



**ASUG ANNUAL
CONFERENCE**
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Whitepaper

Next Gen Distributor Mgmt System

PROGRAM Innovation Debrief

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GoLive Notification from Unilever – Global Next Generation DMS

March 18, 2013



Dear Team,
Congratulations to all!

Today marks a special milestone as we went live with NGDMS + IQ in our Phuket Distributor.

The core team, Thailand's RTM and IT teams have jointly collaborated with the Global RTM and IT innovation teams and together with our partners MindTree, VXceed and FPT have successfully co-developed NGDMS + IQ for Thailand and a global roll-out.



The team celebrates the Go-Live of NGDMS in the Phuket Distributor

This leading-edge system is a clear manifestation of the passion, dedication and hard work of those involved in our business objectives and capability development to always ensure of being ***Fit to Win in the marketplace.***

GoLive Notification from Unilever – Global Next Generation DMS



Saleswoman taking order using the NGDMS + IQ during the first day of Go-Live

Unilever remains proud of you for making this competitive advantage a reality for our Distributors, their sales teams and Thailand's ***Unbeatable RTM team*** as we continue to ***Win in the Marketplace***.

Best regards,

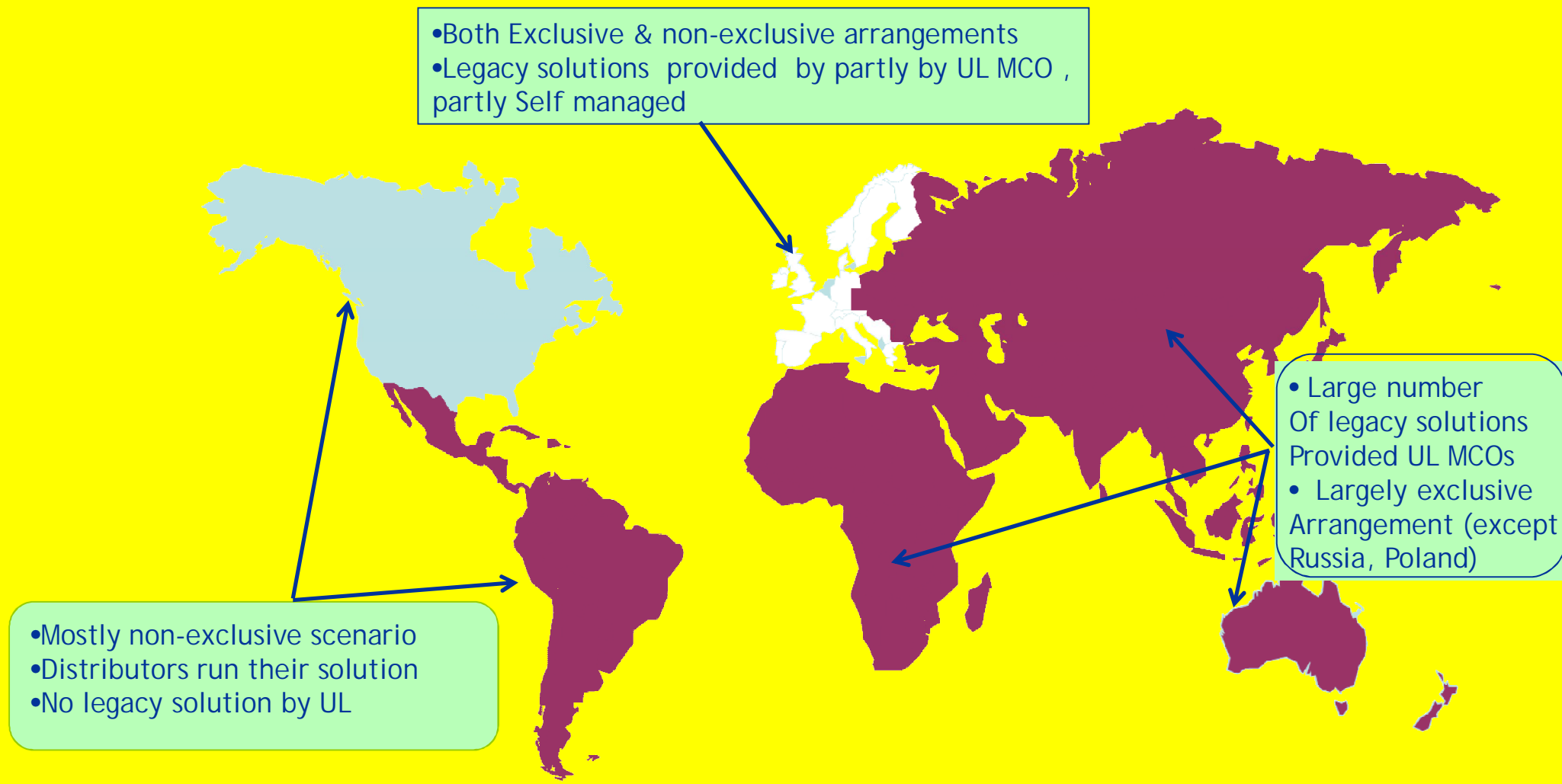
Peter Dekkers
CD VP
Unilever Thai Trading

Best regards,

Bong de la Cruz
RTM Director
Unilever Thai Trading



Unilever Global DMS Foot Print



| 4 | 4 | 456 | 4325 | 285 | 645 | 5255 | 2 | 13.5 (40) | 0.15 | 3.50 |

Unilever Global Distributor Mgmt System

Overview – what is this about !



What is this initiative about?

- One repeatable, scalable distributor process model for HPC, Foods and IC
- Delivered through appropriate toolsets for Exclusive & non-exclusive scenarios
 - Distributor Core ERP (for Excl Distributive Trade only)
 - Unilever Central Hub
 - Unilever Info Reporting
 - Mobility for Distributor Sales Reps

Where is the opportunity?

Unilever business impacted ~ Euro 13.5B Approx.
5300 Distributors :

	AAC	AM	Europe	Total
Exclusive	4025	0	441	4466
Non-Exclusive	300	285	204	789
Total	4325	285	645	5255

What is the benefits case

- Incremental TO approx 2-3% vs.
an investment of 0.15% of TO

What are the benefit streams

- **Tangible:**
 - Better Stores : % increase in Perfect Stores (over a period of 2-3 years)
 - More Stores : Improve stores coverage using the NGDM coverage increase model (Quadrant model)
 - Better Service .
 - Simplification & Higher Productivity
- **Intangible:**
 - Drive distributors channel focus according to Channels Category Strategy (RTM Engagement Strategy)

SAP BTS IN engagement domains ...

