Strategies to expand FSSC operation supported by emerging technologies

Shared Services Center
PEPSICO
Latin America

Located in Mexico, we provide Financial back offices services to 18 countries, including 3 Centers of Excellence (A&M, Pricing & Reporting – LAB)

Processes & Services

- Accounts Payable
- Accounts Receivable
- General Accounting
- Fixed Assets
- Bank Reconciliation
- Cost Accounting
- A&M – Pricing *(LAB)*
- Financial Reporting *(LAB & LATAM HQ)*
- Payroll *(3 Countries – F&B)*
- Social Security *(Mex)*
- Service Delivery

MORE THAN
4.3
MILLON OF TRANSACT

280
ASSOCIATES & GROWING

30%
TEAM PROMOTIONS (4 years)

2017 SOLID RESULTS

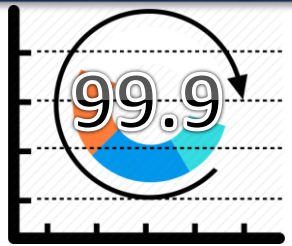
Cost Per Transaction

-68%

DECREASE IN 8 YEARS

LAST 3 YEAR	B (W)
2015	-9%
2016	-13%
2017	-10%

SLA s & Efficiency



3 New Countries

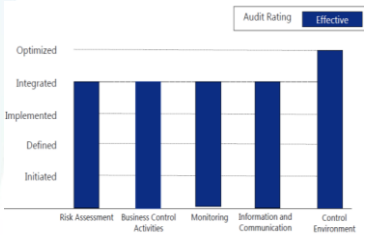
13 FTE

Cost Avoided

+13% ***vs '16***

Transaction Efficiency

Control Effectiveness



GCS Integrated / CE **Optimized**

Controls Effectiveness +95

KC optimization – **28%**

KC Computer assisted **+4%**

Talent Health

90% OHS

7.5% Turnover

9.8% Promotions

4.3 Customer Satisf.

(Scale 1 to 5)

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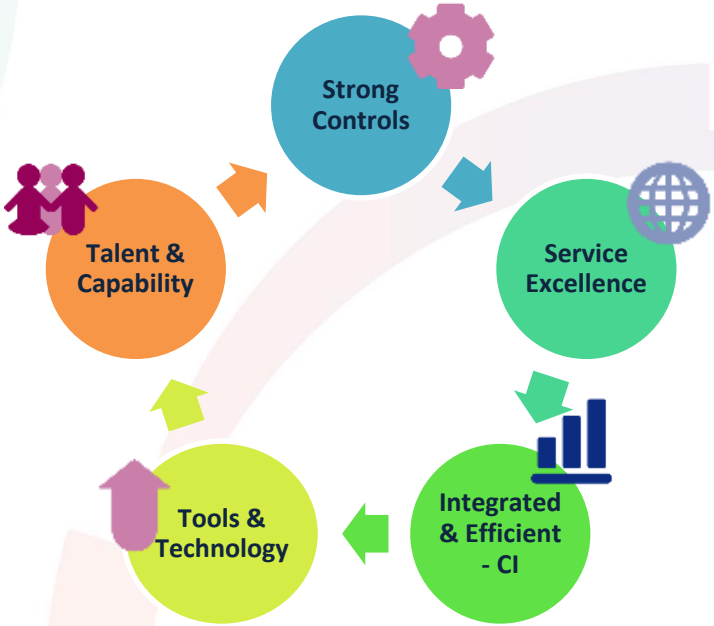
Shared Services Center
PEPSICO

We have a clear Vision & Principles

*To be LATAM Shared Services Center providing **quality services** with **innovation, continuous improvement**, and enabling our customers decision making process through **capable and empowered talent***

Operating Principles



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LATAM SSC Strategy

Strategy Statements

Meet / Exceed customers expectations by providing accurate, timely business services at **competitive cost levels**
Keep expanding services across LATAM sector, supporting business evolution

2015 SSC State

- Two SSC organizations F&B
- Financial Services
- CoEs for LAB
- SLAs avg accomplishment 98%
- Avg cost per transaction 2.44 LC
- Customer satisfaction *(1 to 5)* 4.1
- OHS *(Engagement / Satisfaction avg)* 87.8%
- Standardization 87%
- Automation initiatives 4 *(AR RPAs)*

