

A Work Project, presented as part of the requirements of the Award of a Masters Degree in Management from the NOVA—

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HOW TO RELAUNCH PROGRAMA 100%?

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This Work Project's main goal is to relaunch *Programa 100%*, a program by Unilever Food Solutions Portugal (UFS) in partnership with the Portuguese ministry of Education that aims at providing children with healthier, more diverse and higher quality meals in public schools canteens that try to reduce the high number of obese children in Portugal. Besides, the initiative also tries to revitalize a low profitable market for UFS.

This initiative has been active for almost 2 years and has not been giving the expected return to the company, so in this Work Project recommendations and conclusions are presented in order for the main strategic objective of this work project to be met: reach the breakeven point of *Programa 100%* in 2013. The major recommendation that is made is the addition of a new target (private schools).

KEYWORDS: Unilever-Jerónimo Martins; Child Obesity; Schools; Food Solutions; Education

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Research Question

The main aim of this Work Project is to answer the Research Question “**How to relaunch *Programa 100%*?**”¹.

Nevertheless, before tackling this question, it is important to make a description of Unilever Jerónimo Martins and UFS, the department of the company responsible for *Programa 100%*.

Scope, Objectives and Methodology of the Work Project

The Work Project is centered in the Portuguese School market (mainly the schools that work with children aged between 10 and 15 years old), where UFS, the department of Unilever-Jerónimo Martins focused on the wholesale market, implemented, in January 2011, *Programa 100%*.

In this Work Project, my main goal is to present solutions on how to improve the profitability of this initiative, which currently is only generating a negative return on investment to the company. These will focus on the expansion of the target of the project and on operational improvements, which will aim at accomplishing significant cost reductions and efficiency gains. The main strategic objective is to **reach the breakeven point in 2013**.

In order to do so, I'll start by making a brief contextualization of Unilever-Jerónimo Martins and UFS, and then I will analyze the market, starting by the global market and ending in the Portuguese one. Afterwards, I am going to introduce *Programa 100%* and present an AS-IS analysis regarding the current performance of the initiative. Finally, I will support my recommendations on the results of the project in its first year and half of existence combined with the best practices that came from the Literature Review of similar initiatives.

Historical background and Firm description

Unilever-Jerónimo Martins is the result of an old partnership between multinational company Unilever and Jerónimo Martins, a Portuguese distribution and retail company. Since 1949 both companies celebrated this partnership but it was only on January of 2007, after several acquisitions in the Portuguese and International market,

¹ An initiative focused on helping to fight child obesity in Portugal by giving children healthier and more diverse menus while also trying to revitalize a low profitable segment (Schools) for Unilever Food Solutions Portugal

that this joint venture was nominated “Unilever-Jerónimo Martins, Lda.”, being the current division of social capital 55% to Unilever and 45% to Jerónimo Martins. From the resources view approach one can say that Unilever is focusing their capabilities on production, marketing and brand portfolio and Jerónimo Martins provides a vast network of distribution, sales and partnership management.²

For Jerónimo Martins (JM), this partnership is ideal to exploit a very large market using a vast portfolio of renowned brands. This fact, combined with the fact that the cost of entry in this market is divided with Unilever, drastically reduces the risks of these investments. Finally, there are obvious gains in the supply chain associated with this investment, since JM also has the largest network of retailers (*PingoDoce*) and wholesalers (*Recheio*).

For Unilever, this partnership is the ideal solution for minimizing risk as, in one hand, the company divides the entry costs of entering a new market and, on the other hand, the company selects a partner that knows the market very well and has access to a vast distribution network, allowing a much easier product penetration.

On 2011, the company had sales of over 179 Million Euros and 480 Million of Products sold.³

This work project is focused on UFS, the department of the company dedicated on serving the professional food market channel (Hotels, Restaurants, Schools and Cash & Carries) in Portugal, using renowned food brands, such as Knorr, Calvé and Carte D’Or. The biggest clients for the company are Cash & Carries (mainly Recheio and Makro, which represent 23,3% of total turnover) and many distributors, such as M. Garcia and Aviludo, which represents 7,5%. In order to better serve its customers, the company has a sales force of 20 persons.

UFS differentiates from competitors by offering 3 dedicated services (Your Menu, Your Costumers and Your Kitchen), which are aimed at improving the profitability of the clients’ business, offering services that go beyond quality products.⁴

² This will be further developed in the VRIO Framework

³ Data Extracted from “*O que fizemos juntos em 2011.*” Published by **Jerónimo Martins** in 2012

On top of this, it is also important to look at the resources and capabilities that UFS has that can be used by *Programa 100%*. In fact, this initiative will use many of the key resources the company has such as a **dedicated sales force**, in order to more effectively reach the target, a **wide portfolio of brands** highly recognized by consumers, which will allow an easier approach to the schools' board of directors and a **very high quality of its products**, allowing for a higher yields per product when compared with competitors⁵. All of these resources are also the sources for the company's competitive advantage.⁶

Finally, it is important to mention that, in 2011, UFS had a Turnover of over 12 million Euros⁷ and a Gross Profit of more than 4 million Euros.⁸

Mission and Vision

Unilever-Jerónimo Martins' is supported by four fundamental pillars: the constant pursuit for a better future every day; to help people feel good look good; to inspire people to take small actions every day that can lead to a big difference for the world in the future; the ambition to double the size of the company while reducing the environmental impact of Unilever, until 2015.

If we take a closer look at the proposal of UFS, we see that the main focus of the brand is "Inspiration every day". UFS positions itself as a Chef's advisor, always ready to help with innovative products and recipes. The ultimate goal of the company is to help the businesses to which UFS sells (Restaurants, Hotels, Canteens, etc.) to improve their profitability and to increase the satisfaction of the final customer.⁹ The current goal of Unilever Food Solutions International is to achieve, by 2015, 35 Million Euros in sales worldwide.

⁴ For more information, please refer to the dedicated webpage of these services: <http://www.unileverfoodsolutions.pt/nossos-servicos>

⁵ This will be further developed in the VRIO Framework

⁶ This will be further developed in the competitive assessment

⁷ Internal information of the company on *Programa 100%*

⁸ The Turnover was 12.548.801€ and the Gross Profit totaled 4.364.396€. Since the major focus of *Programa 100%* is the social benefit to schools, the company doesn't expect a significant impact on the Turnover of the company, just a 5% increase.

⁹ **Unilever Food Solutions Portugal**. 2012. "Quem Somos". October 10. <http://www.unileverfoodsolutions.pt/quem-somos/quem-somos>

The constant concern for vitality and for providing the best solutions for clients is the cornerstone for *Programa 100%*, which is aimed at providing healthy and diverse low cost meals to students in schools' canteens. The alignment between the values of the project with the values of the company will help the company as a whole and the Food Solutions department in particular to demonstrate its commitment for their core values to consumers.

Market Analysis

Environmental Context

As will be further developed, the main social aim of *Program 100%* is to incentivise children to have a healthier lifestyle and alimentation, mainly by improving the meals offered in the school canteens, which will help to reduce child obesity.

Thus, in order to better introduce the project, it is crucial to introduce this epidemic at its consequences are.

