



Assessment on

A Strategic Analysis of Nestlé S.A & Reflective Accounts

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Introduction

Nestlé S.A. is a multinational Company based in Vevey, Switzerland and is the largest in the world in terms of revenues in food and Beverage Company that operates in more than 190 countries with its products in nutrition, coffee, dairy, pet care and confectionery. The company was established in 1866 and has experienced a number of strategic transformations with the most significant one being the transformation into Nutrition, Health and Wellness to serve the needs of the consumers and the entire society. This report is a critical assessment of the transition, which argues that though the strategy is theoretically sound, there are ethical inconsistencies in the CSR and contradictions between portfolio diversification and strategic focus in implementation. Section 1 explores external and internal environments, corporate social responsibility (CSR), the Balanced Scorecard and strategic decisions, and Section 2 reflects on the approach to study using the Gibbs Reflective Cycle.

Section 1: Strategic Analysis

1.1 Organisational Context and Overview

Nestlé S.A. started in 1866 with the creation of infant cereal formula by Henri Nestlé in Vevey, Switzerland as an alternative to breast milk. Over the course of ten years of strategic mergers and acquisitions, most notably of the Anglo-Swiss Condensed Milk Company in 1905 and the acquisition of Rowntree's, Carnation and Ralston Purina throughout the twentieth century, Nestlé became the largest food and beverage company in the world in terms of revenue. By the financial year 2025, Nestlé had total group sales of some CHF 89.5 billion, operating in 186 countries and employing about 150,000 people (Nestlé S.A., 2026).



Figure 1. *Nestlé Overview, Infographic*. Source: Nestlé (2025).

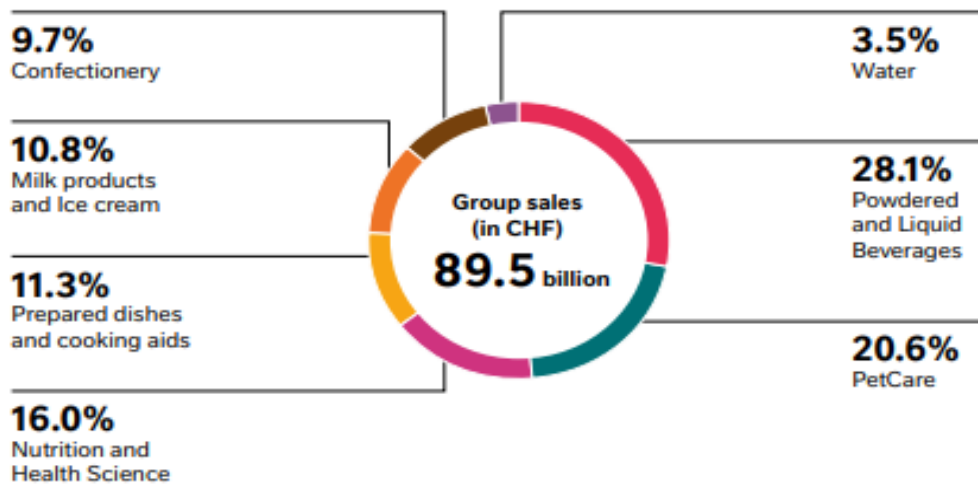
Nestlé's stated mission is to unleash the power of food to enhance quality of life for everyone, today and for generations to come (Nestlé, 2025), based on the vision of becoming a leader in nutrition, health and wellness, as opposite to a typical conglomerate of fast-moving consumer goods. This difference is a strategic one: it heralds a strategic shift in growth rates away from a volume-based growth strategy to

value-based positioning in pursuit of premium pricing leverage and long-term brand relevance in a highly health-conscious world.

The company has been in business using six product zones, the Nestlé Purina Pet care, Nestlé Health Science, Coffee (Nespresso and Nescafé), Confectionery, Dairy and Prepared Dishes, which are controlled by 5 geographical operational zones that are decentralised. The model allows the local market to respond, but it is also coherent to global brands; however, it also creates complexity in the implementation of strategies and resource distribution.

Nestlé is operating in a highly competitive environment around the world. Its main competitors are Unilever PLC that competes with Nestlé in segments of food, nutrition, and wellness directly; Danone S.A that competes directly in the nutrition and dairy segment; and Kraft Heinz which competes directly in packaged foods. Nestlé competes with JAB Holding Company (which owns Jacobs Douwe Egberts), and with direct-to-consumer specialty-roasters, which are growing in the premium coffee markets. Its vast global footprint is maintained through 335 factories operating across five restated geographical zones, including the newly integrated Zone Greater China within the Asia, Oceania, and Africa (AOA) segment. This decentralized model precisely aims to reconcile local market responsiveness with a strategy of Unrivalled Superiority in brand design and functionality across its portfolio. All of this together, made Nestlé, the largest food and Beverage Company in the world in terms of revenue, preceded by PepsiCo and Unilever (Bedford, 2024)

