



PHILIP MORRIS INTERNATIONAL

Beyond Cost Cutting | Transforming Finance and Shared Services The PMI Case Study

June 29th 2021

Creating value

Our purpose

Deliver a smoke free future

Our mission

Accelerate the end of smoking

What we do

Replace cigarettes with less harmful tobacco and nicotine products for the benefit of adults who would otherwise continue to smoke

We allocate our resources across our value chain to deliver long-term value for both our company and our stakeholders



Finance Transformation | Our New Operating Model

Corporate Finance / Global Process Owners

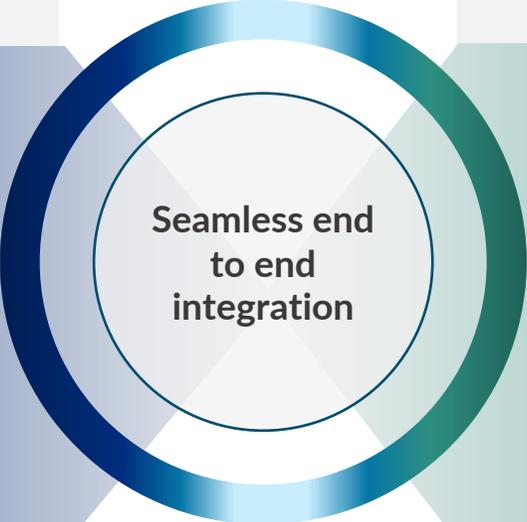
Strategic direction, global governance framework, policies
Guidance & monitoring consolidated results

- Regions
- Markets
- Corp Functions

Integrated Business Services (IBS)

Co-pilot the business

- Drive growth targets
- Lead/enable the Finance Function Transformation
- Business savvy to drive performance and regional projects
- Co-pilot to Market management
- Partner with Commercial teams
- Drive growth, investment decisions, and provide financial assurance
- Co-pilot to SMT & central functions
- Support & guidance for global cost category management
- Global projects



Global process leadership and services; partner the markets and regions with top line insights

Lead to Cash		
Purchase to Pay		
Record to Report	In house	BPO
MD / TAX/ TRE		
Financial Controlling		



Unleashing the full potential



Entrepreneur

Understands how the market works, the trends affecting PMI and how to exploit these to outperform the competition.

Think systemically

Develop trade offs and choices in an uncertain environment.



Strategist

Spots and actively drives growth opportunities to deliver a smoke-free future.

Think strategically

How to create value and enable the business transformation



Challenger

Develops better ways of doing things, navigating risks and opportunities for the business.

Sceptic

Provide constructive challenge and scrutiny



Storyteller

Translate, interpret and communicate data in a meaningful way.

Narrate insight

Support decision making with great insights



Expert

Trusted advisor, providing objective & specialized expertise to drive business outcomes.

Customer centric expert

Apply their expertise with customer in mind adapting to meet business needs.



- **230+ Talents** (30% with market experience)
- **20+ in Agile Locations**
- **One GLOBAL organization**

Empowered Shared Services
From Back Office to Intelligent Co-Pilot



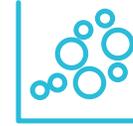
The Shared Services strategy is multi-faceted



Enabling the **Consumer Centric organisation** by partnering with markets, regions and functions to free up capacity to focus on the customer and the consumer



Accelerating **growth opportunities** by providing a single platform for new business and new channels, while maintaining market agility



Improving **trade margin effectiveness** with data and insights to support better decision making for on-shelf availability; commercial deployment and customer satisfaction



Unlocking cash by driving working capital improvements through better financial control and optimised processes in L2C and P2P



Improving employee productivity with standardised global processes; reducing duplication and addressing the 'white space'



