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NESTLÉ BUSINESS DIAGNOSIS: STRATEGIC AND ORGANIZATIONAL ANALYSIS

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Abstract: This study conducts a diagnostic analysis of Nestlé, addressing its main historical, structural, and strategic aspects from the perspective of contemporary management. The research describes the company's trajectory since its founding in 1867 by Henri Nestlé until its consolidation as a global leader in the food sector, highlighting its ability to adapt to economic, technological, and sociocultural changes. Essential elements of organizational management are examined, such as mission, vision, values, strategic planning, and administrative tools, including the PODC (Plan, Organize, Direct, and Control) model, the 5W2H method, and the SMART methodology. The study also analyzes the adoption of the stakeholder model, highlighting Nestlé's commitment to sustainability, social responsibility, and corporate governance practices. In addition, the macroenvironment analysis identifies political, economic, sociocultural, technological, and environmental factors that influence the company's performance, highlighting its ability to respond strategically to global market changes. Nestlé's matrix-based and decentralized organizational structure is presented as a competitive advantage that stimulates innovation and autonomy among regional teams. The study demonstrates that Nestlé's success stems from the integration of strategic management, innovation, and institutional values based on respect, ethics, and sustainability. It concludes that the company represents a model of administrative excellence, combining operational efficiency, corporate responsibility, and adaptability in a dynamic and globalized business environment.

Keywords: Business Diagnosis. Strategic Analysis. Organizational Analysis.

History of Nestlé is

Name

Nestlé, a name with a long history in the food industry, was inspired by the name of its founder, Henri Nestlé, a German pharmacist who founded the company in Switzerland in 1867. The name Nestlé It derives from the German word "*Nest*" (nest), which conveys the image of a welcoming place, symbolic of food products aimed at babies.

Creation

Henri's motivation was noble. When he created the brand, his goal was to help babies who could not be breastfed, thus preventing malnutrition. He created a powdered milk formula called *farine lactée* in Switzerland, which was a great success for the brand. In 1905, Nestlé merged with the *Alpine Condensed Milk Company*, thereby expanding its operations and production in the dairy sector, mainly in condensed milk.

Today, Nestlé is seen as a highly diversified industry, but this only began 63 years after its creation. In 1930, the company developed the famous Nescafé, the instant coffee that became one of the brand's most successful products. This was a period of great importance for the company's development, as it marked the beginning of Nestlé's internationalization.

After World War II, the brand experienced globalization. In the 1950s and 1960s, the company began to acquire several international brands such as *Cereals* and *Maggi* (a seasoning company), thus increasing its portfolio, sales reach, and audience. A few years later, it diversified even further

as it became clear that obtaining more products was the most efficient way to expand. It acquired companies in different food and beverage sectors, such as chocolates, mineral waters, and frozen foods, including the renowned *Rowntree*, owner of *KitKat* and *Gerber*. Given this expansion, Nestlé had no choice but to invest in new production and marketing technologies to meet the brand's demand.

Later, in the 1990s and 2000s, the trend was toward sustainable and healthy products that were good for your health, so Nestlé began to focus more on products geared toward health and nutrition. To this end, it bought companies specializing in nutritional foods and health care, such as *Heal-th Science*. During this same period, Nestlé made a commitment to sustainability, seeking to improve agricultural practices and reduce its environmental impact.

Finally, we can see that Nestlé has reached the level it is at today because it has undergone years and years of adaptation, becoming one of the largest food and beverage companies in the world, operating in more than 190 countries and employing thousands of people.

Business segment

Business segment refers to the market area in which a company operates. As we saw earlier, Nestlé has a wide variety of markets, including the following sectors:

Food: Such as soups, frozen products, baby food, and cereals;

Beverages: Coffee, tea, and water;

Health/nutrition: Infant formulas and supplies.

With these numerous sectors, the brand is able to reach a larger number of consumers in different areas, increasing its sales. This ensures that the brand never falls from the top.

Location

The first factory was opened in 1867 in Vevey, Switzerland. You may be wondering about the store where they sold their products. Like many other companies, the large national company Nestlé also started selling in the same place where it manufactured its products. This was the small nest where the company was born. Soon after spreading throughout Switzerland, Nestlé dominated France, and then it didn't take long to appear in other countries around the world.

Products/services

As seen previously, Nestlé is a food company that produces products such as cookies, chocolate, water, vitamins, etc. However, in addition to its products, the brand also has a lot of character. It has carried out projects such as *Nestlé for Healthier Kids*, which aims to improve the health of children around the world. The brand has committed to producing products with more nutrients and raising awareness about good nutrition. Another example of a project created by the brand is *Nestlé Pan*, which aims to protect the environment. The company looked to the future and wanted to do its part to reduce carbon emissions, minimize the use of plastic, and improve water management. The company also decided to use agricultural practices in its supply chains.

These two examples are just a few of the countless projects the company has promoted. Nestlé has always shown concern and sustainability for the environment, as well as the health of its consumers.