What we sell



Where we sell

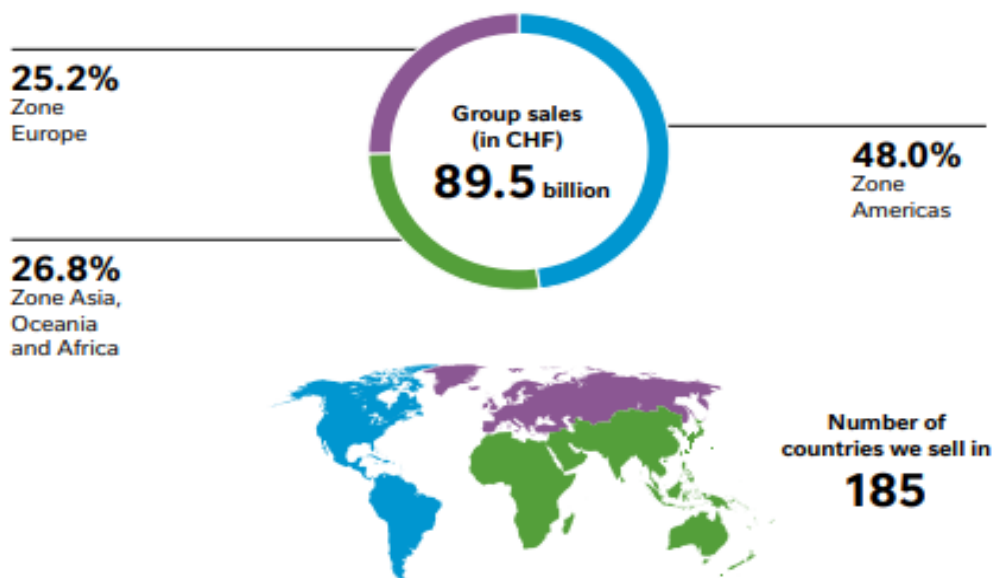


Figure 2. Nestlé Corporate Overview, Key Facts Info graphic. Source: Nestlé (2025).

1.2 External and Internal Environment Analysis

1.2.1 External Environment (PESTEL Analysis and Porter's Five Forces)

Strategic pressures come from a detailed look at external factors that shape decisions. Johnson, Whittington, and Scholes (2011) state that the PESTEL framework assesses political, economic, social, technological, environmental, and legal forces. This helps

in conducting a focused review of the factors that most impact Nestlé S.A.'s repositioning in nutrition, health, and wellness.

Professional PESTEL Analysis summary for Nestlé S.A.

Factor	Key Strategic Finding	Verdict
Political	Protectionist trade policies and geopolitical instability disrupt commodity supply chains	UNFAVOURABLE
Economic	Price-led organic growth masks negative volume trends; emerging market middle class expansion offers opportunity	MIXED
Social	Structural consumer shift toward health and wellness food products exceeding USD 1 trillion by 2026	FAVOURABLE
Technological	Digital transformation and AI deployment driving e-commerce growth at approximately 17 percent of total sales	FAVOURABLE
Environmental	Identified as a leading plastic polluter; gap between sustainability targets and verified progress	UNFAVOURABLE
Legal	WHO Code violations in infant formula marketing in lower-income markets; ongoing reputational and regulatory exposure	UNFAVOURABLE

Source: Author's own, adapted from Johnson, Whittington and Scholes, 2017

Figure 3. *PESTEL Analysis Summary Table. Source: Author's own, adapted from Johnson, Whittington and Scholes, 2017*

Political (Unfavourable)

The extensive disintegration that is taking place in the world trade policy poses a very direct risk to the Nestlé supply chain system as that of changing rules. The aggressive protectionist policies under implementation in key emerging economies are damaging the centralized production that traditionally offers cost-effective solutions to the Nestlé's operations. WTO statistics reveal that average bound tariffs on agricultural products remain at 113.1% in the nation of India and coffee is also subjected to 100 percent tariffs (World Trade Organization, 2025). According to many experts, barriers such as Custo Brasil in Brazil such as complicated tax systems and ANVISA labelling regulations compel multinationals to use local and less efficient supply chains in their logistics (OECD, 2026). These restrictive actions undermine the economies of scale around the world as they drive towards higher cost and decentralized production in these various parts of the world.

Economic (Mixed)

Heavy sustained inflationary pressure occurring from the years 2022 to 2025 has forced Nestlé into a very difficult trade-off thing for margin protection. At the onset of the year 2025, other strategies to exchange value in monetary terms were the main driving force of positive business expansion whereas internal growth became negative in all categories. The specified plan is deemed to be strategically risky because the increase through pricing suggests people who buy commercial products to switch to the ones with an alternative label instead. When consumer downtrading occurs in the context of trade, the premium positioning that continues to be the main focus of the Nestlé health and wellness plan is put at direct risk. More favorably, the growing middle-income groups in Southeast Asia and Sub-Saharan Africa are promising sources of revenue in the future development. It has been observed that these revenue opportunities stay accessible since of the existing Nestlé distribution infrastructure which spans across many global regions.

Social (Favourable)

A macro global trend of consuming healthily is one of the most important strategic winds in the Nestlé Company as individuals are increasingly concerned with their physical well-being. These changes will see sales in the health and wellness segment reach above USD 1 trillion by the year 2026, according to Euromonitor International (2024). The particular trend in the market is propelled by post-pandemic attention of people who buy commercial products on immunity, gut wellness, and nutritional clarity. The question that many people are asking themselves is that Nestlé has been able to capture this demand due to the allocation of its financial resources in Nestlé Health Science and reformation of its core merchandise. Commercial merchandise is reducing saturated fat, salt and sugar, but since Nestlé needs to appeal to these health-conscious new customers in all regions, but increasing consumer scepticism on the practice of health washing is a reputational risk that could undermine the plausibility of the Nestlé strategic pivot. This switch may not work unless the company tackles these transparency concerns with the masses in a rather transparent way.

Technological (Favourable)

Nestlé has performed a major financial resource allocation in digital capabilities as the world is moving toward online shopping for buying different food items. E-commerce accounted for around 20.5% of group sales in the year 2025, which is estimated at CHF 18.35 billion for the group (Nestlé, 2025). Genuine competitive advantages are represented by partnerships with major technology platforms and the internal use of AI for commercial merchandise development and forecasting. Experts claim that demand forecasting and innovation are improved when AI is used effectively by the Nestlé technical teams to understand the market. Data governance risks must be managed effectively so that these technological advantages aren't lost to security breaches or different privacy issues.

Environmental (Unfavourable)

Nestlé is increasingly under scrutiny regarding the environmental impact of the company operations primarily regarding single-use plastic packaging and water stewardship concerns in nature. Although the government has promised net-zero emissions by 2050, a significant disparity between the proclaimed intentions and the real improvements is shown by a number of independent audits recently. Nestlé has consistently featured in the Brand Audit lists of the largest plastic polluters in the world by the organization called Break Free From Plastic. This top position has been noted to pose a regulatory risk and reputation damage to Nestlé among all the people who buy commercial products. The pressure of the institutional investors oriented to environmental interests grows because the discrepancy between the promises of Nestlé and the actual situation of pollution is observed. Reputational loss is still a weighted issue as the society wants to see more than it hears by the Nestlé management team during this period.

