



Craft Beer Challenge 2016

The frontier of supply chain, innovation and sustainability

New Hire



Background You just joined AB InBev's MBA Class of 2018 to work in the Global Procurement Office and lead our craft procurement strategy



And many more

Welcome! We are excited to have you on board to tackle our craft beer challenge



The Craft Revolution

Volume Share – U.S. Craft Brewers



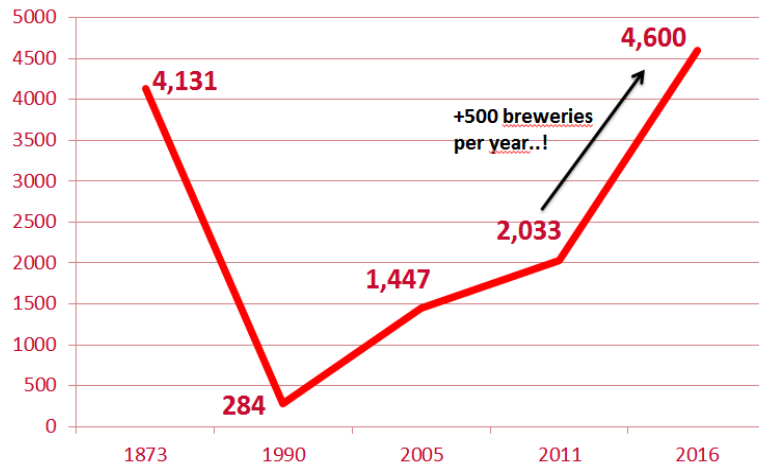
Can this growth continue?

U.S. Beer Sales Volume Growth 2015



Source: Brewers Association, Boulder, Co

of Breweries in U.S.

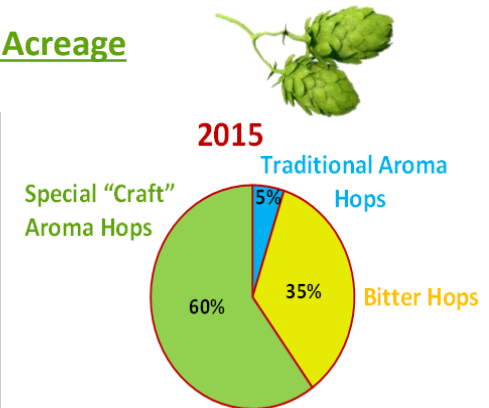
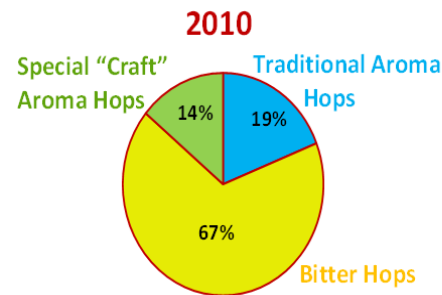


➤ # of breweries in U.S. has been growing from less than 300 to 4,600 in the last 25 years

Craft is Disrupting our Supply Chain – e.g. Hops

➤ A lot of craft beers use 40-50x more hops vs. a regular lager beer

US Hop Acreage



Special "Craft" Aroma Hops → + 46%
from 12,700 ha in 2010 to 18,542 ha in 2015

Meet 5 of our Craft Brewers

Jack



My hops are too expensive. I want access to more new and exciting hops varieties that may be geographically far away. How can I sustainably buy my hops? Is the hops industry big enough to support the growth of crafts worldwide?



Samuel



I want to export my craft beers to new markets, should I first target Europe, Latin America or Asia? How can I expand regionally, nationally and/or internationally when other AB InBev Craft brands have similar/competitive beer portfolios?



Olivia



I am working with a non-AB InBev bottle supplier and I encounter a lot of quality problems, can you help? Also, I read cans provide incremental opportunities by filling occasions that bottles don't, how should I take that into consideration?



Alexander



I am concerned by the mix of AB InBev's culture and the craft industry's culture, how can I maintain my brand identity as a craft (local) brewer post-integration with AB InBev?



Michael



A NGO from the neighborhood asked me to partner up to make the world a better place, can you help me build a Better World strategy and set realistic goals?



Your mission – Take our craft brewers to the next level

PART 1 Choose **one** of the 5 issues faced by our craft brewers from previous slide, and provide a global strategy + execution plan for it

PART 2 Answer **one** of the 3 strategic questions below:

1. How do AB InBev's core business and recently acquired craft breweries add value to each other? Describe the synergies.
2. How should we balance craft brewers' full integration with AB InBev versus their desire for freedom and identity?
3. Should AB InBev continue to invest in craft breweries in the US and abroad (internationally)? If yes, how much is too much? If no, where or how should AB InBev invest instead?