Specific products

Its food products include dairy products, chocolate, instant foods, coffee, cereals, cereal bars, baby food, frozen foods, and nutrition and health products. Nestlé also owns several other brands, such as Maggi, KitKat, Leite Ninho, Hot Pockets, and many others.

Nestlé's mission, vision, and values

Mission, vision, and values can serve as a support for decision-making when there is doubt about how to act. Together, these tools form the organizational identity, where everyone clearly knows the company's purposes and reasons for existing.

Mission: This is the basic purpose of the company's existence. Its main focus is on what the company produces, its supposed achievements, and how it intends to gain recognition from customers and others.

According to (Oliveira), "The company's *raison d'être*. Conceptualization of the horizon within which the company operates or may operate in the future."

Vision: Its aim and stimulus is the realistic and visible practice of what the company intends to become, the direction to be focused on, where resources are being invested, and whether this is really where the company should be heading. All these ques-

tions tend to be answered within a defined period of time.

According to (Hart) "Articulation of a company's aspirations regarding its future."

Values: These are related to how the mission and vision, established initially, are fulfilled. They are principles that serve as guidance for people who perform

any type of function within, outside, or related to the organization.

According to (Tamayo and Mendes) "Principles that guide the life of the organization."

Mission

Nestlé Brazil is present in 99% of Brazilian households, a world leader in food and beverages operating in 190 countries, with the purpose of revealing the power of food to improve the quality of life for everyone, today and for future generations.

Nestlé's purpose is inspired by the scientific advances of our founder, Henri Nestlé, guided by our values and with nutrition as our central focus. We work together with our partners to improve quality of life and contribute to a healthier future.

In addition to having ambitions defined in three areas of impact, we will direct our efforts toward achieving our current commitments and goals by 2030 and supporting the achievement of the United Nations Sustainable Development Goals.

Vision

"To be the partner that helps you grow through creative food and beverage solutions, backed by recognized brands, that enable you to innovate and satisfy your

customers. As a world leader in nutrition, health, and wellness, the NESTLÉ PROFESSIONAL team is truly passionate about what it does and is always committed to providing creative, customized, and commercially viable formulas.”

Values

At Nestlé, respect has a special and powerful meaning. It has a huge impact on the way we work and run our business.

Our values are rooted in respect. Respect for ourselves. For others. For diversity. And for the generations that will follow in our footsteps.

Defining our values is crucial—but living by them makes the difference. We serve with passion, build for the long term, and are inspired to innovate. We always strive to do better, so we can grow and succeed together.

Respect begins with self-respect. Being true to ourselves while acting with integrity, fairness, and authenticity. Respecting others means keeping our promises. It's about quality in our products, our brands, and everything we do. Respect for other ways of thinking, other cultures, and all aspects of society requires inclusion and openness in all our interactions. Respect for the future of our planet and for future generations compels us to act responsibly and courageously, even when it is difficult.

Strategic planning

According to Idalberto Chiavenato, a renowned management expert, strategic planning is an essential process that guides

the direction and viability of a company, establishing short-, medium-, and long-term goals that affect its trajectory. He also points out that planning is the first function of the administrative process, allowing the establishment of organizational goals and the determination of the resources needed to achieve them effectively.

In addition, he emphasizes that planning is a continuous process in organizations, not limited to the development of an action plan, but functioning as a tool that guides decision-making, reducing uncertainty and promoting rationality in the decision-making process. In his book “Strategic Planning – From Intention to Results,” Chiavenato objectively presents the stages of the strategic planning process, from strategic intention to the final result, providing essential tools for operating in a competitive business environment.

Considering this perspective, it can be said that Nestlé does indeed have a solid and well-structured strategic plan, in line with its mission to “improve quality of life and contribute to a healthier future.” The company adopts long-term strategies based on pillars such as innovation, sustainability, nutrition, and digitization, thus ensuring that it maintains its leadership in the global food and beverage sector.

Brainstorm

According to Idalberto Chiavenato, a management expert, *brainstorming* is a technique that aims to overcome the pressures for conformity that hinder the development of creative and innovative options. This technique encourages the search for al-

ternatives without criticism or restrictions, promoting the free expression of ideas in a collaborative environment.

Nestlé is one of the largest food and beverage companies in the world, operating in more than 180 countries. To maintain its leadership position and meet consumer expectations, the company needs to constantly innovate and define good strategies. One of the methods that can be used for this is *brainstorming*, a creative process that brings together different professionals to generate ideas and solutions without initial judgments.

Even though Nestlé does not disclose its internal brainstorming processes in detail, we can see from its initiatives that the company uses collaborative practices to set business goals, such as *design thinking*, *stakeholders*, data integration, and market trends, which indicate that Nestlé values strategic approaches to defining its objectives.

Among the areas that can benefit from brainstorming within the company, the following stand out:

- a) New product development – Creating innovative options that respond to changes in consumer behavior, such as plant-based foods or foods with less sugar.
- b) Sustainability and ESG – Setting goals to reduce environmental impact, such as recyclable packaging and reducing the carbon footprint.
- c) Marketing and digital engagement – Creating campaigns to increase customer loyalty and interaction.