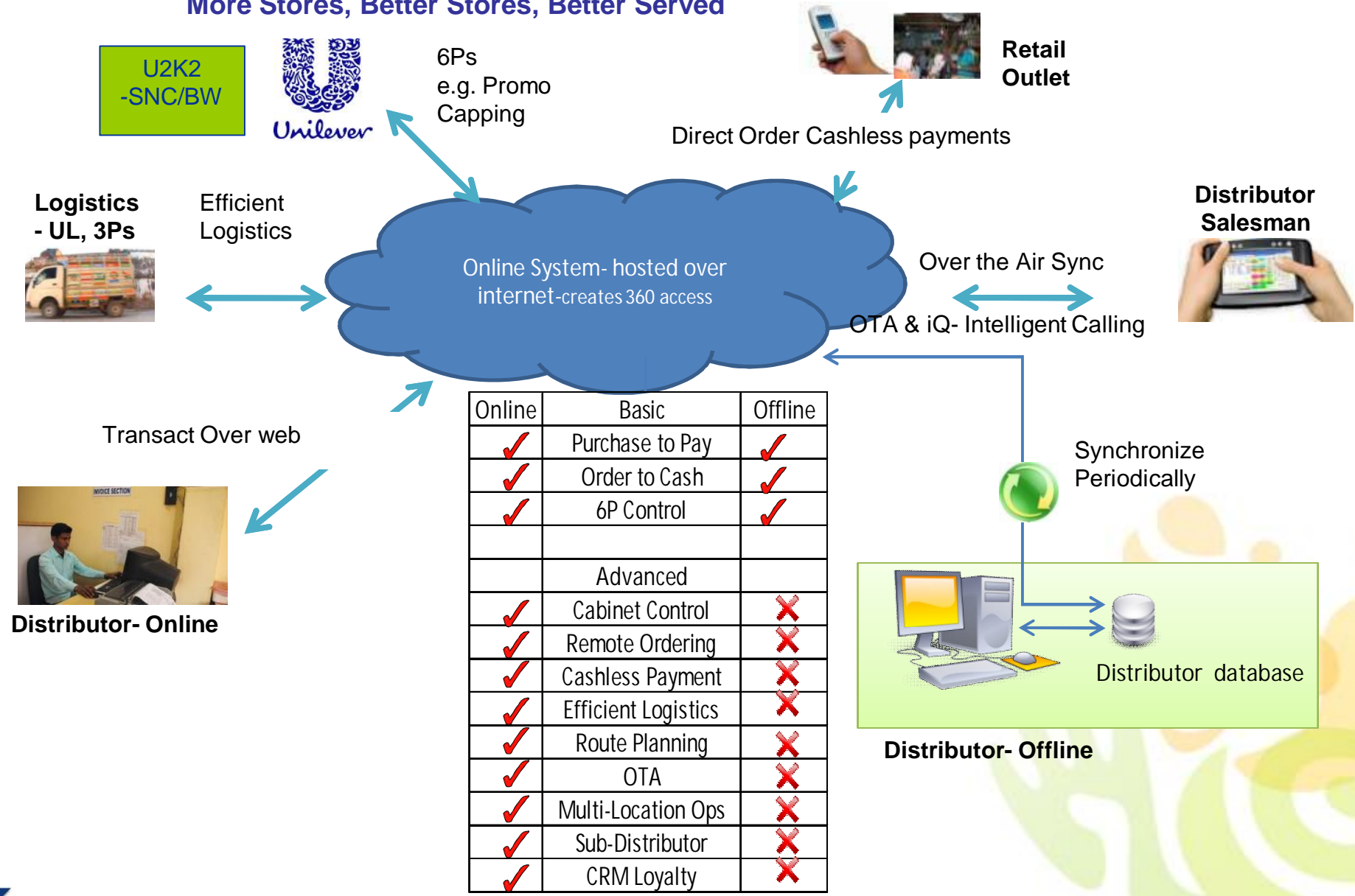
Business Process Innovation with ULL CDIT team ,
Enterprise Architecture & IT Capability match with ULL CTO team , Program Value Delivery , Organizational Change & Excellence Transformation , VPS & Deal Support .

BTS India & Netherland team crafted the biggest BusinessOne Deal in history of SAP for Unilever Distributors for 30000+ Distributors & 100,000 Users for AAC Region on Rackspace basis with huge pipe for ww leverage .

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..... building Gap Opening Capability for RTM Excellence

More Stores, Better Stores, Better Served



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1 Remote Retail Ordering

Mission

- ❖ Build competitive advantage in terms of accessibility of retailers directly to UL coverage

Objective & Strategy

- ❖ Increase OSA , market shares & Turnover with direct interaction with more retailers and thereby improve control over point of sale.
- ❖ Use mobile phone penetration to obtain direct access to rural customers & create optimal supply mechanism to fulfill unmet demand

Case study

- Indonesia Pilot in progress
 - ❖ Top up
 - ❖ New Coverage

Cost & Benefits

Country Target:

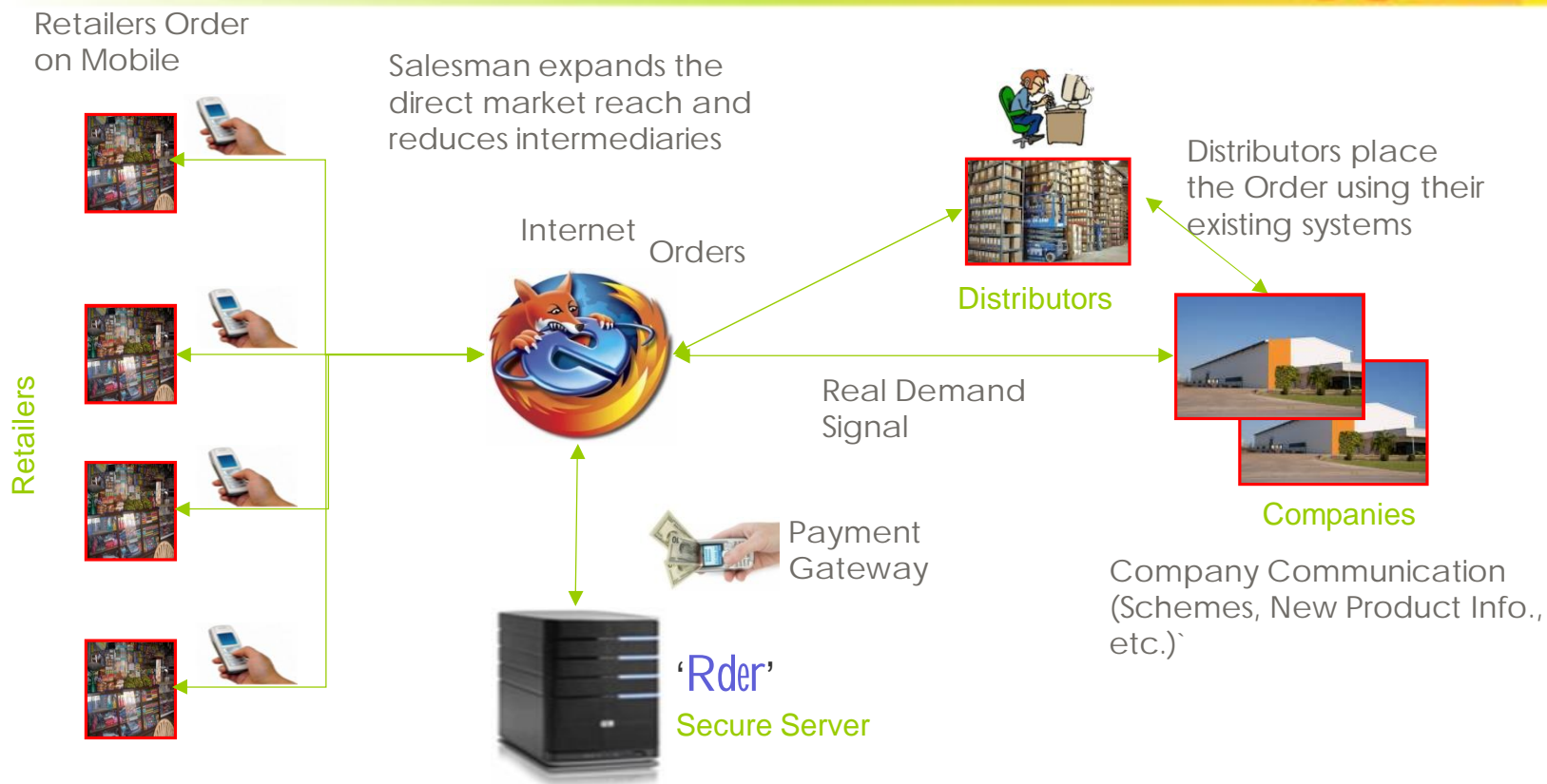
- ❖ Possible Deployment in Large and Medium Mom & Pop Stores

Pilot Critical Success Factors

1. market shares & Turnover with Sales Growth
 - ❖ Sales incremental Value 4.5%
 - ❖ Total Lines improvement 22%
2. OSA (On Shelf Availability) - on 125 skus : growth of 5%
3. CCFOT: Consistently at 100% since Week 4
4. Order Regularity 25 %

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Remote Ordering by Retailers ...



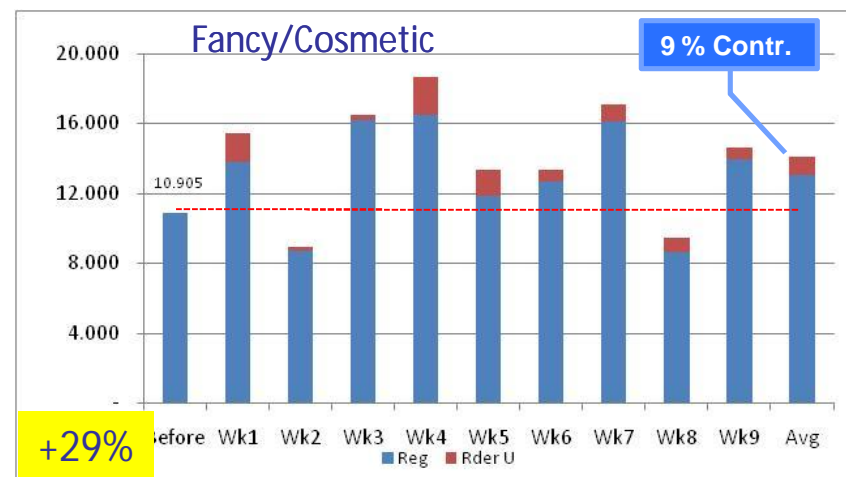
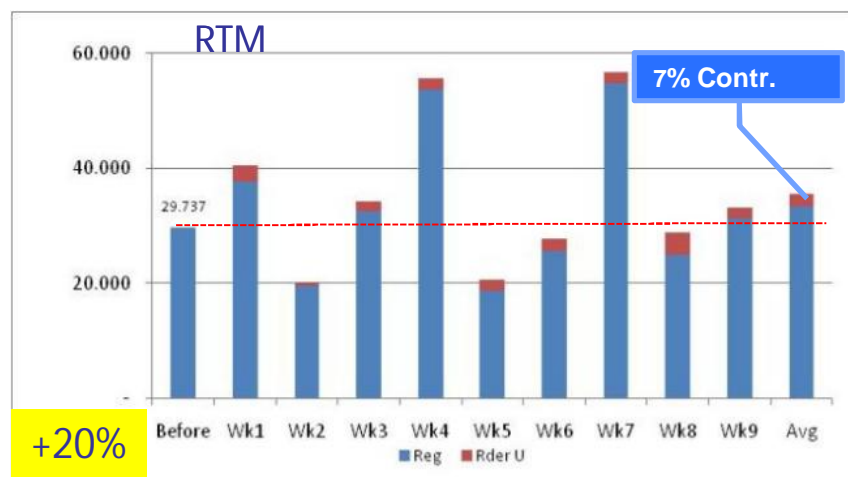
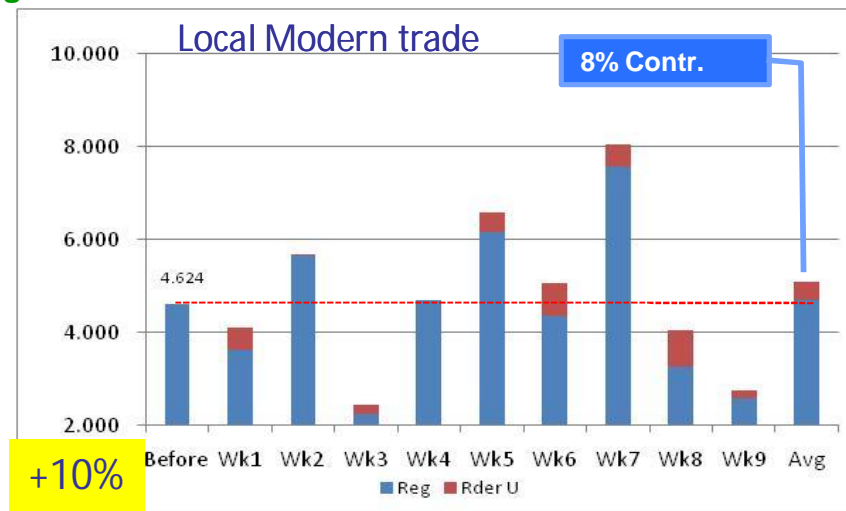
Company Communication (Schemes, New Product Info., etc.) reaches the Retailer directly