Obesity can be simply defined as an extreme case of overweight to a degree that affects the health of the obese person.¹⁰

In order for a person to become obese, there are usually two major causes: an unhealthy diet and not enough physical exercise to burn off the calories consumed (in this cases, the majority of times the calories consumed are much higher than the calories burned, so there is a constant increase in weight). Nevertheless, it is always important to take into account some genetic issues that can lead to an involuntary state of obesity. Child obesity is an even dangerous form of obesity, since it affects persons in their early stages of development, with a very chance of leaving negative consequences that will affect the child during his/her whole life. These effects can be such as problems with the joints and bones, constant headaches and vision problems, hypoventilation (which can lead, in the extreme scenario, to heart failure), gallbladder disease (which can culminate with the removal of this organ), high blood pressure and high levels of blood fats.¹¹

Nonetheless, it is extremely important to mention that **this disease can be prevented and treated**; this is where *Programa 100%* can help.

¹⁰Definition extracted from **Trisha McNair's** article named "Childhood Obesity" published by *BBC Health* on 2009

http://www.bbc.co.uk/health/physical_health/conditions/obesity2.shtml

¹¹**McNair, Trisha.** 2009. "Childhood Obesity". *BBC Health*, October 9.

http://www.bbc.co.uk/health/physical_health/conditions/obesity2.shtml

According to the British Medical Association, worldwide more than 22 million children less than 5 years old are overweight. In Portugal this number is especially alarming, since 1 in 3 children is overweight or obese.¹² After seeing the reality in Portugal, it is important to compare it with the latest data available by the International Obesity Taskforce, which show us that Portugal is the 3th country in Europe with the highest rate of children obesity, in children aged between 7 and 11 years old, with more than 10% of children being obese and more than 30% overweight (see picture 1). This increasingly “dangerous” numbers emerge from a series of factors, as mentioned before, but, in the Portuguese case, there is a strong influence of an unhealthy diet. In fact, as data from the European Childhood Obesity Surveillance Initiative of the World Health Organization shows, **more than 90% of Portuguese children eat fast-food, candy and drinks sodas at least 4 times a week** and only 2% eats fresh food on a daily basis. Furthermore, the lack of physical activity is also key for the development of the problem, since only 40% of children participate in extracurricular activity that involves physical activity.

With all this in mind, it is urgent to fight Child Obesity by promoting a healthier diet and healthier eating habits. To complement this urgency, a 2003 study using as sample 5.200 United States’ students show that **“Students from schools participating in a coordinated program that incorporated recommendations for school-based healthy eating programs exhibited significantly lower rates of overweight and obesity**, had healthier diets, and reported more physical activities than students from schools without nutrition programs.”¹³ This further displays the urgency of an implementation of such a program in Portugal.

Market Overview

The Education market in Portugal has suffered deep changes in the last two years, thanks to a drastic reformulation in the management system of the schools. In practice, public schools stopped being managed individually (except rare cases) and were merged into clusters, where one central administration manages a set of schools the same area

¹² Associação Portuguesa Contra a Obesidade Infantil. 2012. “Sobre a Obesidade Infantil”, October 15.

<http://www.apcoi.pt/obesidade-infantil/>

¹³ Paul J. Veugelaers. 2005. “Effectiveness of School Programs in Preventing Childhood Obesity: A Multilevel Comparison”, October 15.

<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1449197/>

(usually 2 to 4). This renovation led to a loss of independency of schools, especially in the procurement department. In fact, public schools now are obliged yearly public contest, in order to determine a single food supplier. On top of that, some schools opt to outsource the canteen service to private companies such as Eurest or Gertal.

Finally, with the known government measures to reduce the public spending, schools are becoming increasingly cost concerned, making it harder to sell the majority of UFS products, since these are priced at a premium.

Market Size and Segment Size & Value

When looking at the 2003 study made by Nestlé Food Service¹⁴ on the global Out of Home Market (OOH), we see that the social market only accounts for 20% of global operators in the Wholesale market. Furthermore, we see that education only represents 20% of the social market. Regarding the Portuguese market, a 2009 Nielsen Study for the Portuguese wholesale market¹⁵ show that in 2008 this market had a value of about 11 Million Euros¹⁶ With this information, we clearly see that the market where *Programa 100%* is being implemented is rather small. Nevertheless, it is also important to notice that this is perhaps the least developed segment in Portugal, with the majority of the competition coming from Cash&Carries, making this an ideal “territory” for UFS to explore.

Competitive Assessment

The wholesale market in Portugal is a very competitive one where, as it is happening with the retail market, **private labels are increasing their market share drastically**, due to their low prices that match a nowadays higher price conscious consumer’s needs. In this market, there are 3 key competitors:

- “Master Chef”, the private brand of Recheio, one of the biggest Cash& Carries in Portugal;
- “Aro”, the private label of Makro, the other big Cash & Carry operator in Portugal;
- “Nestlé Food Solutions”, the specialized wholesale department of Nestlé Group.

¹⁴ Results displayed in picture 2

¹⁵ The 2008 market value is 10.793.111€

¹⁶ Internal information of the company on *Programa 100%*

Despite the increase in competition, UFS has been able to maintain its position as clear market leader. Nevertheless, in recent years, this share has been shrinking due to the emergence of private labels.

Analyzing picture 3, we see one major competitor emerging: *MasterChef*. In fact, this is the private label that has a crucial point of parity with UFS: the **variety of products offered**. Furthermore, this brand, also offers a key point of different: the **much lower price**, which has been increasingly valued by consumers. On top of this, being one of *Recheio*'s private labels, **allows *MasterChef* to have a better shelf space** in this Cash&Cary. This is perhaps the most distinguish feature that allows the brand to have almost zero promotion costs. Nevertheless, this also poses a key limitation to the *MasterChef* brand, since it is only sold in *Recheio* stores, thus reducing its distribution network.

On another hand, Nestlé Professional is the only competitor that has similar pricing strategy to the one used by UFS. Besides, this company, as UFS does, takes advantage of the strong image and awareness that its brands have in the retail market to increase sales in the wholesale market. Nevertheless, this competitor has a much smaller portfolio of products, making it a competitor in only a small number of categories.

With this analysis, one can conclude that UFS offers two distinctive qualities that are not 100% matched by competitors: **high quality and high variety**. However, it is important to notice the high prices practiced by UFS make it hard for the company to have relevant sales in this segment. In order to solve this issue, the company offers a line called *Basic Line*, where it offers products with much lower prices but with the quality “stamp” of Unilever.

Internal Analysis

VRIO Framework

In order to understand if, despite the though competitive environment that UFS faces, it still has sustainable competitive advantage that helps the company to have a solid position in the market, it is extremely useful to use the VRIO Framework. This tool helps us understand if a firm's tangible and intangible assets are **valuable, rare,**

inimitable and if there is an **organizational support**. In the table below the main resources identified for UFS are presented, for a more thorough analysis, please refer to **annex 1**.

Resource	Valuable	Rare	Inimitable	Organizational Support
High Brand Equity and Brand Recognition	✓	✓	X	✓
External Marketing Know-How and Experience	✓	X	X	✓
Internal Marketing Know-How and Experience	✓	✓	X	✓
Dedicated Sales Force	✓	✓	✓	✓
Strong International Support (Unilever Food Solutions Global Team)	✓	✓	X	✓

As we can see, the company holds in fact a **sustainable competitive advantage**, mainly by using its dedicated sales force, high brand Equity, internal Marketing Expertise and strong international support.