Legal (Unfavourable)

The regulatory environment in which Nestlé operates is becoming more and more complex and heavy. The International Code of Marketing of Breast-milk Substitutes directly limits the marketing of Nestlé infant formula products in less-developed

countries, where it is not sold in equivalent markets in Europe, which was found by the World Health Organisation in April 2024, in an investigation by Public Eye and the International Baby Food Action Network (IBFAN), to reveal that Nestlé still adds sugar to infant formula products sold in European markets (Gaberell, Abebe and Rundall, 2024), a finding that exposes the company to both regulatory action and significant brand damage.

Critical Success Factors

This PESTEL analysis identifies three Critical Success Factors: first, the credible ability to translate health and wellness marketing claims into product reformulation; second, development of a resilient supply chain that can withstand commodity price variability without eroding profits; and third, an authentic CSR approach that can be defended from independent scrutiny.

Global Food and Beverage Industry Competitive Analysis

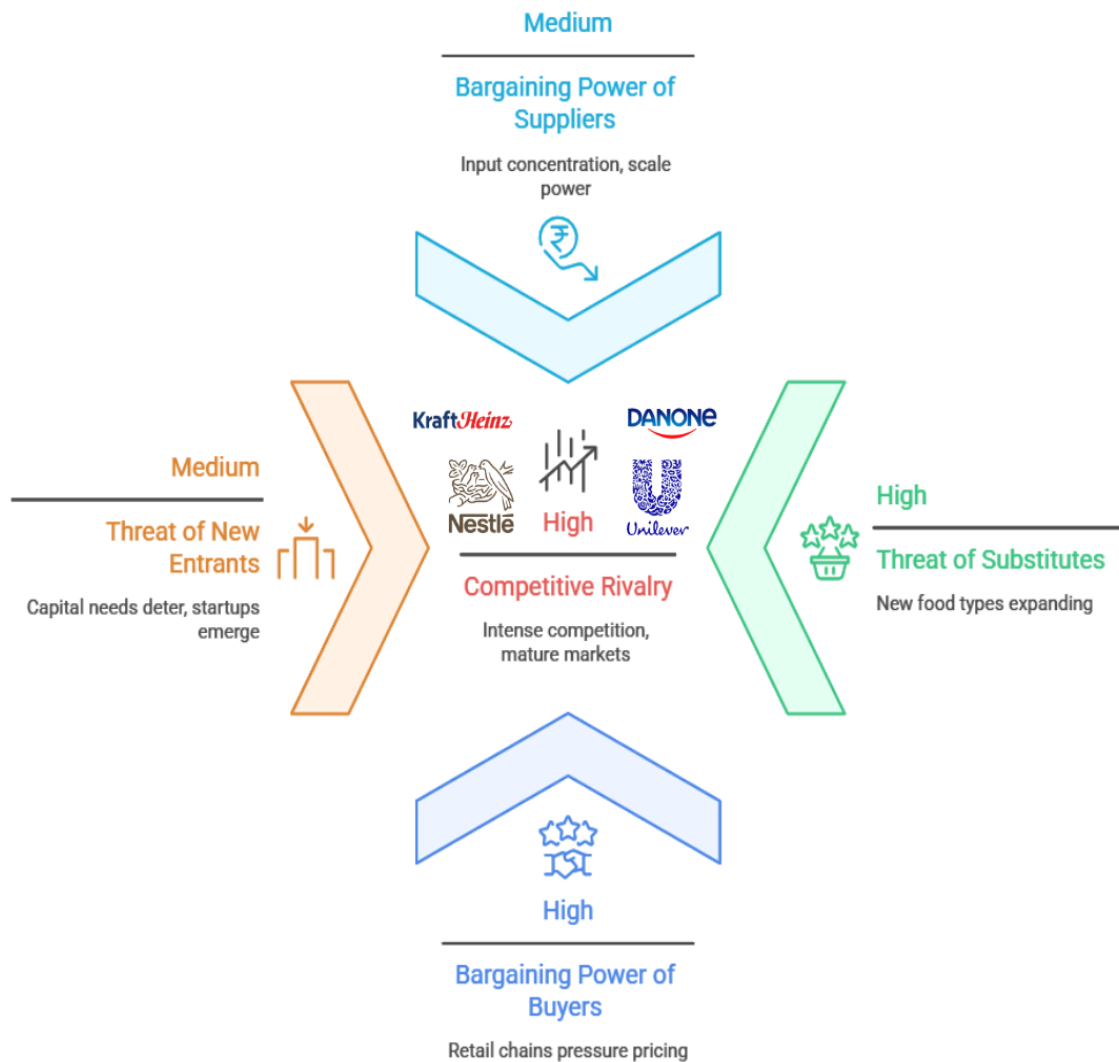


Figure 4: *Porter's Five Forces Diagram; Global Food and Beverage Industry. Source: Author's own, adapted from Porter, 1980)*

According to Porter's (1980) model for the global food and beverage industry, buyer power is strong, with major retailers like Walmart, Tesco and Carrefour driving down the prices for branded manufacturers. Substitutes are becoming more prevalent with the emergence of plant-based and functional food start-ups. Rivalry is also high as most categories are mature. Together, these factors suggest that Nestlé cannot rely on scale alone; it must innovate in order to price its products.

1.2.2 Internal Environment (VRIO Analysis)

Barney (1991) developed the VRIO framework to determine whether a resource is a source of sustainable competitive advantage. A resource needs to be Valuable, Rare, Imperfectly Imitable, and Organised. The benefit of VRIO is not the list of resources but to identify which capabilities give Nestlé a competitive advantage and address the Critical Success Factors outlined above.

VRIO Framework for Nestlé S.A.

