An Organisation Study on SCHNIEDER ELECTRIC

(18MBAOS307)

SONIYA. G

1CR19MBA84

Submitted to

VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI

In partial fulfilment of the requirement for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

Under Guidance of

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Class of 2019-21

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CERTIFICATE BY THE INSTITUTION

This is to certify that **Ms. SONIYA G** bearing **USN 1CR19MBA84** is a bonafide student of Master of Business Administration of our Institution during 2019-21 batch. The organization study report on **SCHNEIDER ELECTRIC** is prepared by her under the guidance of **Mrs. Preksha Yadav,** Assistant Professor, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, affiliated to Visvesvaraya Technological University, Belagavi Karnataka.

Signature of the Guide	Signature of the HOD	Signature of the Principal
	Head of the Department Department of MBA CMRIT-PG Studies Bangalore-560 037	Sanjay Jain Principal CMR Institute of Technology Bangalore - 560037

Viva-voce Examination:

Internal Examiner: _____ 30-09-20
[Signature & Date]

Preksha. Yadav, AP, CMRIT
[Name, Designation & Affiliation]

External Examiner: _____ 30/09/2020.
[Signature & Date]

Piyali RC, AP, CMRIT
[Name, Designation & Affiliation]

DECLARATION

I, Ms. **SONIYA. G 1CR19MBA84** hereby declare that the organization study report of **SCHNEIDER ELECTRIC** prepared by me under the guidance of **PROF. PREKSHA YADAV** faculty of M.B.A Department of CMR Institute of Technology, Bengaluru. I also declare that this report is prepared in partial fulfillment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone an organization study for a period of four weeks. I further declare that this report is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University /Institution.

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Place: Bangalore **Signature of the Student**

Date: 30 Sept 2020 **USN: 1CR19MBA84**

ACKNOWLEDGEMENT

I acknowledge the deep gratitude to all those who have made organization study successful and helped in preparing the report.

I would like to express my sincere thanks to **Dr. Sanjay Jain**, Principal of CMR Institute of Technology, Bengaluru for his valuable support and guidance throughout the course of organization study.

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Name: SONIYA. G

USN: 1CR19MBA84

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WEEKLY PROGRESS REPORT

Student Name	SONIYA. G
USN	1CR19MBA84
Title of the Study	ORGANIZATIONAL STUDY
Organization	SCHNEIDER ELECTRIC
WEEK-1	
Duration (start date - End date)	**6.8.2020 - 12.8.2020**
Chapter's covered	Chapter 1 and Chapter 2
Descriptions of activities performed during the week	Introduction to organization, Industry profile and company profile
WEEK-2	
Duration (start date - End date)	**13.8.2020 - 18.8.2020**
Chapter's covered	Chapter 3
Descriptions of activities performed during the week	McKensy's 7S framework, Porter's Five Force Model.
WEEK-3	
Duration (start date - End date)	**19.8.2020 - 26.8.2020**
Chapter's covered	Chapter 4 and Chapter 5
Descriptions of activities performed during the week	SWOT Analysis and analysis of financial statements
WEEK-4	
Duration (start date - End date)	**27.8.2020 - 30.8.2020**
Chapter's covered	Chapter 6
Descriptions of activities performed during the week	Learning experience and Bibliography

Signature of the Student **Signature of the Guide**

Chapter 1

INTRODUCTION ABOUT THE ORGANISATION AND INDUSTRY

Schneider Electric is a French multinational company providing energy and automation digital solutions for efficiency and sustainability. It addresses homes, buildings, data centres, infrastructure and industries, by combining energy technologies, real-time automation, software and services. The company has operations in over 100 countries and employs 135,000+ people.

Schneider Electric is a Fortune Global 500 company, publicly traded on the Euronext Exchange, and is a component of the Euro stoxx50 stock market index In FY2019, the company posted revenues of €27.2 billion.

Schneider Electric is the parent company of Square D, APC and others. It is also a research company, investing EUR10 billion in innovation and R&D for sustainable development between 2015 and 2025. The company holds 20,000 patents either active or in application worldwide and invests 5% of its annual revenue in Research Development. The company began in 1836 as Schneider & Cie. It was ultimately renamed resulting growth opportunities in their key end markets, buildings, infrastructures, industries, and data centres. These four make up the majority of the global future electricity demand, with buildings representing the highest share at approximately 60%.

INDUSTRY PROFILE

The Electrical Equipment Industry consists of companies that make a range of products for a diverse customer base. This sector is fragmented, but there are a few members that lay claim to a sizable portion of sales. Products include electrical motors, commercial and industrial lighting fixtures, heating, ventilation and air conditioning systems and components, and,

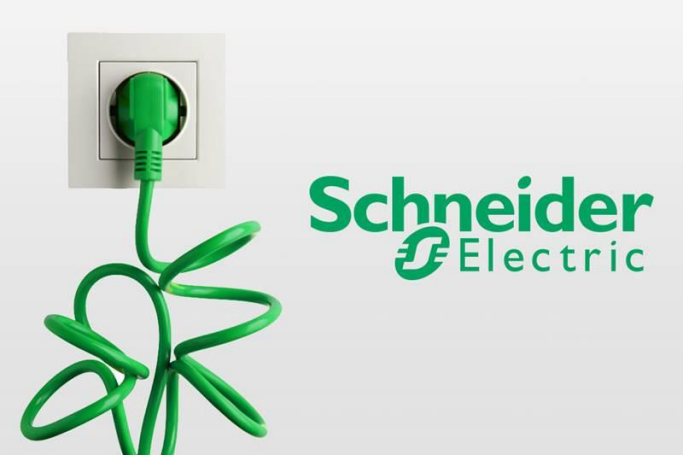
among others, electrical power equipment. Operating structures involve high fixed costs. Too, copper, aluminium and steel are essential raw materials used in the manufacture of products. The industry spans all corners of the world, and it is subject to the influence of the macroeconomic cycle. Players in the global electrical equipment industry manufacture power, distribution transformers, industrial controls, generators, electric motors, switchgear, switchboard tools, and relays.

ECONOMIC FACTORS

Top- and bottom-line trends in the industry often track the broad economic cycle. During periods of prosperity, when they are flush with cash, customers are comfortable expanding their capital budgets and spending on electrical equipment. At times, when there is uncertainty as to the direction of the economy, those controlling the purse strings delay spending decisions, which can hurt short-term operating results. When business conditions are very challenging, customers may pull back dramatically on equipment orders. Companies try to repair and replace equipment during regular, seasonal or cyclical slack periods. Often, managers will attempt to extend the useful life of equipment as long as possible.

KEY BUSINESS INDICATORS

There are some key indicators of the industry's prospects. The Institute of Supply Management's Purchasing Managers Index provides a near real-time view of manufacturing production, employment levels, new orders, supplier deliveries and inventory turnover. A reading above 50 indicates expansion, and one below that figure marks a manufacturing contraction. Durable Goods Orders, released by the U.S. Census Bureau, is another important statistic. Such consumer goods last three years or more and are relatively expensive. Month-to-month trends are a good indication of whether the economy is cycling up or down. Additionally, the Federal Reserve Board regularly releases capacity utilization figures. Utilization is high when demand is strong and low when demand is weak. Capacity utilization rates above 80% suggest that equipment spending will rise; such levels may also indicate that inflation will increase.