Business Opportunity - Programa 100%

Using the Gap Analysis tool combined with the market analysis made above, it becomes clear that there is a social gap (unhealthy and low quality meals in schools' canteen), a commercial gap (low sales of UFS products to schools) and a market gap (lack of similar initiatives) that can be filled by *Programa 100%*. Using the VRIO Framework, we identified the resources that the firm has that can be used to close these gaps. In fact, the dedicated sales force will be one of the key resources used in order to reach schools and improve the sales of the company to this target. Nonetheless, it is also important to acknowledge the strategy gap between current strategy (very commercial oriented and focused on profit) of the company and the one needed for *Programa 100%* (mainly concerned with the social benefits that the project can have), which can endanger the success of the initiative.

Introduction to the project

Programa 100% is a project that was launched in January of 2011 in partnership with the Portuguese ministry of education, the ministry of health, *Plataforma Contra a Obesidade* and *Associação de Cozinheiros Profissionais de Portugal* (ACPP). The main goal is to fight child obesity and improve the quality of meals in the canteens, which is very low in most cases. The implementation of the project consists in 5 different steps:

1. Contact by a sales representative from UFS, explaining the main advantages and goals of the program;
2. The school signs up in the dedicated website (<http://www.programa100porcento.com/>);
3. One of the 2 Chef Advisors of the company contacts the school and gives a full day training to the cooks,
4. A hired company by Unilever Food Solutions (M47), contacts the school and implements visibility materials in the canteen and throughout the school (see Annex 3 for examples of these materials);
5. The school receives a comprehensive recipe book with over 100 different low cost recipes easy to implement in the school canteens;
6. The school receives credentials to access the dedicated section in the site for *Parceria 100%*, which rewards schools for buying UFS products where, for each purchase of these products, the school earns points that can be traded in the site for school material such as bookcases, benches and computers .

Besides this external process, there is also a complex yet efficient internal process that enables a fast communication between sales and marketing department and a fast processing of the registration of the school.¹⁷

It is important to notice that all that the implementation of the materials and the training is entirely cost free to the school. However, the implementations have an associated cost to UFS of 146€ each¹⁸, independent of the location of the school. Besides, the company chosen for these implementations (M47) has limited resources, making it impossible for quick implementations in schools very far away from each other.

Concerning the training to the kitchen staff, it doesn't have any cost to the company, since UFS has 3 professional Chefs (1 executive Chef and 2 Chefs Advisors) under contract.

Previous improvements of *Programa 100%*

It is important to mention that many costs have already been cut since the launch of the initiative in January 2011. For example, before, training to the kitchen staff was given by hired Chefs which cost around 3.150€ monthly.

¹⁷ For more details please refer to annex 4

¹⁸ Internal information of the company on *Programa 100%*

Furthermore, Chef Luís Figueiredo also gave support to *Programa 100%* and charged a monthly fee of 770€.¹⁹ Nonetheless, as can be seen below, this cost savings weren't enough to generate a positive return on investment.

Diagnosis of *Programa 100%*

On the first year and half of existence of the project, the main focus was public schools that serve children aged between 10 and 15 years old.

During this period, **59 schools** were implemented but the return on investment made by the company was not been what was expected and many schools displayed their dissatisfaction with the lack of support given by UFS. The low return on investment can be explained by the constraints presented in the “Market Analysis” section and will be clearly illustrated with data in the following section.

Results of phase 1

For 2011, the main KPI was to have 81 schools with the project implemented by the end of the year. For that target, the budget given was 105.000€.²⁰ Unfortunately, neither the goal of schools was met nor the budget was respected. As a matter of fact, at the end of this year, as previously mentioned only 59 schools were in the project and the budget was exceeded in 3.500€ (Total costs were 108.500€). Combining this information with the total purchases made by schools in *Parceria 100%* in 2011, 34.912€²¹, we can conclude that **the project, in its first year of existence, had a negative return on investment of -73.588€.**

The main high costs of the project can be broken in the following:

1. **Promotion costs**- 14.000€ in implementation of visibility materials (mainly due to a problem in the larger vinyl, which required a 2nd visit to many schools for replacement);
2. **Startup costs** - 11.648€ for the launch of the project in Liceu Pedro Nunes;

¹⁹ Internal information of the company on *Programa 100%*

²⁰ Internal information of the company on *Programa 100%*

²¹ Internal information of the company on *Programa 100%*

3. **Training costs** - 5.390€ on monthly fees (770€ every month until June) to Chef Luís Figueiredo.

Besides, the obvious negative side of the negative return on investment, some initially projected initiatives weren't implemented, such as a dedicated Facebook page of the project (although *Programa 100%* was occasionally highlighted in the UFS Facebook page²²) and an advertisement campaign (the only “media attention” the project had on the day of the presentation at *Liceu Pedro Nunes*).

Despite this negative points and the fact that the KPI for the number of schools in the program, there was one major success: **the project reached an enormous number of schools in a short period of time, without the need to have any advertisement** (in October 2012, 220 schools were on waiting list). Besides this, it is also very important to take into account the fast pace of implementations of *Programa 100%* during its first year of existence, which is presented in table 1. **This once again emphasizes the massive adhesion of schools to the project.**

With this analysis, we can see that the strategic objectives defined in the beginning of my Work Project (cost reduction, reach breakeven point in 2013 and more efficient use of resources) are still far from being accomplished..

Main learning from the 1st phase

One of the major conclusions that can be taken is that there has to be a drastic cost reduction in order for the project to become more sustainable and “financially healthy”. Solutions to this issue will be further developed in the “Conclusions and Recommendations” section. The other major learning is that the reach of project is in fact very good, which is reflected in the number of schools in the initiative. In fact, **the problem is not the number of schools in *Programa 100%*** (the target of 70 schools was only 11 schools away at the end of 2011), **the problem is the purchases made by schools, which has been low so far.** On top of this, the impact of the project can also be seen by the number of cooks affect with formation (268) and the number of students affected (**41.376**)²³

²² **Unilever Food Solutions Portugal**. 2012. “Facebook page of Unilever Food Solutions Portugal”. *Facebook*, September 21. <http://www.facebook.com/UnileverFoodSolutionsPortugal>

²³ Internal information of the company on *Programa 100%*

Besides these conclusions it is vital to take into account the feedback that was collected in a survey that I conducted between 15-19 and 22-24 of October 2012 to the 76 schools with *Programa 100%* at that time. The majority of this feedback is largely positive, with many schools stating that “The cooks loved the training, they can’t wait for the Chef to come back!”, others saying “The website is really useful, we use it very often to search for new recipes”, some others mention that “The recipe book is amazing, recipes are easy to cook and are a welcoming change from the traditional recipes offered in the canteen” and finally some schools emphasize that “Students really feel the change, there has been a massive support by them, which led to an increase in the number of meals per day”²⁴.

Despite the overall positive feedback from the schools, there has been some criticism also, which will be especially important for the operational improvements and recommendations. Some schools say that “The chef came, the materials were implemented but after that nothing! We thought there would be more support. . .”, others state that “Some flyers fell after 3 or 4 months and we didn’t replace them.”, others complain about the prices of products saying that “We’ve accessed the site and saw the advantages of *Parceria 100%* but then we looked at the prices and realized we couldn’t afford them” and finally some schools mentioned that “the materials that we can obtain using *Parceria 100%* are not very attractive”.