AB InBev



Operations in **26** countries



Sales in **100 +** countries

Revenue of
43.6 billion
USD in 2015

EBITDA of
16.8 billion
USD
in 2015



152,000
colleagues
worldwide

19

1 billion* USD
BRANDS

*Estimated retail sales value

Dream – "Dreaming big or small takes the same amount of energy. So dream big but stay humble", *Carlos Brito*

People – "The best way to develop people is to constantly get them out of their comfort zone", *Carlos Brito*

Culture – Our culture not only defines who we are, but also provides the energy and the focus to drive forward and achieve our Dream to be the Best Beer Company Bringing People Together for a Better World



10 Principles



Our shared dream energizes everyone to work in the same direction to be the:
**Best Beer Company
Bringing People Together
For a Better World**



Our greatest strength is our **people**. Great People grow at the pace of their talent and are **rewarded** accordingly.

We recruit, develop and retain people who can be **better** than ourselves. We will be judged by the **quality** of our teams.



We are **never completely satisfied** with our results, which are the fuel of our company. Focus and **zero-complacency** guarantee lasting competitive advantage.



The consumer is the **Boss**. We serve our consumers by offering **brand experiences** that play a meaningful role in their lives, and always in a responsible way.



We are a company of **owners**. Owners take **results personally**.

We believe **common sense** and **simplicity** are usually better guidelines than unnecessary sophistication and complexity.



We manage our costs tightly, to free up resources that will support sustainable and profitable **top line growth**.



Leadership by personal example is at the core of our culture.
We do what we say.



We never take **shortcuts**. Integrity, hard work, quality, and responsibility are key to building our company.

Procurement at AB InBev – Some of our recent MBA graduates' projects

Flavors – Kimberley Montgomery

Improving the taste of our near-beer products by working with technology start-ups

MBA from Insead



Renewable Energy – Sarah-Lorraine Wolff

Executing a sourcing strategy to work with 100% renewable electricity in Mexico – for a better world & cost savings

MBA from CUHK



Talent Acquisition – Jorge Cobian

Designing a leadership development program (LDP) to attract and develop agronomy talent in Mexico

MBA from University of Florida



Packaging – Jason Stamm

Bringing direct printing technologies to replace labels on cans and bottles

MBA from Duke Fuqua



Agriculture Development – Diane Wauters

Implementing a digital strategy for SmartBarley to accelerate agricultural innovations that improve crop productivity and address grower needs

MBA from Columbia Business School



Better World – Irida Skouteropoulou

Driving sustainability initiatives towards a circular economy by increasing the recycled content of our packaging materials

MBA from SDA Bocconi



Route to Market – Sathya Vanamali

Bringing Corona into Canada in 4 months, by building a new supply chain (i.e. route to market)

MBA from Schulich School of Business



Logistics – Hilde Kerstens

Reducing Canadian trucking spend by running analytical scenarios incl. variables such as payment terms, safety, reduced emissions, on-time delivery, etc.

MBA from Chicago Booth



Disruptive Growth – Luke Mafazy

Using the company's bi-product grain to create a disruptive beverage that improves people's health – a true Waste-to-Wealth initiative

MiF from London Business School



Sourcing Strategy – Felipe Nesi

Upgrading our 8-step sourcing strategy with a new decision logic framework to address key global dilemmas

MBA from Darden School of Business



e-Auction – Archer Han

Designing a new method of online auction for glass bottles in China lowering price by 5% and generating USD 13.6M total cost benefit

MBA from SDA Bocconi



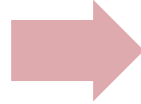
Practical Information

STAGE 1

Pre-screening Video



- Submit a 3 min video + 1-pager PPT, pitching your solution to Part 1 of your mission
- **Deadline:** Oct 16th 11:59 pm EST
- **How?** Submit both items on the [Challenge Website](#)



STAGE 2

On Campus



- Prepare a presentation answering Part 1 and Part 2 of your mission
- 20 min presentation to AB InBev team + with 10 min Q&A
- **When?** End of Oct / early Nov



STAGE 3

At AB InBev Office



- The winning team from every school will be invited to present to our senior management
- No additional submission required
- **When?** End of Nov / early Dec

Notification of selected teams by Oct 20th

Notification of winning teams by Nov 10th

How to participate

- * Register you and your partner following [this link](#) (1 registration per team of two)
- * Submit your video and answer questions, following the required steps

Evaluation Criteria

PART 1 OF THE MISSION

- * Originality & Insights
- * Feasibility
- * Financial Viability

PART 2 OF THE MISSION

- * Strategic thinking
- * Culture
- * Vision

Final Recommendation

Be specific, actionable and Dream Big

Note: you can present in PPT, multimedia or anyway you choose. Surprise us!



Can't wait to hear from you!



Contact Info – Feel free to reach out to
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