

# Supply Operational Efficiencies

YJ Cheng

VP Supply & Logistics APAC



# Dream: #1 in Asia

### Pillar

Brands  
Bonding with  
Consumers  
& Trade Up

Expansion

Maximize  
Strongholds

Sales  
Machine

Disruptive  
Growth

Operational  
Efficiency

Better  
World

People  
Pipeline

# Personal Introduction

Name	YJ. Cheng
Education	Master & Bachelor in Engineering, Brewmaster
Hire date	1996
Working Location	Shanghai, China
Position	APAC VP, Supply & Logistics



Career Path	Period	Company	Position
	2008-Present	Anheuser-Busch InBev, APAC	VP Supply & Logistics, APAC
	2007-2008	Anheuser-Busch Great China	Chief Production & Technology Officer
	2005-2007	Anheuser-Busch/ Harbin Group	CEO, Harbin Brewery Group
	2003-2005	Anheuser-Busch, China	VP of Production & Technology, China
	1997-2003	Anheuser-Busch Wuhan	Vice Chairman of the Board General Manager
	1996-1997	Anheuser-Busch, USA	STL Corp Staff, Brew Master
	1982-1996	Tsingtao Brewery Co. Ltd	Vice Chairman of the Board Chief Brew Master Vice General Manager



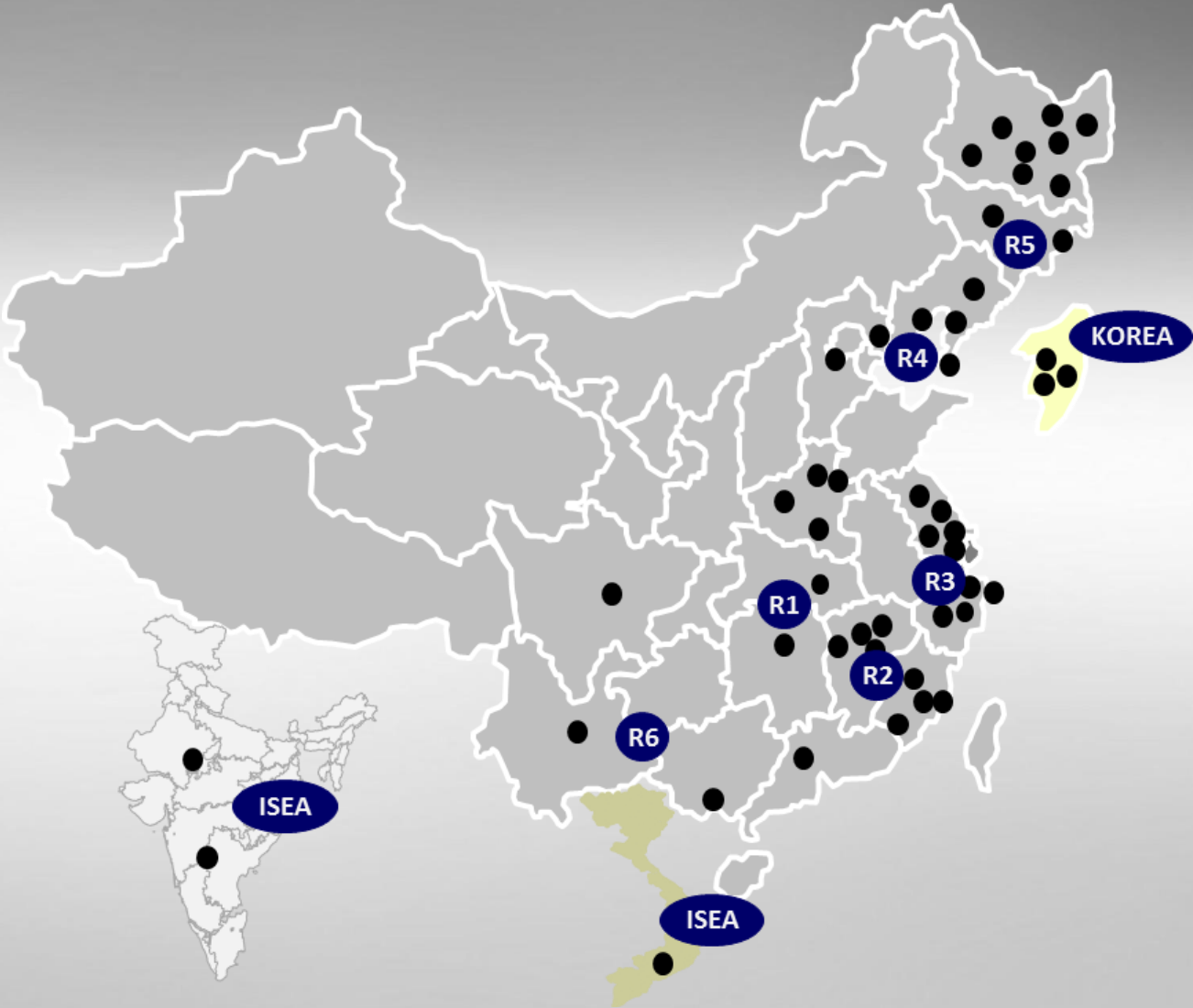
# APAC Supply & Logistics Footprint

**49 Breweries**  
Exclude 6 Joint Ventures

**Volume: 91 MHL**

**Operational Capacity  
Utilization: 80%**

Category	Volume	# of Brewery
Small	<1 Mio HL	23
Medium	1~3 Mio HL	16
Large	3~5 Mio HL	6
Extra Large	>5 Mio HL	4
Total		49





