



Change leads to success

How Danone Nutricia Early Life Nutrition embraced its transformation

Most of us have heard of Danone. Or if we haven't, we're likely to have heard of some of its brands. The food company owns the bottled waters Evian and Volvic, yoghurt Activia, and baby foods brands Cow & Gate and Aptamil, among numerous other food, drink and medical products.

The Spanish multinational, which was founded in 1919, has four major business lines (or subsidiaries): Fresh Dairy Products, Waters, Medical Nutrition and Nutricia Early Life Nutrition, operating across over 140 countries.

The latter of these organisations, which, until 2013 was known as Danone Baby Nutrition – like the other three subsidiaries – is an autonomous country business unit, responsible for its own profit and loss.

It has also been ranked a Best Workplace™ in the Medium Category since 2012, making it a Laureate of the Best Workplaces™ ranking, and has seen improvements in both its Culture Audit® and Trust Index® scores* throughout that period.

SUMMARY

Danone Nutricia Early Life Nutrition is one of four subsidiaries comprising household-name food and medical products multinational, Danone Group. In 2014, the business changed its name and its mission from a focus on baby nutrition into the new market of catering for nutrition over the first 1,000 days of a baby's life, including during pregnancy.

This meant a change in strategy, job roles, education and organisational structure over a six-year period to 2020, which the company is still in the process of. It has also taken place during ongoing changes in strategy across the wider Danone Group.

By focusing on open, honest communication both at a company-wide and group-wide level, Danone Nutricia Early Life Nutrition has been able to engage the workforce in both the current changes and the future direction of the company. It's also continued a ten-year run of record financial growth in a competitive market, and ensured its continued status as a Best Workplace™, with ongoing increasing scores in the ranking to match.

But these successes have not happened despite the changes, they have happened because of them. The business is constantly evolving, innovating and striving to do better, and it's these changes that lead to success.

* The Culture Audit® and Trust Index® employee survey are tools used by Great Place to Work® to evaluate an organisation's culture.

A shifting core purpose

This success has come during a period of huge flux for the business, one of the biggest changes in its recent history. In 2013 and 2014, the business evolved from one focused purely on baby nutrition (through formula products) to one focused on early life nutrition (from birth to toddlerhood – or the first 1,000 days). This meant a new name, new mission, and entering new markets, such as products for pregnant and breast-feeding women.

“We’ve always been a baby and nutrition company,” says Liz Ellis, HR Director. “But the transformational journey has been about recognising that this does not just mean offering products and services but is about the way the whole business is set up, how we organise ourselves and the impact we have on society.”

New business strategy

In practice this has meant launching a rolling five-year business mission and strategy in 2014 based on the company’s mission – ‘because nourishing early life today really matters for tomorrow’ – which doesn’t have a commercial goal. This strategy is refreshed each year to ensure it keeps step with the ongoing changes in the industry and birth rates, meaning the business has had to move quickly to understand the new categories it operates in, the science behind early life nutrition, create new partnerships, educate the population and influence early years policy at a governmental level.

This strategy fits into the Danone Group’s wider goal – One Danone. By 2020 the Finance, HR and Corporate Affairs departments across all businesses globally will create regional business services clusters in order that even the smallest country business units can benefit from the expertise and support of the larger businesses. In some cases this means job descriptions will change and headcounts may alter as employees move into a shared services business.

Wider multinational goals

This goal is reinforced by the overarching Danone Group mission – ‘bringing health through food to as many people as possible’, and in 2015, this mission was extended into the Danone Manifesto – an internal document that aims to capture the beliefs and commitments of the Group.

“The Danone Manifesto was launched as an internal communication by the Group CEO Emmanuel Faber, and we have spent the time since then discussing it among ourselves and understanding what it means for each of us in our different countries and businesses,” Ellis says. So, rather than following the manifesto to the letter, Danone Nutricia Early Life Nutrition – like other companies in the Danone family – considers how it is relevant to the particular business, and how it can be used to achieve its own aims, which are not just thinking about products and services but how the business engages with consumers and society.

“It means thinking about not just nutrition, but the whole experience of food that babies have, thinking about our societal impact and the environmental impact,” Ellis says. “It’s about bringing everything together.”

These multinational-wide goals translate within Danone Nutricia Early Life Nutrition to the evolution of the Medical Sales Function into ‘Healthcare Nutrition Solutions’, with all the associated reshaping and reskilling of the salesforce around the changing set-up and needs of the NHS which came with that. Team members have become more autonomous and act as account managers creating their own business plans. But the changes have also meant some redundancies.