COMPANY SPECIFIC MEASURES

Electrical equipment shipments, orders, and backlog provide a fairly accurate indication of an individual company's sales prospects. Rising orders help to build backlog and lead to higher shipments and sales. Order cancellations, however, can accelerate top-line declines. Plant utilization lends insight to a company's pricing power and earnings potential. Also, product quality and ease of integration will influence demand, pricing and profits.

Operating efficiency is crucial for these companies to succeed. For the most part, the industry's operating margin ranges from 10% to 20%. Some leaders achieve margins in the 30s and 40s, and a few, with profitability measures in the single digits, lag behind. Popular efficiency and cost-reduction methods include Six Sigma, Lean Manufacturing, Best Practices and common production platforms. Effective hedging strategies can bring volatile commodity prices under control.

In most cases, research and development expense is less than 5% of sales. Nonetheless, R&D outlays are important to the industry. Innovation allows a company to improve its competitive position. Managements work to keep up with shrinking product life cycles and attain standardization to maintain cohesiveness and save money.

Generally, net margins hew close to 10%. For equipment makers with little or no debt, net margins about match operating margins. Those with significant debt obligations often have net margins in the single digits. Managements tap the equity and debt markets, and use cash, for

expansion and acquisitions, depending on the comparative cost of capital and their tolerance for risk.

OBJECTIVES OF THE STUDY

The main objective of this report is to study the organisation of various departments, the origin growth and development of the industry and organisation the present status of the industry future prospects of the industry as well as the organisation.

The overall objectives of the study:

- To study the organization structure.
- To know about the products and services.
- To know the different functions of all the departments.
- To Analyse the organisation using SWOT analysis.

Chapter 2

ORGANISATION PROFILE

Schneider Electric head office in Paris

Type	*Societas European*
Traded as	Euronext: SU CAC 40 Component
ISIN	FR0000121972
Industry	Electrical equipment
Predecessor	Schneider-Creusot
Founded	1836; 184 years ago (as Schneider & Cie) (incorporated 1981)
Founder	Eugène Schneider
Headquarters	Rueil-Malmaison, France
Area served	Worldwide
Key people	Jean-Pascal Tricoire (Chairman & CEO) Léo Apotheker (Vice-Chairman and Lead Director)
Products	Building automation, home automation, switches and sockets, industrial safety systems, industrial control systems, electric power distribution, electrical grid automation, Smart Grid, critical power & cooling for datacentres
Revenue	▲ €27.2 billion (2019)
Operating income	▲ €4.2 billion (2019)
Net income	▲ €2.4 billion (2019)
Total assets	▲ €45 billion (2019)
Total equity	▲ €23.14 billion (2019)
Number of employees	135,000 (2019)
Subsidiaries	Luminous Power Technologies Pvt Ltd., invensys, SolveIT Software, APC, Areva T&D, BEI Technologies, Cimac, Citect, Clipsal, ELAU, Federal Pioneer, Merlin Gerin, Merten, Medicon PLC, Nu-Lec Industries, PDL Group, Power Measurement, Sqaure D, TAC Tele Mecanique, Telvent, Gutor, Electronic LLC, Zicom, Summit, Xantrex

As the Global specialist in Energy Management, the Schnieder Electric group enables people to experience and transform efficiency where they live and work; from home to enterprise, across the grid and the city.

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The company began in 1836 as Schneider & Cie. It was ultimately renamed Schneider Electric in May 1999.

Schneider Electric India Pvt Ltd (SEI), a 100% subsidiary of Schneider Electric Industries SAS, is one of the top three energy management companies in India and offers integrated solutions across multiple market segments. With a workforce of over 21,000 employees in India, and a significant manufacturing presence of 29 factories out of which 8 are export units, the company is well known for its unique vision, progressive management and above all, its exemplary quality. It is a moment of immense pride for all of them, as they look back on the journey of Schneider Electric in India over the past five decades.

Schneider Electric head office in Rueil-Malmaison, France.

Schneider Electric has had its head office in the Trianon site in Rueil-Malmaison, France since 2000. The current headquarters, also located in Rueil-Malmaison, previously housed Schneider subsidiary Télémécanique while the parent company occupied a site in Boulogne-Billancourt.

In June 2011, Schneider Electric corporate headquarters in Rueil-Malmaison was certified as complying with the new ISO 50001 standard for energy management systems. It was the first building in the world to earn such designation.

SECTORS OF OPERATION

- Utilities & Infrastructure
- Industries & Machines Manufacturers
- Non-residential Buildings
- Data Centres & Networks
- Residential Segments

BUSINESS ACTIVITIES

- Energy Management
- Energy Consulting Services
- EE products and solutions
- Industrial, Building and Energy Automation
- Electrical Switchgear and Control Gear
- Green Building Solutions
- Smart Buildings

India is one of the most important markets for Schneider Electric globally and they have had an increasingly active presence in the country both in terms of contributing to infrastructure growth as well as strong CSR (Corporate Social Responsibility) initiatives. Despite the significant social and economic initiatives that make India a global powerhouse today, the demand and supply gap for energy is a cause for serious concern.

The need for automation, reliability, security and energy efficiency will continue to grow exponentially in the coming years. As the leading energy management experts, Schneider

Electric India, as India's infrastructure partner in this exciting time of nation building; delivers efficient solutions that optimize energy performance while conserving resources across our electricity supply chain.

A responsible corporate citizen, Schneider Electric has been ranked by Corporate Knights in the top 10 of 2015 and 2014 Global Most Sustainable Corporations out of a total of more than 4,600 listed companies with market capitalization of at least USD 2 billion.

HISTORY

Schneider Electrics head office in Rueil-Malmaison, France. Schneider Electric has had its head office in the Trianon site in Rueil-Malmaison, France since 2000. The current headquarters, also located in Rueil-Malmaison, previously housed Schneider subsidiary Tele Mecanique while the parent company occupied a site in Boulogne Ballancourt.

In June 2011, Schneider Electric corporate headquarters in Rueil-Malmaison was certified as complying with the new ISO 50001 standard for energy management systems. It was the first building in the world to earn such designation.

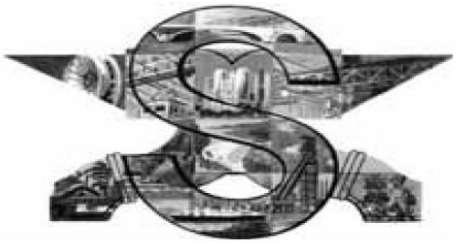
The roots of this company are in the iron, steel and armaments factories of Schneider Creosote and other industrial concerns.

20th Century, from 1981–1997, the company divested from steel and shipbuilding and focused mainly on electricity through strategic acquisitions. Later Schneider Electric refocused in 2010 to include software, critical power and smart grid applications through strategic acquisitions. In 2015, the company launched a brand strategy called "Life Is On" which aims to showcase the business and societal value of sustainability and efficiency. The emergence of the digital economy created opportunities for IoT-enabled platforms, which Schneider Electric identified as a growth opportunity. In 2016, the company launched Ecostruxure its ioT -enabled architecture.

