

IS Governance & Project Portfolio

Testimony

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***Groupe DANONE
Corporate IS
IS Governance Director***

No.1 for Fresh Dairy Products

No.1 for Packaged Water*

No.2 for Biscuits and Cereal Products

*no.1 in terms of volume

- Market share: 18% in 2002
- Market estimated at 22 million tonnes
- Sales 2002 FDP: 6,295 million Euros
Organic growth in sales: +9.4%⁽¹⁾



⁽¹⁾ constant coverage and exchange rate

- Market share: 12% in 2002
- Market estimated at 121 billion litres
- Sales 2002 Beverages: 3,691 million Euros
- Organic growth in sales: +4.3%⁽¹⁾ vs. 2001

*in terms of volumes



Of Group sales
in 2002



(1) constant coverage and exchange rate

- Market share: 11% in 2002
- Market estimated at 12.6 million tonnes
- Sales 2002: 3,232 million Euros
- Organic growth: +2.4%⁽¹⁾ vs. 2001



of Group sales
in 2002



(1) constant coverage and exchange rate

DANONE brand sales represent 39% of the Group's sales

- Danone is the biggest brand worldwide for Fresh Dairy Products
- Sales 2002: 5.4 billion Euros
- 39% of the Group's sales

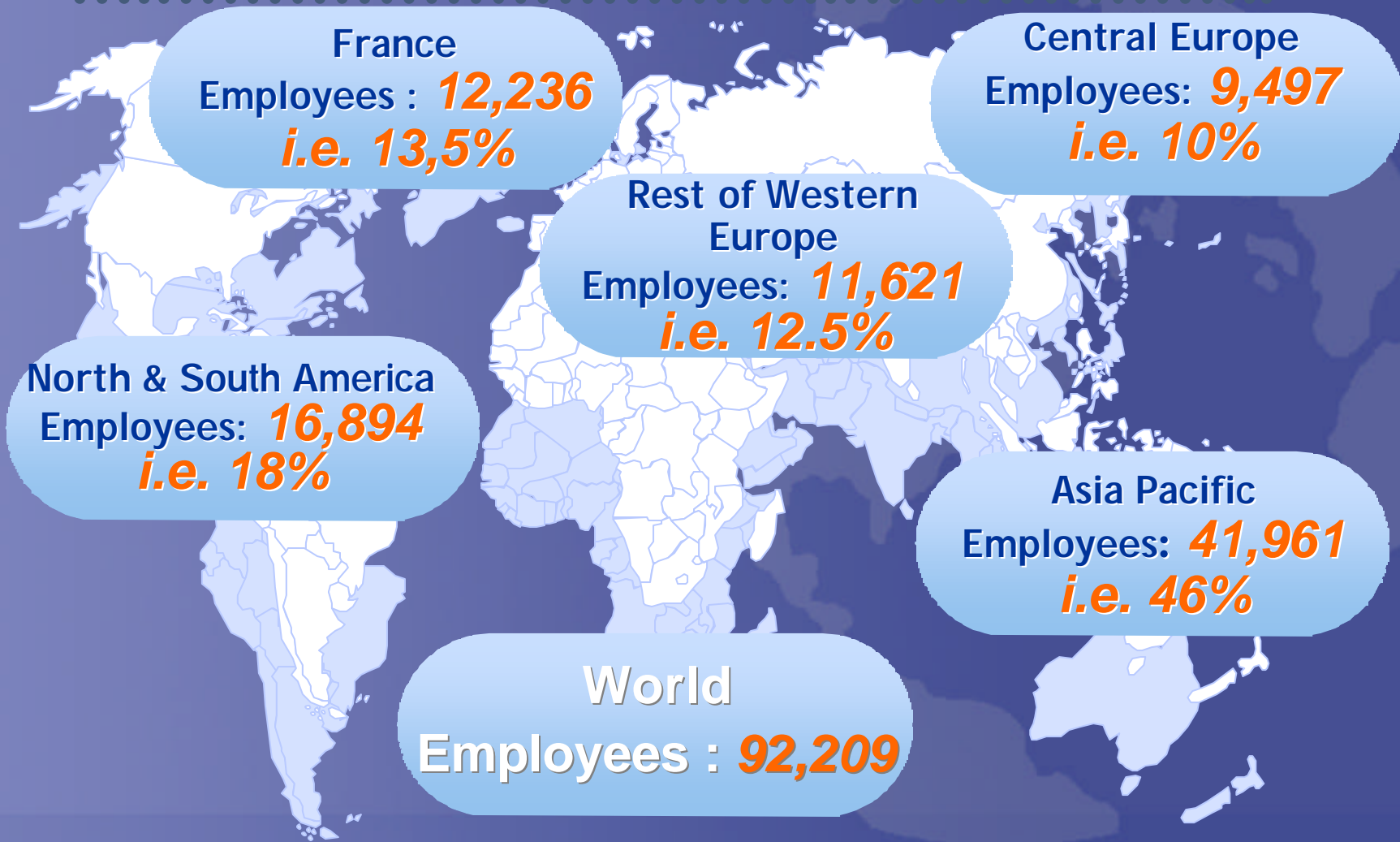
4 of the Group's brands represent approximately 60% of sales