Resource or Capability	Valuable	Rare	Imperfectly Imitable	Organised	Competitive Implication
Global R&D Network	✓	✓	✓	✓	Sustained Competitive Advantage
Global Brand Portfolio	✓	✗	✗	✓	Temporary Competitive Advantage
Distribution and Supply Chain Infrastructure	✓	✓	✓	✓	Sustained Competitive Advantage
Nestlé Health Science Platform	✓	✓	✓	✓	Sustained Competitive Advantage - Emerging

Source: Author's own, adapted from Barney, 1991

Figure 4: VRIO Framework Table — Nestlé S.A Source: Author's own, adapted from Barney, 1991

Global R&D Network (Sustained Competitive Advantage)

Nestlé has one of the world's largest private food and beverage R&D networks with around 4,000 scientists at 22 locations and an R&D budget of over CHF 1.61 billion (Nestlé, 2025). This supports reformulation and innovation needed to support CSF one. There is no direct competitor to the size and scope of Nestlé's own nutritional research. Know-how cannot be replicated by budgetary spending, and is housed at the Nestlé Institute of Health Sciences. The competitive advantage is maintained.

Global Brand Portfolio (Temporary Competitive Advantage)

Nestlé has over 2000 brands, among them the internationally recognised brands such as Nescafé, KitKat, Maggi and Purina. The value of this portfolio is that it allows premium pricing and consumer loyalty in a variety of categories. Nevertheless, brand equity within the food industry is progressively facing disruption by the nimble direct-to-consumer competitors that are contending on authenticity, instead of scope. The portfolio is not unique because Unilever and Kraft Heinz have an equally strong brand architecture. Moreover, the very size of the portfolio creates strategic incoherence - it is inherently hard to have 2,000 brands and a narrow health and wellness positioning, and organisational watering down of strategic purpose. Competitive advantage can be temporary, decreasing in strategic salience unless portfolio rationalisation is speeded up.

Distribution and Supply Chain Infrastructure (Sustained Competitive Advantage)

The distribution infrastructure of Nestlé- direct store delivery, third-party logistics alliances, and more and more direct-to-consumer online is a capability that is not only valuable in itself (enabling penetration of markets both mature and new) but is also rare (few competitors match the local market investment and relationship building of Nestlé in Sub-Saharan Africa and Southeast Asia) and imperfectly imitable (developed over decades This is responding directly to CSF two supply chain resilience which was identified in the PESTEL analysis. Ruling: competitive advantage sustained.

Nestlé Health Science Platform (Sustained Competitive Advantage, Emerging)

The most strategically important emerging capability is Nestlé Health Science, which was acquired and developed as a special medical nutrition and consumer health platform. It has its value as it offers Nestlé scientific authority in the health and wellness sector outside the traditional food marketing. It is uncommon as there is no other food major with a similar platform that is built to the same level. It is not yet completely copyable, due to the regulatory experience and clinical trial structures that are incorporated in the unit. Maintained competitiveness, in progress.

The combination of the VRIO analysis and the PESTEL results creates a picture of a company that has truly differentiated internal capabilities in the areas of R&D, distribution, and health science - but whose brand portfolio range has been actively working towards compromising the strategic consistency of its exterior positioning.

1.3 CSR and Sustainability

Carroll (1991) put forward four-dimensional model of corporate social responsibility which is in form of a pyramid with the economic responsibilities on the bottom, legal compliance, ethical behaviour, and philanthropic contribution on the top. Such a hierarchy is analytically helpful to consider the Creating Shared Value (CSV) framework of Nestlé, which the company presents as a paradigm of social value creation, but commercial value generation, instead of trying to make these two issues opposing goals.

At the economic level, Nestlé is proving to be doing well: steady revenue stream, dividends, and job creation in 186 countries satisfy the basic need of Carroll, which is to fulfil the obligation. The legal level is more disputed at the legal level. Independent research has determined that the infant formula marketing policies of Nestlé in the lower-income markets are violating the spirit of, and possibly the letter of, WHO marketing codes, a material legal and reputational liability.

The tension is most crucial about the ethical level. The CSV framework of Nestlé states its pledges to the access to nutrition, the water stewardship, the rural development. However, the announced disconnect between these promises and objectively confirmed results, especially on plastic pollution and sugar content in the products sold to vulnerable groups, shows the dissonance of the strategic narrative and operational reality on a structural level's frameworks can be dangerously turned into the components of legitimacy management as opposed to the actual accountability when goals are self-established and performance is self-reported (Di Vaio et al., 2022). The argument can be applied to the CSV model of Nestlé, which is not characterized by the strong third-party verification mechanisms. The conclusion is that of partial agreement: the Nestlé CSR strategy is consistent in its aims but not stringent enough in its implementation to be considered a proper strategic integration.



Source: Author's own, adapted from Carroll, 1991

Figure 5: *Carroll's CSR Pyramid Applied to Nestlé S.A. Source: Author's own, adapted from Carroll, 1991*

1.4 Balanced Scorecard

The Balanced Scorecard was thought by Kaplan and Norton (1992) as a strategic performance management approach that converts an organisation's mission and strategy into a logical collection of financial and non-financial performance metrics in 4 perspectives: Financial, Customer, Internal Business Processes, and Learning and Growth.' Its usefulness is that it makes organisations describe the causal pathway between operational performance and monetary performance - which is especially useful with Nestlé, as its Compass Strategy is a process that seeks growth, margin improvement, and strategic change.

Balanced Scorecard for Nestlé S.A.