# APAC Capital Investment

## Building capacity to support topline growth

*Since 2009, 4 Relocation, 11 Green Field, 9 Expansion!*



Relocation



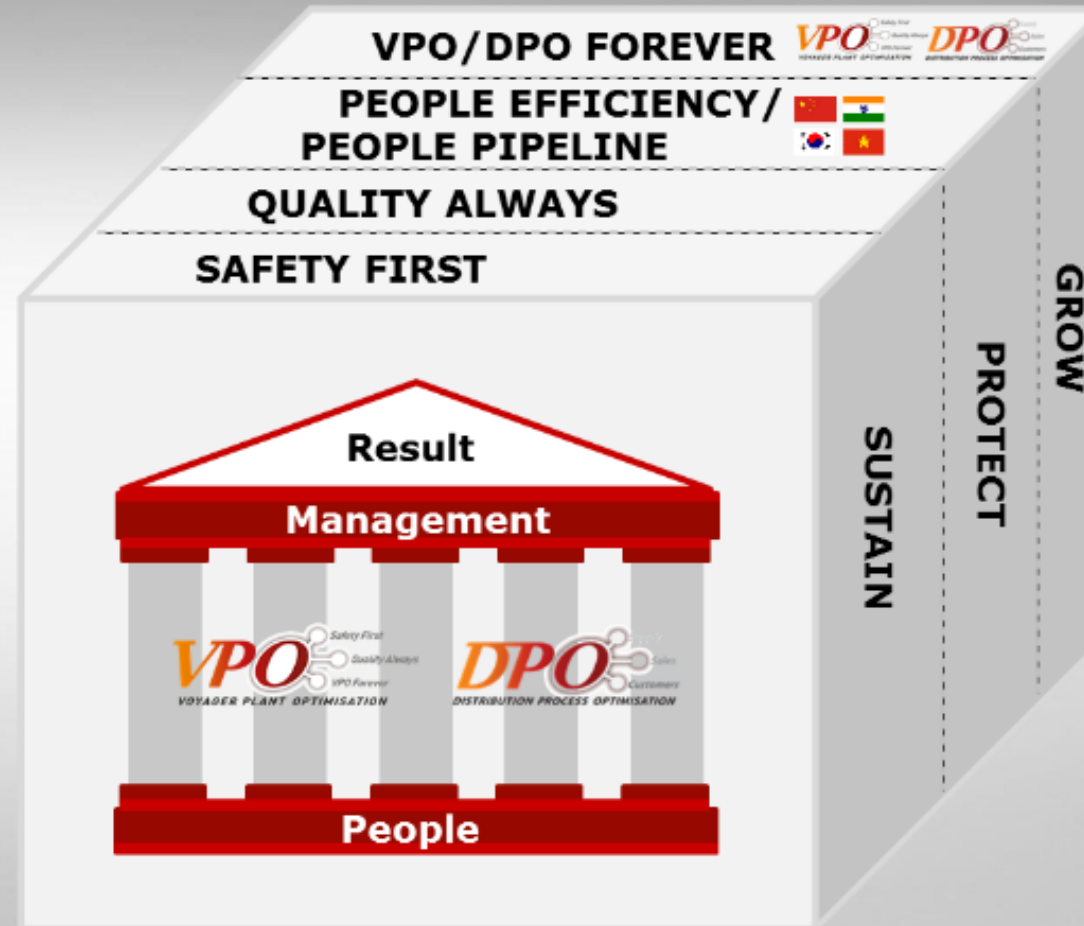
Green Field



Expansion



# Operational routine integrated into VPO/DPO to support the commercial agenda



“Unified Process System” from suppliers to customer service across APAC