Brainstorming allows Nestlé to align its strategy more efficiently, ensuring that its

products and services meet consumer needs and global market demands.

The importance of brainstorming in setting business goals

Brainstorming is not just a tool for generating random ideas; it plays an essential role in formulating business strategies. Before setting business goals and objectives, it is essential for a company to have a clear overview of the current scenario and opportunities for innovation. *Brainstorming* assists in this process by:

- a) Promoting diversity of ideas – Different departments can contribute unique perspectives, aiding in decision-making.
- b) Avoiding limitation to old patterns – Thinking collectively allows new solutions to be explored, breaking away from conventional thinking.
- c) Accelerating problem solving – Instead of relying solely on management, the company can find more agile answers with the contribution of its team.
- d) Foster innovation – Innovative ideas arise when there is freedom for experimentation and collaboration.
- e) Create internal engagement – Employees who participate in the goal-setting process feel more motivated to contribute to the company's success.

In Nestlé's case, effective brainstorming can be used to improve everything from new product creation to the customer experience, ensuring that business goals are aligned with modern consumer expectations.

Nestlé, like other large companies, constantly seeks to improve the customer experience. A common challenge is encouraging consumers to respond to post-purchase surveys, because these responses provide valuable insights into the quality of products and services.

Let's present a mind map that could be developed in a *brainstorming session* to increase customer participation in these surveys.

Key Topic: Increasing Customer Participation in Post-Purchase Surveys.

By implementing these ideas, Nestlé can significantly increase customer participation rates in its surveys, obtaining more accurate data to improve its products and services.

Adoption of the Stakeholder Model in Nestlé Management

Idalberto Chiavenato (2021) defined *stakeholders* as all groups or individuals who affect or are affected by an organization's decisions and activities. They can be internal (shareholders, employees, managers) or external (customers, suppliers, government, society, and the environment). Management based on *the stakeholder* model seeks to balance these interests to ensure the company's sustainability.

Nestlé adopts the *Stakeholder* model, extending its responsibility beyond shareholders (*Shareholder* model). The company considers interaction with various groups essential for sustainable growth, balancing economic, social, and environmental objectives.

Nestlé takes a comprehensive approach to its relationship with stakeholders, recognizing the importance of each of these groups to its sustainability, , and growth, i.e., it uses the *stakeholder* model. With regard to employees, the company invests heavily in training and professional development, promoting diversity and inclusion programs that ensure an equitable and welcoming work environment. In addition, well-being and safety in the workplace are priorities, reflected in initiatives that seek to improve the quality of life of its employees.

With regard to customers, Nestlé is committed to developing healthy and affordable products, ensuring transparency in nutritional information so that consumers can make informed choices. Innovation is also an essential pillar, enabling the company to meet the different needs and preferences of the market.

Suppliers also play a crucial role in Nestlé's strategy. The company establishes sustainable partnerships, ensuring that the inputs used meet strict criteria for quality and environmental responsibility. In addition, it encourages ethical and fair production, ensuring that the entire supply chain operates transparently and in line with its corporate values.

In the social sphere, Nestlé develops various social responsibility projects, investing in education and nutrition to benefit communities around the world. The company seeks to positively impact society through actions focused on local development, strengthening its commitment to improving the quality of life of the populations with which it interacts.

In relation to the government and regulatory bodies, Nestlé strictly follows all



1 -Brainstorm Figure

Source: Maria Vitoria Gravata da Silva (2025)



Figure 2 - Stakeholders.

Source: Management for All - Entering the World of Business Management 3rd Edition (2021).

environmental laws and regulations, operating transparently and ensuring that its products and processes comply with global food safety standards.

Finally, with regard to the environment, the company is committed to reducing carbon emissions and the conscious use of natural resources. Recycling and circular economy projects are encouraged, demonstrating Nestlé's concern with minimizing its ecological footprint and promoting a more sustainable future.

Companies that adopt the *stakeholder* model are standing out in the market by ensuring greater stakeholder involvement. Nestlé positions itself as a leader in corporate responsibility, aligning itself with the demands of modern consumers and global sustainability guidelines.

Nestlé exemplifies the evolution of corporate management toward a more inclusive and responsible model. Its commitment to stakeholders strengthens the company's reputation and ensures its long-term continuity.

Macroenvironment Analysis:

According to Chiavenato (2014), understanding macroenvironmental factors is fundamental to developing strategies that allow Nestlé Brazil to maintain its competitiveness and respond quickly to market changes.

Political Variable

This encompasses the set of government policies, political stability, regulations, international relations, and fiscal policies

that affect the business environment. In response to changes in government policies to encourage the food industry (SINFRERJ, 2024), Nestlé Brazil adjusted its investments in innovation (CNN BRASIL, 2025; NESTLÉ BRASIL, 2022). This strategy involved expanding partnerships with research institutions to develop products that align with new regulatory guidelines, ensuring competitiveness and compliance with standards.

Positive impacts: A scenario of political stability and investment incentive policies favor investor confidence and the environment for innovation and business expansion.