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Early Life Nutrition

Benefits of trust and engagement

The success of both Group-wide and company-wide transformations has relied upon active communication and an engagement programme led by executives across the whole business. “The company is committed to providing employees with information on matters of concern to them on a regular basis, so that the views of employees can be taken into account when making decisions that are likely to affect their interests,” reads the ‘Employee Involvement’ section in Danone Nutricia Early Life Nutrition’s financial report.

Ellis adds: “What we have found, particularly with difficult things to work around – like redundancy situations – is that high levels of trust and open engagement really show their benefits. We have been able to talk to teams here about what is happening, why things are changing and bring things to a place where everybody can see and understand what we are trying to achieve for our business. It’s a history of openness, transparency and high engagement that has helped us to get through difficult situations.”

This engagement has been driven by a “very strong internal communication programme”, which includes sharing all feedback from the company’s Best Workplaces™ submission. “We have built and refined this over the years and now have an interesting mix of face-to-face and digital communications platforms,” Ellis says. The entire group also has ‘Danone Days’ in which teams discuss the overall strategy, and Danone Nutricia Early Life Nutrition has invested in coaching and education programmes across the business to improve understanding of the business’ goals and markets, and engagement as a result. All programmes lead back to the Danone Group’s four core values of humanism, openness, proximity and enthusiasm.

Improved bottom line

It’s been a huge success. As well improvement in Culture Audit® and Trust Index® scores, particularly in the area of communication, Danone Nutricia Early Life Nutrition has continued to experience strong financial growth. “That is a real achievement in food, which is a very competitive marketplace,” Ellis says.

But the success hasn’t come despite the transformations, Ellis says, it’s come because of them. “We are a business that is constantly evolving, innovating and striving to do better and it’s those changes that lead to our success,” she says. “So we are working collectively on how we can engage with each other. It’s a lot of work but it is work that we feel inspired to do and they are changes we’re making to make ourselves better.”

The changes that Danone Nutricia Early Life Nutrition and the continued financial success have not come at the expense of each other. By focusing on having a core purpose at the heart of all engagement and communications programmes, the company has been able to create a culture in which the workforce is empowered to make a success of the business.

And by ongoing work with Great Place to Work® as a Best Workplace™ and acting on the feedback that this brings Danone Nutricia Early Life Nutrition, the company is able to ensure its processes of change remain both ongoing and positive.

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KEY LEARNINGS

- ✓ Open and honest communication through a variety of channels is absolutely essential for any business transformations to be successful. Feedback should be encouraged.
- ✓ Such communication should serve the purpose of engaging the workforce, particularly during periods of change.
- ✓ Business strategies – particularly across large companies – should be clearly communicated and linked to the company's core mission or purpose, and the entire workforce needs to know where they fit into them.
- ✓ Change should not be considered a necessary evil for businesses to go through but a continuous purpose of improvement that is in the business' best interests.

ABOUT DANONE NUTRICIA EARLY LIFE NUTRITION

Headquartered in Wiltshire and employing 178 people, Danone Nutricia Early Life Nutrition in the UK runs the main operations of sales and marketing, with a supply chain team importing products from Danone Nutricia Early Life Nutrition's manufacturing plants within Europe, predominantly in Ireland. It operates three major brands in the UK – Cow & Gate, Aptamil and Nutrimum – and the strength of the first two means it is number one in the infant formula and follow-on milk market with more than 80% of share. Main customers include grocery retailers, small convenience stores and pharmacies. The company also supplies specialist milks to hospitals for premature babies and babies with allergies.

About Great Place to Work®

Great Place to Work® UK is a consultancy specialising in workplace culture, helping organisations to create exceptional, high performing workplaces where employees feel trusted and valued. We help employers improve recruitment, retention and productivity by putting employees at the heart of the organisation, analysing what they think and feel and identifying the real issues that need to be addressed. Part of a global organisation, we apply data and insights from approximately 10,000 organisations across the world to benchmark individual performance and advise employers on how to continuously improve employee engagement and wellbeing and so help build and sustain business performance. We run the Best Workplaces™ awards to enable the organisations we work with celebrate their achievements, build their employer brand and inspire others to take action. We share our learnings through our research and publications at national, regional and global level, as well as through conferences and events.

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