Literature Review – International Benchmark

In order to better frame *Programa 100%* and compare it with what similar programs, it is important to see what is being done in other countries, especially in countries with high rates of child obesity (ex: USA) and in Portugal.

When we look at international literature on child obesity, the first thing that is noticeable is the high number of organizations and programs that exist in the US to fight this issue. This is not surprising since this country has one of

²⁴ Internal information of the company on *Programa 100%*

the highest rates of child obesity both genders (According to OECD, in 2009 around 20% of boys were obese and 17% girls were obese in the US²⁵).

Let's Move Initiative

The main example in the country is perhaps the “Let’s Move” initiative²⁶ supported by Barack Obama and launched by his wife, Michelle Obama. This project has a much broader spectrum than *Programa 100%*, since it targets Schools, Chefs, Mayors and local politics and parents. It positions itself as “a comprehensive initiative (...) dedicated to solving the problem of obesity within a generation, so that children born today will grow up healthier and able to pursue their dreams.” For more detailed information regarding the “Let’s Move Initiative”, please refer to Annex 2.

In my opinion there is a best practice from this case that can be applied to *Programa 100%*: **the involvement of parents in the program**. As it is known, parents have a great influence on the habits of children, especially on their eating habits, so they can be valuable “allies” in changing the mentality and eating habits of their children.

Just for Kids

With a much more theoretical approach, “Just For Kids” is an initiative developed by faculty members of the University of California School of Medicine which is active since 1992. The whole project consists in a 154 pages paid workbook (\$ 12 each) with nine tabbed sections with challenges and objectives for each phase. The program is designed to be completed in 9 or 10 weeks, with the help of an Instructor (who also needs to purchase the Instructor’s Guide), with ideally 1 week for each of the 9 sections. As with *Programa 100%*, the main goal of this project is to promote a healthier lifestyle to children in order to reduce child obesity. It is also important to notice that, although also suitable for younger and older children, this project targets kids aged between 6 and 10 years old.

²⁵ Data extracted from the Obesity update of the Organization for Economic Co-Operation and Development (OECD) of 2012 - <http://www.oecd.org/els/healthpoliciesanddata/49716427.pdf>

²⁶ For more information please refer to the website of the “Let’s Move Initiative” - <http://www.letsmove.gov>

The main learning from this project is **the introduction of a physical support to the project** (in this case, the workbook), which could be a good complement the recipe book that *Programa 100%* already offers.

“Papa Bem” : Obesidade Infantil - Programa Harvard Medical School Portugal

Being a project entirely designed for the Portuguese market the *Papa Bem* is an initiative of the Portuguese Harvard Medical School with the slogan “*Alimentar é Educar!*”, meaning that a proper eating habits are an important part of education. Furthermore, the project focuses heavily on the use of digital vehicles, with special emphasis on Facebook²⁷ and on the website of the project²⁸.

Since it is entirely free of charge to the user, *Papa Bem* aims to be an advisor of parents, with tips about how to deal with Child Obesity, its consequences in short, medium and long term and ways to prevent it at any age. In fact, the website and Facebook of the project target heavily women, especially mothers and future ones, since it aims to help prevent child obesity even before kids are born.

On top of this, in my opinion, there is a very interesting take away from this initiative: **the use of interactive quizzes in the Facebook page**. This is in fact a very creative and innovative tool to engage fans of the page into knowing more about child obesity, its consequences, ways to fight it and ways to prevent it.

Literature Review – Similar initiatives by private companies

Programa Educativo “Apetece-me” – Nestlé Portugal

Since its foundation in school year of 1999/2000, *Programa Educativo “Apetece-me”* has involved more than 1 million students from different ages. Targeting for the first 5 years of existence only students aged between 10 and 12 years, the project aims to make information regarding eating habits, nutrition, health and wellbeing easy to access by students. This is done in partnership with *Direção-Geral de Inovação e de Desenvolvimento Curricular*

²⁷ Harvard Medical School Portugal. 2011. “Papa Bem – Alimentar é Educar.” *Facebook*, November 5. <http://www.facebook.com/infantil.obesidade>

²⁸ Harvard Medical School Portugal. 2011. “Papa Bem – Alimentar é Educar.” *WordPress*, November 5. <http://hmsportugal.wordpress.com/category/obesidade/>

of the Portuguese Ministry of Education, through a vast portfolio of teaching materials that can be used by teachers in class. All of these materials can be directly downloaded from the website of the program²⁹ free of charge. Despite the fact that the majority of the project is directed to schools, there is a strong involvement of parents, with a dedicated section on the website offering tips for healthy recipes and suggestions of family activities.

With the success of the program, the target was progressively widened. In 2004/2005, the project started including children between 6-10 years old and 12-15 years old. Since that 88% of children aged between 6 and 10 years old thought that project was good or really good and 98% of children aged between 10 and 15 years old thought the same³⁰, in 2010/2011 the focus group was further enlarged with the introduction inclusion of children aged between 3 and 6 years old. With this constant enlargement of the target, nowadays the project helps more than 1 million children aged between 6 and 15 years old.³¹ In fact, *Programa Educativo “Apetece-me”* is present 2.714 schools in the whole country, affecting 39,54% of the total of students aged between 6 and 15 years old.

It is also important to mention that this project is part of a global initiative created by Nestlé called Nestlé Healthy Kids³², transversal to all countries where the company operates.

To conclude, it is clear that this is program is the best benchmark for *Programa 100%* since it is active for a much longer period than UFS’ initiative with a sustained growth of the target. This is one of the major key learning that can be extracted from this project: **the constant search for new age groups to enter the project**. On top of this, it is a great example of a program that is **that clearly promotes the social responsibility of Nestlé**.

Salsa, Sabor y Salud – Kraft Foods

Regarding Kraft Foods, one of the major competitors of Unilever, especially in the retail market, the company doesn’t have any initiative in the Portuguese market but it has an interesting project in the United States of America

²⁹ Nestlé Portugal. 1999. “Programa Educativo Apetece-me”, *Nestlé Portugal*, November 8. <http://www.apetece-me.pt>

³⁰ Nestlé Portugal. 1999. “Resultados e Avaliações”, *Programa Educativo Apetece-me*, November 8. <http://www.apetece-me.pt/NestleApetece.aspx?id=14&item=areaMenu3>

³¹ Nestlé Portugal. 1999. “O Universo “Apetece-me””, *Programa Educativo Apetece-me*, November 8. <http://www.apetece-me.pt/NestleApetece.aspx?id=10&item=areaMenu2>

³² Nestlé Group. 1999. “Healthy Kids”, *Healthy Kids*, November 8. <http://www.healthykids.org/my/>

dedicated to the Spanish community called *Salsa, Sabor y Salud* (Food, Fun & Fitness)³³. In partnership with Wal-Mart and the National Latino Children's Institute, this initiative's main objective is to teach Latino families the importance of healthier meals and regular physical activity for a more balanced lifestyle.³⁴

The main target of this project are Latino families with children 12 years and younger. The families enrolled in the initiative participate in 8 sessions, where they can cook and eat healthy meals together. As it is mentioned: "The program was developed for community based organizations, schools, clinics, wellness programs, and other agencies and organizations working with Latino families. It is flexible, allowing a variety of programs to create their own implementation strategies."³⁵ This clearly displays the flexible framework of this project, which is perhaps the main take away from the project.