Retailer	Distributor	Unilever
<ul style="list-style-type: none"> ✓ Direct Visibility of Schemes ✓ Faster Delivery ✓ On-shelf Availability ✓ Ordering at Convenience 	<ul style="list-style-type: none"> ✓ Increased Sales ✓ Increased Direct Coverage ✓ Improved Salesman's productivity and Merchandising Quality 	<ul style="list-style-type: none"> ✓ Increased Direct Coverage ✓ Increased Sales and SKU Assortment ✓ Improved Salesman's productivity and Merchandising Quality

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Remote Retail Ordering ... KPI : Sales Growth by Channel

- Sales taken from 57 retailers with repeat orders till week 9
- TP and RTM enjoy the benefit, since both remote & non-remote are growing vs baseline
- While remote ordering take role to support the total growth of MM + MTI



- Salesman Regular Order
- Remote ordering Contribution
- Channel Growth numbers (Regular + Remote Ordering)

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2 360° Access

Mission

Seamlessly connect all business (RTM & Supply Chain) partners in real time

Objective & Strategy

- ❖ Increase speed / agility of organization
- ❖ Reduce cost & waste.
- ❖ Use Cloud computing platform to enable 360 access across the supply and sales organization to optimize agility & efficiency.

Case study

- ❖ CROCS implemented end to end process resulting in:
 - ROI in 12 months
 - Increase in order fill rates
 - Reduction in stock cover

Sterling Commerce Provides End-to-End Processes from Order Management through Fulfillment



- Supply order configuration
- Cross channel inventory management
 - Virtual segmentation of a common inventory pool
- Global ATP and rules-based sourcing
 - Inventory visibility of in-stock, in-transit and vendor drop ship inventory
 - Fulfillment cost analysis, recommendation, and orchestration
- Orchestrate and monitor a highly configurable customer order fulfillment processes
 - Reserve, authorize, release, reroute, monitor
 - Schedule, sequence, and execute service requests
 - Distributed fulfillment, merge-in-transit, multi-step fulfillment, procure-to-order, build-to-order, etc.
- Customer returns and order reconciliation
- Receiving, invoices, and settlement

Cost & benefits

Thailand Target Benefits:

- ❖ promotion availability & Shelf standard at store.
- ❖ improve OSA & CCFOT

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2 360° Access – Current Pain Points & Benefits

Crocs: Brand Experience Suffering Due to Order Management Challenges

- Heavily fragmented ERP systems required manual intervention to manage orders, resulting in:

- Lengthy order response times, inaccurate information
- Very poor order accuracy in the wholesale channel
- Inability to promise availability and deliver on that promise
- Dissatisfied customers



- Crocs needed a new order management system to drive order efficiencies and improve the customer experience

2

- ✓ ROI in 12 months
- ✓ Improved Fill rates
- ✓ Lower holding stock

Crocs After: Cross-Channel Order and Inventory Awareness Improves Experience

- Crocs now has a common pool of inventory that can be accessed across all regions and channels – a single view of inventory
 - All inventory now planned and reserved by channel
 - Each channel measured on order volume, inventory on reserve



- **Results:**
 - Fill rate on web orders at nearly 100%
 - Accurate available to promise commitments, with orders pulled from reserved inventory
 - Improved end-user and wholesale customer brand satisfaction

3

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3 Cashless Payment

Mission

Get a higher share of retailer capital compared to competitors

Objective & Strategy

- ❖ Increase sales by removing payment obstacles.
- ❖ Obtain access in unsafe geographies / reduce need to carry currency.
- ❖ Enable hassle free collection of monies from customer using telecom providers & payments gateways or UL cash cards.

Case study

- MPESO in East Africa
 - ❖ Virtual currency changing the way business is done



Cost & benefits

Thailand Target Benefit:

- ✓ Release float
- ✓ Dramatically increase bill productivity.
- ✓ Outlet reach in unsafe outlets.
- ✓ Reduce bad debt.
- ✓ Increase overall outlet reach
- ✓ Capture greater retail customer wallet