Schneider Electric SA engages in electrical distribution and manufactures industrial engineering equipment. The company operates through the following business segments: Power, Infrastructure, Industry, Information Technology and Buildings. The Power segment offers medium and low voltage, installation systems and control, renewable energies, utilities, oil and gas. Its activities include transfer of medium voltage to the energy business. The

Infrastructure segment combines all medium voltage. The Industry segment supplies automation and control, water treatment, mining, minerals and metals. The Information Technology segment provides critical power and cooling services, data centres and financial services. The Buildings segment comprises building automation and security, hotels, hospitals, offices and retail buildings. Its electrical distribution equipment includes circuit breakers, switches, sockets, lighting and heating control systems. The company was founded by Adolphe Schneider and Joseph-Eugene Schneider in 1836.

The Schneider logo in the 1950s



From 1836 to today, Schneider Electric has transformed itself into the global specialist in energy management. Starting from its roots in the iron and steel industry, heavy machinery, and ship building, it moved into electricity and automation management. After 170 years of history, Schneider Electric has become today the solution provider that will help you make the most of your energy.

19th Century

- 1836: The Schneider brothers took over the Creosote foundries. Two years later, they created Schneider & Cie.
- 1891: Having become an armaments specialist, Schneider innovated by launching itself into the emerging electricity market.
- First half of the 20th Century
- 1919: Installation of Schneider in Germany and Eastern Europe via the European Industrial and Financial Union (EIFU).

- In the years that followed, Schneider associated with Westinghouse, a major international electrical group. The Group enlarged its activity to manufacturing electrical motors, electrical equipment for power stations and electric locomotives.
- Post war: Schneider gradually abandoned armaments and turned to construction, iron and steel works and electricity. The company was completely reorganised in order to diversify and open up to new markets.
- Late 20th Century
- 1981-1997: Schneider Group continued to focus on the electrical industry by separating from its non-strategic activities. This policy was given concrete form through strategic acquisitions by Schneider Group: Tele Mecanique in 1988, Square D in 1991 and Merlin Gerin in 1992.
- 1999: Development of Installation, Systems and Control with the acquisition of Lexel, Europe's number two in electrical distribution. In May 1999 the Group was renamed Schneider Electric, to more clearly emphasise its expertise in the electrical field. The Group engaged in a strategy of accelerated growth and competitiveness.

Early 21st Century

- 2000-2009: Period of organic growth, positioning itself in new market segments: UPS (uninterruptible power supply), movement control, building automation and security through acquisitions of APC, Clipsal, TAC, Pelco, Xantrex, becoming the global specialist in energy management.
- 2010: Schneider Electric strengthens its lead in the development of the Smart Grid, with the acquisition of the distribution activities of Areva T&D.
- 2011: Schneider Electric acquires leading software firm Telvent to reinforce its solution capability for the smart grid and mission-critical infrastructure".

NATURE OF SCHNIEDER ELECTRIC

Schneider Electric is a European company with a board of directors. The functions of the Chairman and the Chief Executive Officer are carried out by Jean -Pascal TriCore, who was appointed Chairman and Chief Executive Officer on April 25, 2013.

They provide energy and automation digital solutions for efficiency and sustainability. They combine world-leading energy technologies, real-time automation, software and services into integrated solutions for homes, buildings, data centres, infrastructure and industries.

They are specialising in the management of energy and automation. For making energy safe, reliable, efficient, productive and green they always involved in the development of technologies and provide solutions. They are commitment to sustainable development and for that they invest lots in research & development sectors.

They trust everyone should have an access right to energy and digital. They provide energy and digital solutions support for efficiency and sustainability. Their real time automation and software solutions for Homes, Data Centres, Small and large industries.

PORTFOLIO OPTIMIZATION

Ensure business growth with synergetic optimization of Energy Management and Industrial Automation portfolio driving more Products, more services, more software and better system. They deliver strong growth (+4.2%) from their portfolio of energy and automation solutions for efficiency and sustainability. They also supply best in class products to partners to integrate in their solutions. They are obsessed with safety and are renowned for reliability and cybersecurity solutions. Focusing on the welfare of people they are committed to gender equality through equal opportunities for everyone, everywhere.99% of their Global workforce covered by their Gender Pay Equity Framework. They strive to guarantee the highest safety standards and eliminate workplace accidents.

OPEN ECOSYSTEM

Schneider has made strong commitments for its entire ecosystems, ranging from helping its suppliers improve their sustainability practices, to reducing its customers emissions through

innovative solutions, as well as deploying an ambitious action plan for its own operational scope. With its new principles of Responsibility placing human rights people development ethical business conduct, cybersecurity, environmental action and corporate citizenship at its core as well as the Schnieder Sustainability Impact Schneider continuously demonstrates that it can be a trusted partner.

INNOVATION

Build open and multi-local innovation programs based on bold ideas from both Energy Management and Industrial Automation businesses and by developing partnerships to disrupt markets, create new business models for future growth.

CULTURE

Strive to be the most diverse, inclusive and equitable company, globally. They value difference and welcome people from all walks of life, across thier multi-hub organization built on truly global leadership and offering equal opportunities to all.

ORGANISATION VISION, MISION AND QUALITY POLICY

VISION

At Schneider, we believe access to energy and digital is a basic human right. We empower all to make the most of their energy and resources, ensuring Life Is On everywhere, for everyone, at every moment. We provide energy and automation digital solutions for efficiency and sustainability. We combine world-leading energy technologies, real-time automation, software and services into integrated solutions for Homes, Buildings, Data Centres, Infrastructure and Industries. We are committed to unleash the infinite possibilities of an open, global, innovative community that is passionate about our Meaningful Purpose, Inclusive and Empowered values.

MISSION

The Mission of Schneider Electric is to provide energy and automation digital solutions for efficiency and sustainability.

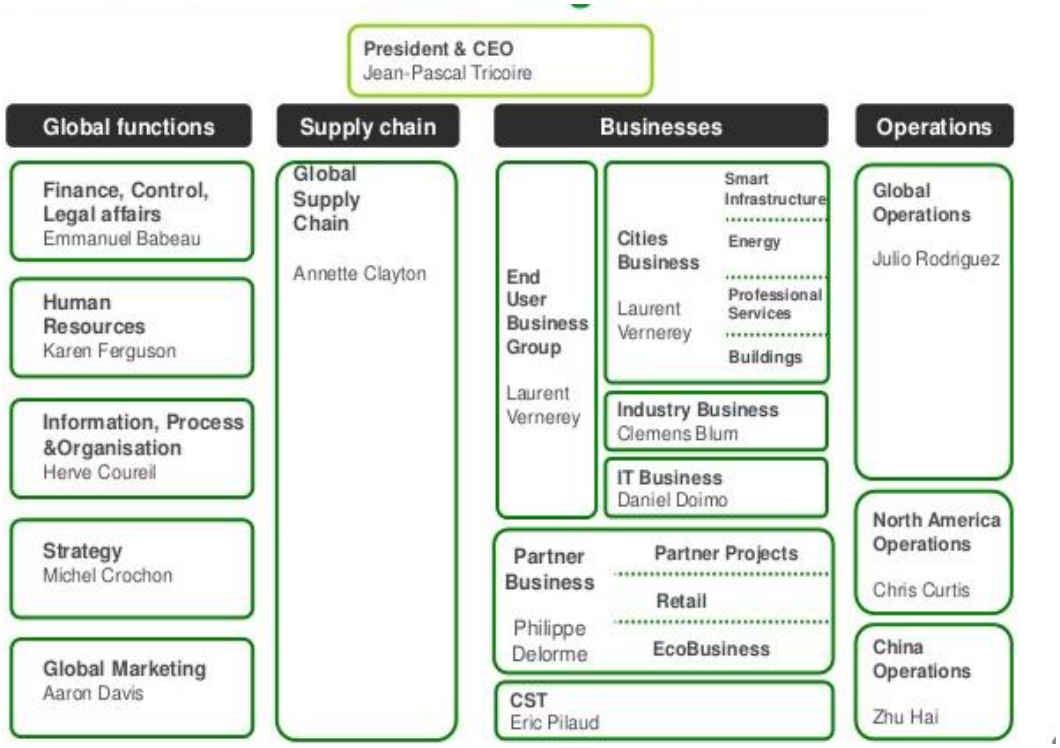
QUALITY POLICY

The management of Schneider Electric follows a policy based on the concept of dynamic quality. The purpose of this policy is to ensure total satisfaction for all of their customers, shareholders and employees through the continuous development and improvement of products, services and the skills of their employees.