Perspective	Strategic Objective	Key KPIs	Initiatives
Financial 	Deliver sustainable margin improvement	• Organic sales growth rate • Trading operating profit margin • ROIC • Free cash flow	• Pricing strategy • Portfolio rationalisation • Cost efficiency programme
Customer 	Strengthen health and wellness brand equity	• Mid-single-digit organic growth • NPS • E-commerce penetration	• E-commerce above 17 percent of sales • Digital marketing reformulation programme
Internal Business Processes 	Maintain innovation pipeline and portfolio focus	• Continuous portfolio rationalisation • Brand divestment programme	• Brand divestment programme • R&D governance • Supply chain optimisation
Learning and Growth 	Build digital and innovation capabilities	• Sustained R&D investment above CHF-1.7 billion	• Nestlé Institute of Health Sciences • AI deployment • Digital talent programme

Source: Author's own, adapted from Kaplan and Norton, 1992

Figure 6: *Balanced Scorecard, Nestlé S.A.* Source: Author's own, adapted from Kaplan and Norton, 1992)

Financial Perspective

The Nestlé long-term financial target currently is to resume an organic growth of 4% and above in a normal operating environment and a current trading operating profit margin of 17% and above. Key performance indicators in 2025 indicated the following gains towards the following goals: the Group registered an organic growth rate of 3.5,

an underlying trading operating profit margin of 16.1% (a reduction in constant currency of 100 basis points), a return on invested capital (ROIC) of 12.7 and a free cash flow generation of CHF 9.2 billion. The straining point here is that the recent organic growth is still highly price-based (2.8) as opposed to volume-based because the real internal growth (RIG) has merely been 0.8% yearly. This pricing dependence is not sustainable as a long-term policy, and indicates that the innovation pipeline needs to pick up the pace of RIG which improved to 1.4% in the second half of 2025 in order to provide volume growth in health and wellness categories with higher margins (Nestlé, 2025).

Customer Perspective

The customer objective of Nestlé will focus on building consumer confidence on the health and nutrition credential of its brand portfolio and increase market share in high-end segments. Important Performance Indicators (KPIs) are the market share trends (which increased the most in 2025), growth of the billionaire brand (the first positive result in a decade), e-commerce penetration, which reached 20.5 percent of the total Group sales. One of the strategic enablers of the core strategic level is the Unrivalled Superiority that guarantees the quality products and better design that will enchant the consumer. Nevertheless, the strategic issue is how to deal with the attitude to food processing where long-term negative attitudes to the health effects of processed categories may undermine consumer confidence and lead to more stringent regulations.

Internal Business Processes Perspective

The operational goal of Nestlé is to continue to have a high performing product innovation pipeline as it implements the current winning portfolio strategy. This involves the "Fuel for Growth" program which will bring CHF 1.1 billion in savings in 2025 and achieve CHF 3.0 billion in savings by 2027 to invest more in its brand. Some of the KPIs are number of harmonised recipe specifications (cut down by 50% since 2019 to create efficiency), supply chain visibility and R&D pipeline value. The continuing strategic review of Nestlé Waters and mainstream Vitamins, Minerals and Supplements (VMS) brands is the next stage in the portfolio rationalisation which started in 2021 with the sale of North American water brands.

Learning and Growth Perspective

This is the most long-term positioning perspective that is strategic to Nestlé. According to the 2025 Annual Review, digital transformation is among the main strategic enablers and the company has organically increased its digital core through e-commerce sales by 13.5% and implemented the SAP technology to upgrade its digital core to deploy AI on a wide scale. R&D investment (which is kept at 1.8 percent of sales), e-commerce sales growth, and up skilling of employees are among KPIs; currently, Nestlé has the most people who use generative AI in the consumer goods sector. Moreover, the cooperation of the company with the Frontier Firm AI Initiative (Harvard and Microsoft) and its dedicated research using the Nestlé Institute of Packaging Sciences can be considered the organizational learning system that helps the company to maintain its competitive edge.

1.5 Strategic Choices and Implementation

Johnson, Whittington and Scholes (2017) differentiate the business-level strategy, which involves the way an organisation competes in a particular market or industry, and the corporate-level strategy, which involves the general scope and direction of the organisation in numerous markets and business units. These two levels exist concurrently at Nestlé and have to be assessed separately prior to its coherent strategic recommendation.

Business-Level Strategy

According to Porter (1980), three generic strategies can be used by a firm to attain sustainable competitive advantage, namely: cost leadership, differentiation and focus. Nestlé does not aim at cost leadership - scale benefits are compensated by the complexity cost of managing 2,000 brand in 186 countries, and it does not compete by price but by brand value. The business-level strategy that the company employs as its core one is differentiation: to be more precise, nutritional differentiation, i.e. positioning the products as scientifically-based solutions to health issues instead of traditional food products. This is best realised in Nestlé Health Science and in high quality coffee via Nespresso where differentiation is perpetuated by proprietary formulation, closed loop system design and brand identity. The business level

recommendation is that Nestlé needs to expedite and enhance the differentiation strategy under the health and wellness, and they should invest in the categories that nutritional science credentials can be verified and premium price can be justified and cut down resources in the category where differentiation is only cosmetic and not substantive.