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4 Dynamic Route Planning

Mission

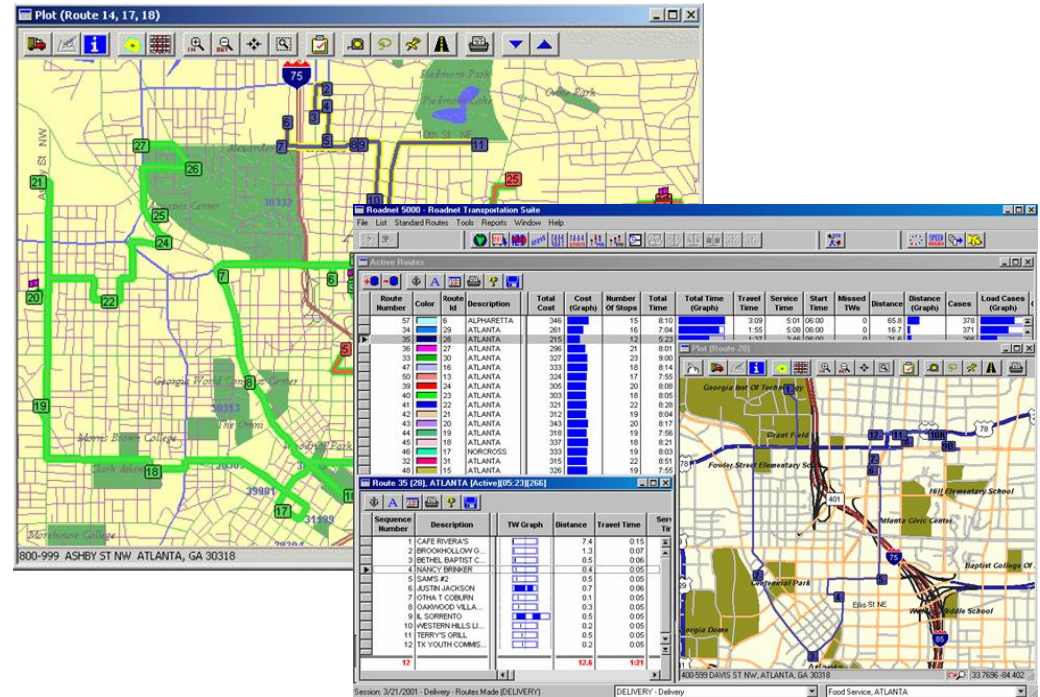
- “Quickest delivery at lowest cost” approach based on optimizing supply & delivery assets.

Objective & Strategy

- Optimized assets (people & vehicles)
- Reduced running cost / higher asset productivity
- Optimization will deliver savings through asset productivity

Case study

Unilever Turkey Implemented : Route Net
Resulted in 17% reduction in transport cost



Cost & benefits

- Thailand Target Benefit:
 - Reduced van & manpower asset
 - Higher asset productivity.
 - Lower operating costs.
 - Faster delivery.

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Dynamic Route Planning ... Key Features & Benefits

Generates transportation routes & territories based on the demand points (retailers) allocated to a distributor such that delivery performance is maximized while reducing freight costs

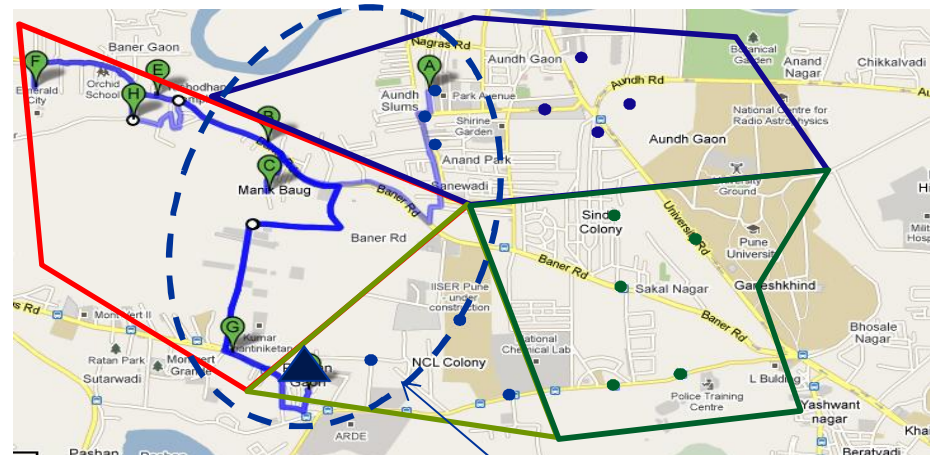
Key Features

- Generation of least cost routes based on orders in hand irrespective of the sales beat
- Respects delivery windows if any
- Considers different Vehicle Capacities to form loads based on the days orders
- Load consolidation across different drop points (retailers) and different products (SKUs)

Key Benefits

- Improve Delivery performance
- Improve Service Levels
- Reduce Inventory
- Increase Vehicle utilization

Route generated within each dispatch territory (across different sales beats)



Distributor warehouse
Drop Point (Retailer)



Sales beat

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5 iQ - Intelligent Calling

OSA

Maintain current assortment

OSA

Introduce new relevant skus

NPD

Activate targeted "underperforming"
skus

NPD

Flawless launch execution and business
mandates

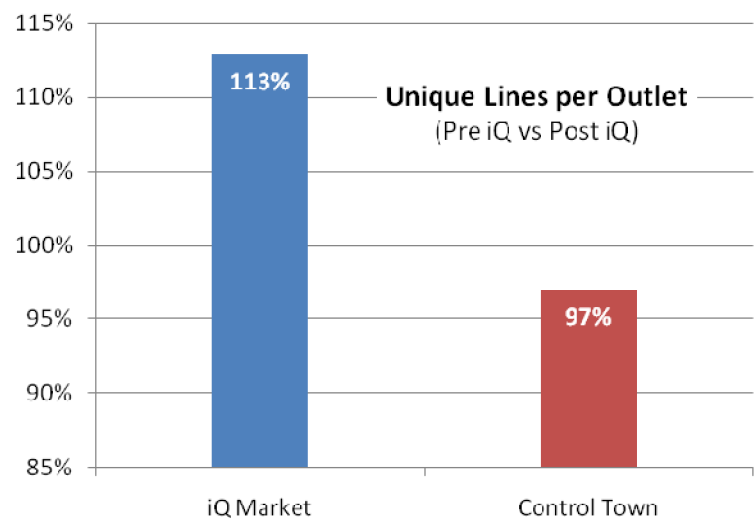
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iQ Features

- Assortment
 - Specific assortment for every outlet
 - OOS avoidance by highlighting red lines.
- Recommendations:
 - Outlet and SKU level recommendations for identifying new opportunities for selling
 - The sales team is provided support and guidelines for their everyday sales activity.
 - Helps ensure that the activities of the sales team are in line with the overall objectives of the business
 - Incorporated with the monthly targets of the sales team
- Width Pack:
 - Width packs are outlet level product recommendations to the sales teams to drive products which are currently not selling in an outlet but has the potential to sell
- Depth Pack:
 - The depth packs are outlet level product recommendations about the quantity to be sold at an outlet.
- Business Mandate
 - Outlet level product recommendations to push certain products to certain set of outlets based on market activation priorities, new launches etc