Their policy of dynamic quality is built on seven principles:

- Constantly listening to our customers to ensure the sustainable improvement of their satisfaction
- Commitment from all levels of management and employees
- Openness of communication
- Systematic measurement and communication of performance
- Control and improvement of processes, products and services
- Recognition of exemplary actions
- Sharing our quality policy with our internal and external partners

ORGANISATIONAL STRUCTURE AT SCHNIEDER ELECTRIC



As of 2019, Schneider Electric operates business units: Energy Management, Industrial Automation, and Services.

1. **Energy Management**

The energy management business provides installation components, software and integrated solutions for the management of energy in medium voltage and grid automation, low voltage and building automation, secure power and cooling applications. The energy management business includes five divisions: Power Systems, Power Products, Secure Power, Home and Distribution, and Digital Energy. Connected technologies, software and solutions for energy management developed by the company use advancements in the Internet of things (IoT), mobility, sensing, cloud analytics and cyber security to reveal insights from energy data.

2. **Industrial Automation and Services**

The fourth industrial revolution, or industry 4.0, represents a long-term growth field for Schneider Electric. The company develops discrete industrial and machine automation as well as process automation products and solutions for the industrial sector, including programmable relays, motion controllers and interface modules for simple machines to complex process

systems for smart manufacturing. The company is also a provider of software for industrial automation and control. See AVEVA Services.

The Services business includes three divisions: Global Field Services, Energy and sustainability Services, and smart grid Services.

PRODUCT AND SERVICE PROFILE

They provide a wide range product such as:

Building automation, switches and sockets, home automation, industrial safety systems industrial control systems, Electric power distribution, electrical grid automation, smart grid, critical power and cooling for data centres.

Schneider provide energy and automation digital solutions for efficiency and sustainability. They combine world leading energy technologies real time automation, software and services into integrated solutions for homes, buildings, data centres, infrastructure and industries. They provide comprehensive services to cover the entire life cycle of electrical distribution equipment. Their field services help improve efficiency while reducing downtime safety risk and cost. They help extend the life span of assets with the best modernization solutions.

1. **Predictive Maintenance Solutions**

They improve the asset performance with predictive analytics by monitoring the condition of equipment provides trending data to help anticipate and plan maintenance activities. Potential issues can be identified and corrected before they result in costly unplanned downtime.

2. **Training**

They provide training in developing people in energy technologies to face new challenges training courses across their fields of expertise can be provided on the request of the customers according to their specific requirements.

3. **Electrical Hazard Prevention**

Schneider Electric is a recognized leader in promoting electrical workplace safety and helps companies comply with their requirements pf NFPA 70E Standard for Electrical Safety in the workplace and also mitigate and control the risk of workplace electrical accidents.

OWNERSHIP PATTERN

The big shareholder groups in Schneider Electric S.E. (EPA:SU) have power over the company. Institutions will often hold stock in bigger companies, and they expect to see insiders owning a noticeable percentage of the smaller ones. Companies that used to be publicly owned tend to have lower insider ownership.

Schneider Electric has a market capitalization of €40b, so it's too big to fly under the radar. They would expect to see both institutions and retail investors owning a portion of the company

Institutions typically measure themselves against a benchmark when reporting to their own investors, so they often become more enthusiastic about a stock once it's included in a major index. They would expect most companies to have some institutions on the register, especially if they are growing. digital solutions for efficiency and Sustainability.

Schneider Electric does have institutional investors; and they hold 50% of the stock. This can indicate that the company has a certain degree of credibility in the investment community. However, it is best to be wary of relying on the supposed validation that comes with institutional investors. They too, get it wrong sometimes. When multiple institutions own a stock, there's always a risk that they are in a 'crowded trade'. When such a trade goes wrong, multiple parties may compete to sell stock fast. This risk is higher in a company without a history of growth.

The general public who are mostly retail investors collectively hold 50% of Schneider Electric shares. This size of ownership gives retail investors collective power. They can and probably do influence decisions on executive compensation, dividend policies and proposed business acquisitions.

ACHEIVEMENTS AND AWARDS

- ✓ **November 2016**

Schneider Electric India picked the prestigious Parivartan Sustainability Leadership Award, fourth year in a row, at an Awards ceremony held in New Delhi on November 24, 2016. The occasion was a part of 6th Annual Summit of Sustainable Business Leadership Forum.

The award recognizes large corporates, emerging innovators and individuals leading the charge in the sustainability space. Aalok A Deshmukh, General Manager and Head – Energy Efficiency, received the award on behalf of Schneider Electric India.

- ✓ **September 2016**

They received the Silver Award for Excellence in Innovative Use of HR Technology and the Bronze Award for Excellence in Workplace Wellbeing at the Asia Pacific HR Excellence Awards at Singapore.

The recognition, presented by Human Resources magazine, is Asia's most respected awards celebrating excellence in human capital strategy and execution.

- ✓ **August 2016**

Schneider Electric India, Chennai Plant has won a 'Gold Medal' and the 'First Runner-up' title in National Awards for Manufacturing Competitiveness (NAMC) 2015-16 conducted by International Research Institute for Manufacturing (IRIM). Mr. Ravindra Bharadwaj, Plant Director, GSC Chennai received the award along with the Plant Management team.

- ✓ **April 2016** Anil Chaudhry, Managing Director & Country President, Schneider Electric India receives the highest French civilian award, Legion of Honour at a ceremony held at the ambassador's residence on April 18, 2016.
- ✓ **January 2016**

Dig iLink won "The Most Popular Vendor-Networking (Passive)" award in the IT North East Compuware Channel Awards at Guwahati.

APC by Schneider Electric received the CIO CHOICE 2016 Honour & Recognition Title in the Data Centre Infrastructure Management (Large Enterprise category).

- ✓ **February 2017**

Rachna Mukherjee, Country Partner - VP HR, Greater India, awarded as the “Most Influential HR Tech Leader” by World HRD Congress at HR TECH Awards 2017 and Lipika Verma, Director Rewards, Greater India, won the award for "Global C&B Leadership Award” by World HRD Congress at 7th Compensation & Benefits Rewards Summit.

- ✓ **2018**

India's Zennor NextGen Employee Experience Award, 2018

Exclusively focusing on R&D and Digital Global In-house Centres (GIC), the award recognizes Schneider Electric India for having successfully enabled access to platforms and practices that provide seamless and engaging experience for employees, thereby boosting productivity and morale.