Negative impacts: Abrupt changes in regulatory policies and government uncertainties can generate risks and increase compliance costs, affecting the predictability of Nestlé's results.

Economic Variable

General economic conditions, such as growth rate, inflation, consumer purchasing power, exchange rates, and unemployment levels (CNN BRASIL, 2025). During periods of economic instability and high inflation, Nestlé Brazil launched economical packaging for products such as coffee and dairy products, offering consumers better value for money (NESTLÉ, 2023; JORNAL O SUL, 2021). This initiative made it possible to maintain sales volume even in scenarios of reduced purchasing power, demonstrating adaptation to economic conditions.

Positive impacts: In periods of economic growth and increased purchasing power, there is expansion of the consumer market and greater demand for quality products.

Negative impacts: Economic crises, high inflation, or unfavorable exchange rate fluctuations can reduce consumption capacity and increase operating costs.

Sociocultural Variable

This covers the values, beliefs, behaviors, consumption habits, and cultural trends of society. Attentive to changes in consumer habits and demands, Nestlé Brazil has developed product lines with lower sugar content and lactose-free versions. These actions were implemented after market research indicated a growing concern with health and well-being (Raud, 2024; FoodForum, 2024; Nestlé Brazil, 2022), demonstrating the company's commitment to offering options aligned with current societal values.

Positive impacts: Growing concern for health, well-being, and sustainability aligns with Nestlé's initiatives to offer products that meet new consumer demands, reinforcing the brand's image.

Negative impacts: Rapid changes in consumer habits and preferences require constant adaptation of products and communication strategies, which can demand significant investments.

Technological Variable

Technological advances impact production processes, new product development, digital marketing, and automation. Nestlé Brazil has invested in the automation of its production lines and the implementation of digital traceability systems. These technological advances have not only increased operational efficiency but also improved product transparency and quality, facilitating real-time monitoring and strategic

decision-making (Nestlé Brazil, 2022). The company has also reformulated its digital strategy, investing in technology to engage consumers (TI INSIDE, 2025).

Positive impacts: Technological innovations enable improvements in production efficiency, the creation of innovative products, and the expansion of reach through digital channels, strengthening competitiveness.

Negative impacts: The ongoing need to invest in technology to avoid becoming obsolete can increase costs and require rapid adaptation to new trends, which can cause delays if adaptation is not possible.

Environmental Variable

To meet sustainability demands, the company has implemented projects to reduce plastic use and increase recycling (Nestlé, 2022). A practical example was the introduction of packaging made from recycled materials in some product lines (Cidade Marketing, 2024; BHB Food, 2023), which contributed to reducing environmental impact and strengthened Nestlé Brazil's image as an organization committed to social and environmental responsibility (Nestlé Brazil, 2022). The company has a goal of making 100% of its packaging recyclable or reusable by 2025 (Nestlé Health Science, 2023).

Positive impacts: The implementation of sustainable practices and the adoption of environmental policies reinforce Nestlé Brazil's reputation, aligning with the expectations of an increasingly conscious and demanding market.

Negative impacts: Compliance with strict environmental standards and the implementation of green technologies can represent high investments and operational

challenges, which may cause an increase in the company's expenses, thus having to reduce costs in other areas.

Nestlé Organization Chart

For Chiavenato, an organizational chart is a graphical representation that illustrates the formal structure of an organization, detailing the division of labor, existing positions, their grouping into units, and the

established formal authority. He points out that the organizational chart is one of the main ways of representing the organizational structure, allowing one to visualize the hierarchy and subordinate relationships between the various positions and functional areas.

Nestlé uses different types of departmentalization to organize its operations globally and locally. Some of the main models adopted are:



Figure3 - Nestlé Structural Organization Chart.

Source: SCRIBD (2025).

a) Functional Departmentalization

The company is divided based on key functions, such as Finance, Marketing, Sales, Human Resources, Production & Development. This model improves specialization within each area and allows for greater efficiency. Presenting different duties and responsibilities of employees and areas of the company are distributed in such a way that they maintain a close connection according to logic and professional training.

ADVANTAGES	DISADVANTAGES
Greater security, based on the execution of tasks.	Overall responsibility lies with senior management.
Senior management has greater control over activities.	Increase in workload and company size, functions become difficult and complex.
Work specialization.	Work specialization: managers take care of a specific area and may find their area more important.

4-Functional Organization



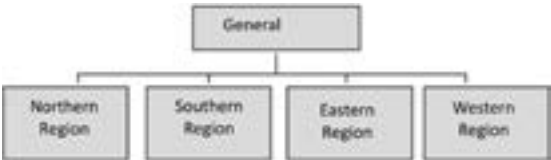
Source: Flavia Fernandes Diana (2025)

b) Geographical Departmentalization

As a global company, Nestlé divides its structure by region (North America, Latin America, Europe, Asia, etc.) to adapt to the needs and characteristics of each local market. In Brazil, there is a regional organization to meet the specific demands of the country. Since the organization's good performance depends on adjustments to local conditions, all activities carried out in a given territory must be grouped together and placed under the orders of an executive.

