values for the stakeholders involved including the society and the environment?

This can be created in terms of a questionnaire and circulated to each and every employee in the organization ranging from the sales person to the top leadership.

Second, the primary research needs to be carried out on how the company is viewed by the people in terms of the products it provides the customers. Do they actually trust the products in terms of safety and nutrition?

Next, giving weight age to the both a matrix should be prepared how to the company is performing in terms of different parameters. Then next the areas of improvement must be analyzed in detail, in other words, where the scope of improvement.

Next and the most important part is the implementation part. How the company can actually bring a change? Here the two very things come in to the play, one how the company can bring the change and the second how the change has actually bring brought.

After drafting the strategy for the change, various metrics needs to bring in place about how the changes would be continuously monitored on different phases. They should be checked at the regular intervals in order to bring the picture in the place.

#### **GVV framework for Airtel:**

Airtel is a business which operates on minimum profits and hence, it is very difficult to be ethical in the same. In addition, recently it has faced many allegations on the type and the quality of services it provides to their customers. Hence, now it is time for the company to adopt GVV. The ideal way to do the same for Airtel is to imbibe the values in the employees of the company through:

1. Teach each employee in the company what are the values of the company through training programs. This should hold true for both lateral as well as freshers.
2. To respect and understand each of the colleague in the company. To see each situation from two perspective, one from yours and other from the colleague.
3. Conflicts and clashes are very common in workplace where each one has their way of doing things. Accept it in constructive manner rather than destructive manner.
4. Prompt responses to each situation should be prepared especially when the telecom industry is changing so quickly
5. The last and most important one is to communicate each decision taken by the company very effectively. This is the mostly something that the top leadership should focus on. Since the company is going through a lot of changes strategically. It is of utmost important that each stakeholder both internal as well as external should be aware about the same.

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