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**FOOD and BEVERAGE SECTOR WICI-KPIs  
proposed by WICI Europe  
in collaboration with OI–WICI France**

The objective of this project is to identify Intellectual Capital (IC) / Intangible KPIs in the Food and Beverage industries.

The starting point for the identification of KPIs for the Food and Beverage sector is the model sketched here after (see Figure 1), which shows how intangibles are linked to the value creation process. To achieve this objective, it is necessary to define the processes of the Food and Beverage industries;

The top section of the proposed model presents the ideal-typical value chain for companies operating in the Food and Beverage sector. The model highlights the five core competencies / Focus which are “*critical success factors*” across the Intellectual Capital categories.

1. ***Talent***
2. ***Nutrition / Healthcare***
3. ***Customer Relations***
4. ***Flexibility and adaptability***
5. ***Execution***

The inner part of the model presents the main relationships between the core competencies / critical factors and the value chain activities explained in a five schema process.

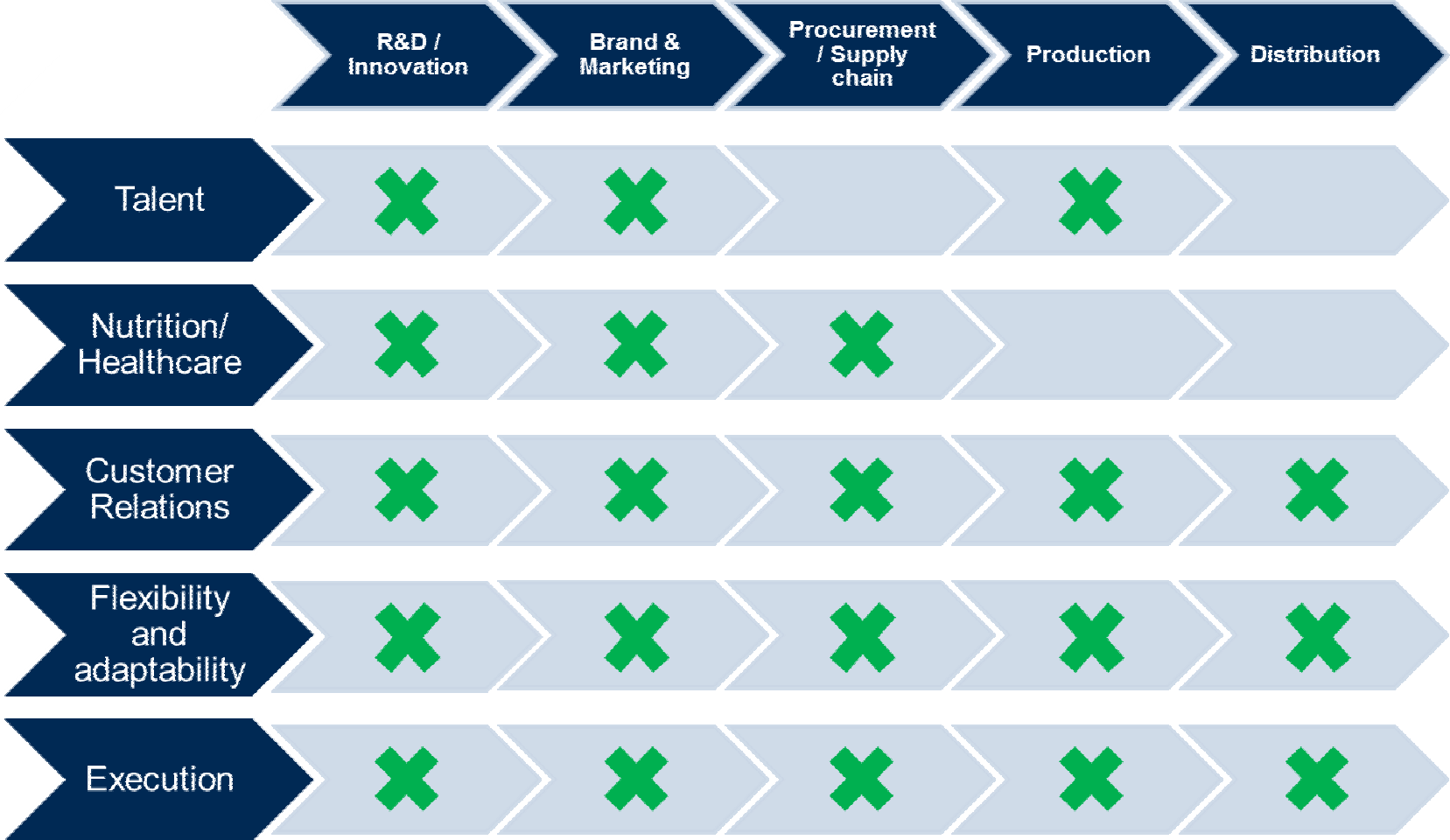
1. ***R&D innovation***
2. ***Brand & Marketing***
3. ***Procurement & Supply chain***
4. ***Production***
5. ***Distribution***