ADVANTAGES	DISADVANTAGES
Economic advantages of certain local operations.	Duplication of facilities and personnel if planning is not very effective.
Greater ease in understanding local influencing factors and problems.	May overshadow coordination, both in terms of planning, execution, or control of the company, etc.
Possibility of greater training and capacity building for personnel through direct action in the territory in question.	The strictly territorial concern focuses more on marketing, production, and operations aspects.

5 Figure - Organization by Geographic Area



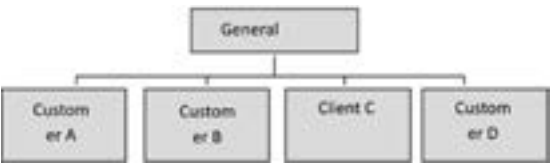
Source: Flavia Fernandes Diana (2025)

c) Departmentalization by Customer/Market

The company segments its operations according to customer profiles and distribution channels (retail, wholesale, e-commerce, etc.). This allows for a personalized approach and greater sales efficiency, in addition to identifying the most important customers, i.e., those who contribute most to the organization's operations.

ADVANTAGES	DISADVANTAGES
Greater knowledge of customer needs and the specific characteristics of products or services	Pressure from customers to request privileges, which can strain the relationship between the company and the customer, who may request special treatment
Ensuring continuous and rapid knowledge and response to the specific needs of different types of customer classes	Inappropriate use of human resources and equipment in terms of customer groups

6 Figure - Organization by customer



Source: Flavia Fernandes Diana (2025)

d) Matrix Departmentalization

Nestlé adopts a hybrid model, combining functional and divisional structures. This means that a manager can report to both a product director and a regional director, promoting collaboration between areas. This allows companies to invest not only in sector specialization, but also in innovation and flexibility in independent projects. It provides elements of a functional structure, with the existence of departments, as well as a divisional structure, as it has the idea of disaggregation by projects.

ADVANTAGES	DISADVANTAGES
Increased productivity, transforming the daily routine into something less bureaucratic and bringing good results	Possibility of doubting which manager to turn to in order to solve each problem. Employees may become confused, which can lead to delays
Employees become more involved in their activities, improving employee and team involvement, increasing engagement	Conflict of ideas between managers (department and project)
Strengthens interaction between sectors.	

7 Figure -Matrix Organization.



Source: Pontotel Team (2024).

Nestlé can improve its structure by investing in digital integration between departments. The implementation of more advanced systems and task automation would help reduce costs and increase efficiency. In addition, training for managers can minimize conflicts and ensure better strategic alignment. These changes would make the company more agile and competitive in the market.

Nestlé company flowchart

A flowchart is an essential graphical tool for representing processes in a clear and sequential manner. Using standardized symbols, it illustrates the steps and decisions in a process, which facilitates both the understanding and analysis of the activities involved. According to Silva (2019), “A flowchart is a visual tool that graphically represents the steps in a process, facilitating the understanding and analysis of the activities involved.”

Thus, by implementing flowcharts, companies can efficiently map their processes, identify possible improvements, and optimize their workflows.

For organizations such as Nestlé, the use of flowcharts is a fundamental first step in understanding and explaining the interaction between different departments and processes, which contributes to more effective management aligned with strategic objectives.

Raw Material Procurement

Nestlé obtains raw materials such as milk, cocoa, coffee, and cereals from local and international suppliers. The company maintains partnerships with rural producers, promoting programs that ensure milk quality and farm sustainability (NESTLÉ BRASIL, 2025a).

Initial Quality Control

Raw materials received undergo rigorous quality testing to ensure they meet the standards established by the company. These tests include physical-chemical and microbiological analyses carried out in specialized laboratories (NESTLÉ BRASIL, 2025b).

Processing and Production

The ingredients are processed in specialized factories, where steps such as pasteurization, fermentation, drying, and mixing take place, depending on the final product. For example, in the production of powdered milk, the milk is pasteurized, concentrated by evaporation, and then dried by atomization (NESTLÉ BRASIL, 2025c, NESTLÉ BRASIL, 2015).

Packaging

Products are packaged using technologies that ensure preservation, food safety, and convenience for the consumer. Nestlé also seeks sustainable and eco-friendly solutions for its packaging, aiming to reduce its environmental impact (NESTLÉ BRASIL, 2025d).

Storage

After production, Nestlé products are stored in strategically located distribution centers, such as the one in Araçariquama (SP), which supplies several regions of the country. These centers are designed to ensure proper product preservation, with temperature and humidity control and automated storage systems (NESTLÉ BRASIL, 2025e).

Logistics

Nestlé products are distributed through an efficient logistics network, which uses tracking and geolocation technologies to optimize delivery routes. The company establishes partnerships with logistics operators and develops projects aimed at expanding the capillarity of deliveries, including in peripheral and hard-to-reach areas (NESTLÉ BRASIL, 2025f; NESTLÉ BRASIL, 2025g).