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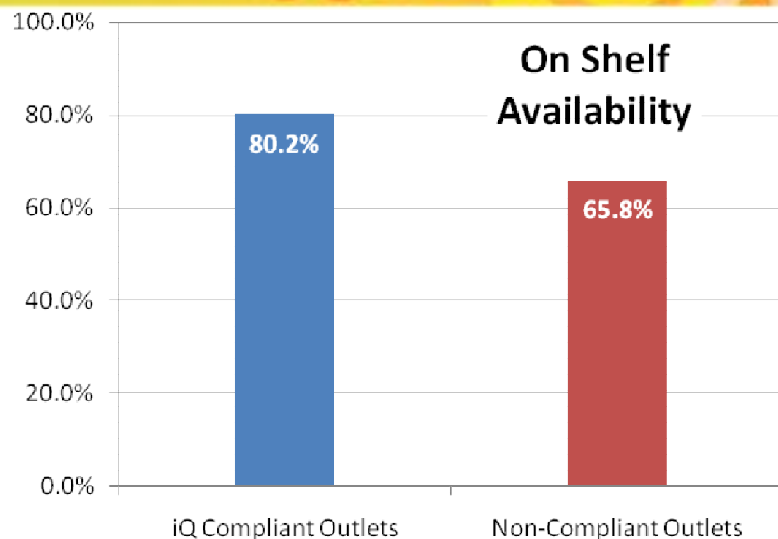
iQ Pilot Test Results



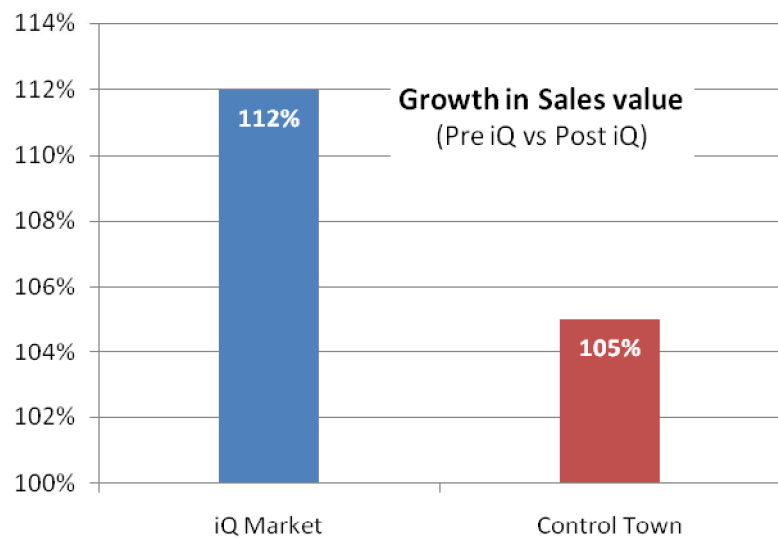
13 % additional unique lines billed in iQ per month

SKU	iQ Activity	VWD Gain/Loss
Lifebuooy 100g		850 bps
Lux Almond 100g		350 bps
Lux Strawberry 100g		480 bps
Rexona 150g		(540 bps)

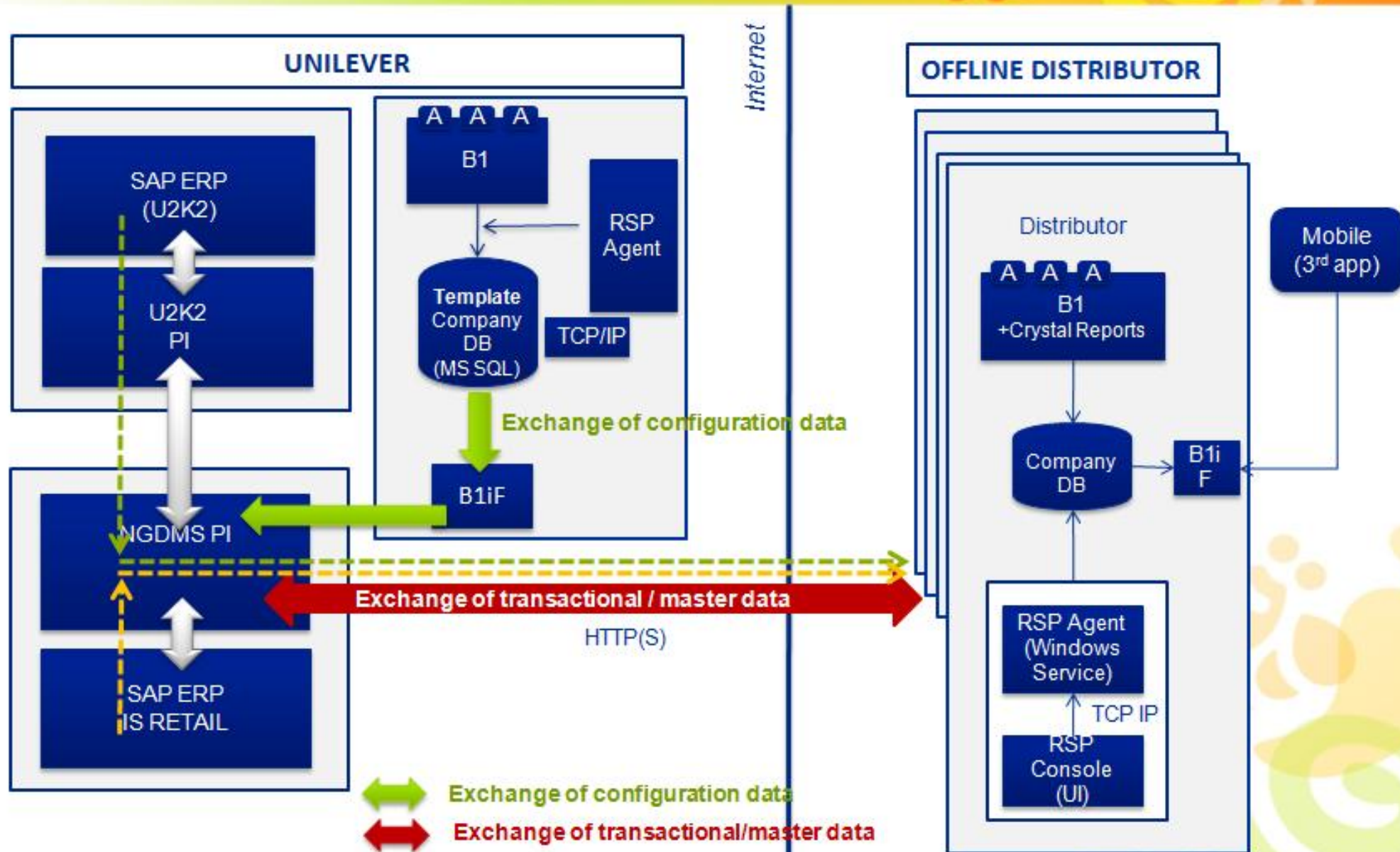
Direct correlation between iQ tasks implementation & subsequent VWD growth