It is also important to mention that, as it happens with the project created by Nestlé, this initiative doesn't have any commercial side, despite the heavy investment made by Kraft Foods (\$7.5 million since 2002³⁶).

Finally, it should also be mentioned other relevant European projects: The Working Group of Obesity in Childhood and Adolescence³⁷ in Germany and JOGG: Youth Attaining Healthy Weight³⁸ in the Netherlands.

Conclusions and Recommendations

Ongoing Improvements

Now that I've analyzed the 1st phase of the project, saw why it provided a low return on invested capital and analyzed other relevant projects similar to *Programa 100%*, it is important to expose the solution that is now being implemented and that could be reinforced in terms of focus and priority.

³³ National Latino Children's Institute. 2002. "The Program." *Salsa, Sabor y Salud*. October 22. <http://www.nlci.org/salsa/indexsss.htm>

³⁴ Kraft Foods. 2012. "Health & Well-Being". *Kraft Foods*, October 18 <http://www.kraftfoodsgroup.com/DeliciousWorld/healthandwellbeing/index.aspx>

³⁵ National Latino Children's Institute. 2002. "The Program." *Salsa, Sabor y Salud*. October 22. <http://www.nlci.org/salsa/indexsss.htm>

³⁶ National Latino Children's Institute. 2002. "The Program." *Salsa, Sabor y Salud*. October 22. <http://www.nlci.org/salsa/indexsss.htm>

³⁷ Reinehr, Thomas ; Hool, Reinhard ; Wabitsch, Martin. 2008. "The German Working Group of Obesity in Childhood and Adolescence (AGA): Improving the Quality of Care for Overweight and Obese Children in Germany". *Obesity Facts*. November 18. <http://content.karger.com/ProdukteDB/produkte.asp?doi=113405>

³⁸ JOOG: Jongeren Op Gezond Gewicht. 2010. "Home". November 18. <http://jongerenopgezondgewicht.nl/home>

Add New Target

As it was displayed previously, public schools weren't able to provide the expected return, therefore, it is imperative to change the focus group. Thus, the focus of the project, at least for this school year, is to implement only **private schools** with children of the same age group as in the 1st phase (aged between 10 and 15 years old).

Why this new Target?

The decision to add a new target was a natural one, since private schools have conditions to overcome the 3 major limitations that were observed in public schools. On one hand, the **management system of a private school is much more independent** than the one in a public school, which also implies less bureaucratic and faster decision making processes. Furthermore, **private schools don't have key constraints to its procurement department**, such as the yearly public tender, so they are able to freely choose their suppliers. Finally, private schools are known for offering, on average, a superior service to students in every aspect. In order to do so, they are **less price sensitive** when compared to public schools, so they are willing to acquire more expensive products with superior quality.

Nevertheless, it is important to acknowledge that this new target also has some limitations that can reduce the probability of success of increasing the return on investment. On one hand, since private schools have a higher budget available, it is more common to find ones that outsource their canteen service to private companies such as *Eurest*. Although most of these companies are UFS' clients, schools that choose to outsource the canteen service will not be able to join *Programa 100%*. On the other hand, since private schools can choose freely their suppliers, there is the risk of becoming much less loyal clients, which will require a higher monitoring from UFS's sales force.

Finally, it is important to focus why there wasn't any age group to be added, besides the 10 and 15 years old. Besides the fact that child obesity should be fought as early as possible, this can't be done in schools mainly due operational limitations, since the majority of the schools that serve this age group don't have a canteen for students. Furthermore, most of the schools that have a canteen and serve children younger than 10 years, have a company

(like Eures) handling the kitchen service. When we look at the youngsters with more than 15 years, we see that the majority of them eat outside the school.

Operational Improvements

In order to increase the profitability of the project, other changes were also required. The major goal of these changes was to increase the efficiency and quality of the service while, at the same time, generate a cost reduction.

One of the biggest criticisms to *Programa 100%*, resulting from the feedback gathered from schools that already have the project, is the lack of support provided after the implementation and training. In fact, the initial concept was very much “one shot” project, lacking further actions or support. In order to overcome this issue and, at the same time, to improve the purchases of UFS products, **a monthly newsletter is already being sent** with suggested recipes, news about education and nutrition and information about how many points the school has (in order to also improve the quantity of schools engaged in *Parceria 100%*).

On top of this, starting this school year, UFS sales force operatives **are suggesting “thematic days” to the schools.** (ex: Italian day). This action can be done in one or two days and the main aim of it is to improve the performance and organization of the kitchen staff while offering students a higher quality and healthier menu. Operationally, in this action one UFS’s Chefs helps the kitchen staff of the school to prepare a complete menu for lunch and gives them some tips for a more efficient performance in the future. Besides, there is also the presence of some visibility materials in the canteen that help to bring the feel of a thematic day.

In order to improve the visibility of the project there a **dedicated presentation of the project** has been created and sent to each element of the sales force team, in order for them to provide better information to the schools and clearly display the benefits of *Programa 100%*.

KPI's for the new target

The major KPI for the project in 2013 is to **have 70 schools with an average spending of 1.750€ annual per school.**³⁹ This is a very ambitious target, since, as mentioned before the total purchases of products in 2011 totaled only 34.912€. This means that **sales need to increase 87.588€ in this second phase.** Nevertheless, it is important to notice the improvements that were made in 2012 with sales, until November, of **50.362€.**

How to reach this target

As it can be easily seen from the data presented above, in order to meet this target, there needs to be a lot of effort from all departments of UFS, especially from the sales force team.

In order to increase sales, an action plan was elaborated:

1. A phone is contact made by the telebusiness department with the objective of making a triage of the private schools that are interested and those that aren't;
2. Afterwards, the schools that are interested are contacted personally by a sales operative that explains more in depth the project;
3. The school signs up on *Programa 100%*'s website and follows the steps mentioned in "Introduction to the project".

After the training of the kitchen staff and the implementation of the visibility materials are completed, a new crucial step has to be done: **more suitable prices offered by UFS need in order to be more competitive when compared with private labels.** In order to do so, sales operators will elaborate a proposal of the UFS' products with competitive prices, based on the information given by schools. On top of this, another key characteristic of the products will be emphasized: **the yield that each product gives to the costumer.** As a matter of fact, what really matters to schools is not the cost per product but the cost per meal and here UFS can beat competitors as, on one

³⁹ Internal information of the company on *Programa 100%*

hand, the quality of the product is higher and ensures a superior flavor and, on the other hand, they portfolio have a higher yield per unit, requiring less frequent purchases than competitors' products. This is one promise I think the company should focus on the relaunch of *Programa 100%*: **To offer the lowest cost per meal in the market.**

With all this initiatives, the objective is to boost the engagement of schools in *Parceria 100%* and, ultimately, to increase the profitability of the Project.

How to monitor the Project – Balanced Score Card Tool

In order to effectively monitor the project and the improvements presented in this Work Project, an adaptation of the Balanced Score Card Tool is extremely useful, since it covers 3 essential areas: financial, customer and internal processes. Picture 4 summarizes the suggested KPI's for monitoring the monitoring process as well as a timeframe for each objective and key responsible departments for each KPI. As will be developed in the next section, the key departments involved in these KPI's are the same that should be optimize in the relaunch of *Programa 100%*.