Top SS Initiatives

1. **Deliver high quality services** at every point of contact
2. **Provide talent development** thru differentiated programs and provide an environment that **attract and retain best talent**
3. Achieve and sustain **innovation and best practices**
4. Maintain a **flexible and adaptable** structure that enable company growth (services expansion)
5. **Manage resources and automate processes** / services to sustain competitive cost

2018 & Beyond SSC State

- Single SSC organization F&B
- Multi-Services / E2E approach
- CoEs for LATAM region *(insights / analytics)*
- SLAs superior performance 99 to 100%
- Avg cost per transaction (YoY) -8 to 10%
- Customer satisfaction *(1 to 5)* 4.3
- OHS *(Engagement / Satisfaction avg)* +93%
- Standardization +95%
- Automation initiatives +15 *(RPAs)*

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Pillars

SSC Strategy

A
Continuous improvement
- Expansion
- Transactional efficiency
- L6S
- PMO
- Standardization

B
Control
- Data accuracy
- Control environment
- KPI´s

C
Service
- SLA´s / Service catalogue
- Value added
- Reports

D
WLB
- Flexibility
- OHS

E
Automation
- Cost Reduction
- Lead Time Reduction
- Process Automation
- WF Process Managemengt

Categories

Productivity

- BPM
- Jidoka / Uipath
- Onbase

Decision Making

- Tableau
- Clarizen
- Black line
- HFM / FDM

Control

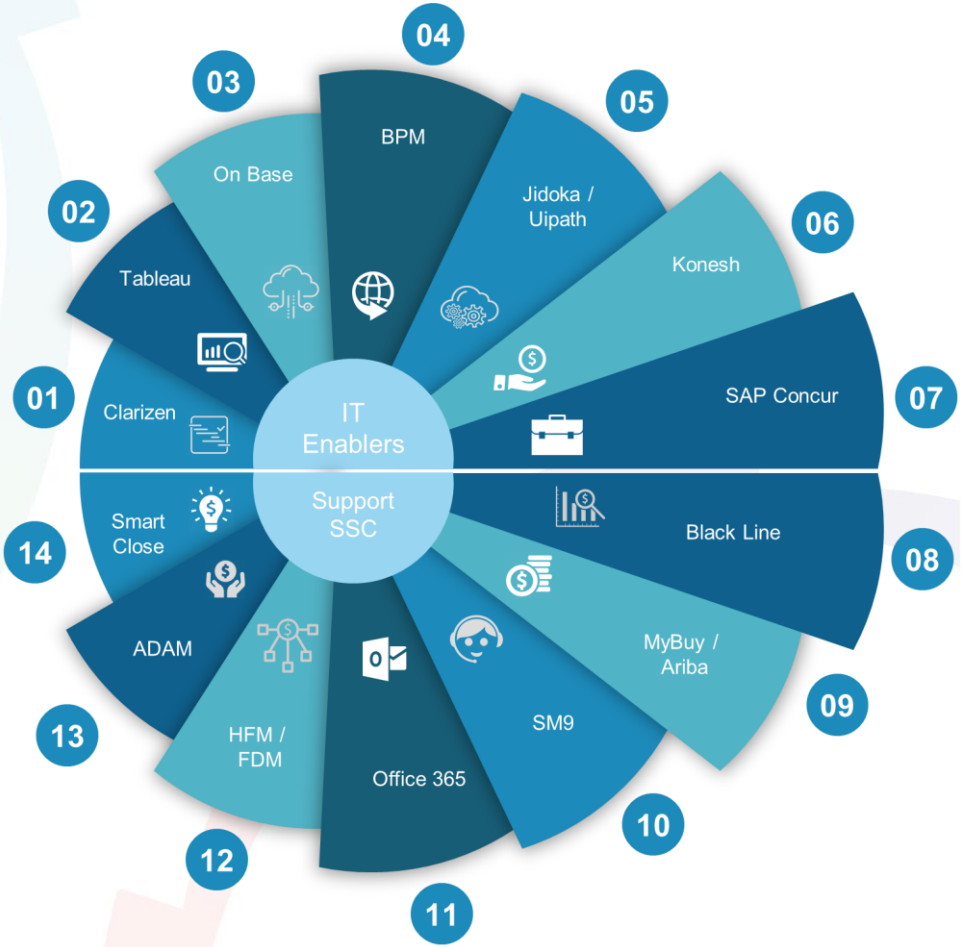
- Concur
- My Buy / Ariba
- ADAM
- Smart close