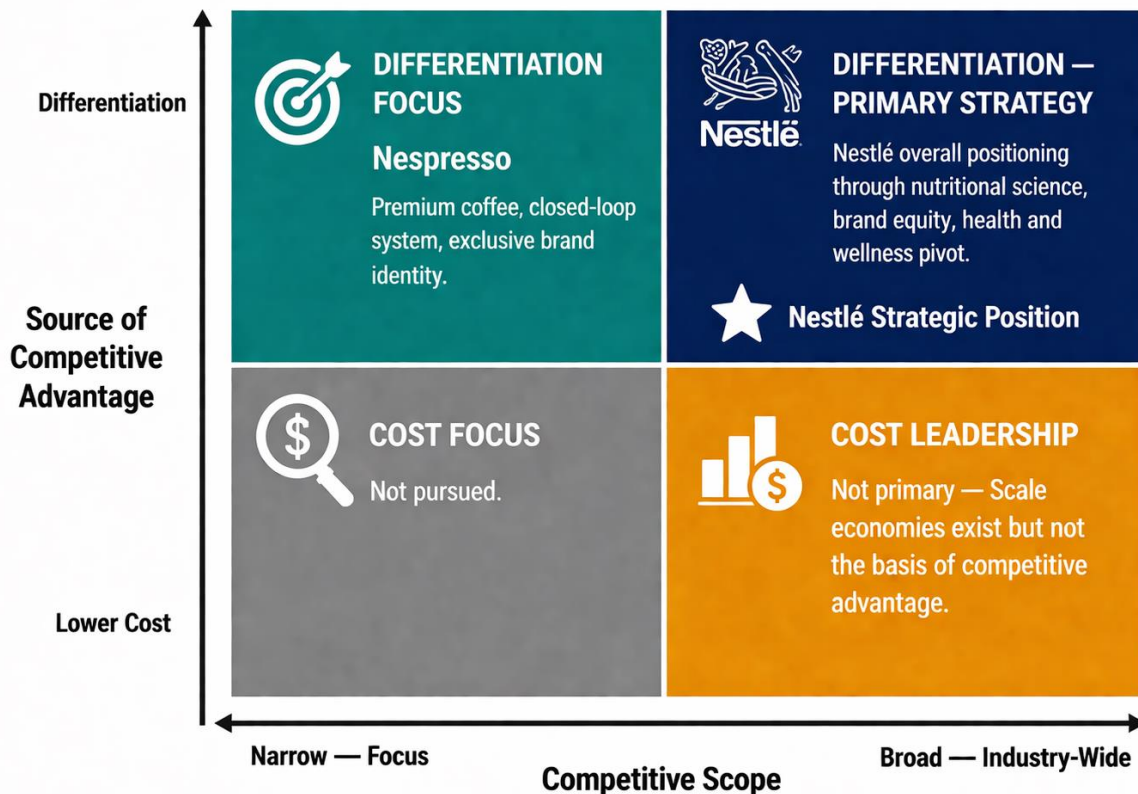
Corporate-Level Strategy

The most impactful strategic move made by Nestlé in recent years has been selling its North American water brands to One Rock Capital Partners in 2021 under the new name of Blue Triton Brands (Nestlé Global, 2021) and acquiring the right to market Starbucks-branded consumer goods anywhere in the world in 2018 at USD 7.15 billion (Lei, 2025). These two actions reflect a company policy of related diversification and portfolio rationalisation: to leave capital intensive, low-margin commodity lines and to buy brand-proximate assets which cement the high end positioning. The corporate-level suggestion is sustained and expedited portfolio rationalisation to health science, high-quality nutritional, and high-growth pet care domains where Nestlé has an R&D strength and brand loyalty that creates true competitive advantage.

Changed Management Evaluation

The key to an effective organisational change, Kotter (1995) writes, is eight steps in sequence, which are: establishing urgency, guiding coalition, vision, communicating vision, empowerment of broad-based action, short-term win, consolidating gains, and anchoring change in culture (Kotter, 1995).

Porter's Generic Strategies for Nestlé S.A.



Source: Author's own, adapted from Porter, 1980

Figure 7: Porter's Generic Strategies ; Nestlé Strategic Positioning. Source: Author's own, adapted from Porter, 1980

The Nestlé case applied to Starbucks Global Alliance showed excellent performances in the initial phases: the necessity to develop the premium coffee segment was clearly outlined, the guiding coalition was established on the board level. Nevertheless, Morningstar (2026) analysts observed that the complete adoption of the Starbucks brand into the commercial systems of Nestlé has occurred later than expected, and volume synergies are not realised as fast as expected (Radu, 2026). This indicates that Nestlé has a good change management potential at the strategic conception level and low at the operational embedding level which is also similar to the implementation gap that is being experienced during this report. To close this execution gap, the group is shifting toward a 'performance culture' that uses the 'Fuel for Growth' program to unlock CHF 3.0 billion in operational efficiencies. These funds will be reinvested into high-growth platforms. This change, supported by an improved SAP digital core and

AI, marks a move from static structural changes to technology-driven agility. This shift aims to improvement of Real Internal Growth and uphold the superior differentiation essential for its wellness mission.