With this KPI's, the main goal is to increase the number of schools with purchases in *Programa 100%*, while, on one hand, reducing operational costs and, on the other hand, increasing the revenues generated by schools by boosting *Parceria 100%*. These goals are aligned with the strategic objectives of this Work Project.

Key Activities that *Programa 100%* should optimize

In order to meet the KPI's defined with the Balanced Score Card, it is essential for UFS to excel in certain activities. By looking at the traditional value chain illustration⁴⁰, we see that 3 key activities for *Programa 100%* emerge: **Marketing & Sales, Service and Procurement.** Due to their role as primary activities, the first two are more important for the project, while procurement activity will have an important role to reduce costs.

As explained before, it is extremely difficult for UFS to compete on product price, thus, it becomes key for the company to offer distinguishing features. By recalling the conclusions of the VRIO framework, we can easily see that the two main resources identified by UFS (Internal and external marketing know-how and a dedicated sales

⁴⁰ Please refer to Picture 5

force), form together what is perhaps the most important activity for *Programa 100%*: **Marketing & Sales**. These two resources complement each other in a sense that marketing is essential to see what the customer wants and how does he wants it and the sales force is fundamental to answer to those needs and also give feedback & consumer insights to the marketing department. This relationship is easily visualized in picture 6, where we see that the two departments should work together in an exchange of information, in order to better and quicker answer to the always changing needs of the final consumer.

Besides this primary activity, another one emerges as key to the success of *Programa 100%*: **Service**. This is essential to monitor and support costumers by constantly engaging them in *Parceria 100%*, where the purchases of UFS' product accumulate points that then can be traded by materials for the schools. In order to efficiently perform this activity there needs to connection between the sales force (which will make regular visits to schools and some “thematic days” if justified) and the Telebusiness department which will make an even more regular support to the schools contacting them at least every 2 weeks.

Finally, it is also important that UFS excels in the Procurement activity for *Programa 100%*, even though this is considered a secondary activity. This is vital for one of the major goals of the relaunch: **cost reduction**. In order to achieve this, it is essential to look for new partners, as it is being done with new suppliers for school material.

Results of Ongoing Improvements

As mentioned before, there have already been some positive indicators which are greatly contributing to a reduction on the losses with the project. In fact, 2012 purchases until the end of November were 50.362€⁴¹, which represents an **increase of 44%** when compared with the results of the full year 2011. On top of this, the number of schools with purchases of UFS' products has also increased; since 39 didn't buy in 2011⁴² and now only 35 don't have any

⁴¹ Internal information of the company on *Programa 100%*

⁴² Internal information of the company on *Programa 100%*

purchases⁴³ (it is also important to notice that the number of schools in the project in 2012 is higher than in 2011). In fact, currently there are 41 schools purchasing (meaning that the project is only 29 schools away from the KPI of 2013). This is clearly illustrated in picture 7. Nonetheless, in terms of purchasing value, the project is still 72.138€ away from that goal, which can be seen in picture 8. Finally, it is vital to tackle the situation of 31 schools that, since their integration in *Programa 100%* in 2011, never made any purchases⁴⁴. In the survey presented in “Main learning from the 1st phase”, many of these schools were contacted and the main reasons presented for school staff to make no purchases is the unawareness of the existence of the website of *Programa and Parceria 100%*, mainly due to sudden changes in the board of directors and a resulting deficient passage of information between previous and current administration, which emphasizes the need for a more regular contact of the sales force with schools.

Regarding the costs, from the beginning of 2012 until the end of November, total costs were 19.758€⁴⁵. Breaking down these costs, we see that the biggest “slice” is allocated to implementation of visibility materials in schools, which totaled 18.178 €. The remaining value is due to some purchases of material needed for the implementations (tape and boards) and the first change of points from *Parceria 100%* into 3 products.

With this analysis we can conclude that, on 2012, the project **generated a positive return of 30.603 €**.

It is also useful to analyze the progresses made on the total reach of the project. In fact, **the number of schools with *Programa 100%* increased 28,8%**, from 59 in 2011 to 76 in November of 2012. This increase in the number of schools with the Project is also reflected in the number of cooks with training (268 in 2011 and 294 in November 2012) and the number of students covered by *Programa 100%* (41.376 in 2011 and 44.743 in November 2012).

Multi-scenarios' Contingency plan

For the survival of *Programa 100%* it is crucial that the target for 2013 (reach the breakeven point) is fulfilled.

Nonetheless, it is important to present solutions that can be followed in case this target isn't met.

⁴³ Internal information of the company on *Programa 100%*

⁴⁴ Internal information of the company on *Programa 100%*

⁴⁵ Internal information of the company on *Programa 100%*

The first contingency plan is the one that can perhaps increase more sales from schools while maintaining a large part of the program unchanged. In order to do so, UFS can join forces with the main player in the school market: **private companies that directly manage schools' canteens** (like Eurest and Gertal, the biggest in the Portuguese market). This partnership will allow, on one hand, *Programa 100%* to enter much more schools faster than what is currently happening and, on the other hand, will allow for a drastic reduction in costs, since implementation costs in each school would be divided by each firm, as well as revenues generated from schools. Alternatively, UFS can even negotiate that not receive any revenues from those schools as long as the other company would support the costs of implementation and as long as it would only promote Unilever products. This way, the company would increase its revenues not by selling directly to schools but by increasing its sales to the food service company.

Alternatively, UFS can choose to **terminate the free nature of *Programa 100%***. With this, the initiative will become fully paid and would lose the majority of its social side but would also increase greatly the revenues, since schools that want the program in this format will be much more prone to make use of *Parceria 100%*, since they already made an investment in *Programa 100%* (by paying for the training and visibility materials). Nonetheless, in my opinion, this would be the less desirable solution, since it could compromise the image of the company.

Finally, there is another solution: **to end the commercial the side of the initiative (*Parceria 100%*) and only focusing on the social side**. With this, the project can only focus on helping the largest number of schools possible, while increasing the brand value of UFS to consumers. In order to do so, it is crucial that the display of UFS brands is improved, so that schools associate almost immediately the brands that are helping them. In my opinion, this would be the second best alternative since it would allow the project to maintain its identity and core values of helping to fight against children obesity.

Short term Recommendations

As mentioned before, the main weakness of *Programa 100%* is the commercial side and the low number of purchases of UFS' products. In order to help solve this situation, it is extremely useful to create a space with regular

news, the portfolio of products that can be trade with *Parceria 100%* and new recipes, using a more informal form of communication. **The perfect vehicle to achieve this is the creation of a dedicated Facebook page.** This is in fact a great way to give more support to schools and encourage them to buy more products while not incurring in new costs. To increase the engagement of schools, using the best practice of “Papa Ben”, the project of the Harvard Medical School Portugal, it is really useful to **create regular quizzes** focusing on health , children obesity and healthy eating habits. These quizzes can also have minor product promotion linked with a healthy diet.

In order to provide an improved and more comprehensive support to the schools it is ideal to complement the creation of the Facebook page and the monthly newsletter with a more personalized and direct form of communication. In order to achieve this, it is crucial to have the support of **the Telebusiness department.** In fact, this department can greatly improve the support given to schools, with a tailored approach to each school, recommending products specific to their needs and access if the school wants a thematic day. This will increase the likelihood of schools becoming clients. Despite the great potential that this department has in increasing sales, it is crucial to have a clear monthly schedule, so that a standardize approach is followed. This schedule should give priority to the top 10 schools with the highest purchases and to new schools in *Programa 100%* and should ensure that this schools receive a phone contact at least every month. All other schools should be contacted at least every 2 months. This new approach should also work as a complement to the personal visits made by the sales team.