Automation

- BPM
- Jidoka / Uipath
- Onbase
- Smart close

Collaboration

- Clarizen
- My Buy / Ariba
- Resuelve 711 / SM9
- Office 365



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Tools

DATA QUALITY - SUSTAIN

- Workflows management
- Data stage
- WEB portals

clarizen

- Project management
- Team collaboration

tableau

- Decision making
- KPI´s Dashbaording

OnBase by Hyland

- Process management
- Content Management (AP mostly)
- Workflows

UiPath Robotic Process Automation
Jidoka

- Productivity
- Automation activities

CONCUR

- Expense control
- Compliance

BLACKLINE

- Decision making
- Reconciliation
- Balance Sheet Review

SAP Ariba

- Supplies management

resuelve 711 SSC Latin America

- Customer service
- Value added

Microsoft Office 365

- Collaboration
- Teamwork

Hyperion

- Decision making
- Corporate reporting

ADAM.

- Payroll management

SAP Smart close

- Automate period closing process

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Pillars vs Categories

Categories \ Pillars	Continuous improvement	Automation	Service	Control	WLB
Productivity	BPM DATA				BPM DATA
	UiPath Robotic Process Automation, Jidoka Jidoka		Onbase OnBase		Jidoka Jidoka
	Uipath				UiPath UiPath
Decision making			Black line BLACKLINE		
			HFM /FDM Hyperion		
				Clarizen clarizen	
				Tableau	
Control			Concur		
			My Buy SAP Ariba		
			ADAM ADAM		
		Smart close SAP Smart close		Konesh	
Automation	BPM DATA				BPM DATA
	Jidoka/Uipath Jidoka UiPath				Jidoka/Uipath Jidoka
	Onbase OnBase				
	SAP Smart close Smart close				
Collaboration	Clarizen clarizen			My Buy	Office 365 Microsoft Office 365
			SM9		

2009
- Onbase
- SAP Concur

2014
- My Buy / Ariba
- HFM / FDM
- Konesh

2015
- Clarizen
- Tableau
- SM9

2016
- Jidoka
- Office 365

2017
- BPM
- ADAM
- Black Line

2018
- Uipath

2019
- Smart Close

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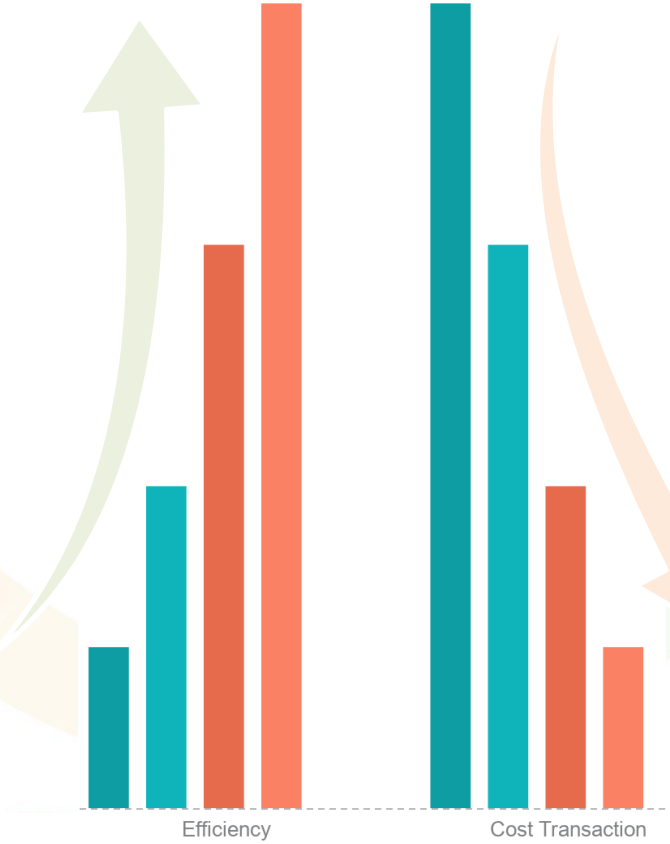
Benefits



2008 - 2011

Mexico - CARICAM

SAP, CONCUR, OnBase by Hyland, 6σ

2012 - 2015

Chile - Venezuela - APU

SAP Ariba, clarizen, resuelve 711 SSC Latin America, tableau, Hyperion Innovation Program