India's Gender Equality in Workplace Award, 2018

Ask Insights and Business World have recognized Schneider Electric India for its strong long-standing focus and multidimensional approach to diversity and inclusion.

Schneider Electric India wins the Golden Peacock Award for Sustainability 2018

Schneider Electric has been recognized by the Institute of Directors (IoD) for its best-in-class sustainability efforts in India and has been adorned the Golden Peacock Award for Sustainability 2018.

Best in Benefits for Working Parents

To recognize progressive companies that are designing work-parent-friendly initiatives that ensure productivity and inclusiveness.

Best French Group in India

“Best French Group in India” award by IFCCI – CII France – INDE.

FUTURE GROWTH AND PROSPECTS

INTEGRATED APPROACH TO SUSTAINABILITY

Sustainability means company growth, sustainability is business. The vision of Schneider Electric, the global specialist in energy management and automation is to ensure that Life is on for everyone everywhere and at every moment and help their customers achieve more with less Sustainability strategy to meet the energy challenge Act to keep global warming below a 2-degree Celsius limit and to reduce the energy gap with ethics and responsibility.

Schneider Electric are powering full-steam ahead into all things digital, and once you move past the buzzword bingo of keynote speeches, there's plenty to like about what the company is up to.

Schneider is one of those companies' IT folk have often never heard of, since they deal with all the hard-core infrastructure like power and cooling systems that all the IT gear actually needs to function. It can be safely ignored by IT most of the time because of how reliable it generally is, at least in the parts of the world obsessed with all thing's disruption. Over in many parts of Asia, however, it's a different story. India is still figuring out how to provide reliable power in a country that doesn't have a reliable, country-wide grid system, and is looking at jumping straight to more distributed methods. I was in rural Thailand recently, and the power going out is a regular occurrence you just learn to work around.

Modern computing systems are built on the assumption that power is constantly available, and it takes a remarkable amount of engineering to make that possible. CEO and Chairman Jean-Pascal Tricoire believes that "access to energy is a fundamental human right. "To achieve this goal, Tricoire says, "We need to become three times more efficient in energy production and use." Tricoire sees the increased adoption of technology, particularly automation and the Internet of Things, as key to achieving this goal. "The future will be more automated, more digitized, and more de-carbonized," he says.

Of course, being heavily involved in the power industry, this isn't really surprising, but was struck by how much of the vision for Schneider's more industrial customer base mirrors that of data-centre and enterprise IT more generally. It's all about automation, digitization, and putting sensors into as many things as possible.

Tricoire is well aware of the need for security to be baked into Schneider products from the beginning. Those parts of the business that are closer to IT are ahead of the more purely physical and electrical engineering, but there is a culture of secure design being built here. Schneider is a EUR$43 billion company ($50 billion USD), with annual revenues of and 170,000 employees worldwide. The resources it can bring to bear on these problems are substantial, as are those of its competitors like Siemens AG, and GE. GE has been appearing on keynote stages seemingly constantly for the past couple of years, talking up its Industrial Internet concepts and how Bigdata analysis helps it do things with aircraft engines. Clearly these formerly background companies are trying to make themselves better known, partly to attract customers, but also, to attract the ambitious software folks who want to work at the cutting edge.

Customers for these critical infrastructure products are more than willing to pay for the extra investment in secure products and systems, so these companies as vital for improving industry approaches to infosec. Consumers of cheap home-based IoT devices aren't willing to pay for the investment required to secure Things, but industrial customers are. If we manage to achieve open standards of some kind—as Schneider purports to want—then they might be able to use the economics of the critical infrastructure markets to help them solve the IoT security issues more broadly, or at least to reduce them.

There is a huge amount of work to be done as they connect the physical world to the digital/virtual one, and not least in security. The lines between IT and non-IT companies are blurring as more and more software is applied to problems that were traditionally not related to IT.

CHAPTER 3

MCKINSEYs 7s MODEL

McKinsey 7s model is a tool that analyses firm's organizational design by looking at 7 key internal elements: strategy, structure, systems, shared values, style, staff and skills, in order to identify if they are effectively aligned and allow organization to achieve its objectives.

Understanding the tool

McKinsey 7s model was developed in 1980s by McKinsey consultants Tom Peters, Robert Waterman and Julien Philips with a help from Richard Pascale and Anthony G. Athos. Since the introduction, the model has been widely used by academics and practitioners and remains one of the most popular strategic planning tools. It sought to present an emphasis on human resources (Soft S), rather than the traditional mass production tangibles of capital, infrastructure and equipment, as a key to higher organizational performance. The goal of the model was to show how 7 elements of the company: Structure, Strategy, Skills, Staff, Style, Systems, and Shared values, can be aligned together to achieve effectiveness in a company. The key point of the model is that all the seven areas are interconnected and a change in one area requires change in the rest of a firm for it to function effectively.

Below you can find the McKinsey model, which represents the connections between seven areas and divides them into 'Soft Ss' and 'Hard Ss'. The shape of the model emphasizes interconnectedness of the elements.

The model can be applied to many situations and is a valuable tool when organizational design is at question. The most common uses of the framework are:

To facilitate organizational change.

To help implement new strategy.

To identify how each area may change in a future.

To facilitate the merger of organizations.

7s factors

In McKinsey model, the seven areas of organization are divided into the ‘soft’ and ‘hard’ areas. Strategy, structure and systems are hard elements that are much easier to identify and manage when compared to soft elements. On the other hand, soft areas, although harder to manage, are the foundation of the organization and are more likely to create the sustained competitive advantage.

Hard S	**Soft S**
Strategy	Style
Structure	Staff
Systems	Skills
	Shared Values

Using the tool

The McKinsey 7s framework is often used when organizational design and effectiveness are at question. It is easy to understand the model but much harder to apply it for your organization due to a common misunderstanding of what should a well-aligned element be like.

We provide the following steps that should help you to apply this tool:

Step 1. Identify the areas that are not effectively aligned:

During the first step, your aim is to look at the 7S elements and identify if they are effectively aligned with each other. Normally, you should already be aware of how 7 elements are aligned in your company, but if you don’t you can use the checklist from WhittBlog to do that. After you’ve answered the questions outlined there you should look for the gaps, inconsistencies and weaknesses between the relationships of the elements. For example, you designed the strategy that relies on quick product introduction but the matrix structure with conflicting relationships hinders that so there’s a conflict that requires the change in strategy or structure.

Step 2. Determine the optimal organization design:

With the help from top management, your second step is to find out what effective organizational design you want to achieve. By knowing the desired alignment, you can set your goals and make the action plans much easier. This step is not as straightforward as identifying how seven areas are currently aligned in your organization for a few reasons. First, you need to find the best optimal alignment, which is not known to you at the moment, so it requires more than answering the questions or collecting data. Second, there are no templates or predetermined organizational designs that you could use and you'll have to do a lot of research or benchmarking to find out how other similar organizations coped with organizational change or what organizational designs they are using.

