

IPM and Gatekeeping



What is IPM & IPM Navigator

- Using the Stage Gate Process as roadmap for driving innovation and other projects
- The process follows the **IPM (Innovation Process Management)** funnel model that consists of six different phases
- At the end of each phase a decision gate must be passed
- The IT tool that supports IPM is **IPM Navigator**



IPM is **common process** that enables us to work cohesively in the same “project language” across brands, categories, functions and geographies

IPM creates **transparency** and **speed** as it involves all functions from the start of a project

IPM acts as a **checklist** by prompting all the critical project requirements

The IPM FUNNEL_PHASE-GATE STRUCTURE

The IPM Funnel is a **decision framework** – once activities are completed, the project can propose passage to next via a Gate Decision

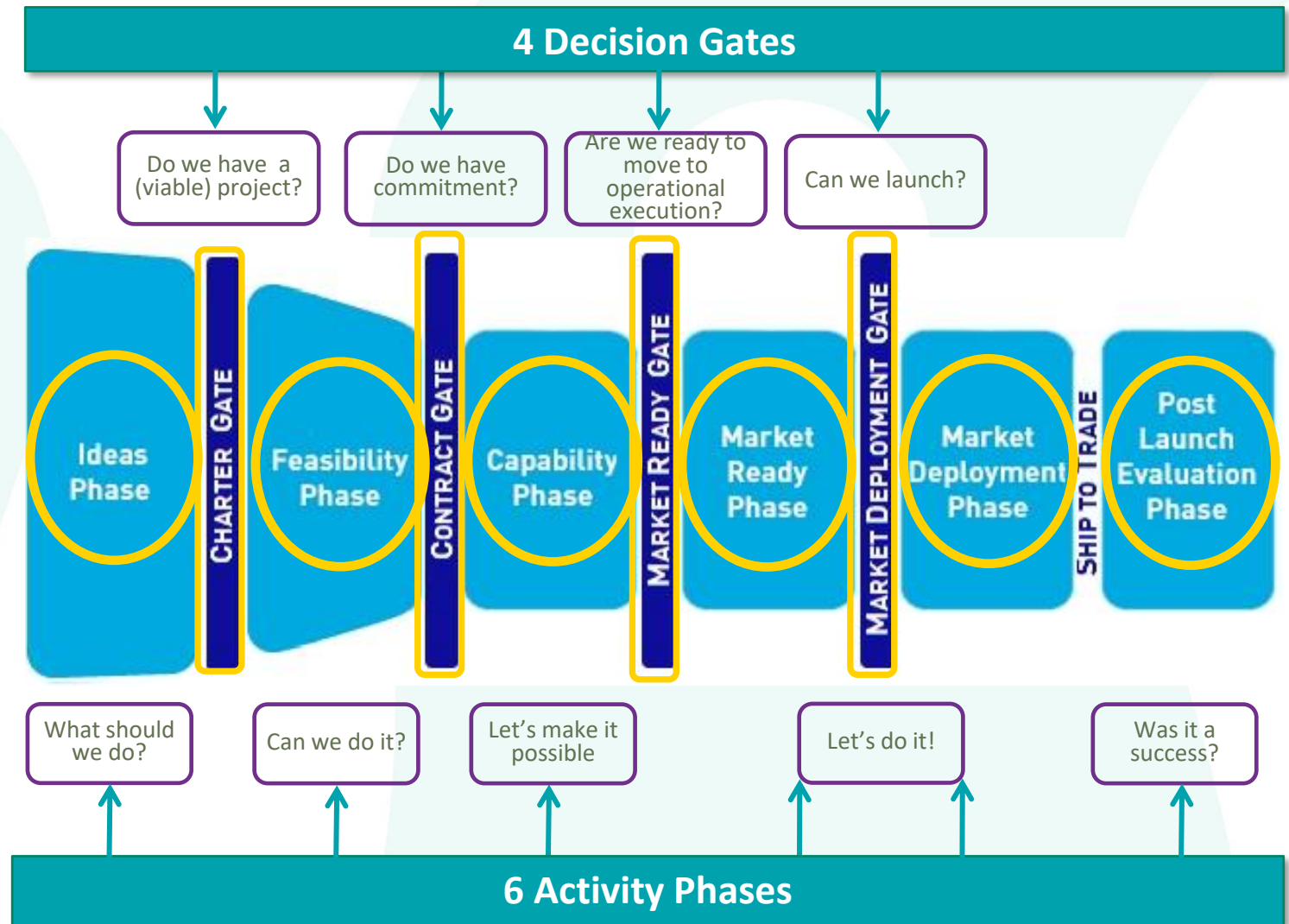
Structure designed to avoid doing too detailed work before the potential is clear.

Reducing risks
Increasing clarity of the opportunities

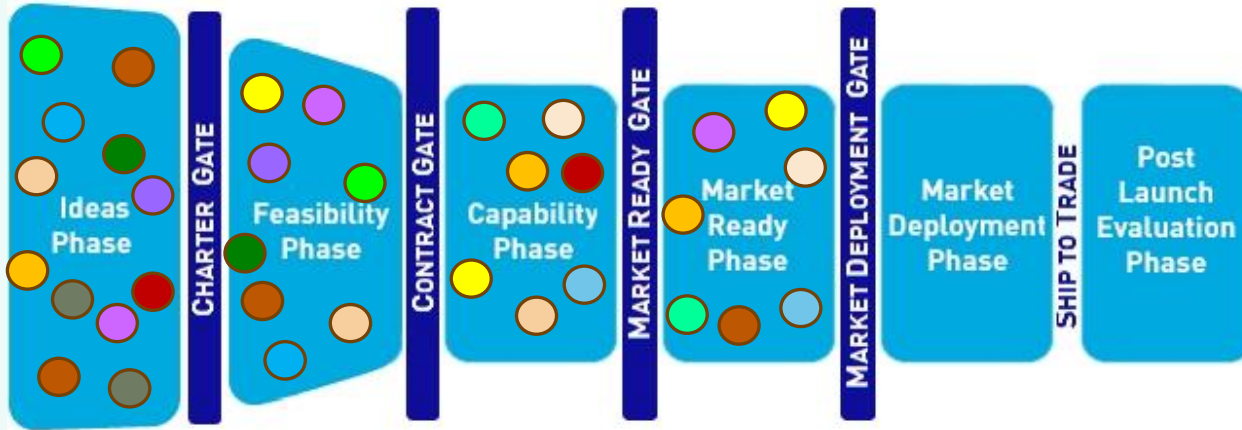
As a project progresses through the funnel the **level of knowledge and detail increases**.