2016 - 2017

Andean - Brazil Consolidation

Jidoka, ADAM., Microsoft Office 365, BLACKLINE

2018 - 2020

R2R – PY – Field Admin

UiPath Robotic Process Automation, SAP Smart close

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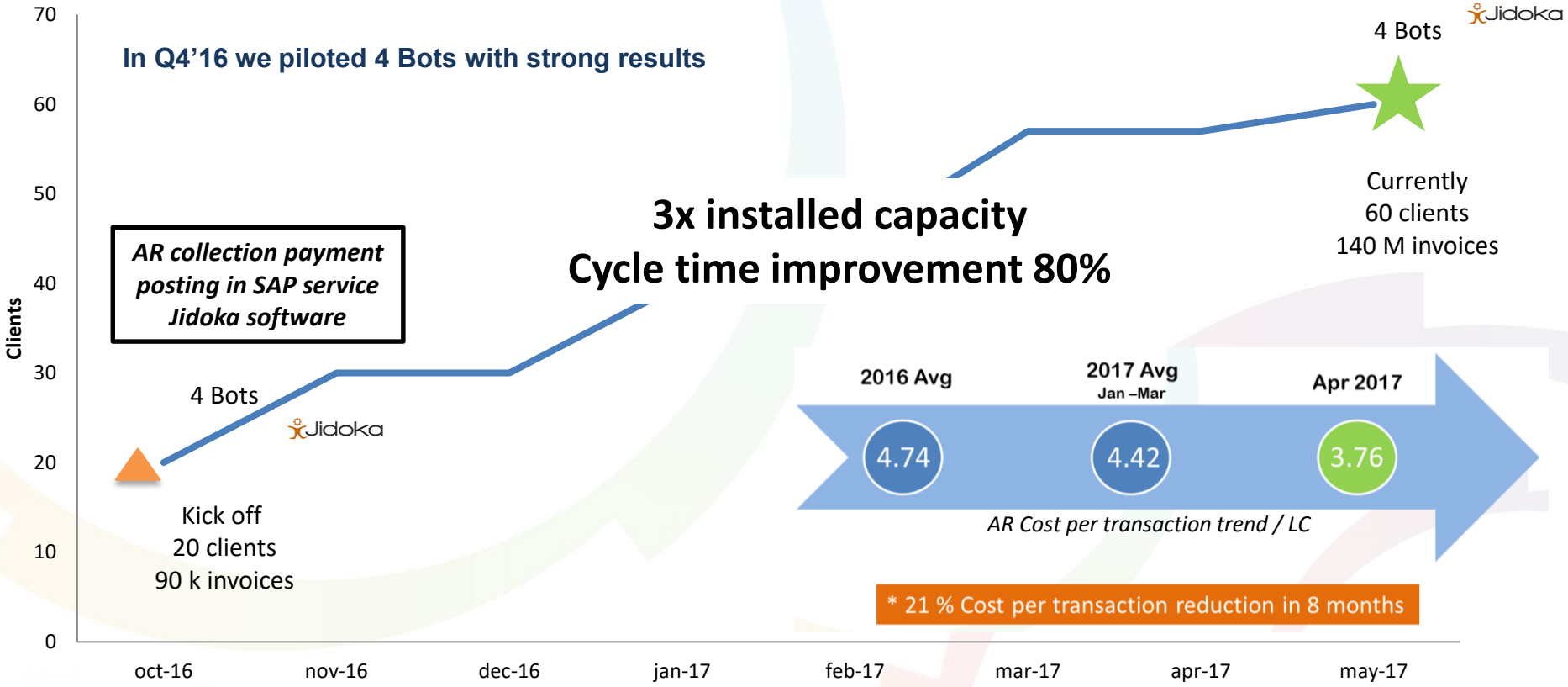
In particular RPA's is delivering strong support to keep achieving solid efficiencies



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Background

CET LATAM

The expansion strategy is created to maximize the benefits to LATAM control processes

2016

Jidoka

First RPA's to Accounts Receivable processes
- ✓ *21% Cost per transaction reduction*
- ✓ *Improving 40% SLA´s.*
- ✓ *2 FTE´s estimated*

2017

RPA´s Assisted

- ✓ *Other areas SSC expansion:*
  - *Account Receivable,*
  - *Bank Reconciliation,*
  - *Account Payables*
- ✓ *6.5 FTE´s estimated*

Q4 2017

2018

+16 RPA´s
-20 HC cost avoidance

UiPath
Robotic Process Automation

- ✓ *FSSC Management*
- ✓ *Create "Cutting Edge Team"*
- ✓ *Leveraged CET experience to support the implementation of more RPAs in other LBS "Towers", starting with People Services*
  - *10 RPAs*