1.6 Strategic Evaluation and Recommendations

1.6.1 SWOT Synthesis

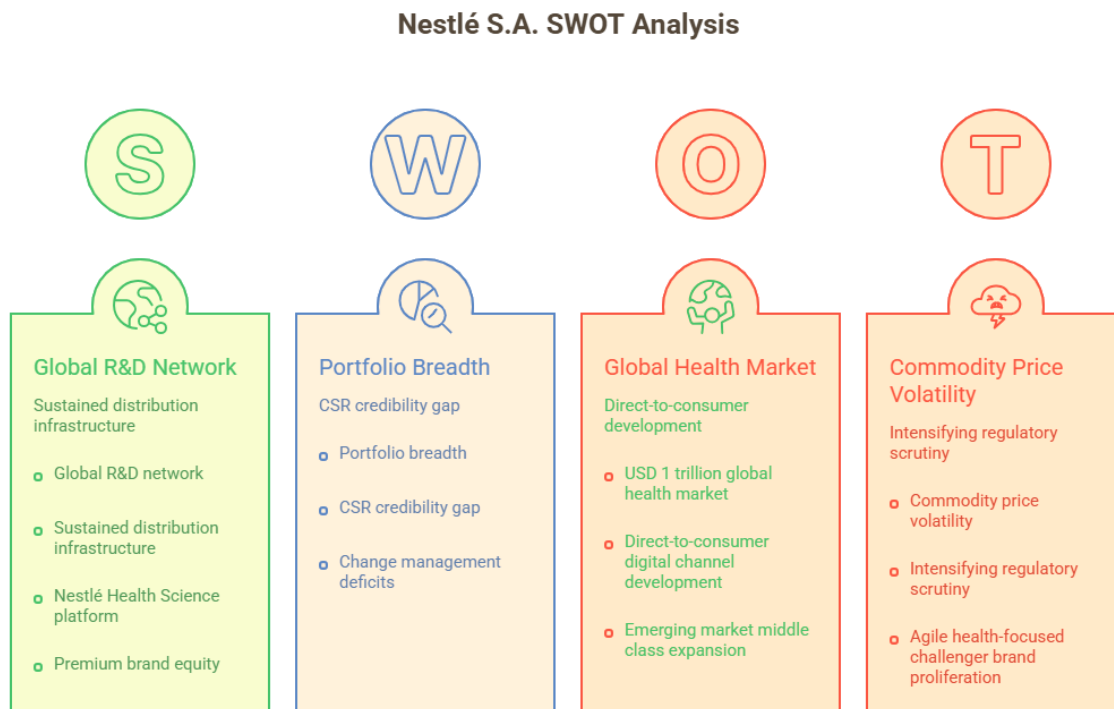


Figure 8: *SWOT Analysis — Nestlé S.A. Source: Author's own*

Based on the above analysis, the strategic position of Nestlé can be described as follows. The global R&D network, built distribution infrastructure and the Nestlé Health Science platform are regarded as strengths, which are all defined as a source of sustained competitive advantage during the VRIO analysis. The weaknesses include: portfolio breadth that is too broad, gaps in implementation within change management, and credibility deficit in CSR that compromises the health and wellness story. Opportunities are: trillion dollar global health and wellness market, development of digital direct to consumer channel and high growth emerging market. Commodity price fluctuations, an increased regulatory focus on marketing activities, and the increasing competitiveness of agile health-oriented challenger brands are threats. In the end, this analysis shows a "strategic paradox" where Nestlé's world-class R&D and distribution

assets, which are important internal strengths, are increasingly forced to act as defensive shields against the "reputational drag" and regulatory threats that come from the company's past problems with legitimacy.

1.6.2 Ansoff's Matrix

Ansoff (1957) introduced a product-market growth model that showed four strategic growth options; market penetration, market development, product development, and diversification. In the case of Nestlé, the market penetration would best apply to premium coffee and petcare, where Nestlé is already well-placed and where consumers can further engage with the company through digital platforms and subscriptions without the premium associated with entering a new category. The most strategically important direction of Nestlé Health Science is product development whereby the R&D pipeline has to produce clinically proven nutritional products in a continuous flow to maintain differentiation. The most risky is diversification which is not advisable as the current portfolio is complicated.

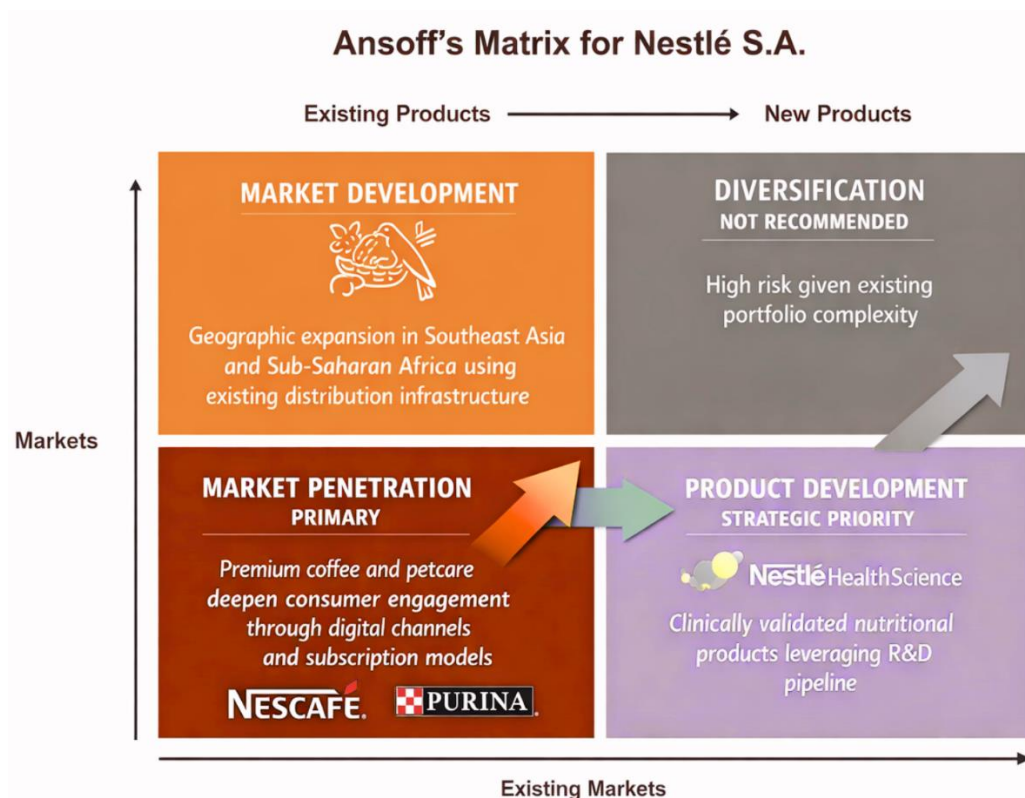


Figure 9: Ansoff's Matrix; Nestlé Growth Directions. Source: Author's own, adapted from Ansoff, 1957

1.6.3 BCG Matrix

The BCG Matrix (Henderson, 1970) places business units in terms of market growth rate and relative market share as Stars, Cash Cows, Question Marks and Dogs. Nestlé Purina Petcare and Nespresso are Stars: high growth of the market, market share strong and growing hence the need to invest more. Nescafé and Maggi are Cash Cows: high market share in mature segments that bring in cash flows that are used to fund innovation in other areas. Nestlé Health Science is a Question Mark: high growth market, yet market share is still emerging and needs long-term investment to prevent stagnation. There are a few confectionery and ambient dairy brands in mature markets that operate as Dogs and can be considered to be divested.