Not all the critical factors have the same degree of importance in the value chain. Disclosure of too many KPIs is problematic, because it distorts and undermines the strategic and substantive significance / implication of each KPI, while potentially misleading users. Therefore, every company should choose a certain number of real ‘key’ indicators for its own value creation mechanism. On the other hand, WICI-KPIs, which include a wide-range of indicators for companies to choose from, recognizing that what is relevant for one company to disclose may be very different for another company.

The strength of the model lies in its ability to display the critical areas to be investigated and measured through the proposed KPIs along the entire Food and Beverage sector value chain. The basic premise is that a certain activity in the value chain is contingent upon a specific set of core competencies / capabilities, which in turn is driven by a pool of intangibles, each of which (as not measurable *per se*) is approximated in terms of measurement by a certain number of KPIs. In this way, different perspectives of analysis can be provided, since each KPI can be diversely weighted in a company’s analysis depending on the KPI’s importance in that company’s value chain. For each of the IC-linked core competencies / critical success factors in the Food and Beverage industry a list of KPIs is identified.

The list of WICI-KPIs contains **38 KPI’s**. It distinguishes the WICI-KPIs for Food and Beverage between those that are strongly recommended (“**21 Frequently used**”) and those that are simply suggested (“**17 Nice to have**”). Each KPI is also connected to one of the three Intellectual Capital area (e.g. **Human Capital, Organisational Capital and Relational Capital**). We provides also some indications on the formula to utilize for the calculation of each WICI-KPI (“KPIs formula”) as well as on the characteristics of the measurement unit (e.g. number, percentage, value, trend, etc.). We also precise if the KPI’s are **Risk** and/or **Opportunity** oriented. We finally checked the **degree of availability** of data, even partially, among 12 large Food & Beverage listed companies part of the Stoxx 600’s European indice in 2018 (public reporting, data collected via Bloomberg only, at least partially).

# FOOD & BEVERAGES VALUE CHAIN- MAIN FOCUS



## HUMAN CAPITAL (13 KPI'S – 7 “MUST HAVE” + 6“NICE TO HAVE”)

KPI's	FOCUS	KPI's Formula	Risk/ Opportunity	Suggested relevance	Bloomberg coverage (%)	
1	Employee commitment index	Execution	Existence of a global and regular employees survey? Yes/No Employee survey results (Key drivers, % of participation and dynamics)	Risk	Frequently used	0%
2	Absenteism	Execution	Average absence hours per employee./year	Risk	Frequently used	0%
3	Staff turnover rate among employees, new employees & high potential employees	Execution	Number of employees who left the company during the year on the total workforce at the beginning of the year	Risk	Frequently used	42%
4	Glass Ceiling reduction	Execution	Share of women in top mgmt vs general	Opportunity	Frequently used	50%
5	Glass Ceiling reduction	Execution	Remuneration ratio between CEO and median pay in the firm (only european employees data for european corporates)	Risk	Frequently used	100%
6	Employability	Execution	% of trained employees	Opportunity	Frequently used	58%
7	Working accident (frequency and severity)	Execution	Lost time accident/ 1 million worked hours and lost days /1000 worked hours), including contractors.	Risk	Frequently used	67%
8	Attractivity	Talent	Position in students and managers annual employer ranking survey	Opportunity	Nice to have	0%
9	Mngt/Employee share ownership	Execution	Percentage of stocks of company owned by employees/ management; % of employees having shares	Opportunity	Nice to have	100%
10	Employability	Execution	Average age	Risk	Nice to have	33%
11	Attractivity	Talent	Nb of adequate CV received	Opportunity	Nice to have	0%
12	Annual career review rate	Talent	% of employees having received an annual review	Opportunity	Nice to have	0%
13	Internal mobility	Talent	Share of positions filled internally (Executives, intermediary management, global)	Opportunity	Nice to have	0%