Avoid rework
But need to ensure that inputs are early

Specific activities need to be assessed or completed in each phase at set timing (Functional Excellence in IPM)



Funnel ≠ tunnel



The funnel is designed to **allow the strongest ideas** to proceed the weaker ideas to be stopped before too much resource is invested

Gate meetings



The formal reviews of projects proposing passage through a gate

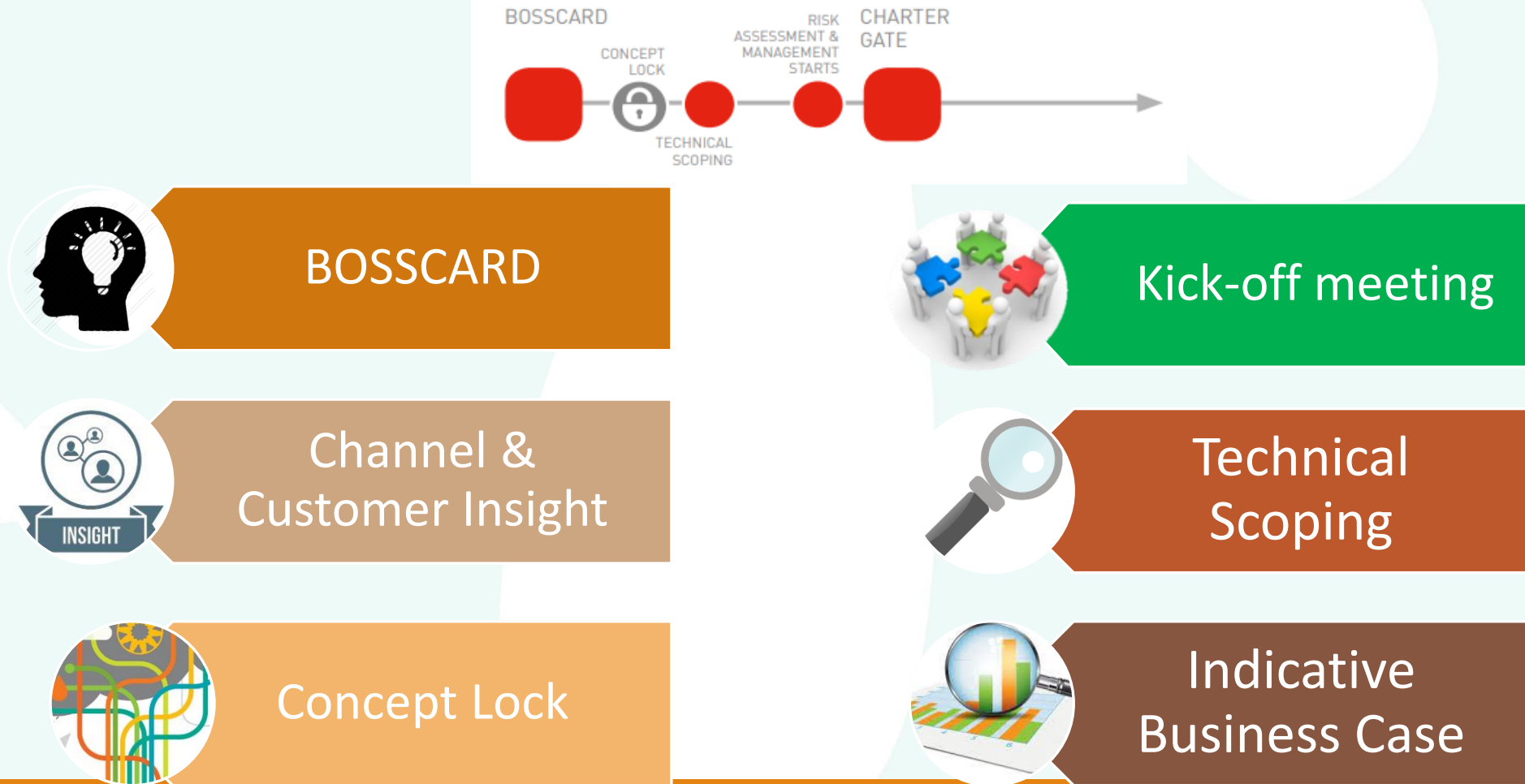
Decision meeting

All **key functions** are represented

The **Gatekeeper** is responsible for the final gate decision (Approve/ Approve with Edits/ Postpone/ Stop Project)

IDEA PHASE

This is an **exploratory phase** of any innovation project and is the time when the idea is developed, to identify consumer merit, to assess potential to technically deliver the concept, for decision at CHARTER gate to allocate more resource.