Figure 10: BCG Matrix, Nestlé Brand Portfolio. Source: Author's own, adapted from Henderson, 1970

1.7 Recommendations

The above frameworks have four evidence-based suggestions that ensue. To start with, Nestlé must speed up portfolio rationalisation - cutting the number of brands down to around 500 strategic and coherent brands out of the estimated 2,000 brands,

and redeploying capital to the health science and premium segments. Second, Nestlé ought to develop a completely independent CSR verification system, disconnecting the target-setting and progress reporting to overcome the legitimacy gap that (Matten and Crane, 2005) acknowledge. Third, the firm needs to enhance its digital direct-to-consumer strength - furthering the e-commerce growth trend to minimize reliance on retailers and enhance margin. Fourth, Nestlé must also keep investing in Nestlé Health Science as its core long-term growth driver, basing it on the R&D potential that has been detected in the VRIO analysis as a cornerstone of clinical nutrition products that competitors cannot easily copy. Ultimately, a strong governance framework is important to make sure that these strategic reallocations effectively connect Nestlé's corporate narrative with its ethical reality.

1.8 Conclusion

This study analytically evaluated the strategic management of Nestlé S.A. by examining its external and internal environments, corporate social responsibility (CSR), performance management, strategic decision-making, and review processes. It backs up the main point that Nestlé's move toward nutrition, health, and wellness is a good strategic move, but it was poorly carried out. PESTEL and Porter's Five Forces show that the company is very in tune with its surroundings, while VRIO shows that the company's wide range of products makes it hard to focus on one area. CSR findings show that there is still a gap between what people say they value and what they actually do. Change management analysis shows that execution capabilities are not always consistent. The suggested actions like portfolio rationalisation, independent CSR verification, digital channel expansion, and continued investment in Nestlé Health Science; are meant to turn strategic intent into a long-term competitive advantage, where the quality of execution will determine long-term results.

Section 2: Reflective Account

2.1 Reflective Account Using Gibbs' Reflective Cycle

Gibbs (1988) created the Reflective Cycle as a systematic learning by experience model, which consists of six consecutive steps: Description, Feelings, Evaluation, Analysis, Conclusion, and Action Plan. The model has been chosen over Experiential Learning Cycle (1984) by Kolb due to its explicit distinction between emotional response and analytical evaluation, which offers a more detailed structure of a written reflective account of an academic research process, a conclusion that the argument of the necessity to explicitly decouple the descriptive recall and critical analysis supports (Hussain, 2014).



Figure 11: Gibbs' Reflective Cycle (Gibbs, 1988)

2.2 Description

In this report, it was necessary to choose, justify and critically analyse a global organisation using a number of strategic management frameworks within a well-defined word limit. The selection of Nestlé S.A. was based on the comparison of various candidate organisations, such as Unilever and Coca-Cola, with the criteria of data availability, the depth of academic literature and the richness of the critical tension to examine in Level 7. Nestlé was chosen due to its concurrently attractive strategic discourse and its massively reported ethical scandals provided the basis of truly critical and not descriptive analysis. The research methodology included working with the Annual Report 2025 and sustainability disclosures of Nestlé as well as various peer-reviewed journal articles, industry reports provided by Euromonitor International and Morningstar, and the foundational texts of strategic management, such as Johnson, Whittington and Scholes (2017), Porter (1980), and Barney (1991). This methodology ensured that the research was not merely a retrospective summary but a systematic review into the strategic inconsistency facing modern multinationals.

2.3 Feelings

When I started the research process I was somewhat unsure of how deeply I would have to engage at Level 7. An early disposition was to describe frameworks - to tell what PESTEL or VRIO is - instead of applying them. It is one of the trends that Biggs and Tang (2011) characterize as typical of surface-level learning where students repeat the knowledge instead of applying it critically. Being aware of this tendency in the middle of the process was unpleasant but fruitful: it led to a conscious shift towards evaluative profundity, when the question is not what Nestlé does, but whether it is a strategically coherent action and why the disjuncture's between the intent and the actual or intended action take place. The procedure of making the VRIO analysis, i.e. connecting inner abilities to the Critical Success Factors revealed in PESTEL, was a rather interesting intellectual game, which produced actual knowledge how strategic structures can be best utilized in synthesis as opposed to solitude.

2.4 Evaluation

The best part of the research process was the definition and the continuous nurturing of the central argument thread - that the strategic pivot of Nestlé is believable in intent

but flawed in implementation. This thread gave an analytical integrity of sections which could otherwise have operated as independent drills in the application of frameworks. The most unsuccessful was the word count management of separate sections: the PESTEL and the VRIO analyses in particular put pressure on the words that were given, which meant that they had to be compressed repeatedly without losing depth of the analysis. This conflict between extensive reporting and brief critical writing is a common problem, which I am yet to address fully.

2.5 Analysis

Viewing the experience through the prism of the concept of reflection-in-action described by Schoen (1992), i.e. the process of real-time change in approach to the acquired understanding, one can notice that the greatest learning was not done during the writing of the individual sections but rather during the transition between them. The necessity to connect VRIO results with the BSC goals, and BSC results with strategic propositions demanded some qualitatively different form of synthetic thinking that cannot be reduced to the use of separate frameworks in isolation. This is in line with the difference between descriptive reflection and critical reflection in which 'Moon' (2004) describes how a happened and how it was actually assumed and organized into a structure. This synthesis shown that strategic tools are interlocking gears that expose the deep tensions between Nestlé's aggressive financial growth and its social legitimacy.

2.6 Conclusion

Given a second attempt of this assessment, I would spend more time initially in setting up the central argument thread than to start any section level writing. Here the thread was discovered prematurely but not yet exhaustively evaluated in relation to every analytical framework when writing was started. The repetitive revision would have been minimized in the drafting stage through a more strict pre-writing process such as a systematic mapping of the ways in which the findings of each framework feed into the main argument. Also, I would work more systematically with the primary source documents of Nestlé early in the research process since the Annual Report and sustainability disclosures were more strategic in detail than I had initially predicted.

2.7 Action Plan

In accomplishing subsequent strategic management assessment, and in practice, I will take a systematic process of argument mapping before writing, such as stating the main argument, determining the evidence that each framework will provide, and even defining the line of inference before starting to write. Finally, I will apply the principle of synthesis over isolation when working with strategic frameworks: the analytical value of PESTEL, VRIO, and the Balanced Scorecard is most completely realised not in their individual application but in the connections drawn between their findings.

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