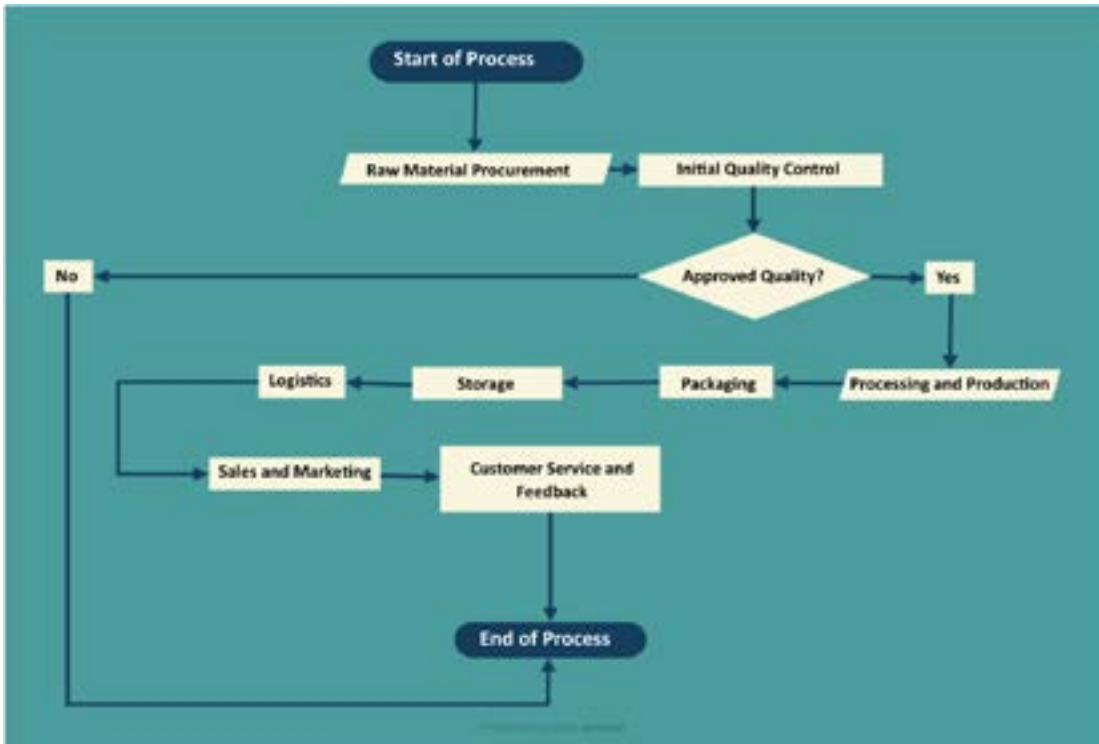
Sales and Marketing

The company implements marketing and sales strategies to promote its products and meet consumer needs in various markets. These strategies are adapted to regional specificities, taking into account local preferences and habits. Nestlé invests in digital campaigns, product innovations, and relationship-building actions to build consumer loyalty (NESTLÉ BRASIL, 2025h).

Customer Service and Feedback

Nestlé maintains open channels of communication with consumers to receive feedback, answer questions, and continuously improve its products and services. These channels include Customer Service, social media, and digital platforms, providing a close and transparent relationship with the public (NESTLÉ BRASIL, 2025i).

Figure8 - NESTLÉ FLOWCHART



Source: Gregory Fabrizzio Ancco Solorzano (2025)

Nestlé Benchmarking

Benchmarking is a market analysis tool based on comparison with other competing companies, observing processes, methodologies, products, or services that work in a business model. *Benchmarking* is part of the strategic planning of any business and is one of the first steps an entrepreneur must take to get their idea off the ground.

Nestlé is a good example of a company that already uses this practice strategically. This can be seen, for example, in *the 2023 Food and Agriculture Benchmark*, where the company ranked second in the food and beverage processing segment. This position shows how Nestlé is attentive to what other giants in the industry are doing and how it applies this learning to constantly evolve in

areas such as governance, nutrition, social inclusion, and environmental sustainability.

Another clear example is the company's commitment to animal welfare. Nestlé achieved "Level 2" in *the annual benchmark* on animal welfare practices in the food industry—an important recognition. This shows not only the company's effort to improve its supply chain, but also its transparency and willingness to collaborate with organizations such as *Compassion in World Farming*.

These initiatives show that Nestlé sees *benchmarking* as a powerful tool for growth and innovation, adopting the best in the market and often leading by example. Still, there is always room to go further. Some ideas that could help the company expand its use of *benchmarking* even more include:

- **Deepening the analysis of competitors:** understanding in more detail how other companies deal with challenges such as food waste or offering more affordable and nutritious products.

- **Look beyond the sector:** seek inspiration from companies in other areas that excel in innovation, efficiency, or sustainability—this is called functional *benchmarking*.

- **Participating in collaborative networks:** joining forums and partnerships that encourage the exchange of best practices between companies, with a focus on topics such as social and environmental responsibility.

- **Follow global standards:** keep a close eye on sustainability and social responsibility indicators defined by organizations such as the UN and FAO, aligning your goals with these international standards.