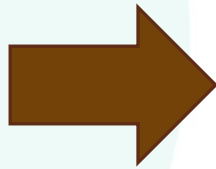


The requirements to set up a project

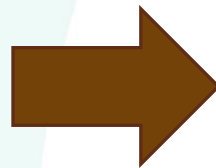
WHAT? Project summary to secure resources

BOSSCARD

- B ackground
- O bjective
- S cope
- S ustainability
- C onstraints
- A ssumptions
- R isks
- D eliverables



WHO? Core and extended team, stakeholders and sponsors

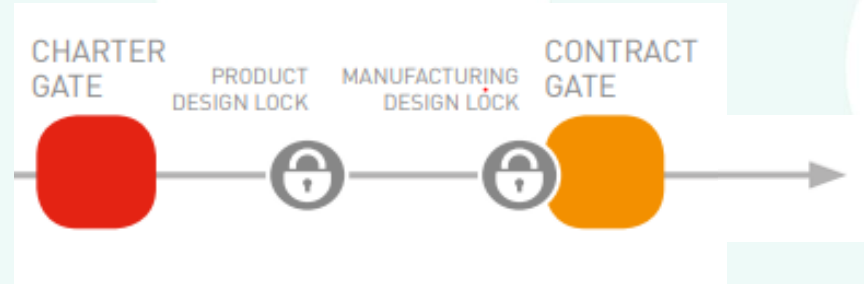


WHEN? Network and key milestones



FEASIBILITY PHASE

It is in this Phase of the Innovation that we establish if the mix has sufficient merit, is it **technically feasible** (product technology and manufacturing capability) and is the project commercially viable to progress substantial capital or market investment.



Product Design lock



TRA + risk management plan



Consumer Test



Sourcing Decision



Supplier Selection



Volume lock



Manufacturing Design Lock



CAPEX Determination



Business Case updated

CAPABILITY PHASE

It is in this Phase of the Innovation that the project team finalizes all elements (Brand and Technical) of the **final product mix are fully developed**, put capital in place (if applicable) and that it is ready to move into operational execution.



MARKET READY & DEPLOYMENT PHASE

MR: It is time in the Innovation project when Business Unit will confirm the **operational execution** of the project (final activation plans, customer sell-in and planning, building stock).

MD: To confirm HOW the project will be executed in the MCO.



RPM order & delivery



First production



Communication to all customers



Full stock building



Final activation & sell-in plans

POST LAUNCH EVALUATION PHASE

In this phase of the project it is necessary to **assess success** and **capture learnings** that have come from the project deployment in the selected Markets.



Review the performance



Reflect on how the project was developed, key lesson learned, share recommendations



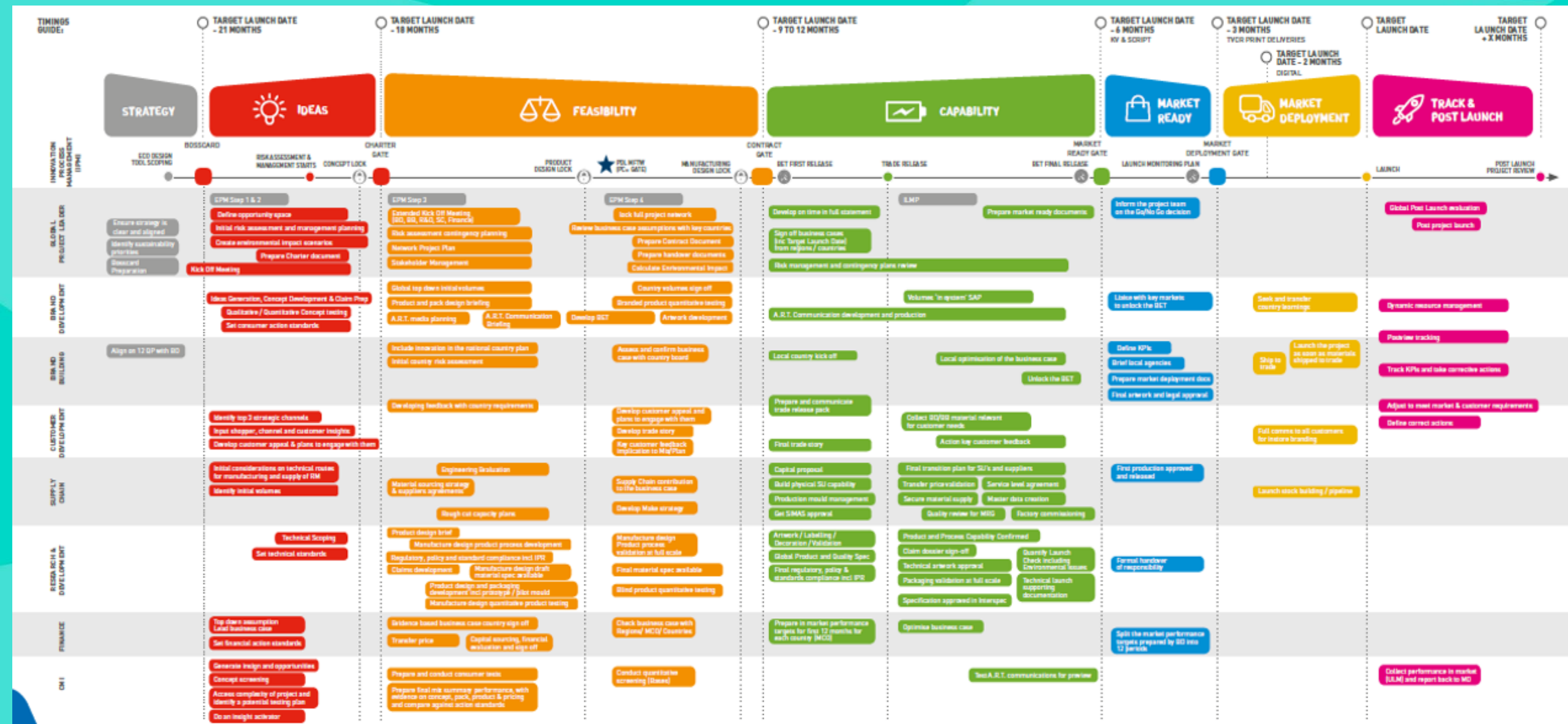
Track in market results against KPI and take corrective actions

What is Functional Excellence in IPM?