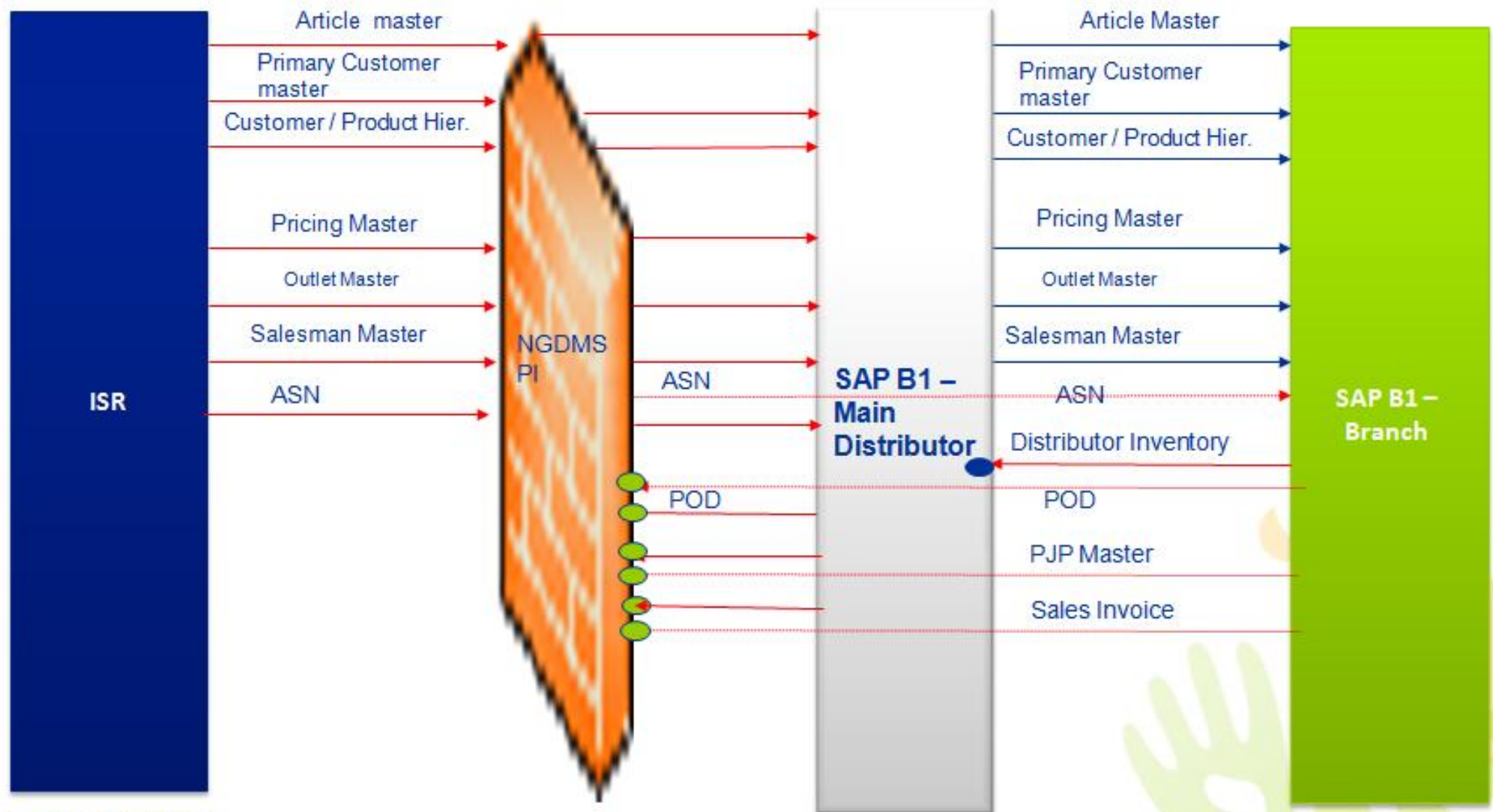
1600 bps Improvement



NGDMS High Level Architecture

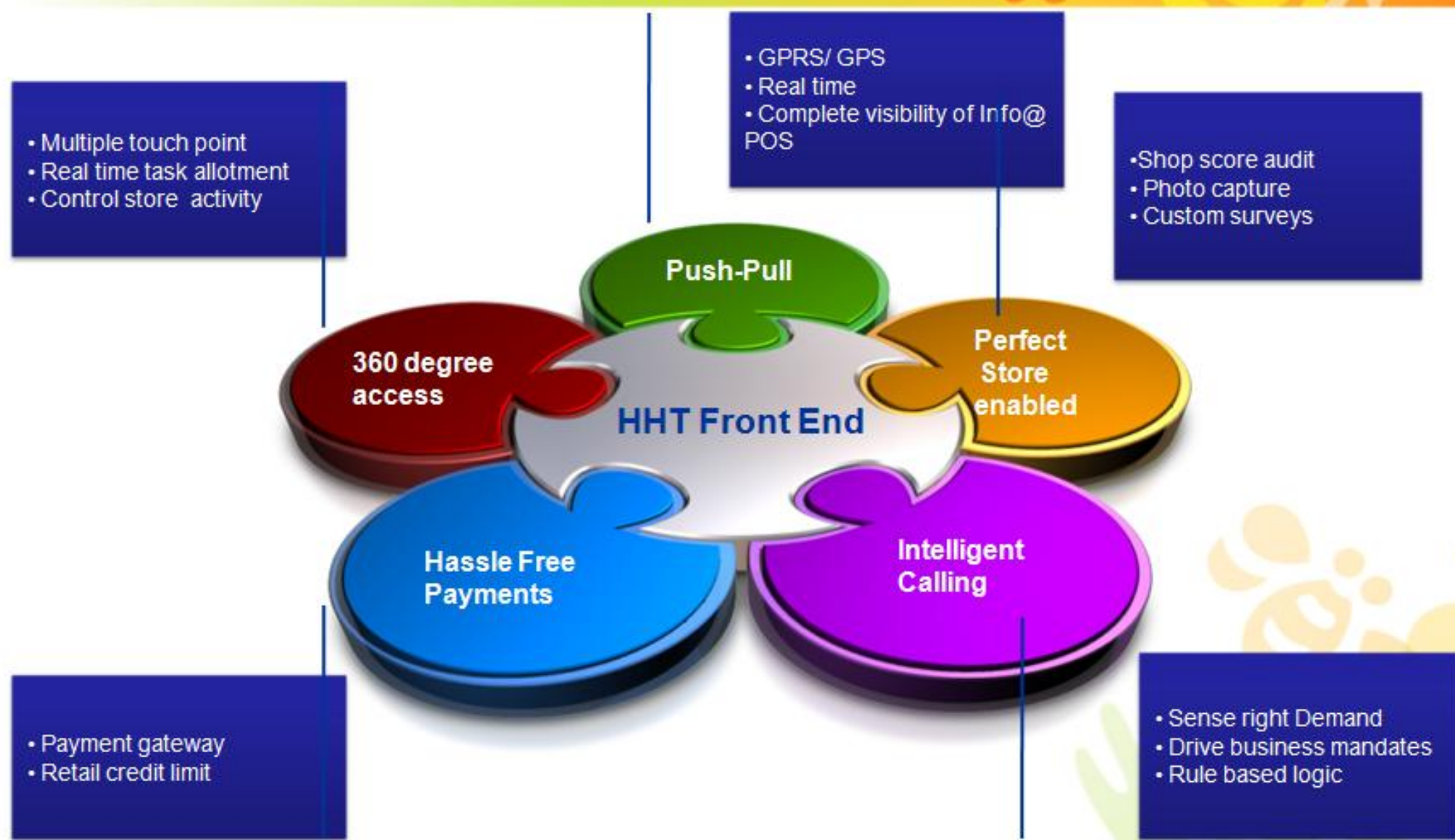


B1iF Integration Framework