# Safety First

“Safety Behavior” drives our Safety Culture

## Project “Safety Behavior”

Improve Employee Safety  
Behavior

Decrease Injury Rate

Create Safety Culture



## 2015 Safety Pyramid

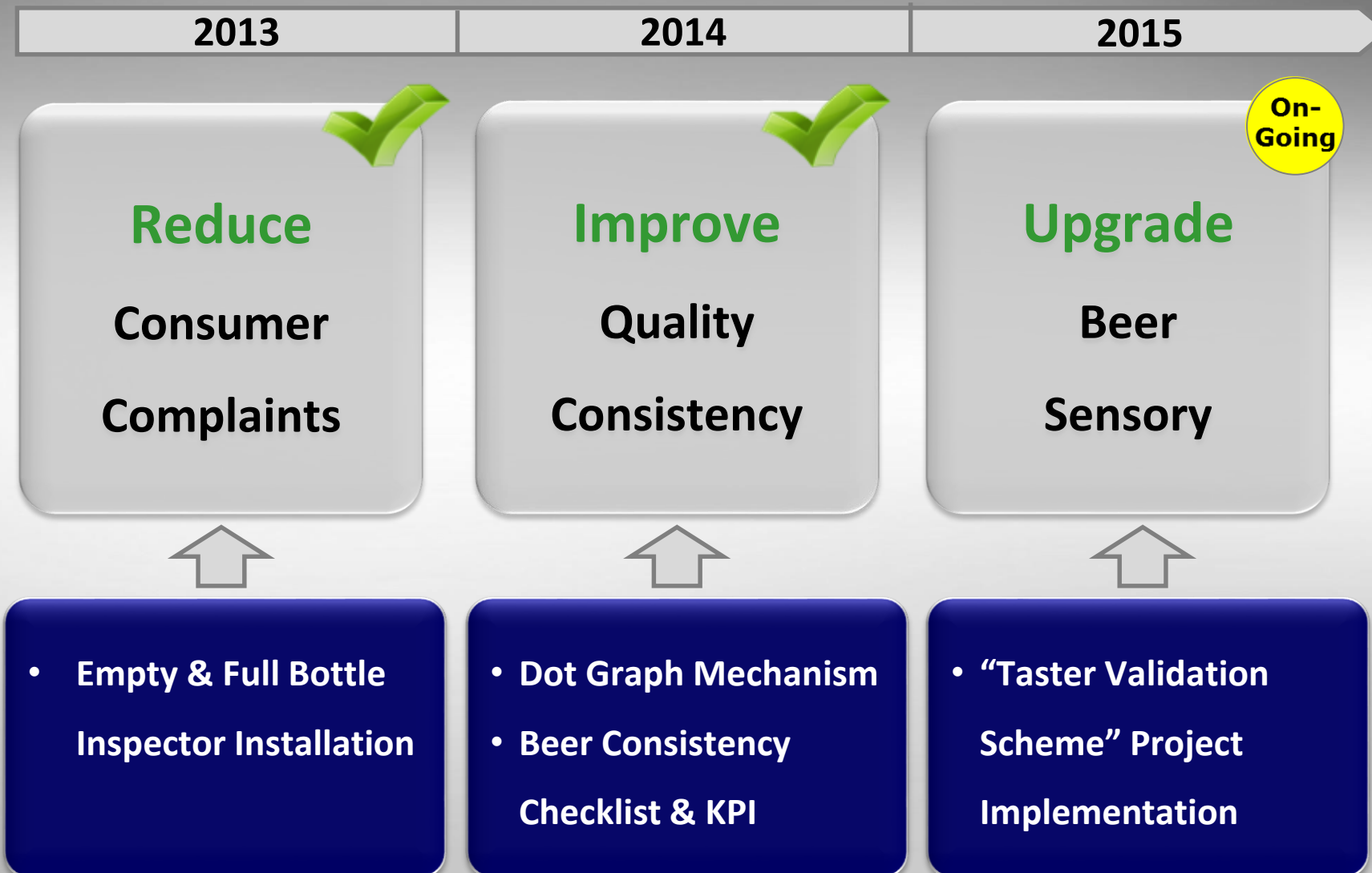
Total  
Injury

First-Aid Injury

Incidents

Hazards

# Quality Always



# Quality Always

We brew our Beer with “ONE” and “HIGH” Standard

- *Centralized Taste Evaluation & Ring Test*