- **Functional Excellence** is the framework that contains all necessary deliverables and accordant activities to ensure OTIF (on time and in full) and high quality project delivery

- The **detailed activity** that is required for Project Excellence throughout the funnel by each function.
- It is a reference tool to assist **Project Leaders** and **Project Team Members** alike.
- **Functional Excellence in IPM** exists to support the rigorous delivery of our innovations by providing **clarity** and access to **current Best Practices** within company enabling consistent deliver of the functional requirements within the innovation cycle.

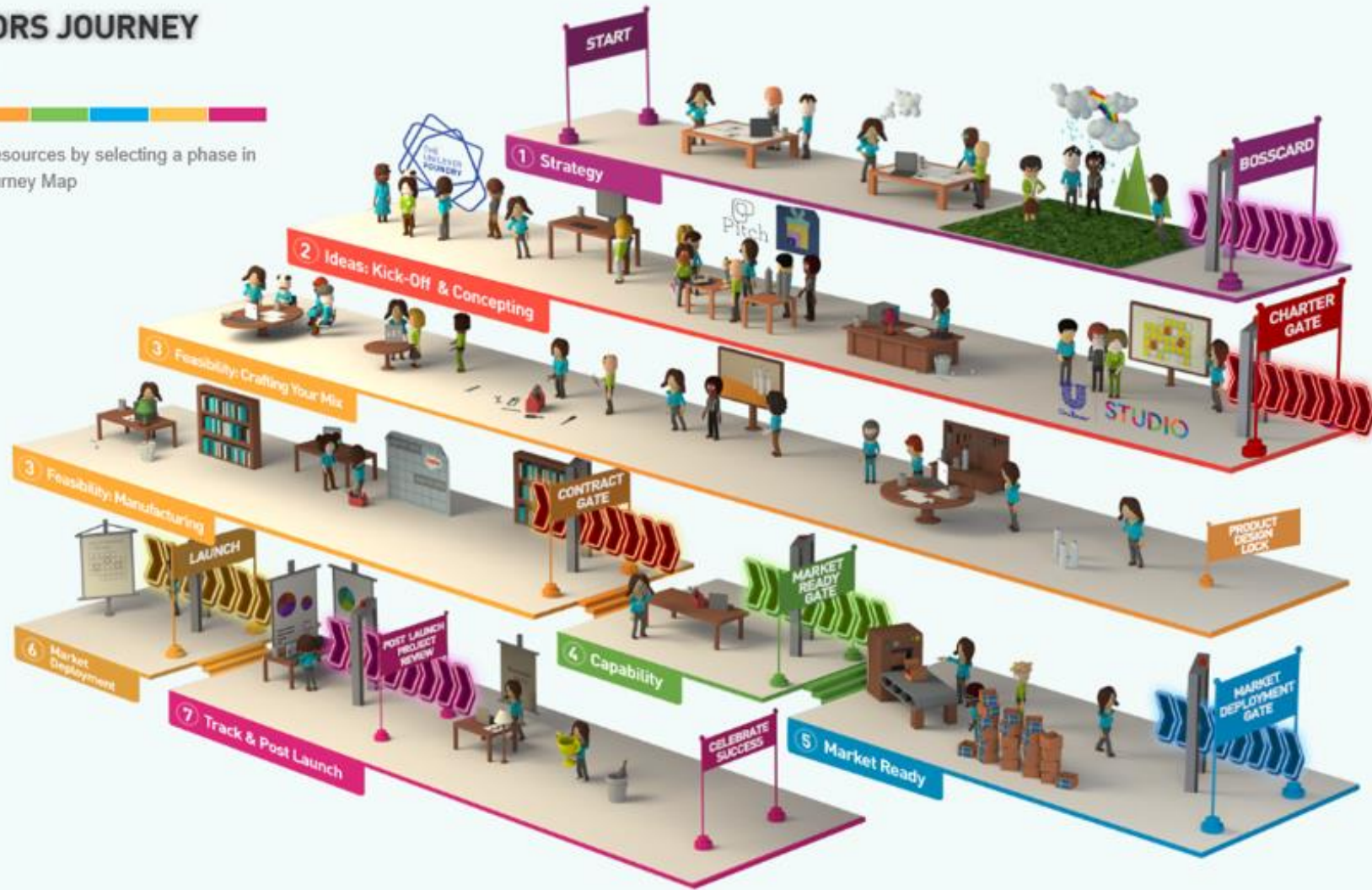
SWIMLANE DIAGRAM



INNOVATION JOURNEY

INNOVATORS JOURNEY MARKETING

Access relevant resources by selecting a phase in the Innovation Journey Map



1. STRATEGY

2. IDEAS: KICK-OFF &
CONCEPTING

3. FEASIBILITY

4. CAPABILITY

5. MARKET
READY

6. MARKET
DEPLOYMENT

7. TRACK & POST
LAUNCH

Projects classification



SILVER/GOLD/BRONZE classification

iTO >3.93 mln EUR

iTO 0.8 – 3.93 mln EUR

iTO < 0.8 mln EUR

iTO >3.71 mln EUR

iTO 0.74 – 3.71 mln EUR

iTO < 0.74 mln EUR



GOLD

iTO > 0,5% Company TO
+ media support



SILVER

iTO 0,1% - 0,5% Company TO
+ media support



BRONZE

iTO < 0,1% Company TO

Included as TOP INNOVATIONS (all GOLD, partly
SILVER by CCBT & CDLT decision) – **TOP NP**

other

For precise execution in 1 Category must be no more 3-4 TOP innovations in a year. It could be revised after CDLT feedback