Step 3. Decide where and what changes should be made:

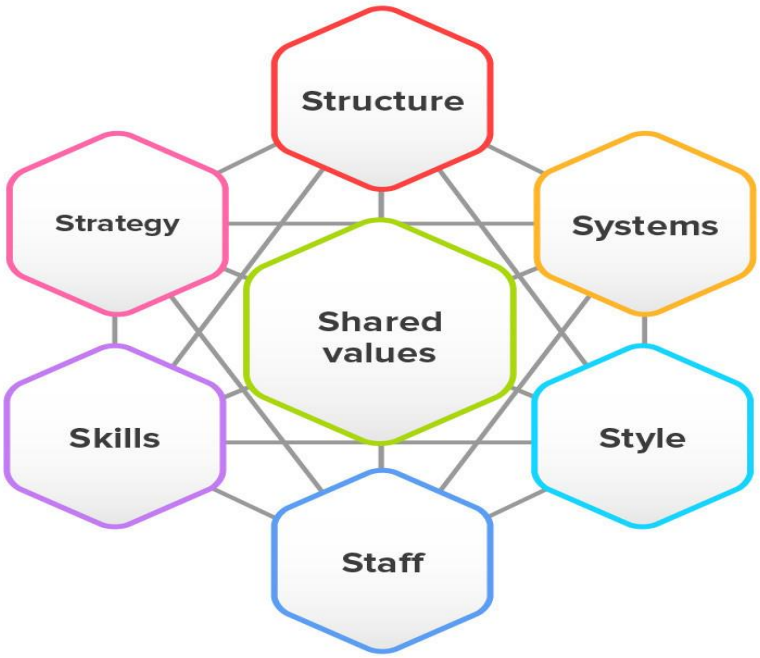
This is basically your action plan, which will detail the areas you want to realign and how would you like to do that. If you find that your firm's structure and management style are not aligned with company's values, you should decide how to reorganize the reporting relationships and which top managers should the company let go or how to influence them to change their management style so the company could work more effectively.

Step 4. Make the necessary changes:

The implementation is the most important stage in any process, change or analysis and only the well-implemented changes have positive effects. Therefore, you should find the people in your company or hire consultants that are the best suited to implement the changes.

Step 5. Continuously review the 7s:

The seven elements: strategy, structure, systems, skills, staff, style and values are dynamic and change constantly. A change in one element always has effects on the other elements and requires implementing new organizational design. Thus, continuous review of each area is very important.



1. STRATEGY

Schneider Electric follow a new strategy called “Schneider is On”, it focuses on five key priorities to follow in order to achieve the company's 2020 vision. They are: Do More, Digitise, Innovate, step up, and Simplify. This new strategy was all about doing more for their customers by connecting with them digitally.

- Sustainability strategy

Schneider has reduced its energy intensity by 15.6% compared to the program’s goal of 7.5%. The company has employed a variety of tools to reduce energy use including building automation, energy efficient lighting automated lighting control, energy metering and remote monitoring.

- Global outreach
- Growing Economies
- Securing raw material
- Power reliability

2. STRUCTURE

- Organisational Structure

- Structure describe the hierarchy of authority and accountability in an organisation. Electricity distribution gear maker opts for decentralised management with top managers placed near customers in regions where it operates.

3. SYSTEMS

- System is the formal and informal procedures, and including the innovation systems, compensation systems, management information systems and capital allocation system that govern everyday activity.

4. STYLE

- Management style of Schnieder Electric is top to down as per the organisational structure.
- Participative style of management has resulted in the development of committed and motivated work force, which is ready to meet the challenges of future.

5. STAFF

- Founder of Schnieder is Eugene Schnieder, Jean Pascal Tricoire being the Chairman and CEO, Leo Apotheker the Vice Chairman and Lead Director. Schnieder Electric is staffed by 1,35,000 employees in 100+ countries representing their diverse talents. 32% of their 2019 workforce were women.

6. SKILL

- Skill is what the company does best, the distinctive capabilities and competencies that reside in the organisation.
- Technical skill
- Accounting skill

7. SHARED VALUE

- Shared values are the engender trust, values are the identity by which a company is known throughout its business areas. These values must be explicitly stated as both corporate objectives and individual values.
- The Slogan “Life is on” is the strategy which helps to be connected and ensure customers around the world to reshape and rebuild their life.

PORTER’S FIVE FORCE ANALYSIS

The Porter’s five forces model is powerful for understanding the market attractiveness of the industry and for identifying potential profitability of a strategy.

Threat of entry of new competitors

- The economies of scale is fairly difficult to achieve in the industry in which Schneider Electric operates. This makes it easier for those producing large capacitates to have a cost advantage. It also makes production costlier for new entrants. This makes the threats of new entrants a weaker force.
- The product differentiation is strong within the industry, where firms in the industry sell differentiated products rather a standardised product. Customers also look for differentiated products. There is a strong emphasis on advertising and customer services as well. All of these factors make the threat of new entrants a weak force within this industry.
- The capital requirements within the industry are high, therefore, making it difficult for new entrants to set up businesses as high expenditures need to be incurred. Capital expenditure is also high because of high Research and Development costs. All of these factors make the threat of new entrants a weaker force within this industry.
- The government policies within the industry require strict licensing and legal requirements to be fulfilled before a company can start selling. This makes it difficult for new entrants to join the industry, therefore, making the threat of new entrants a weak force.

Bargaining power of suppliers

- The number of suppliers in the industry in which Schneider Electric operates is a lot compared to the buyers. This means that the suppliers have less control over prices and this makes the bargaining power of suppliers a weak force.
- The product that these suppliers provide are fairly standardised, less differentiated and have low switching costs. This makes it easier for buyers like Schneider Electric to switch suppliers. This makes the bargaining power of suppliers a weaker force.
- The suppliers do not contend with other products within this industry. This means that there are no other substitutes for the product other than the ones that the suppliers

provide. This makes the bargaining power of suppliers a stronger force within the industry.

- The suppliers do not provide a credible threat for forward integration into the industry in which Schneider Electric operates. This makes the bargaining power of suppliers a weaker force within the industry.

Bargaining Power of Buyers

- The number of suppliers in the industry in which Schneider Electric operates is a lot more than the number of firms producing the products. This means that the buyers have a few firms to choose from, and therefore, do not have much control over prices. This makes the bargaining power of buyers a weaker force within the industry.
- The product differentiation within the industry is high, which means that the buyers are not able to find alternative firms producing a particular product. This difficulty in switching makes the bargaining power of buyers a weaker force within the industry.
- The income of the buyers within the industry is low. This means that there is pressure to purchase at low prices, making the buyers more price sensitive. This makes the buying power of buyers a weaker force within the industry.
- The quality of the products is important to the buyers, and these buyers make frequent purchases. This means that the buyers in the industry are less price sensitive. This makes the bargaining power of buyers a weaker force within the industry.

Threat of Substitute Products or Services

- There are very few substitutes available for the products that are produced in the industry in which Schneider Electric operates. The very few substitutes that are available are also produced by low profit earning industries. This means that there is no ceiling on the maximum profit that firms can earn in the industry in which Schneider Electric operates. All of these factors make the threat of substitute products a weaker force within the industry.

- The very few substitutes available are of high quality but are way more expensive. Comparatively, firms producing within the industry in which Schneider Electric operates sell at a lower price than substitutes, with adequate quality. This means that buyers are less likely to switch to substitute products. This means that the threat of substitute products is weak within the industry.