Employee Services & Back Office

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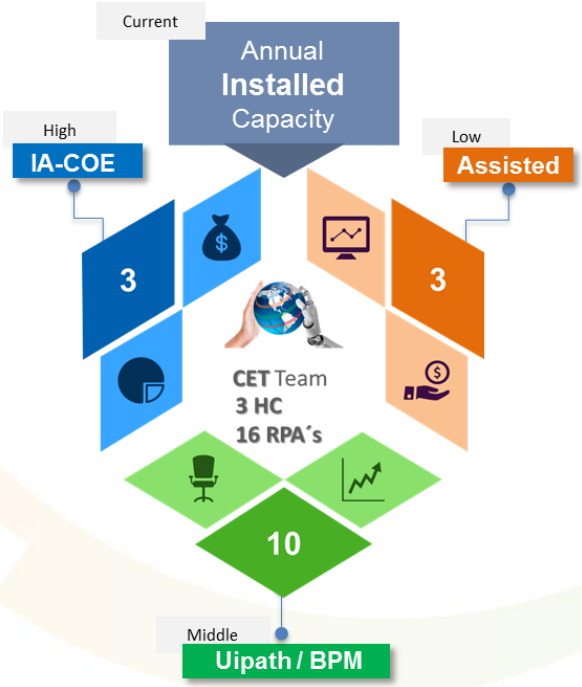
Strategy



Strategy to accelerate RPA´s Expansion

Inputs

¿What?

¿When?

¿How?

¿How much?

 # Initial Assessment
- IC CoE LatAm

 # Prioritization/Time
- IC CoE LatAm
- CET

 # Technological Solution
- IC CoE LatAm ACES
- / CET

 # Estimated Benefits
- CET

Leverage

3-2-1 FUTURE CAPABILITIES PROGRAM

Internal Control

Training

Apr 19th

Proposal	• Program Definition	
Business Case	• Scope • Benefits	• Budget • Teams
New **Installed** Capacity	• CET SSC (3HC) • XX Additional HC	• XX SME´s • IC CoE Team

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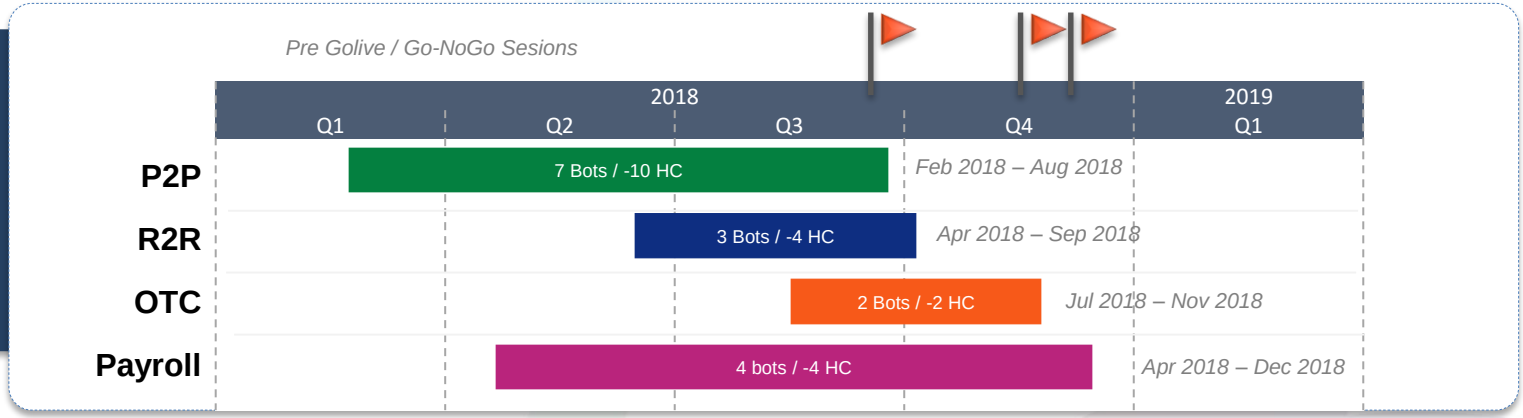
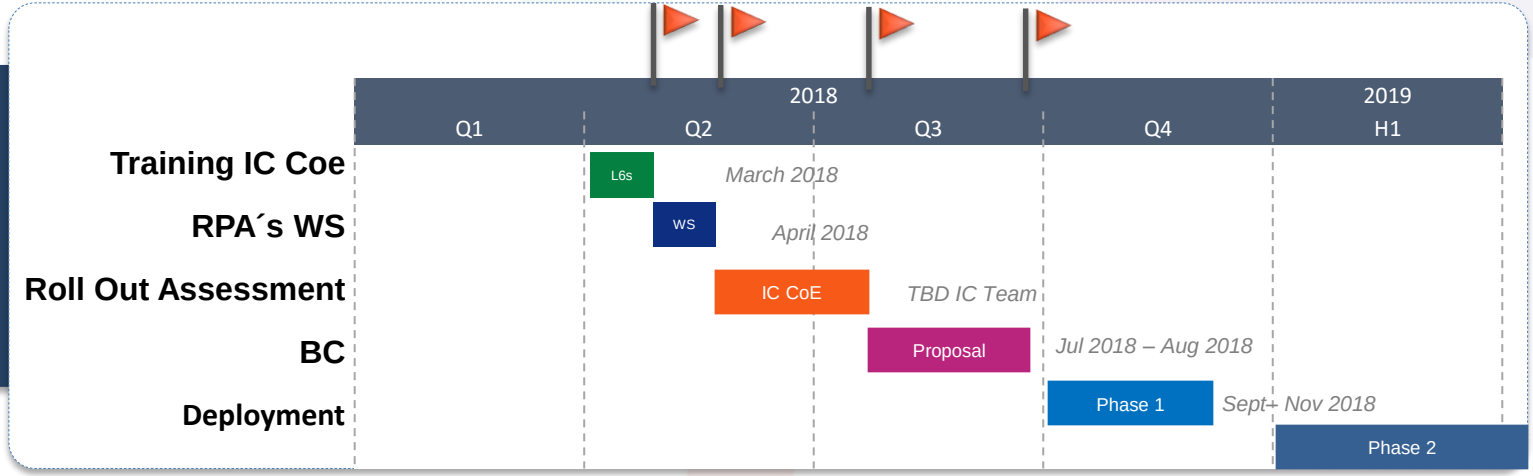
Road Map