- *Global Standard*
- *Our Brewmasters brew Beer with Knowledge, Experience and Passion*

**APAC**



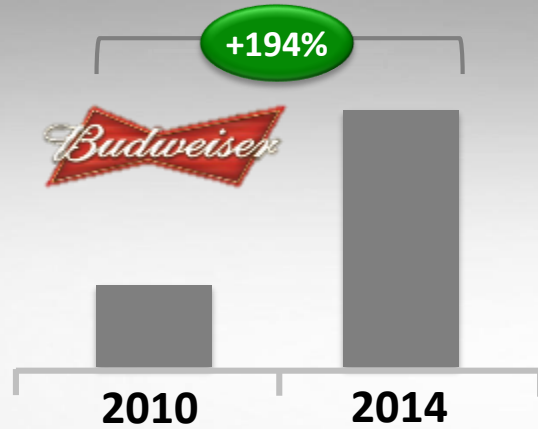
**GHQ**



# Quality Always

Budweiser Global Taste Panel score continuously improving

APAC Budweiser Volume Increase



In 2015, 18 Breweries



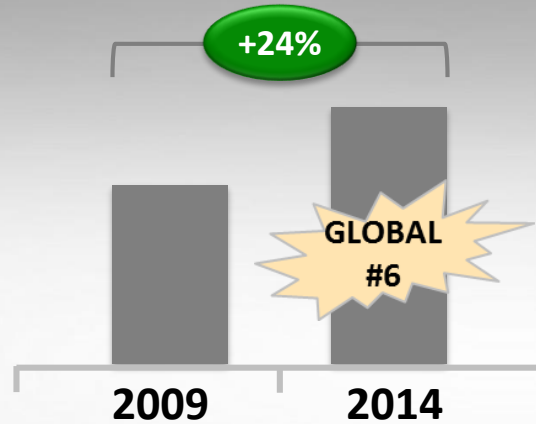
FoShan Brewery:  
Largest Budweiser  
Volume Brewery  
Globally