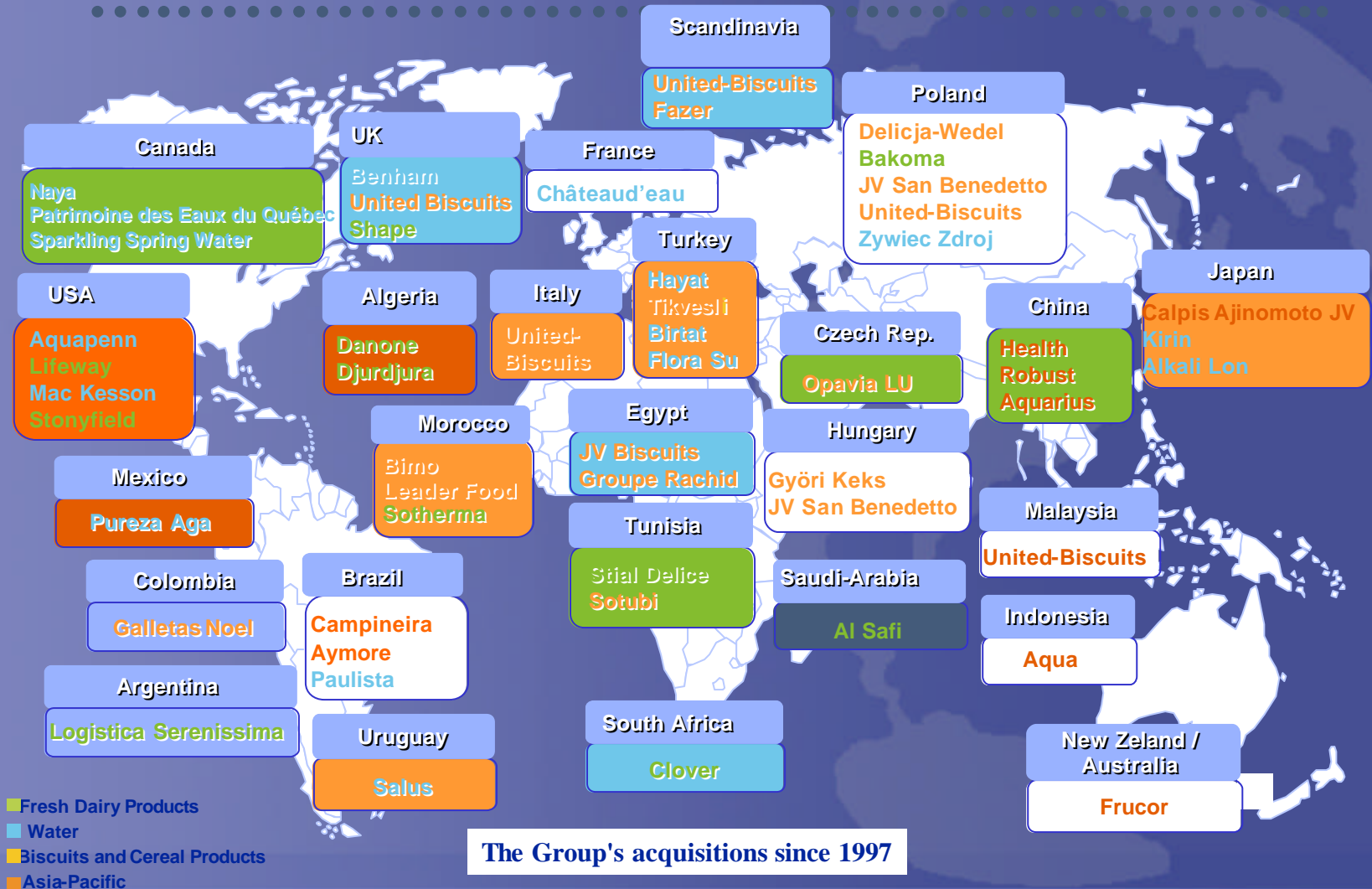




Key figures 2002

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IS Governance ?



IS Governance ?



***To take right decisions
in our IS International Organization***

IS Organization   Business needs

Copil IS

Domain Operation

G15

CBU IS Committee

Domain Council Marketing

IS Regional Committee

Domain Council Finance

IS Resources Committee

Domain Council HR



Why IS Governance ?