ACTIVITY REQUESTS

AR's are quick simple projects, with low risk:

- (NRM) New pack sizes (small effort)
- Promo SKU & Share of Shelf expansion
- Simple shopping basket roll out in same cluster
- Simple, single country 3P enabled innovation projects e.g. buy & deploy

Rules that Activity Requests follow

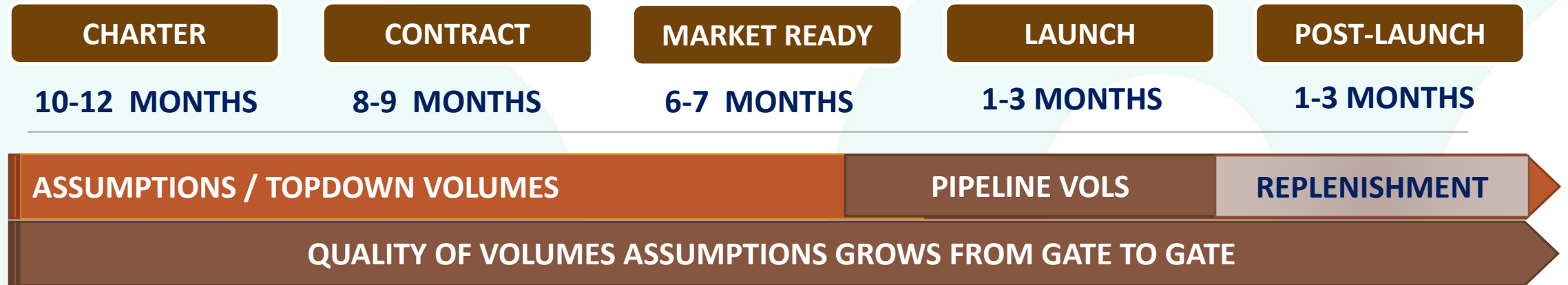
- TO, iTO Threshold and OTIF rules depend on category
- If resource > 0.2 FTE and Capex > €20k capex then it is not an AR

Aimed to success



goals data analysis leadership
growth knowledge challenge
SUCCESS
strategy business planning
objectives information

FORECASTING INSIGHTS



Assumptions











- Reliable assumptions
- Received at early stages
- Understood & confirmed by all members

Facts

- First months sales tracking
- Building responsiveness plan for any over-sales
- Proactivity in getting BU volumes
- Best practices from other categories

- Every forecast is assumption
- Planning teams are essential to transform this assumptions into facts / reality as early as possible
- All the numbers that are not trusted should be challenged

KEY FORECAST CHALLENGES & MITIGATION TOOLKITS

Challenge		Tools	Watchouts
Having the right process to gather reliable assumptions Acknowledging uncertainties of any forecast range	➔	 DT / MT Volumes calculator  Pipefill process jointly planned regularly during forecasting sessions  DP analyses and challenges volumes for innovations before CG & MRG	 Volumes can dramatically change from gate to gate; this should be monitored and challenged
Being pro-active and responsive to adapt forecast to first sales and/or in market product performance	➔	 Monthly innovation forecast review during Demand Review Meetings  Customer specific team will do a detailed analysis of launch conditions in Lenta; X5; Magnit	 Markets are very dynamic and SC should have plans A/B/C/Etc. for any conditions
Hold people accountable for committed numbers Making learnings from past mistakes / successes	➔	 Innovations bias visible and communicated to CCBT members  All the decisions are understood and accepted by the whole team	 Marketing is doing PLE quite rare; mostly after request. Volumes sign-off for critical projects is crucial

COMMON RECOMMENDATIONS FOR SUCCESSFUL LAUNCH:



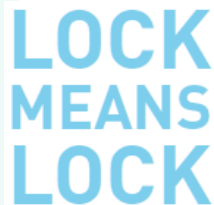
- ✓ Make sure that communication flows are sustainable and every team member is aware about taken decisions and next steps. Key changes should be visible and understood by all.
(Action: Request project leader to fix any white spaces)



- ✓ Check critical lead times for materials / tasks at early stages
- ✓ Check threshold for your project at early stages
- ✓ Make a sanity check of network timings (RPM order; production; distribution)
(Action: Request project leader / innovation planner to confirm critical points)



- ✓ AW timings and quality are critical for OTIF delivery
(AWs are frequently delayed that badly affects the whole network)
(Action: Request marketing to highlight any delays ASAP)



- ✓ Changes after product design lock should be strongly challenged & escalated to top management
- ✓ Sign-off for every important changes in the project are crucial
(Action: Request project leader to inform about any changes)

**Invite innovation planning
at any disputable cases**

GOLDEN RULES of Gate-keeping meeting



All **pre-reads** must be submitted 3-4 days prior to the meeting



In order to be aligned and use CCBT time effectively all **questions to PLs** to be addressed by the gate-keepers 1-2 days prior to the CCBT



Clear CCBT minutes about gate-keeping outcome to be provided after the GK meeting (Project/ Gate (BOSSCARD, Charter, Contract, Market Ready)/ Formal result (approved, not approved, conditionally approved)/ Comments if any.



Gate-keeping check-list - mandatory part of GK presentation from Project Leader



Any change in project scope after contract gate should move project to CCBT again for re-approval on-line or off-line. BC to be rechecked to confirm business KPIs.