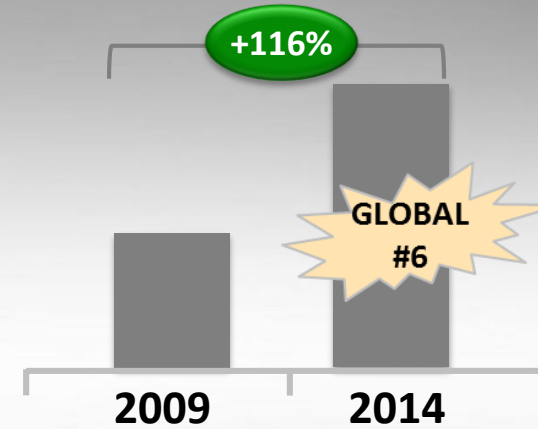
# People Efficiency

Efficient organization drives performance

Total Packaging Productivity Evolution  
2011 ~ 2014



Plant Network Productivity Evolution  
2011~2014



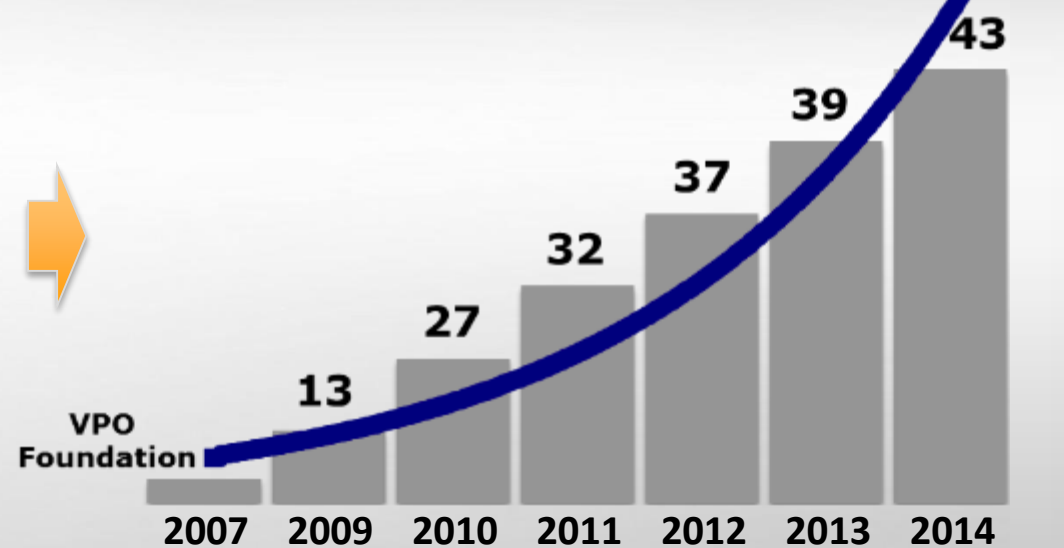
# VPO/DPO Forever

Through VPO/DPO, We Deliver Sustainable Result

VPO/DPO  
Only Way of Work



2009~2014,  
APAC, # of Breweries VPO  
Certified

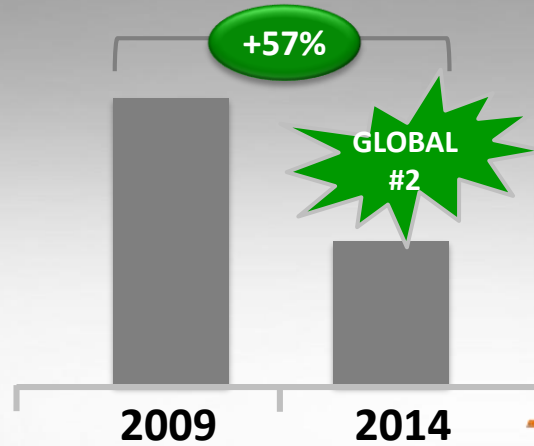




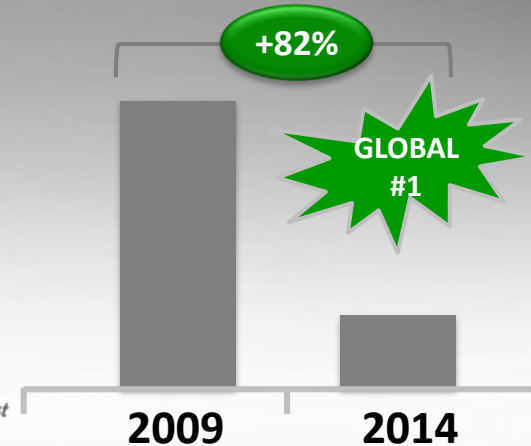
# VPO/DPO Forever

## KPI Evolution, Improve Operation Performance(1/2)

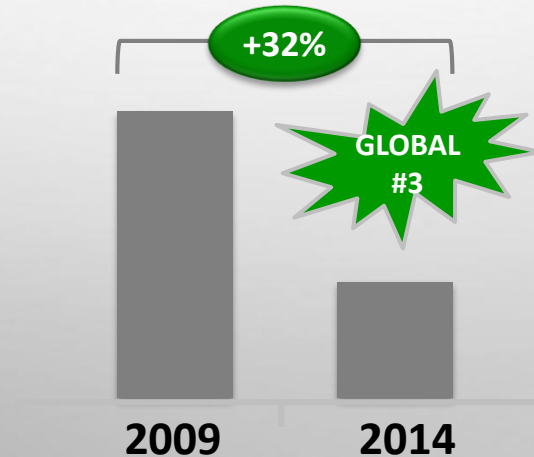
Consumer Complaints Evolution, 2009 ~ 2014