SSC



RPA´s Expansion



Strategy

01 Top Down Management Alignment
- Formalize expansion strategy

02 High Level LATAM Priorities definition
- Initial Assessment by LATAM Control CoE

03 Create Business Case
- Based on priorities
- Define SME´s, Additional CET

04 Approval & Kick Off
- Sign

05 Deployment
- Based on the CET Methodology

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CET LATAM Expansion

01 Government model
Establish standards: processes, platform

02 Methodology allow implementations and faster decision-making

03 Analyze each initiative to prioritize them and assign the specific implementation strategy

04 Perform the analysis of each project deliverable: the analysis of costs, benefits, and ROI

05 Process improvement based on L6S

06 End to end – Vision

PepsiCo Intelligent Automation COE

- ❑ Implementation RPA solution (high complexity)
- ❑ Training
- ❑ Quality assurance

DATA QUALITY - SUSTAIN

- ❑ Data stage
- ❑ BPM
- ❑ Web portals

PEPSICO Information Technology

- ❑ Internal platforms support
- ❑ Infrastructure
- ❑ Support model

LATAM Internal Control COE

- ❑ Initial assessment
- ❑ Process identification
- ❑ High level process review

SME's

- ❑ Support the implementation strategy according CET methodology
- ❑ Be the point of contact between CET and the country / area
- ❑ Change management assurance
- ❑ Report any issue throughout the project stages

STRATEGI

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Benefits

- Leverage CET experience throughout LATAM
- Establish standards: processes, platform
- Methodology allow faster implementations and decision-making
- Increase productivity
- Cost reduction
- Improve control, quality and accuracy information
- End to end – Vision

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Commitment

- R2R, Payroll and DCs administrative activities
- Automate closing process
- Transactional FP&A & Taxes
- Analytics CoE (based on Tableau)
- Cost avoid 20 HC for the next 3 years (60 HC)
- Keep delivering 8% to 10% cost per transaction reduction
- Automate KC
- End to end – Vision

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MÉXICO BRASIL
REPÚBLICA DOMINICANA
EL SALVADOR NICARAGUA
COSTA RICA HONDURAS
GUATEMALA
PANAMÁ CARIBE ECUADOR
COLOMBIA PUERTO RICO
PERÚ BOLIVIA
ARGENTINA
PARAGUAY URUGUAY
CHILE VENEZUELA

NUTRICIÓN ALIMENTOS BEBIDAS NUTRIÇÃO

#YoSoyLATAM

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