Through these actions, Nestlé can continue to reinvent itself, strengthening its leadership position in the sector and contributing even more significantly to essential issues such as public health, sustainability, and animal welfare.

Nestlé’s 5W2H

5W2H is an action planning tool. It helps transform ideas or goals into practical plans, organizing all the details necessary for an action to be carried out with clarity.

The acronym 5W2H comes from English and is formed by the initial letters of the seven questions that should be asked when drawing up the plan.

5W:

- *What* – What will be done?
- *Why* – Why will it be done?
- *Where* – Where Will It Be Done?
- *When* – When Will It Be Done?
- *Who* – Who Will Do It?

2H:

- *How* – How Will It Be Done?
- *How Much* – How Much Will It

Cost?

In summary, the function of this tool is to define what will be done, why, where, by whom, when, how, and how much it will cost. With this, the method assists in the organization and planning of any internal company processes.

9 -5W2H Figure

Action Plan	What	Why	Who	When	Where	How	How much	Status			
Description	What will be	Why?	By whom?	Start	Deadline (days)	Planned End	Real End	Where?	How?	How Much?	
Launch of Nestlé's Sustainable Line	Launch a new line of sustainable food products with recyclable packaging and organic ingredients.	Meet the growing demand for healthy and sustainable products; strengthen Nestlé's image as a conscious and innovative company.	Marketing team, product development, sustainability, logistics, and local ingredient suppliers.	June 2025.	Pre-launch campaign in August and arrival in supermarkets in September.	Launch scheduled for the second half of 2025	Second half of 2025	Launch in Brazil's major capitals (São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre), with gradual expansion to other regions.	Market research, development of sustainable formulas, quality testing, eco-friendly packaging design, digital campaigns, and partnerships with influencers.	Initial investment estimated at R\$ 8 million (research, production, marketing, and distribution).	In progress

Source1 : Laila Luiza Alves dos Santos (2025)

Organizational Structure and Decision Making at Nestlé

A company's organizational structure is decisive in how decisions are made and responsibilities delegated. In this context, two main approaches stand out: centralization and decentralization of decision-making power.

According to Chiavenato (2014), centralization consists of concentrating authority in the upper echelons of the organization. In this model, strategic and operational decisions originate from a central core, which can ensure greater control and uniformity, but tends to slow down the response to changes in the external environment.

In contrast, decentralization is characterized by the delegation of authority to lower hierarchical levels. For Chiavenato, this approach promotes greater autonomy for operational units and enables faster decisions that are adapted to local realities. In addition, it encourages responsibility, team commitment, and innovation, which are fundamental characteristics in dynamic and competitive environments.

Nestlé's Decentralized Structure

Nestlé adopts a decentralized matrix organizational structure, which combines functional and divisional elements, giving greater autonomy to local and departmental units. This configuration allows the company to respond quickly to the demands of different markets, taking advantage of the specific and cultural competencies of each region where it operates.

In practice, decentralization at Nestlé enables the distribution of decision-making

power across various hierarchical and operational levels, allowing for greater collaboration, innovation, and adaptability. Teams have the freedom to act strategically according to the particularities of their market, which reduces dependence on central approvals and speeds up internal processes.

This approach is in line with the contemporary management model, which values flexibility, operational efficiency, and proximity to the consumer. The company promotes a collaborative environment in which local managers have the autonomy to implement solutions aligned with the corporation's global objectives, without losing sight of regional needs.

By adopting this structure, Nestlé strengthens its capacity for innovation, as different areas and locations can test ideas and propose improvements independently, while respecting corporate guidelines. This decentralization contributes to an organizational culture based on trust, initiative, and agility—essential elements for large multinational companies.

PODC as a business strategy

The PODC model is a classic management benchmark that brings together four essential functions for effective management: Planning, Organizing, Directing, and Controlling. These steps are fundamental to ensuring that organizations act strategically, coordinately, and efficiently. Companies of all sizes, such as Nestlé, apply this model in their operations, even if implicitly, in order to achieve their organizational objectives.

PODC functions:

Planning: Planning is the initial and strategic stage of the administrative process. At this stage, the organization defines its objectives and establishes the means to achieve them. This includes analyzing scenarios, setting goals, formulating strategies, and developing action plans.

Organizing: Based on what has been planned, the company must properly structure its resources—human, financial, material, and technological. It is at this stage that tasks and responsibilities are distributed and the hierarchy is established, ensuring that everyone knows what to do and how to contribute to the organizational objectives.

Direct: Management is responsible for mobilizing the organization's human resources to execute plans. This involves leadership, communication, motivation, and team coordination. Managers need to align organizational goals with individual and collective efforts, promoting engagement and productivity.

Control: The last stage of the cycle is control, which consists of monitoring and evaluating the results obtained, comparing them with the established objectives. This function allows the identification of deviations and the adoption of corrective measures, promoting continuous improvement of processes.