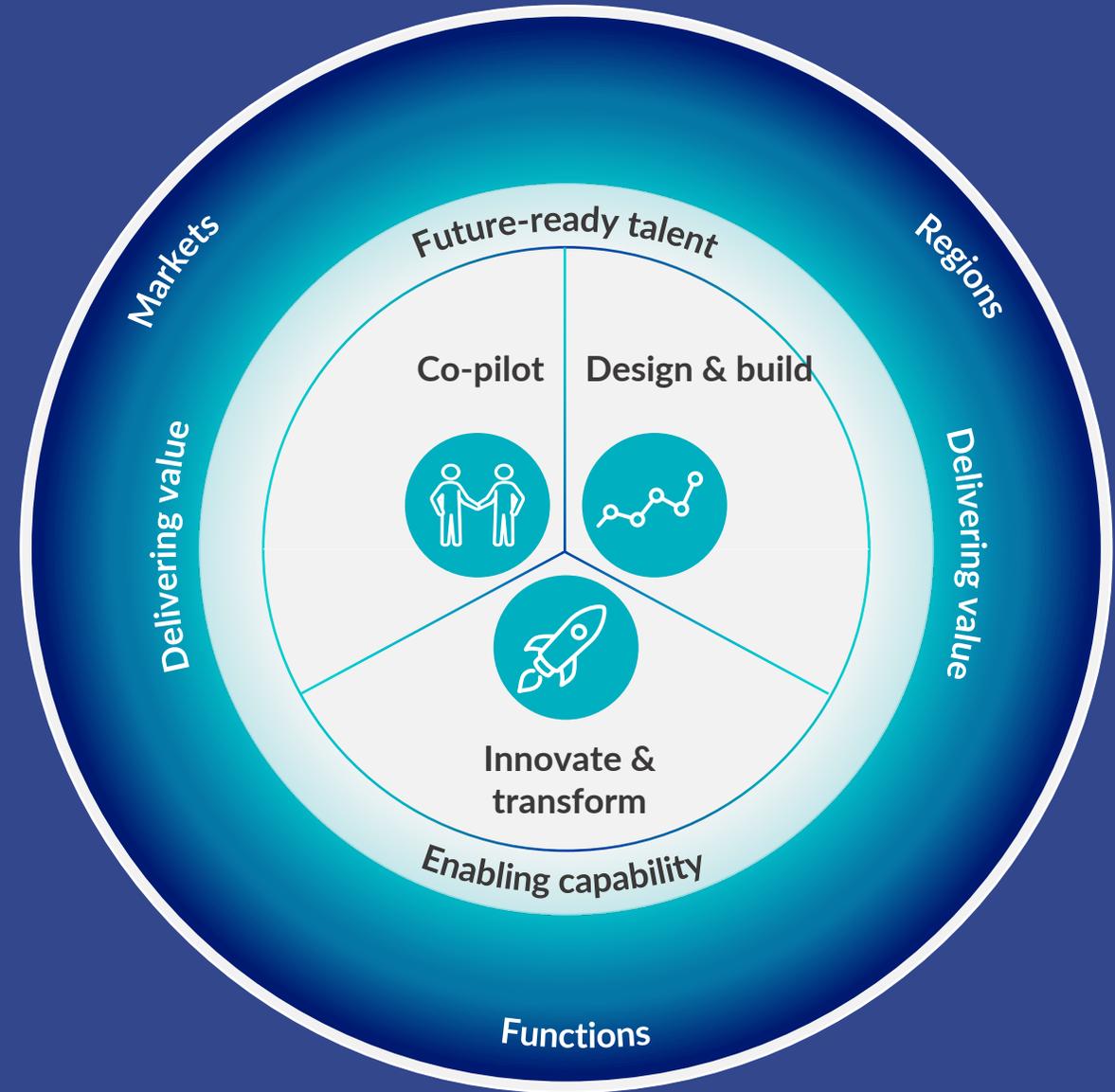
Enabling sustainable transformation with high quality service and resilience – including business continuity, innovation and continuous improvement built in



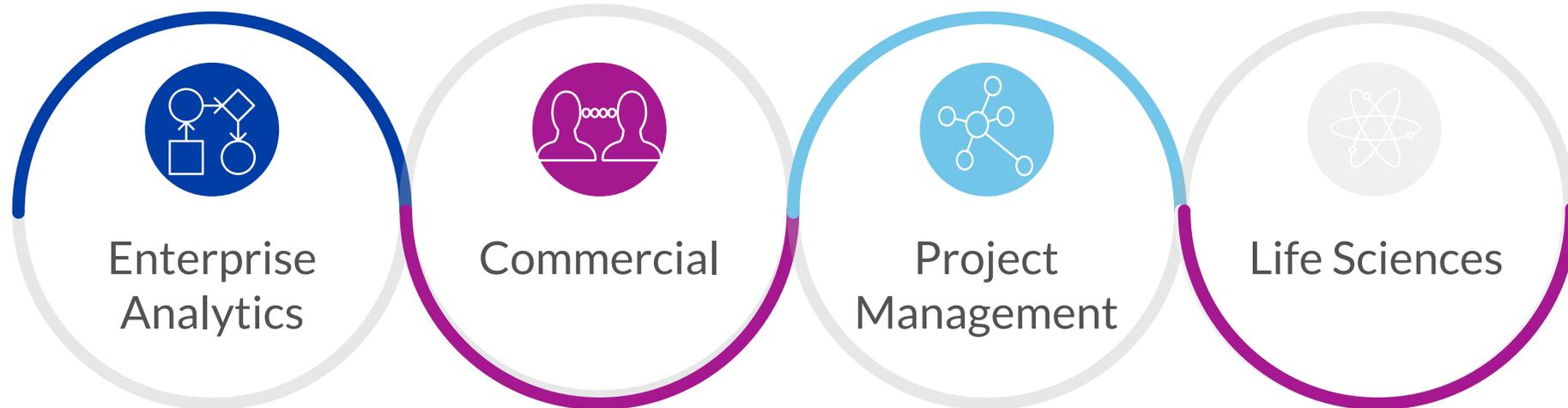
Building global talent for the future by investing in capabilities for the future while building cross functional and market career paths

