

## Unilever Latin America

Unilever, one of the world's leading consumer packaged goods (CPG) enterprises, is creating a central information hub for its Latin American operations.

Powered by Kalido, the Sinfonia project is enabling Unilever Latin America to maintain business continuity through both its rollout and that of sister project Harmonia, a complementary SAP operational system project being implemented over a 4 to 5 year timeframe.



### PROBLEM

To solve the challenge of moving to a regional operational model, Unilever LA set up the Orchestra initiative, which aims to converge processes, systems and information, and is made up of three sub-initiatives. The CRM project will deliver a standardized approach to customer management across the region, the Harmonia project will standardize transactional systems through the implementation of a single regional instance of SAP R/3, and Sinfonia will create a regional information hub to drive consistency in business intelligence and reporting.

Unilever LA's constituent companies had naturally been operating fairly independently, and each had developed information systems tailored to its specific needs. As a result, the organization as a whole had multiple ERP and CRM systems from several vendors, and 34 custom-built data warehouses. With around 150 separate information systems and coding structures, it was difficult to obtain accurate regional views of business performance. In addition, the duplication of infrastructure, development and support resources was inefficient and costly.

For Sinfonia, data needed to be extracted from a wide variety of systems, including not only SAP, but also Siebel, Manugistics, PeopleSoft and many legacy applications, while different data hierarchies, currencies and reporting standards in each operating company made it difficult to aggregate information.

Beyond the sheer scale of the challenge – thousands of users, dozens of companies, nineteen countries and currencies, three languages, five time zones – Unilever LA was conscious that any solution for Sinfonia would need to be flexible enough to cope with significant business change during the implementation cycle. Unilever LA will continue to acquire new businesses, develop new products and markets, change manufacturing processes and reorganize business units. In a fast-moving CPG market, its customers and

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### Fernando Rocha

HEAD OF INFORMATION MANAGEMENT  
Unilever Latin America

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suppliers might be subject to similar organizational change.

## **SOLUTION**

Unilever LA selected Kalido as the key enabling technology behind Sinfonia, taking advantage of the software's flexibility to deliver a multi-phase project, on time and to budget, while simultaneously adapting to ongoing business change. Kalido follows a lifecycle management approach to data warehousing, delivering enterprise scale implementations that adapt efficiently to a changing business environment. This approach reduces risk significantly and allows IT to remain aligned with the evolving needs of the business, at significantly lower cost than would be possible with custom built data warehouse solutions.

Sinfonia begin delivering significant benefits before it was fully rolled out, both in IT simplification and in local information delivery. Cost savings are already being generated as Unilever LA replaces its 34 separate data warehouses with a single Kalido enterprise data warehouse, which is delivering more accurate management information at higher speed in the countries where the solution is live.

Kalido reflects business and market change quickly by making it easy for users to set up and amend business model representations in the data warehouse as it is being rolled out and updated. In addition to supporting change in the data warehouse, the business model approach reduces time and risk of implementation. Conversely, the standard approach to data warehousing freezes the business model at a point in time, making it far more costly to implement and change.

The level of automation offered by the Kalido solution has also helped to keep implementation costs low, and the pre-built tools for constructing and maintaining the data warehouse have reduced the technical resources that need to be committed to the project.

Fernando Rocha, Head of Information Management, Unilever LA, says: "The fundamental benefit of the Kalido software is that it enables us to give business users fast access to accurate information. The Unilever vision for information management is to drive good decision-making by delivering the right information at the right time to the right people, and to do so at low cost. Kalido's approach is one of the elements that will help us to do that."

One of the main areas in which Kalido is currently delivering improved information is the daily monitoring of the extended supply chain. Unilever LA can now dynamically generate information to track and manage the full chain from production to delivery. For example, users can analyze service levels, order fulfillment, sales against forecast, stocks, and production (planned and actual) on a daily basis.