Rivalry Among Existing Firms

- The number of competitors in the industry in which Schneider Electric operates are very few. Most of these are also large in size. This means that firms in the industry will not make moves without being unnoticed. This makes the rivalry among existing firms a weaker force within the industry.
- The very few competitors have a large market share. This means that these will engage in competitive actions to gain position and become market leaders. This makes the rivalry among existing firms a stronger force within the industry.
- The fixed costs are high within the industry in which Schneider Electric operates. This makes the companies within the industry to push to full capacity. This also means these companies to reduce their prices when demand slackens. This makes the rivalry among existing firms a stronger force within the industry.
- The production of products within the industry requires an increase in capacity by large increments. This makes the industry prone to disruptions in the supply-demand balance, often leading to overproduction. Overproduction means that companies have to cut down prices to ensure that its products sell. This makes the rivalry among existing firms a stronger force within the industry.

CHAPTER 4

SWOT ANALYSIS

SWOT analysis is a vital strategic planning tool that can be used by Schneider Electric managers to do a situational analysis of the firm. It is a handy technique to analyse the present Strengths (S), Weakness (W), Opportunities (O) & Threats (T) Schneider Electric is facing in its current business environment.

STRENGTH – INTERNAL FACTOR

As one of the leading companies in its industry, Schneider Electric has numerous strengths that help it to thrive in the market place. These strengths not only help it to protect the market share in existing markets but also help in penetrating new markets.

- Successful track record of developing new products – product innovation.
- High level of customer satisfaction – the company with its dedicated customer relationship management department has able to achieve a high level of customer satisfaction among present customers and good brand equity among the potential customers.
- Automation of activities brought consistency of quality to Schneider Electric products and has enabled the company to scale up and scale down based on the demand conditions in the market.

- Reliable suppliers – It has a strong base of reliable supplier of raw material thus enabling the company to overcome any supply chain bottlenecks.
- Strong distribution network – Over the years Schneider Electric has built a reliable distribution network that can reach majority of its potential market.
- Highly skilled workforce through successful training and learning programs. Schneider Electric is investing huge resources in training and development of its employees resulting in a workforce that is not only highly skilled but also motivated to achieve more.
- Innovative products –Schneider Electric has a successful track of innovative products. The company has developed various products like low voltage products and systems, building automation and control, medium voltage distribution and grid automation, critical power, cooling and racks, and many more.
- International presence – The Company has its international presence across the globe having about 31 manufacturing units that are spread across many countries.
- Goes Green – Schneider Electric is a developer of green energy. It is greatly expanded into green energy segment.
- A strong brand value – The Company's brand is very strong. It provides its products to its customers with a premium price thereby also offering the high-quality product which gets reflected in the brand.
- Huge investment in R&D – Schneider Electric has made a huge investment in R&D and makes use of superior technology that has allowed the company to meet the requirements of the customer in unique ways.
- Awards and Recognition – Having being inspired by the customers on daily basis, the company finds new ways to empower people to perform more with less. Schneider Electric is honored with many awards and recognition at the international level in areas like reliability, connectivity, safety, efficiency, and sustainability. Few awards that the company is honored with are related to health and wellness, energy management and automation, employer award and many more.
- Strong distribution network – Schneider Electric has a strong distribution network that reaches to the majority of the potential market.

WEAKNESS – INTERNAL FACTOR

Weakness are the areas where Schneider Electric can improve upon.

- The profitability ratio and Net Contribution % of Schneider Electric are below the industry average.
- Financial planning is not done properly and efficiently. The current asset ratio and liquid asset ratios suggest that the company can use the cash more efficiently than what it is doing at present.
- Investment in Research and Development is below the fastest growing players in the industry. Even though Schneider Electric is spending above the industry average on Research and Development, it has not been able to compete with the leading players in the industry in terms of innovation. It has come across as a mature firm looking forward to bring out products based on tested features in the market.
- Organization structure is only compatible with present business model thus limiting expansion in adjacent product segments.
- Days inventory is high compare to the competitors – making the company raise more capital to invest in the channel. This can impact the long-term growth of Schneider Electric.
- Acquisitions – Schneider Electric has had quite a few bad acquisitions. This has led to increase the cost and reduce the value of combined businesses. This also has impacted the main business and the merge culture. Such improper acquisitions can lower productivity.
- Shortage of liquidity – Due to a shortage of liquidity, the company's margin does not improve in the shorter term.
- No proper financial planning – Bad debts and various financial conditions of the customers has affected the profit of the company.
- Current challenges – At present, the company is not able to deal with the challenges of the new entrants in this segment which has led to losing the market share in the niche category. Schneider Electric should be able to build an internal feedback mechanism that comes directly from the sales team on the ground to encounter these challenges.

OPPURTUNITIES - EXTERNAL FACTOR

- The new technology provides an opportunity to Schneider Electric to practices differentiated pricing strategy in the new market. It will enable the firm to maintain its loyal customers with great service and lure new customers through other value-oriented propositions.
- New environmental policies – The new opportunities will create a level playing field for all the players in the industry. It represents a great opportunity for Schneider Electric to drive home its advantage in new technology and gain market share in the new product category.
- Government green drive also opens an opportunity for procurement of Schneider Electric products by the state as well as federal government contractors.
- New trends in the consumer behaviour can open up new market for the Schneider Electric. It provides a great opportunity for the organization to build new revenue streams and diversify into new product categories too.
- The new taxation policy can significantly impact the way of doing business and can open new opportunity for established players such as Schneider Electric to increase its profitability.
- Customized products – By introducing various new services and customized products can help the company to meet the requirements of the customers. This will also enable the business to scale up and also to have a strong customer base.

- Regulations – The regulations being relaxed will, however, allow Schneider Electric to be more advantageous to the company as well as the customers.
- New technology – The origin of new technology will provide an opportunity for the company to provide more products to the market. This will also enable them to have a strong loyal customer providing great service.

THREATS – EXTERNAL FACTOR

- The demand of the highly profitable products is seasonal in nature and any unlikely event during the peak season may impact the profitability of the company in short to medium term.
- New technologies developed by the competitor or market disruptor could be a serious threat to the industry in medium to long term future.
- Rising pay level especially movements such as $15 an hour and increasing prices in the China can lead to serious pressure on profitability of Schneider Electric
- New environment regulations under Paris agreement (2016) could be a threat to certain existing product categories.
- Shortage of skilled workforce in certain global market represents a threat to steady growth of profits for Schneider Electric in those market.
- Competitor's new technology – New technology that is produced by the competitor or market disruptor can be a serious threat to the business growth of Schneider Electric.
- Irregular supply of innovative products – Over the years, the company has developed many products that are in response to the development of its competitors. The supply of new products is not regular leading to low-income markets.