## RELATIONAL CAPITAL (14 KPI'S – 8 “MUST HAVE” + 6 “NICE TO HAVE”)

	KPI's	Focus	KPI's Formula	Risk/ Opportunity	Suggested relevance	Bloomberg coverage (%)
14	Innovation	Customer relation & nutrition	% of sales in product launched in the past 1-2-3 years	Opportunity	Frequently used	0%
15	Brand: value, awareness, preference...	Customer relation	Loyalty to a specific brand Amount spent on brand recognition	Opportunity	Frequently used	0%
16	Client portfolio concentration	Customer relation	% of turnover with top 5 clients (Walmart, Carrefour, etc.)	Risk	Frequently used	0%
17	Customer satisfaction / Net promoter score	Customer relation		Opportunity	Frequently used	0%
18	Digital advertising spending	Customer relation	% of expenses on digital media	Opportunity	Frequently used	0%
19	% of product with nutrition labels	Nutrition	% of product sold with a responsible consumption logo/label ( ex Nutri-score, etc)	Opportunity	Frequently used	0%
20	% of organic products	Nutrition		Opportunity	Frequently used	0%
21	% of “healthy” products	Nutrition	No GMO, no nanotechnologies, no alcohol for beverage companies	Opportunity	Frequently used	0%
22	Nutrition research programs/ Nutrition research budget	Nutrition	number of nutrition programs/ % of sales covered by nutrition program	Risk	Nice to have	0%
23	R&D/Innovation	Customer relation & nutrition	% of new products launched after integration of nutritional research Online sales	Opportunity	Nice to have	0%
24	Client loyalty /repeat purchase	Customer relation	% of clients part of loyalty programmes / identified as repeat customers	Opportunity	Nice to have	0%
25	Marketing training	Customer relation & nutrition	% of marketing teams trained on responsible marketing, etc	Opportunity	Nice to have	0%
26	Reputation index/External image	Customer relation	Food waste awareness/actions	Risk	Nice to have	0%
27	E-reputation/ Millennials specificities	Customer relation	Number of followers, likes, on social media	Risk/Opportunity	Nice to have	0%

## ORGANISATIONAL CAPITAL (11 KPI'S – 6 “MUST HAVE” + 5 “NICE TO HAVE”)

KPI's	Focus	KPI's Formula	Risk/ Opportunity	Suggested relevance	Bloomberg coverage (%)	
28	Strategic axes & level of management	Flexibility & adaptability	Number of level of management (5,6,7..)	Risk	Frequently used	0%
29	Safety	Execution	% of production sites certified GFSI, % of production plants covered by HACCP methods	Risk	Frequently used	0%
30	Suppliers relationship	Flexibility & adaptability, Execution	Length of duration for key suppliers (nb of years)	Opportunity	Frequently used	0%
31	Number of recalls	Execution & Customer relation	% of volume, costs	Risk	Frequently used	0%
32	Children marketing policies	Execution & Customer relation		Risk	Frequently used	0%
33	Cybersecurity	Execution	Cybersecurity in % of total IT Expenses, specific employee trainings	Risk	Frequently used	0%
34	Local production rate/ local content rate	Flexibility & adaptability, Execution	% of local sourcing	Opportunity	Nice to have	0%
35	Suppliers relationship	Flexibility & adaptability, Execution	Average terms of payment	Risk	Nice to have	0%
36	Dependence rate from key suppliers	Flexibility & adaptability, Execution		Risk	Nice to have	0%
37	Supply chain digital strategy	Flexibility, adaptability, Execution	Capex, logistics costs as a % of sales	Risk	Nice to have	0%
38	Raw materials traceability/ sustainability	Customer relation	% of purchasing volume under ESG/safety audits	Risk	Nice to have	0%

## About the Observatoire de l'Immatériel (OI) – WICI France

OI – L'Observatoire de l'Immatériel was founded in 2007 and is the official French jurisdiction for the “World Intellectual Capital / Assets Initiative” (WICI Global), the global Network for business reporting, and for the “World Intellectual Capital / Assets Initiative Network for Europe” (WICI Europe). <http://observatoire-immateriel.com/>

As of January 2019, **people and organisations** who have contributed to the preparation of the document “*Food and Beverage Sector KPIs*” are:

Aurélie Baudhuin	Meerschaert AM,
Jean-Philippe Desmartin	Chairman of WICI Europe, Observatoire de l'Immatériel, Edmond de Rothschild AM
Léa Dunand-Chatellet	DNCA Finance
Alban Eyssette	Observatoire de l'Immatériel, SFAF, Ethiea Gestion
Maud Fouilloux	Observatoire de l'Immatériel, Roche Brune AM
Valery Lucas Leclin	Beyond Rating
Clémence Moullot	Edmond de Rothschild AM
Alban Préaubert	Sycomore AM
Collective Contribution	WICI Italy
Feedbacks from corporates:	Danone, Nestle and Wessanen