All analysis can be performed by product, sales organization, distribution center or customer, giving a complete

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picture of the entire supply chain process. The new solution enables Unilever LA to improve production planning by comparing actual orders against estimates. It also facilitates measurements of marketing campaign effectiveness, and helps to improve service levels through a better understanding of the needs of each customer.

Unilever also will use Kalido to monitor profit and loss by product and by category in greater detail and with more accuracy than was previously possible. This information assists with business planning and execution, and with the evaluation of strategy.

Furthermore, Kalido assists freight analysis, enabling supply chain managers to monitor the shipment of products across a complex network of distribution centers. This allows Unilever LA to meet increasingly demanding customer service levels while maximizing cost efficiency.

## **RESULT**

Using Kalido, Unilever LA is able to obtain extended supply chain information even as the organization and market undergo change. This ability is particularly important for Unilever LA, as the general trend in the CPG sector is for consolidation. As smaller businesses are acquired by global concerns such as Carrefour and Wal-Mart, for example, Unilever LA is now well-positioned to tackle the challenges that this market consolidation brings. Unilever LA itself also regularly makes acquisitions and divestments in line with business strategy.

It used to take the organization a couple of weeks to determine performance information across the entire region given the degree of business and market change. With Sinfonia, the same information will be available immediately, online, even as Unilever LA, or their suppliers or customers, go through change.

For example, Kalido uniquely enables Unilever LA to maintain a rapid, clear view of sales by supermarkets, even as these customers acquire or sell off smaller Unilever customers. During the initial stages of the roll-out, Walmart acquired Bompreço, a Brazilian retailer, and Unilever was immediately able to view sales to Walmart both before and after the acquisition, and to compare year-on-year sales according to the new and old customer structures.

SAP stores only current information, so if two customers or suppliers merge, they cease to exist as separate entities. Kalido however can show the changing structure of customers and suppliers as a progression in time. This ability enables business users to track sales and profitability consistently, no matter how frequently the organization of Unilever LA – or that of its customers and suppliers – changes.

Fernando Rocha says: “The ability of Kalido to adapt to change is very important. In Latin America, the business changes frequently, and it is vital from a strategic point of view to reflect these changes quickly in the information we deliver. With Kalido, if two customers merge, the next day business users can see the year-to-date information

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on this new structure, and can compare with last year's information using the same structure – without having to change the way they work. That degree of flexibility is a significant benefit because of all the change we experience; it would be impossible to maintain if we needed to reflect the business change manually.”

By creating a single hub for all regional business information, Unilever LA expects to make direct cost savings in IT as well as business benefits, once the project is complete. The establishment of a single, central business intelligence unit will deliver additional cost savings. However, these savings are potentially dwarfed by the benefits of being able to take a truly regional approach to the business. Comments Fernando Rocha: “The most important benefit of all will be the ability to monitor the business strategy from the regional perspective. This will feed back into our strategy, showing us where there is room for improvement, and pinpointing precisely what should change.”

The second most important benefit, according to Fernando Rocha, will be the ability to view the extended supply chain as a regional entity. This will help Unilever LA to maximize efficiency and reduce costs, while ensuring even higher levels of customer satisfaction. It will also support the consolidation of production and distribution centers for long-term cost savings.

In the future, the data warehouse will feed a regional balanced scorecard application. Kalido will also assist strategic business planning, giving management teams a clear understanding of “what-if” scenarios, by enabling existing data to be viewed according to possible future hierarchies. For example, Kalido will make it possible to view the potential effects of moving a set of brands from one category to another, or of consolidating two distribution centers.

“The ability of Kalido to adapt to change is very important. In Latin America, the business changes frequently, and it is vital from a strategic point of view to reflect these changes quickly in the information we deliver,” said Rocha. “Kalido has helped us to develop best practice for our data warehousing, particularly where it facilitates involvement from the business users. They are full-time members of the team, thoroughly integrated with the technical members, and they have participated fully in each key decision.”



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