CHAPTER 5

ANALYSIS OF FINANCIAL STATEMENTS

1. Consolidated statement of income

(in millions of euros except for earnings per share)	Note	Full year 2019	Full year 2018
Revenue	3	27,158	25,720
Cost Of sales		(16,423)	(15,677)
Gross profit		10,735	10,043
Research and development		(657)	(597)
Selling, general and administrative expenses	3	(5.840)	(5,572)
Adjusted EBITA	6	4,238	3,874
Other operating income and expenses		(411)	(103)
Restructuring costs	5	(255)	(198)
EBITA"		3,572	3,573
Amortization and impairment of purchase accounting intangibles		(173)	(177)
Operating income		3,399	3,396
Interest income		39	53
Interest expense		(168)	(235)
Finance costs, net	8	(129)	(182)
Other financial income and expense	12	(132)	(128)
Net financial income/(loss)		(261)	(310)
Profit from continuing operations before		3,138	3,086
income tax Income tax expense		(690)	(693)
Income of discontinued operations, net of income tax			(23)
Share of profit (loss) of associates		78	61
PROFIT FOR THE PERIOD		2,523	2,431
attributable to owners of the		2.413	2.334
parent attributable to non-		110	97
controlling interests		4.38	4.21
Basic earnings (attributable to owners of the parent) per share (in euros per share)		4.33	4.16
Diluted earnings (attributable to owners of the parent) per share (in euros per share)	19		

2. Consolidated statement of cash flows

Losses/(gains) on disposals of assets	206	
Difference between tax paid and tax expense	66	go
Other non-cash adjustments	4,012	82
Net cash provided by operating activities		3,405
Decrease/(increase) in accounts receivables	22	(51)
Decrease/(increase) in inventories and work in process	209	(287)
(Decrease)/increase in accounts payable	(41)	(98)
Decrease/(increase) in other current assets and liabilities	80	(97)
Change in working capital requirement	270	(533)
TOTAL I - CASH FLOWS FROM OPERATING ACTIVITIES	4,282	2,872
Purchases of property, plant and equipment	(506)	(486)
Proceeds from disposals of	38	54
property, plant and equipment	(338)	(338)
Purchases of intangible assets	(806)	(770)
Net cash used by investment in operating assets		
Acquisitions and disposals of businesses, net of cash acquired &	(79)	(730)
disposed	59	(31)
Other long-term investments	(90)	(174)
Increase	(110)	(935)
in long-		
term		
pension		
assets		
Sub -		
total		
TOTAL Il - CASH FLOWS FROM INVESTING ACTIVITIES	(916)	(1,705)
Issuance of bonds	964	740
Repayment of bonds	(500)	(749)
Sale/(purchase) of own shares	(266)	(829)
Increase/(decrease) in other financial debt	(1 ,078)	220
Increase/(decrease) of share capital	168	164
Dividends paid to Schneider Electric's shareholders	(1 ,296)	(1
Dividends paid to non-controlling interests	(117)	,223)
		(80)
TOTAL Ill - CASH FLOWS FROM FINANCING ACTIVITIES	(2,125)	(1,757)
TOTAL IV - NET FOREIGN EXCHANGE DIFFERENCE	(18)	61
TOTAL V - EFFECT OF DISCONTINUED OPERATIONS	(59)	
INCREASE/(DECREASE) IN NET CASH AND CASH EQUIVALENTS. I +11 +111	1,164	(536)
Net cash and cash equivalents at January 1	2,231	2,767
Increase/(decrease) in cash and cash equivalents	1,164	(536)
NET CASH AND CASH EQUIVALENTS, AT DECEMBER 31	3,395	2,231

3. Consolidated balance sheet

Assets

(in millions of euros)	Note	Dec. 31, 2019	Dec. 31, 2018
NON-CURRENT ASSETS:			
Goodwill, net		18,719	18,373
Intangible assets, net	10	4,647	4,874
Property, plant and equipment, net	11	3,680	2,521
Total tangible and intangible assets		8,327	7,395
Investments in associates and joint ventures	12	533	530
Non-current financial assets	13	645	665
Deferred tax assets	14	2,004	2,040
TOTAL NON-CURRENT ASSETS		30,228	29,003
CURRENT ASSETS:			
Inventories and work in progress	IS	2,841	3,091
Trade and other operating receivables	16	5,953	5,804
Other receivables and prepaid expenses		2,087	1,910
Current financial assets		19	30
Cash and cash equivalents	18	3,592	2,361
TOTAL CURRENT ASSETS		14,492	13,196
Assets held for sale & discontinued operations		283	60
TOTAL ASSETS		45,003	42,259

Liabilities

(in millions of euros)	Note	Dec. 31, 2019	Dec. 31, 2018
EQUITY:			
Share capital		2,328	2,317
Additional paid in capital		3,134	2,977
Retained earnings		16,034	15,721
Translation reserve		65	(233)
Equity attributable to owners of the parent		21 ,561	20,782
Non-controlling interests		1,579	1,482
TOTAL EQUITY		23,140	22,264

NON-CURRENT LIABILITIES:
Pensions and other post-employment benefit obligations1,806 1,558
Other non-current provisions"940 1 ,253 Total non-current provisions2,746 2,811 Non-current financial liabilities6,405 5,923 Deferred tax liabilities1,021 1,147

Other non-current liabilities	883	10
TOTAL NON-CURRENT LIABILITIES	11 ,055	9,891
CURRENT LIABILITIES: Trade and other operating payables Accrued taxes and payroll costs Current provisions Other current liabilities Current debt	 4,215 3,147 794 1,428 979	 4,142 2,194 878 1 ,232 1,574
TOTAL CURRENT LIABILITIES	10,563	10,020
Liabilities held for sale & discontinued operations	245	84
TOTAL EQUITY AND LIABILITIES	45,003	42,259

4. Consolidated statement of changes in equity

(in millions of euros)	Number of shares (in thousands)	Capital	Additional paid-in capital	Treasury and Shares	Retained earnings	Translation reserve	Equity attributable to owners of the parent	controlling interests	Total
DEC. 31, 2017	596,916	2,388	5,147	(2,153)	14,921	(506)	19,797	145	19,942
Profit for the year					2,334	273	2,334	97	2,431
Other comprehensive Income					186		459	34	493
Comprehensive income for the year					2,520	273	2,793	131	2,924
Capital increase					(116)		154	(80)	154
Exercise of stock option plans and			144		1,214		10	4	10
performance shares	2,407	10	9 (1 ,107)		33		(1 ,223)	1,256	(1,303)
Dividends	1 ,846 (22,000)	(88) 6	(1,126) (90)	 (829)			(829) 131	26	(829) 135
							(51)		1,256
									(25)

Change in treasury shares Share-based compensation expense AVEVA acquisition impact Other									
DEC. 31, 2018	579,169	2,317	2,977	(2,982)	18,703	(233)	20,782	1 ,482	22,264
IFRIC 23 impact (Note 1.1)					(223)		(223)		(223)
JAN. 1, 2019	579,169	2,317	2,977	(2,982)	18,480	(233)	20,559	1 ,482	22,041
Profit for the year Other comprehensive Income Comprehensive income for the year Capital increase Exercise of stock option plans and performance shares Dividends Change in treasury shares Share-based compensation expense Other	2,676 224	10	6	(266)	2,413 (311) 2,102 (1 ,296) 148 (152)	298 298	2,413 (13) 2,400 161 7 (1,296) (266) 148 (152)	110 35 145 (117) 6 63	2,523 22 2,545 161 7 (1,413) (266) 154 (89)
DEC. 31, 2019	582,069	2,328	3,134	(3,248)	19,282	65	21,561	1,579	23,140

Chapter 6

Learning Experience

Schneider Electric is the Global leader in digital transformation of energy management and automation in Homes, Buildings, Data centres, Infrastructure and industries. This organisational study of Schneider Electric for a month had given me great opportunity to learn and understand about the working of organisation and how they perform their job. This study also helped me in understanding the work, culture, the morale, work nature, products and services and the kind of work they do to solve their problem.

I could also analyse various strategies adopted by Schneider implemented in order to make their work efficient and effective. I could also analyse the strength, weakness, opportunities and threats of the company through swot analysis. The style of management and style of decision-making adopted by them is unique and participative. They also provide a positive working environment to their employees. Through this organisational study, I could also understand the threat of entry of new competitors and substitute products by using Porters five-force model.

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