IS Governance is a system of decision-making rights roles and processes

IS Organization



Business needs

IS Strategic Plan

IS Organization

IS Budget

IS Roles

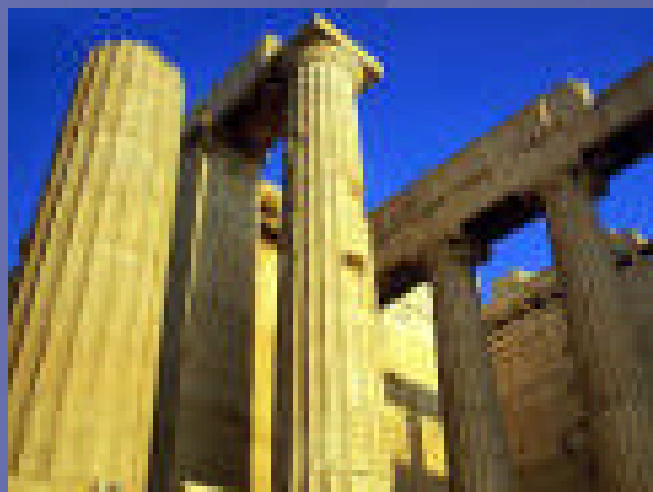
IS Project Portfolio

IS Missions

IS Project Management

IS Committees

IS Communication



IS Guiding Principles

Whom does IS Governance concern ?

All IS people and our internal clients

***A networking tool for the Regional Director,
the CBU IS Directors and IS people.***

The reference tool for the
CBU IS Committee

A must for Re-use
and synergies cross CBUs



Input for the IS master plan

- 1-1 At CBU level :

- ➔ For every one : Active network between CBU : sharing ideas, re-using good solutions,
- ➔ For IS Project Leader : Use the same tool to follow up and report the projects
- ➔ For CBU IS Director : for managing IS teams and for preparing IS Committee.

- 1-2 At Region level :

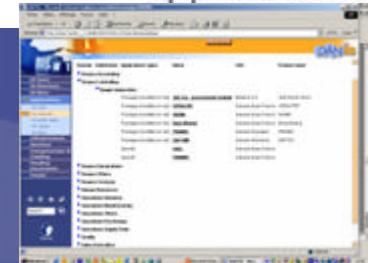
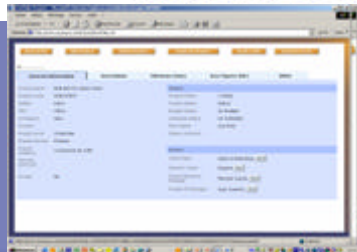
- ➔ For Regional Director and CBU IS Directors :
 - Facilitate vision of all projects of the region, by CBU, by application, by domain, ...
 - Facilitate opportunities to reuse or to group projects
 - Help to coordinate project priority.

AT THE END

- 1-3 at Corporate level :

- ➔ For Application Domain Directors :
 - Reinforce vision of the needs by domain
 - Assure alignment between standards and projects
 - Improve IS project risk vision
 - Reinforce the use of the IS Project Management Method

First an Intranet for our Team



INTRANET

News / Topic IS Governance

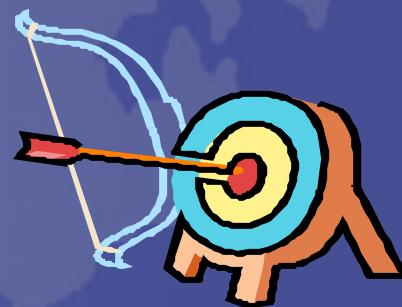


IS Governance :

- Organization
- Project portfolio
- Financial controlling
- Project management
- Communication



- IS Roles, Committee, DAN'IS
- Guiding Principles



***This is a cultural leap for our IS Organization
and for our internal clients***

Clear and concise communication to all management layers



Our Internal Visibility
We are IS professionals

DAN'IS Guiding principles
describe our core IS Operating Processes of
DANONE's IS function : "DAN'IS"



10 IS Performance Management

- 1 IS Planning (*Strategic Plan & CBU Master Plan*)
- 2 IS / Business Alignment (*permanent*)
- 3 IS Budgeting
- 4 IS Project Portfolio Management
- 5 IS Project Management
- 6 IS Service Delivery
- 7 IS Risk Management
- 8 IS Human Resource Management
- 9 IS Communication

4. IS Project Portfolio Management

Description of process scope:

A common approach to tracking and monitoring all IS ideas and projects on a world-wide scale

Guiding principles:

- **"Project Portfolio Management" is an ongoing process** to ensure that our human and financial resources are being directed towards the right projects
- **Project portfolio decisions are to be made within the context of the CBU IS Committee** (link to "IS / Business Alignment" process) and within the framework of the **Master Planning process**
- The Regional IS Director is accountable for all projects (including "infrastructure") being entered into the PPM database in accordance with a defined set of (Bagheera-compliant) guidelines
- The CBU IS Director is responsible for the quality, accuracy and timeliness of this information
- Regular analysis of portfolio contents are used to make **operational decisions** at a number of levels outside the CBU, notably for Domain Management and Risk Management

Requirements to implement:

Detailed process map, Defined roles and responsibilities, PPM database guidelines (updated)

IS Project Portfolio Management done by all actors assures that we work on right targets



answering to the famous question :

"Do I put my IS money/talent on projects which create sustainable, significant competitive advantages for the business ? "

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IS Project Portfolio Management



Project portfolio decisions are to be made within the context of the **CBU IS Committee** (link to “IS / Business Alignment” process) and within the framework of the Master Planning process

IS Governance in Groupe Danone

OCBU IS Committee



OCBU IS Project Portfolio



OCBU IS Master Plan



Question & Answer