From the “Let’s Move Initiative”, we can also extract another best practice to implement in *Programa 100%*: **a more effective and comprehensive involvement of parents in the project.** This is critical because currently parents are not involved at all in the project when they are an important influence on children, especially regarding their diet. It is not enough to promote a healthier diet in school if there isn’t a follow up of those healthy eating habits at home. In order to reach the parents two complementary solutions can be pursued. On one hand, **a formal letter addressed to parents** can be sent to schools who will then forward them to its intended target. In this letter, *Programa 100%* will be briefly explained, clearly mentioning its objectives, initiatives made in the schools and

challenging parents to become fans of the Facebook page of *Programa 100%*, especially to the dedicated tab for them. On the other hand, **this tab in the Facebook page of the initiative** will be the main vehicle of communication with parents and the main vehicle of communication with them. This can even function as a restricted area of the page, with a required Login and Password. Finally, engagement can be greatly encouraged using the previously mentioned quizzes, recipe suggestions and tips for healthy family activities.

Medium/Long Term Recommendations

Besides the recommendations given above for the short term, it is very important also to look at the future of the project and what it can be in 2/3 years and in 10 years, for example.

The first major recommendation emerges from the example of *Programa Educativo “Apetece-me”* from Nestlé Portugal in which, as the number of years with the project active increased, **the age groups targeted by it were progressively widened**. This is exactly what should be done in the future by *Programa 100%*. In my opinion the first age group that should be targeted is the one between 6 and 10 years old, due to: the high number of schools for this age group in Portugal; the fact that child obesity should be tackled as early as possible and due to the high number of schools focused in this age group that already on the waiting list (30 as of the end of November 2012). This first widening should be done after the project reaches its breakeven point, which should happen in 2013, so **the addition of a new age group should be done in 2014**. If this proves to be a profitable move, then the company should add yet another age group to *Programa 100%* in 2016 or 2017.

The 2nd main recommendation is to **re-include Public schools in the medium term** (if possible, in the beginning of the next school year), mainly due to the increasing number of these in waiting list. Nonetheless, this re-integration can be delayed if economy conditions continue to deteriorate since it doesn't make sense to re-tackle public schools when they proved to be very budget constrained and price sensitive.

Thirdly, it is crucial to manage in a more efficient way the dedicated stocks that the company has for *Programa 100%*. This is especially true for the visibility materials for implementations in schools (for images of these materials, please refer to Annex 1), which were initially produced in very high quantities. In fact, as of the end of November, UFS had 39 kits in stock.⁴⁶ In order to avoid such high levels of stocks in the future, I suggest that a routing with schools to be implemented should be carefully elaborated, in order to allow a large number of schools (at least 10) are implemented in the same week. This way, stock management is much easier, allowing for smaller batches of kits to be produced in the future and only if needed. Regarding the current stocks, I consider it to be an opportunity to the company since they've already been paid in 2011, thus, it would be useful to use those 39 kits as soon as possible, in order to avoid further stocking cost.

The final recommendation should be implemented in the medium term, ideally in 2014 or, if possible, already in 2013. It is critical to measure **the actual impact of *Programa 100%* in the eating habits of children, on the quality of meals in canteens and on the rate of obese children in schools.** In order to do so, I propose a comprehensive survey and study to be done to students of all schools with *Programa 100%* in order to understand if the quality of the meals has in fact increased or not. On top of this, in some schools, there should also be weighings and complete physical tests to students benefiting from program for later comparison with the national average, both in terms of average weight per children and number of children overweight or obese.

In my opinion, this last recommendation is crucial for the real success of *Programa 100%*. If results are positive than we know for sure that the initiative has been successful and has actually helped fighting child obesity, an increasingly dangerous disease in developed countries. With the remaining recommendations, I hope to help the financial viability of the project (helping it reach fast the breakeven point) by increasing the volume of purchases made by schools and by managing more efficiently the costs associated with the project allowing, ultimately, the

⁴⁶ Internal information of the company on *Programa 100%*

creation of a self-sustainable initiative that generates benefits not only to UFS but also to society and children particularly. An implementation timeline of all of these recommendations can be found in Annex 5.

Conclusions

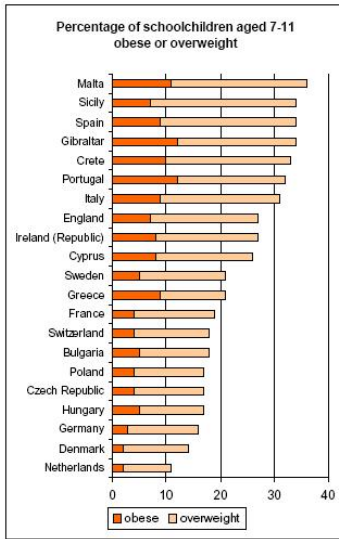
The biggest conclusion that can be taken from this work project is that, for the first year and half of existence, *Programa 100%* was not being profitable at all. With the addition of a new target (private schools) and critical operational improvements, such as the drastic reduction with costs related hired Chefs, monthly newsletter and thematic days, it has increased its profitability. Nonetheless, the program is still away from its breakeven point, with a **total return on investment of -42.985€** clearly displayed in picture 9. **It is clear that this measures need to have a follow up in 2013 and also need to be complemented with other actions**, in order to reach the 2013 main goal (70 schools with an average spending of 1.750€ annual per school) and thus further reducing the gap between total costs and total revenues.

Nonetheless, it is also important to notice that with *Programa 100%* **the social corporate image of the company has been boosted** an generated positive media awareness, which greatly benefited UFS and Unilever Jerónimo Martins.⁴⁷

I believe that with the improvements and recommendations presented throughout this work project will enable *Programa 100%* to reach the breakeven point in 2013 and will generate a positive impact on the Turnover and Profit (positive return on investment of *Programa 100%* in 2013 will positively contribute to the profit of the company) of UFS and Unilever-Jerónimo Martins.

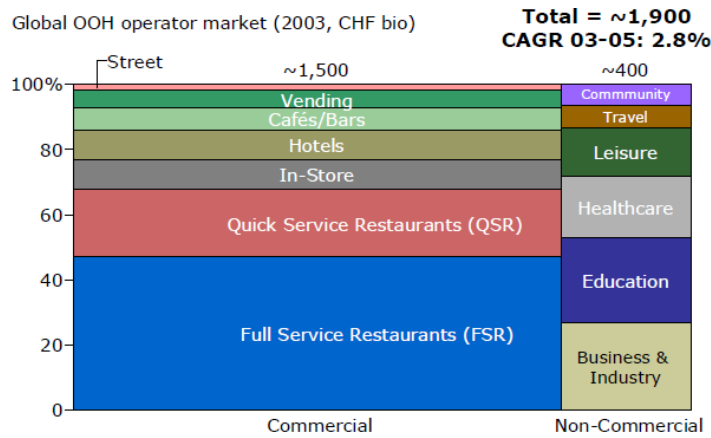
⁴⁷ This positive impact on the brand image of UFS is emphasized by the 2 news articles presented bellow:
Presence of *Programa 100%* in the program “Consigno” of RTP2 – http://www.unileverfoodsolutions.pt/quem-somos/novidades/detail-1345.programa_100_no_magazine_quotconsigoquot_na_rtp.html
Article dedicated to *Programa 100%* in the Portuguese newspaper “OJE” - http://www.unileverfoodsolutions.pt/quem-somos/novidades/detail-1303.programa_100_no_jornal_quotojequot.html