Rebirth **PLE** best practice

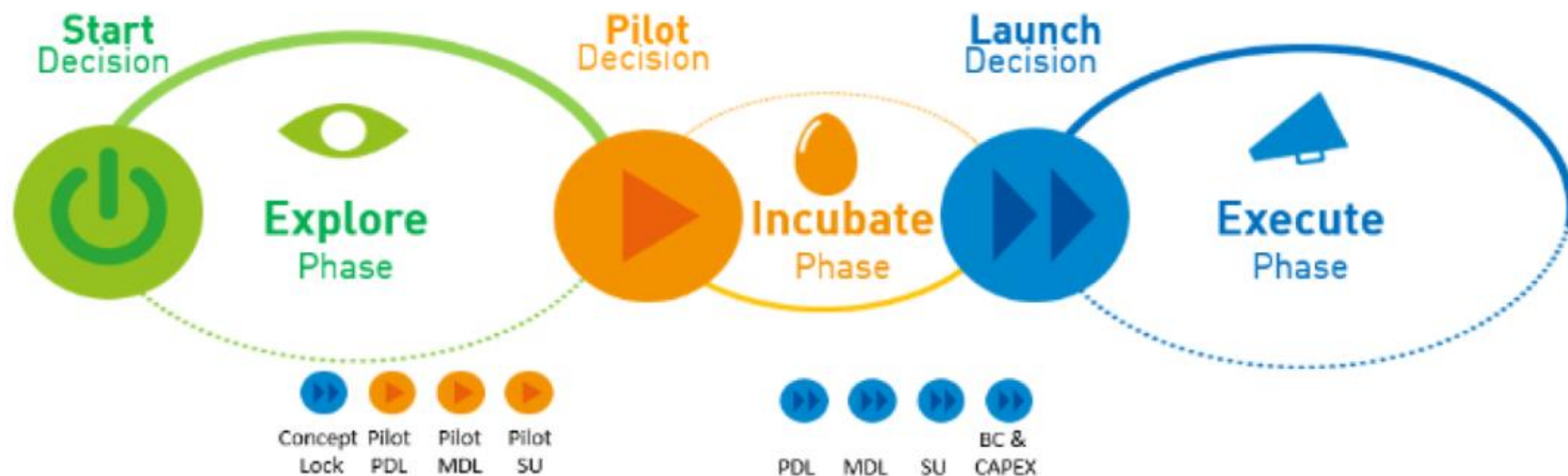


Project leader = only trained marketers (kind of license to operate)

INNOFLEX instead of IPM




What is InnoFLEX?



- **InnoFLEX** - new innovation and gate-keeping process coming to Unilever.
- All new innovations will use InnoFLEX in place of IPM gates **by end of 2020**.
- It is a **more flexible gate-keeping journey** and **set of Lean tools** tailored to the project needs to ensure we manage risk, maximise consumer-centric solutions and close gaps between forecast business case and actuals.

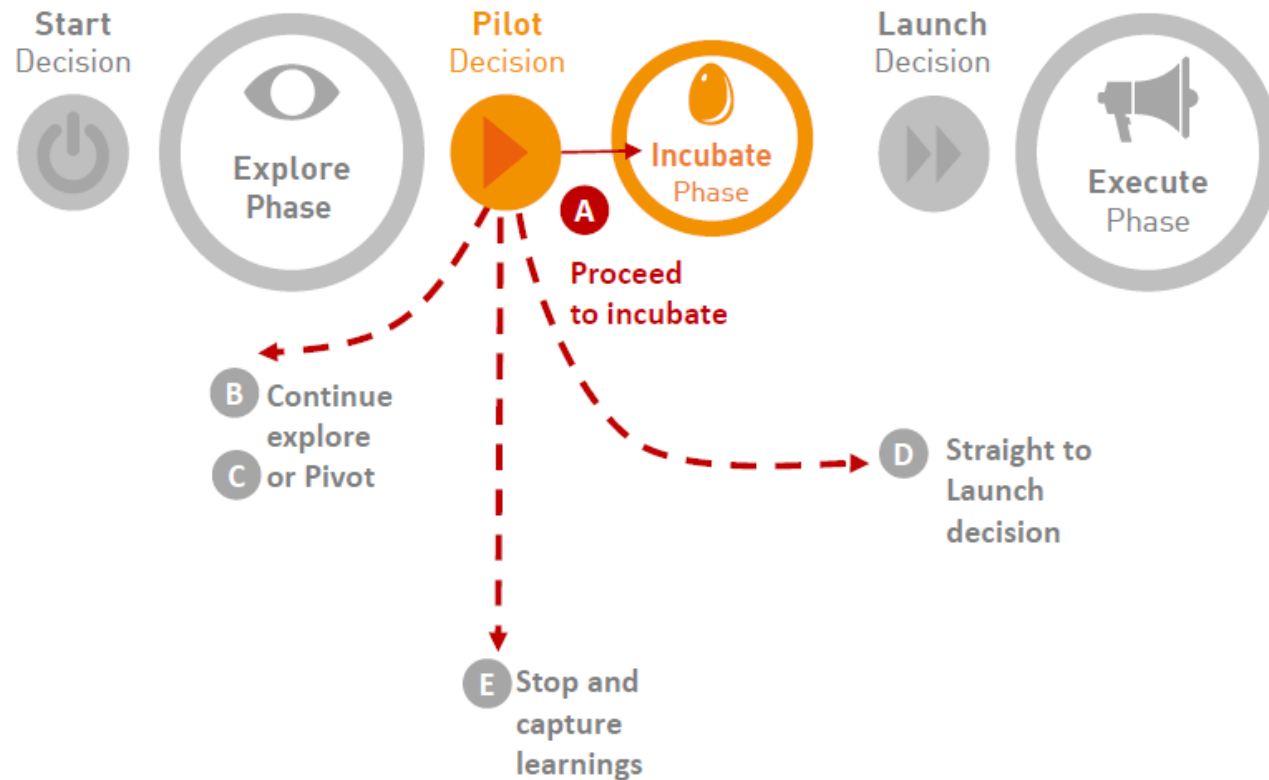
InnoFLEX vs IPM

InnoFLEX phase	Corresponding phase in IPM
 Explore	Ideas & Feasibility
 Incubate	Capability
 Execute	Market Ready & Market Deployment

As you **move through the InnoFLEX process**, it’s important to advance in IPM Navigator so it’s accurately reported to the business.