Integration with the business being critical

- **Markets, regions and functions** are the service recipients
- Our **delivery excellence teams** and leaders work in an **integrated** way as a **team extension**
- The three pillars of how we operate are:
 - **Co-pilots** – drive **business engagement** to understand the business and its needs
 - **Design & build** teams architect a **best in class** service
 - **Innovation & transformation** capability runs throughout to **optimize, standardize and digitize** processes
- This is underpinned by **future-ready talent** and **enabling capability**



We're extending these services across multiple functions



... Along with an ecosystem that can deliver 10x for the long term

We need to bring together different capabilities and workforce models to deliver innovation and transformation. Delivering “10x” agility and working across ecosystems will part of how we operate.

Innovation partners

- Technology partners, e.g. start ups and/or SIs
- Shared IP/ credentials
- ‘Dragon’s den’ style (panel) selection

Agile teams

- Agile workforce (Squads/ STA model)
- Rising/hidden stars from delivery teams
- ‘in a bubble’ – able experiment in safe environment

Talent marketplace

- External subject matter experts e.g. independent consultants, academics, freelancers
- Interim or project based model – ‘gig’ economy

Delivery teams

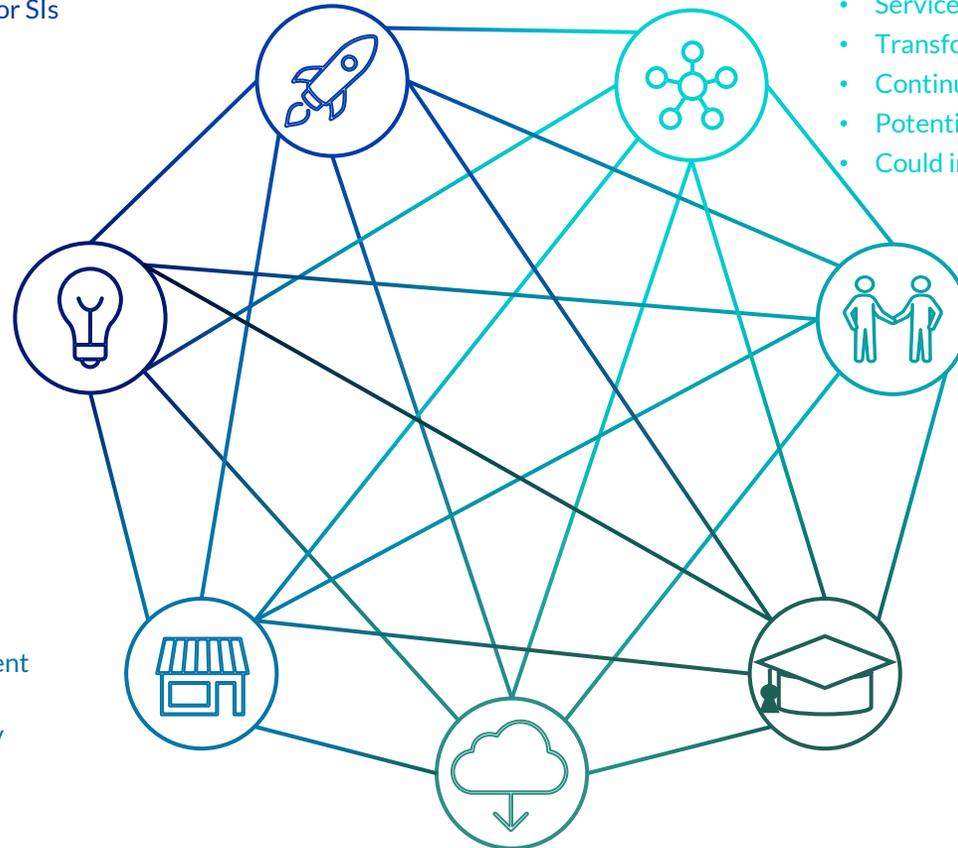
- Service delivery teams (inc BPO providers)
- Transformation capability
- Continuous Improvement led and/or voice of the customer led
- Potential for BOT model for with BPO providers
- Could include students, interns and/or industrial training programs

Markets, regions & functions

- Identifying pain points and opportunities to improve
- Working with IBS as part of innovation project teams

Academia

- Insight and research driven projects
- E.g. PhD students working alongside IBS teams



Crowdsourcing

- External experts to deal with specific ‘work packages’ – usually technical requirements

Thank You