Application of PODC: Fictitious Case Study – Nestlé

Scenario: Nestlé identifies a growing trend in the consumption of healthy products and decides to launch the “Nestlé Sem Açúcar” (Nestlé Without Sugar) campaign in Brazil, aimed at developing a new line of foods with reduced sugar content.

Planning: The company sets clear goals, such as launching three new products by the end of the year, investing R\$ 5 million in research and development, and reducing the sugar content in existing products by 30%.

Organization: To meet these goals, a multidisciplinary team is created, composed of nutritionists, food engineers, and marketing professionals. Some manufacturing units are adapted for testing new recipes, and traditional marketing resources are redirected to digital campaigns focused on health.

Direction: The project manager monitors the team's progress on a daily basis, while leaders promote motivation through clear goals and incentives. Internal communication reinforces the values of conscious eating.

Control: The company conducts consumer surveys to test the acceptance of new products and verifies that the criteria for taste, quality, and shelf life are being met. If not, adjustments are made to planning and execution.

This fictional example illustrates how Nestlé can apply the PODC model to strategic projects, combining management theory with practical actions aligned with the market and consumer demands.

SMART objectives

The SMART methodology is widely used in management to define goals and objectives in a clear, measurable, and efficient way. The acronym SMART corresponds to five essential criteria that must be present in every effective goal: *Specific, Measurable,*

Achievable, Relevant, and Time-based. This model was originally proposed by George T. Doran in 1981. Since then, the methodology has been widely recognized and adopted in planning strategies, project management, and organizational administration.

As Chiavenato (2014) points out, setting clear and well-formulated goals is essential to ensure that organizational actions are aligned with expected results. The SMART methodology contributes directly to this alignment by establishing objective and practical criteria for goal setting. By ensuring that a goal is specific, ambiguities are avoided; by making it measurable, progress can be monitored; by being achievable, the feasibility of the objective is ensured; by being relevant, alignment with the strategic interests of the organization is promoted; and by including the time criterion, an appropriate deadline for its achievement is defined.

In the business context, Nestlé, one of the largest companies in the global food sector, adopts modern and structured management practices to promote efficiency, innovation, and sustainability. Among these practices, the application of the SMART methodology stands out as a tool to support strategic planning and the management of organizational goals. The company uses this model especially in areas such as organizational performance, product innovation, socio-environmental programs, and corporate responsibility.

The use of the SMART methodology provides Nestlé with a solid foundation for setting and monitoring goals on several fronts. For example, in the context of sustainable initiatives, the company sets objectives with measurable indicators, such as the amount of carbon emissions avoided, and

specific deadlines, such as environmental goals by the year 2030. These goals are also aligned with the Sustainable Development Goals (SDGs), contributing to their clarity, feasibility, and relevance.

In addition, Nestlé applies the principles of the SMART methodology in its internal programs, such as diversity and inclusion projects. In these cases, specific goals with defined deadlines are set, aimed at increasing the representation of marginalized groups and individuals in leadership positions, demonstrating the organization's commitment to equity and human development. This type of structured goal guides organizational behavior and is crucial for achieving effective results.

Final Considerations

Throughout this work, it was possible to understand how Nestlé, one of the largest companies in the global food sector, consolidated its leadership through solid administrative strategies, aligned with the main concepts of modern management. The analysis showed that the organization adopts management practices based on the PODC (Plan, Organize, Direct, and Control) model, combined with techniques such as brainstorming, setting SMART goals, and using the 5W2H tool, which demonstrates its commitment to efficiency, innovation, and sustainability.

Nestlé's matrix-based and decentralized organizational structure allows for agile action adapted to the particularities of each regional market, giving greater autonomy to teams and favoring localized decision-making. This organizational model is su-

10 Figure - Nestlé's SMART Methodology.

S	SPECIFIC	Reduce carbon emissions in global industrial operations.
M	MEASURABLE	Reduce CO ₂ emissions by 50% by 2030, compared to 2018 levels.
A	ACHIEVABLE	Implement clean technologies, use renewable energy, and improve energy efficiency in factories.
R	RELEVANT	Aligned with the Sustainable Development Goals (SDGs) and commitment to sustainability.
T	TIME	Target with a defined deadline: achieve the reduction by 2030.

Source: Maria Luísa Mello 2025.

pported by authors such as Chiavenato, who highlights the benefits of decentralization for companies operating in dynamic and competitive environments.

In addition, the use of the stakeholder model reveals Nestlé's commitment to social, environmental, and economic responsibility, seeking to balance the interests of all stakeholders with whom it interacts. This approach reinforces the company's vision that sustainable growth is directly related to the creation of shared value.

The macroenvironment analysis showed that Nestlé is attentive to political, economic, sociocultural, technological, and environmental influences and responds to these variables strategically, ensuring its adaptability and resilience in a constantly changing market.

Finally, it is noted that Nestlé invests heavily in innovation, technology, sustainability, and strategic management, conso-

lidating its position as a benchmark in the food and beverage sector. Its successful track record is marked by an organizational culture focused on respect, excellence, and the constant pursuit of improvement, factors that keep it competitive and socially responsible on a global scale.

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