Use this table as a guide to reflect your InnoFLEX phase in IPM.

In InnoFLEX, each project should take the path that makes the most sense. Here is an illustration at Pilot, but at all moments the decision to pivot, stop or skip a phase should be considered.



Under what conditions might you consider...

- A** **Proceed to Incubate**
 - Idea viable
 - There remains uncertainty worth resolving
 - Best way of testing is to closely mimic in-market performance...
- B** **Continue explore:**
 - Idea viable (No unsolvable “fatal flaws” have surfaced)
 - Still want more confidence before going live (particularly about problem/solution fit)
 - Best way of learning is not (yet) through in-market tests...
- C** **Pivot**
 - Right problem, wrong solution
 - New learning suggests a better solution or pathway to success
 - Key assumptions proven false—but plausible alternatives remain
- D** **Go straight to Launch**
 - Idea viable
 - Further testing not needed or would cause too much delay (e.g. in competitive situations)
- E** **Stop (for now) and capture learnings:**
 - Wrong problem
 - No viable solution (at this time)
 - Won’t make money
 - Insurmountable risks
 - No longer feels like a good use of resources

Investor board

Selected for their ability to allocate resources to the project, authority to remove obstacles, and relevant expertise

INVEST the time, money, and people to minimize business risks that include:

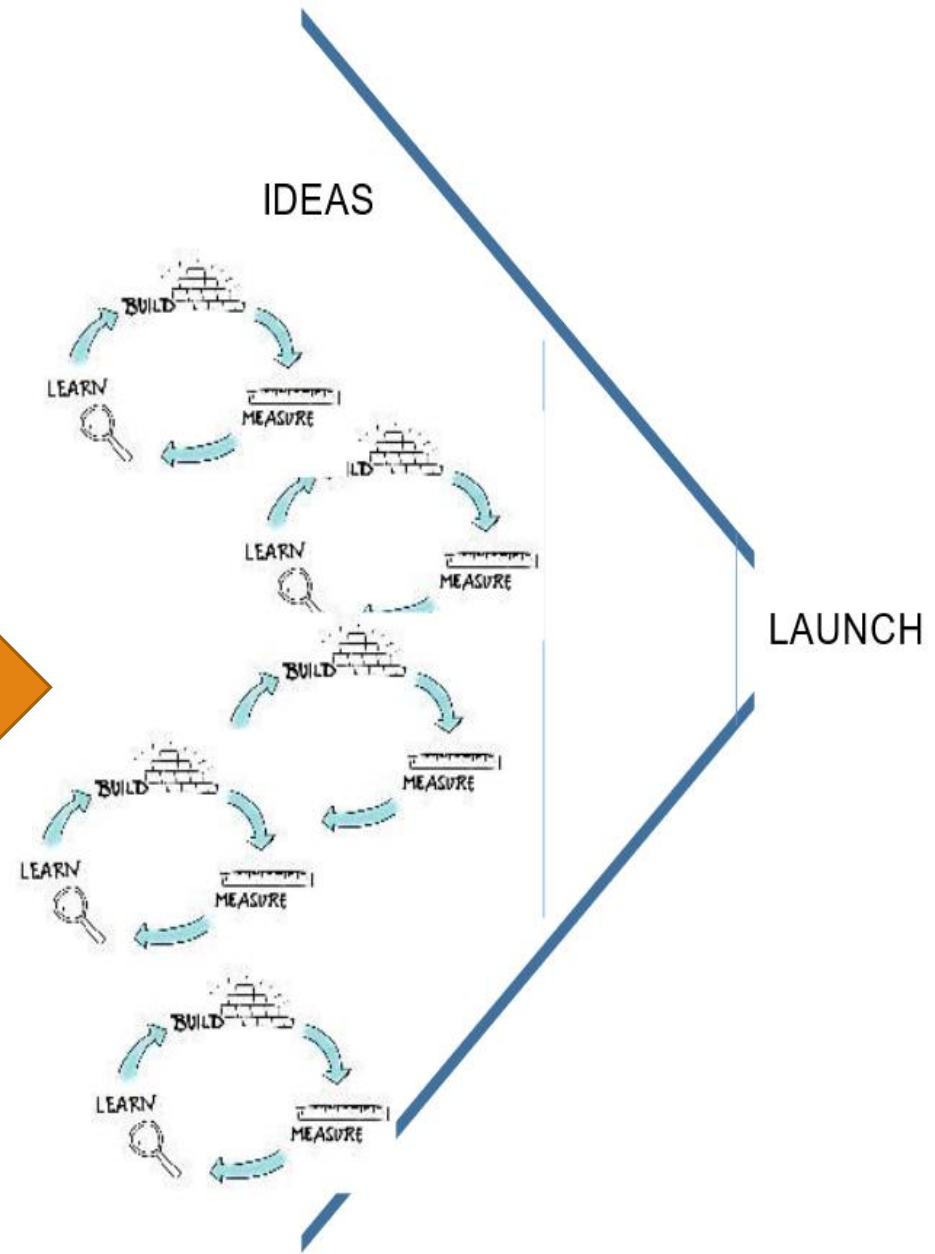
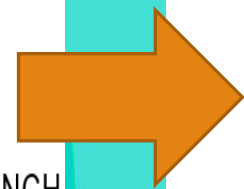
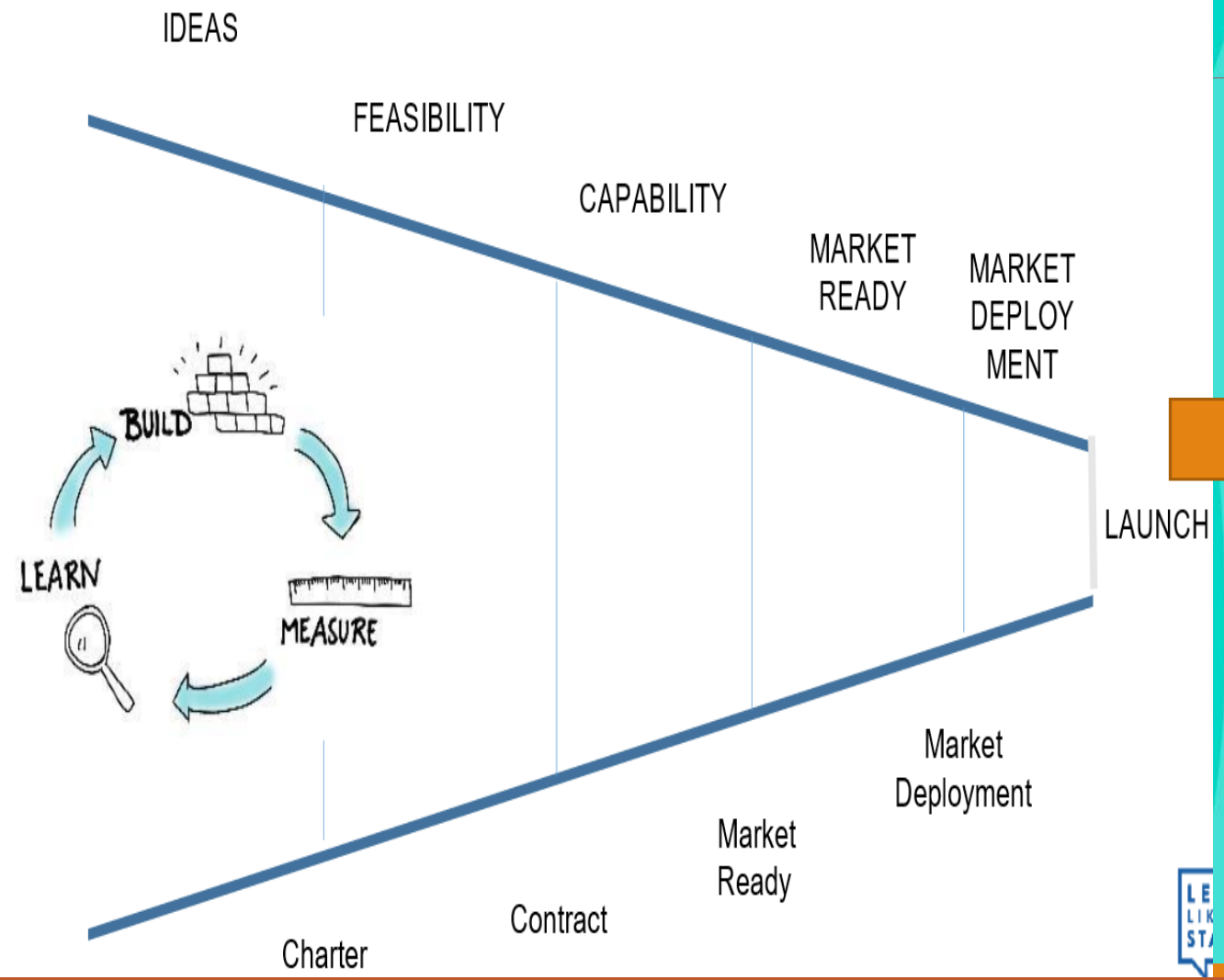
- Launching the wrong product
- Getting to market late
- Being disrupted by a competitor

