



Supply Chain Guru Case Study: Unilever Corporation

Company: Unilever is one of the largest manufacturers of personal and home care products in the world. They own and manage such well-known brands as Wisk, Tide, Dove Soap, Ben & Jerry's, and hundreds of others.

Problem: Supply chain complexity, global scope, product variety, and a complicated organizational structure all contributed to a difficult-to-manage supply chain network. Unilever had many potential sources for improving service and cutting costs in the supply chain; however, there was no clear way to evaluate the actual ROI and impact of implementing changes.

Project: Unilever's Global Research and Development group, based out of company HQ in the UK, assembled a central supply chain research team made up of top logistics analysts and internal consultants. After a rigorous vendor evaluation process, the team selected LLamasoft as a strategic technology partner, and launched an extended effort to develop additional capabilities that would enable the team to model its internal inventory and production planning process in detail.

Solution: The first phase of the project took approximately 6 months, focusing on collaborative development of Supply Chain Guru's Supply scripting capabilities, while Unilever personnel developed logic representing their own planning procedures. Second phase consisted of modeling the baseline and several alternatives for the global laundry products division. A second project, approximately 6 months, was launched to incorporate even more detailed logic and focus on North American business processes. This project culminated in the identification and prioritization of supply chain improvement initiatives, which will continue to have impacts on the company operations for years.

Several "quick wins" were identified and the senior management team is now implementing these projects.

Important Points

1. Gap Analysis: For a complicated project with a wide scope, it is critical to clearly identify what you want metrics you want to focus on in a supply chain model, what factors effect those metrics, and how does a model represent those factors. No system can be modeled perfectly. However, if you select a good technology vendor, the vendor will help you work through all the gaps between the real system and the model. The key to the success of the project was the ability of LLamasoft to respond to Unilever's unique needs, and develop additional capabilities that could be used for their project, delivering them in a short time frame.

2. Model Data and Model Logic: Supply chain modeling requires both quantitative data (demand quantities, inventory targets, etc.) AND process logic. It may well be more difficult to capture the decision process logic than it is to capture the numbers! Take the time during the project to fully discuss how planning "happens" in your company. The resulting documented process logic is extremely valuable, and also enables the model to represent the supply chain more accurately. Unilever's experienced technical team spent several weeks at various points during the project to thoroughly investigate and document "how we plan." This was critical for the credibility and ultimate success of the project.