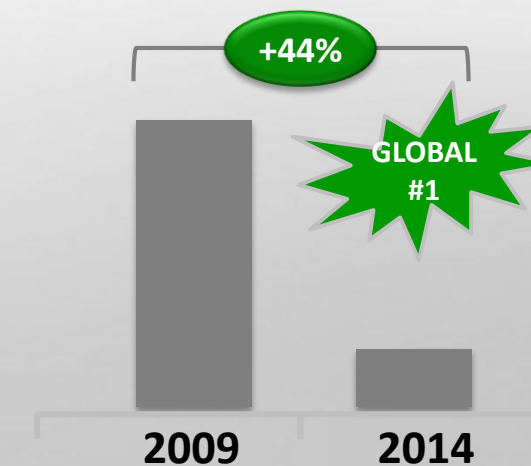
LTI (Lost Time Injured), Evolution 2009 ~ 2014



Extract Loss, 2009 ~ 2014



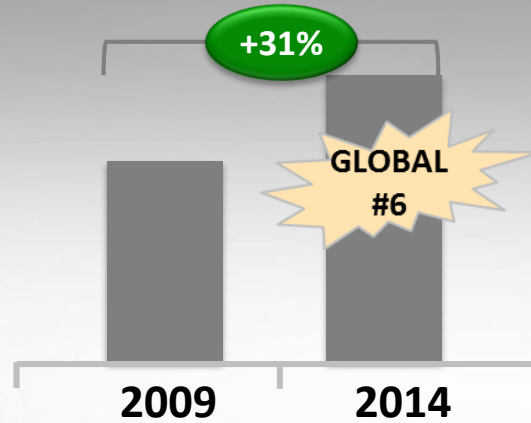
Water Usage, 2009 ~ 2014



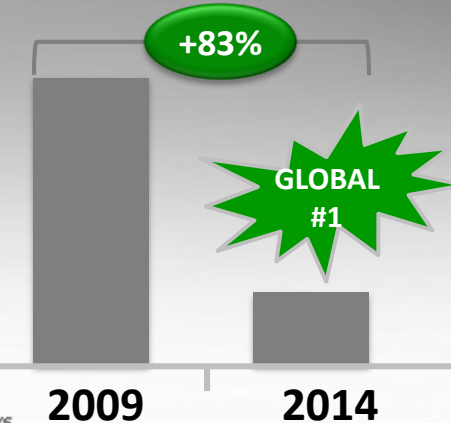
# VPO/DPO Forever

## KPI Evolution, Improve Operation Performance(2/2)

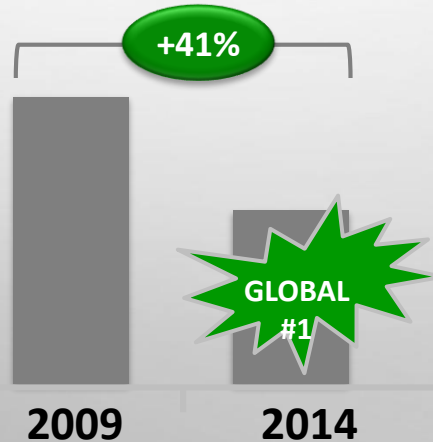
WPS (Weight Per Shipment)  
Evolution, 2009 ~ 2014



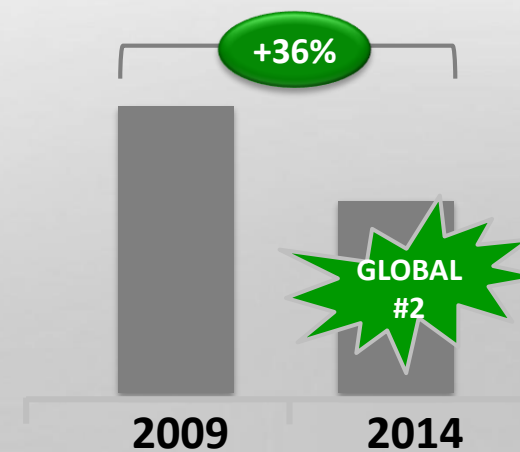
WDP (Wholesaler Delivery Performance)  
Evolution, 2009 ~ 2014