They do this by...

- Making effective decisions quickly
- Allocating resources based on data and evidence
- Challenging the teams and identifying risks
- Making decisions transparent and non-political
- Removing obstacles and barriers



BUILD-MEASURE-LEARN PHASE AT START OF PROJECT BEFORE SCALE-UP



Stage managing the change

Phase 1

Preparation stage

Outcome:
X-functional Category/
CCBTs have detailed,
operational roadmap for
training, projects that will
switch and Investor Board
set up for their business cell.

Phase 2

Awareness & understanding

Outcome:
All X-functional team members
and IB have a **working
knowledge** of innoFLEX

Timelines for roll out are clear
so that each cell can plan its
transition.

Phase 3

Learn by doing

Outcome:
All project team members and
IBs are clear on where and how
they access support during
early projects.

Global scale up plan

		Q1-Q2 '19	Q3'19	Q4'19	Q1'20	Q2 '20	Q3 '20	Q4 '20
BPC	HAIR	PILOT	PILOT	START	PREPARE		LAUNCH & BOOST	
	DEO				START	PREPARE	LAUNCH & BOOST	
	ORAL				START	PREPARE	LAUNCH & BOOST	
	SCL				START	PREPARE	LAUNCH & BOOST	
	SC				START	PREPARE	LAUNCH & BOOST	
HC	H&H		PILOT	START	PREPARE		LAUNCH & BOOST	
	FSOL		PILOT	START	PREPARE		LAUNCH & BOOST	
	FSENS		PILOT	START	PREPARE		LAUNCH & BOOST	
F&R	FOOD				START	PREPARE	LAUNCH & BOOST	
	ICE CREAM	PILOT	PILOT	START	PREPARE		LAUNCH & BOOST	
	TEA				START	PREPARE	LAUNCH & BOOST	

* NB: A cross-functional in depth implementation plan for BPC in H2 being crafted. To be presented to BPCLT at end of June for green light to (re-)kickstart the deployment of InnoFLEX.

THANK YOU

