

## Shell Lubricants

Shell Lubricants is a division of Royal Dutch Shell, a global energy company. The lubricants division develops and markets globally a broad portfolio of lubricants for retail and enterprise customers. As one of the largest global enterprises, Shell has undergone several reorganizations. Over a period of several years the company steadily moved from local country groups to geographical zones (e.g. Europe, Latin America) and ultimately to a global model. Other organizational changes have included a split from an alliance and acquisition of a competitor with its own product line of lubricants.



### PROBLEM

Based on the historical decentralization, Shell Lubricants had a dispersed product management function with staff in marketing and product development functions at both headquarters and local country-level. This organizational structure resulted in such issues as translating market requirements into local products. As a result innovation suffered either because local ideas didn't get enough attention at the corporate level or because too many local suggestions were submitted to headquarters. Instead of having one globally optimized product portfolio, Shell Lubricants had a long list of central products and an even more prolific list of local grades e.g. two identically performing products but with small differences in formulation or even just name would be considered two separate products.

As enterprise customers such as GM became more centralized, they began demanding standardization across their global purchasing processes. Shell was at first ill-equipped to provide global standardization with respect to product labeling, quantity, names, and documentation.

Shell Lubricants was also looking to shift more of its sales to the web and the company understood that an increasing reliance on e-business would expose many of the inadequacies of its decentralized back office systems to customers. Content standardization was therefore key to operational efficiency if Shell did not want to continue to support master data for thousands of largely duplicated local products.

While Shell addressed many of the drivers raised above on an individual and ad-hoc basis, the catalyst for an enterprise-wide effort to optimize its product management processes was competitive pressure. As the market for lubricants continued to consolidate and major competitors became more globalized, Shell Lubricants took a holistic view to addressing its master data challenges.

"Kalido gives us fast access to vital, global product master data, ensuring maximum efficiency in R&D."

### Iain Pearson

HEAD OF GLOBAL PRODUCT  
MANAGEMENT AND SUPPLY CHAIN  
FOR LUBRICANTS  
Shell Lubricants

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## SOLUTION

To address these issues, Shell Lubricants launched an initiative that included creation of a single product portfolio. The initial effort was to catalog all centralized product instances and create a single source of supporting product data. This single source was then presented to local markets and a feedback process was established whereby local units indicated if any products were missing from the central product master system that would be needed to create a complete offering in their market. Additions were challenged against some simple criteria to ensure they were genuinely needed. This process resulted in a global portfolio that was five times smaller than the initial product count.

This business change was enabled by technology that makes data capture, analysis, and reconciliation possible. While the initial effort was accomplished with spreadsheets and email, the sustained management of such a process would be impossible without a master data management system that provides both central control and local empowerment.

Another big exercise was standardization of rules around product and attribute names. There was a mapping process between local and global areas so that ERP logic would not need to be changed. In other words there isn't a single version of truth. Instead multiple local versions of truth coexist through sophisticated master data management processes and tools.

## RESULT

Shell turned to Kalido for a shared product master data management system. Shell developed its own web based application, used by product management staff, which leveraged Kalido's business-model-driven automation. In the current system each product exists only once including all the related product attributes and technical information which has replaced legacy systems that maintained product manuals.

The relational structure in which master data is held allows product teams to execute such queries as finding all products with the same attributes, a query that would have been impossible to execute in the past due to the multitude of disparate systems in which product master data was stored.



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