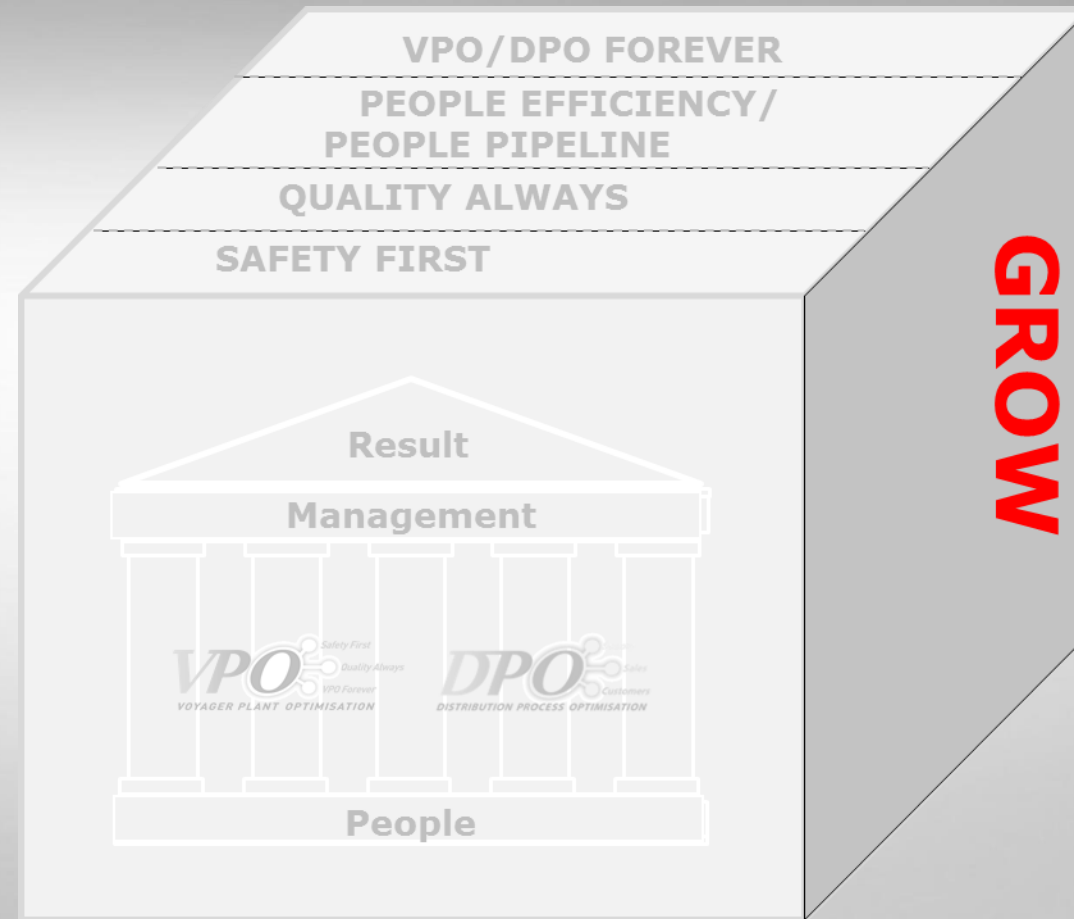
DIO (Days of Inventory Outstanding) Evolution,  
2009 ~ 2014



Inventory Over Net Revenue, 2009 ~ 2014



# Fully integrate innovation process into our Grow agenda



# Zone Innovation Technology Center

## Developing innovation products to drive top line growth






# Our People Pipelines

## Talent Pipelines



## Talent Program Details & Results

Program	Scope	Participants	Status
 <b>Rocket</b>	Hi-Potential Manager	34 FTEs	<ul style="list-style-type: none"><li>• 32% (or 11 FTEs) promoted to Brewery Manager</li></ul>
 <b>SET</b>	University Graduates	123 FTEs	<ul style="list-style-type: none"><li>• 74 FTEs (84%) on the right path</li></ul>
 <b>SME</b>	Technician /Operator	SME at Zone/ Regional/ Brewery	<ul style="list-style-type: none"><li>• Training Center equipment &amp; instruments in place</li><li>• Zone SMEs are identified</li></ul>

To Summarize...

***Supply & Logistics Make the DIFFERENCE  
to improve Operational Leverage!***