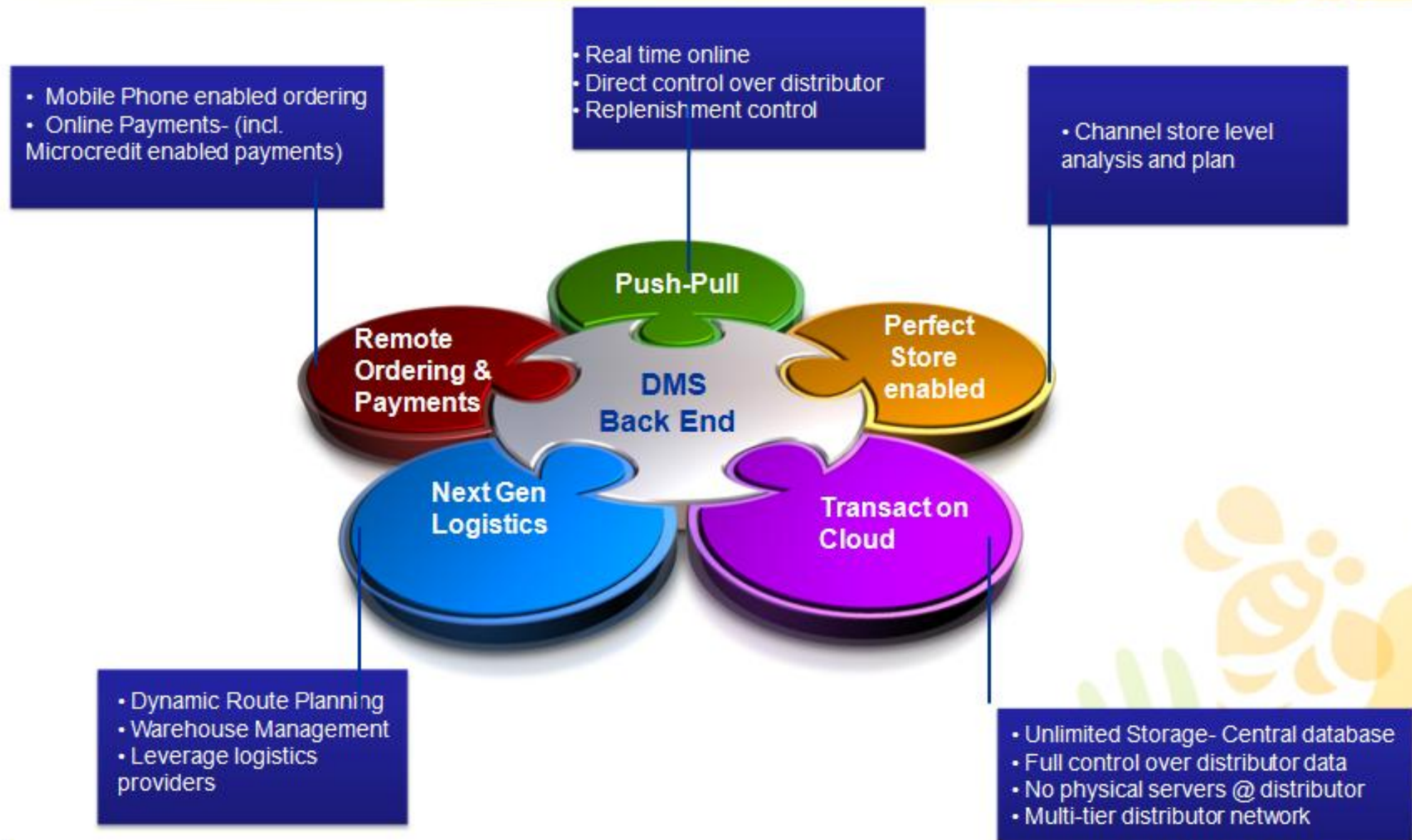


— LAN Connectivity
— WAN Connectivity

“Advanced” DMS Front End Capabilities



"Advanced" DMS Back End Capabilities



“Advanced” DMS Next Gen Platforms