Tables and Pictures



Picture 1—Percentage of Schoolchildren aged between 7 and 11 years that are obese or overweight

Source: International Obesity Task Force



Picture 2—The 2003 Out of Home market and the weight of its different segments

Source: Nielsen



Picture 3—Matrices comparing UFS’ products based on quality vs. price and variety vs. price

Source: Internal information of Unilever-Jerónimo Martins

Month	Number of implementations in that month
January	1
March	5
April	18
May	15
September	20
TOTAL	59

Table 1—Number of implementations of visibility materials in schools during 2011

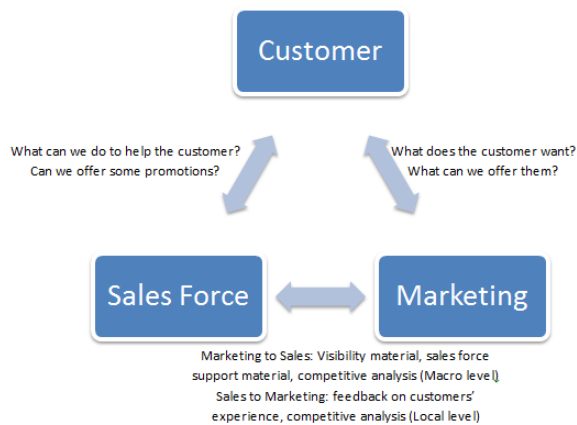
Source: Internal Information on Programa 100%

Financial		
KPI	Timeframe	Key departments involved
Return on Investment of 20%	End of 2014	All departments
Sales growth of 50%	From 2011 to 2012	Sales & Marketing
Sales growth of 40%	From 2012 to 2013	Sales & Marketing
Customer		
KPI	Timeframe	Key departments involved
80% of schools happy with the program	Every year	Sales; Marketing & Telebusiness
20 new schools purchasing UFS products	Every year	Sales; Marketing & Telebusiness
70% of customer retention	Every year	Sales; Marketing & Telebusiness
10 Schools trading in points for materials	End of 2012	Sales
30 Schools trading in points for materials	End of 2013	Sales
Internal Processes		
KPI	Timeframe	Key departments involved
50% cost reduction when compared with the initial costs	End of 2014	All departments
Search for new partnerships in school materials	2013	Marketing & Procurement
Reduction of the costs associated with the implementation of the visibility materials	2012 and 2013	Marketing & Procurement

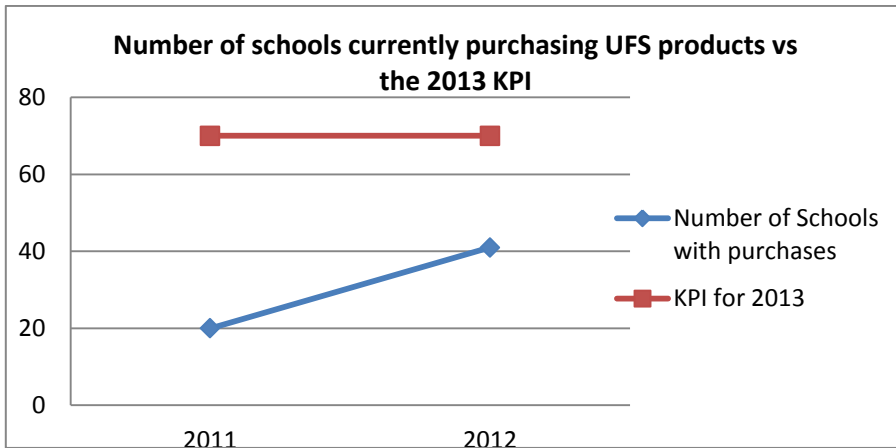
Picture 4 – KPI's recommended for monitoring Programa 100%



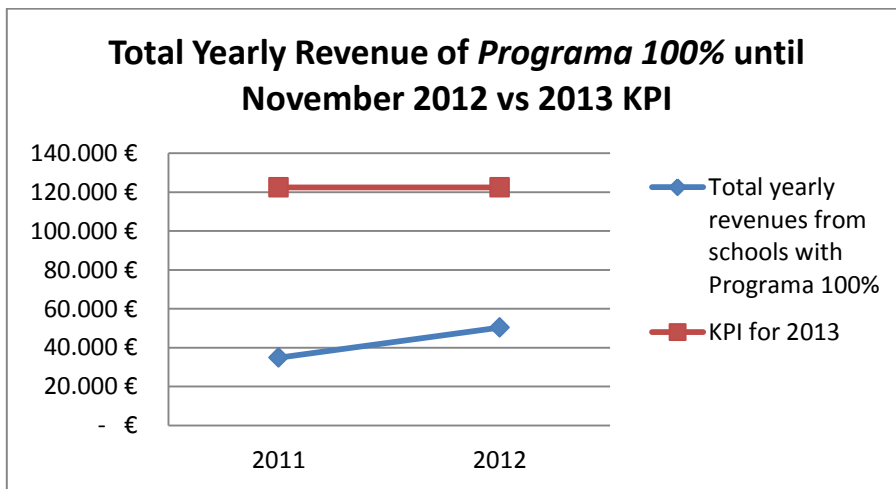
Picture 5 – Illustration of the value chain



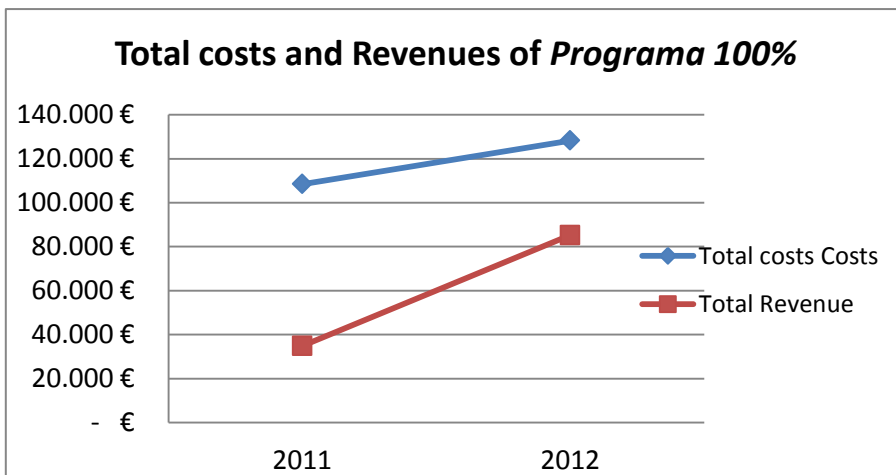
Picture 6 – Relationship between the 3 key drivers of the success of Programa 100%



Picture 7—Yearly comparison between the number of schools currently purchasing products in *Parceria 100%* and the 2013 KPI



Picture 8—Comparison between the yearly revenue of *Programa 100%* vs. the 2013 KPI



Picture 9—Comparison between the total costs and total revenues of *Programa 100%*