BEYOND ERP : DELIVERING AMBITIOUS GLOBAL TRANSFORMATION AND GROWTH

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KEY TOPICS

- **Unilever background and business transformation journey**

- **Driving growth with continuing innovation**

- **Unlocking value from ERP with SAP HANA**

ABOUT UNILEVER

Unilever is one of the world's leading suppliers of fast-moving consumer goods.

Our products are sold in over
190 countries and used by
2 billion consumers every day.

WE ARE A SUCCESSFUL, GROWING, SUSTAINABLE BUSINESS

We work to create a better future every day,

With brands and services that help people feel good, look good, and get more out of life.

We will lead for responsible growth,

inspiring people to take small everyday actions that will add up to a big difference.

We will develop new ways of doing business that will allow us to double the size of our company,

while reducing our environmental footprint and increasing our positive social impact.

IMPROVING HEALTH AND WELL-BEING

REDUCING ENVIRONMENTAL IMPACT

ENHANCING LIVELIHOODS

STRONG BRANDS AND BALANCED PORTFOLIO

14 Unilever brands have a turnover of €1 billion or more

Personal Care 36% of SIs	Dove	Rexona	LUX	AXE	sunsilk
Foods 27% of SIs	Knorr	HELLMANN'S	FLORA	Rama	
Refreshment 19% of SIs		Lipton DRINK POSITIVE	MAGNUM		
Home Care 18% of SIs	dirt is good	Surf			

SCALE AND GEOGRAPHICAL REACH

THE AMERICAS

€16.2 billion turnover
1.0% underlying volume growth
33% of group turnover

EUROPE

€13.5 billion turnover
0.4% underlying volume growth
27% of group turnover

ASIA, AFRICA, CENTRAL & EASTERN EUROPE

€20.1 billion turnover
5.0% underlying volume growth
40% of group turnover

ERP enabled growth at Unilever : marc.bechet@unilever.com, marc.bechet@me.com

OUR STRATEGIC JOURNEY

Pre 2000	2000 - 2004	2005 - 2013
Conglomerate	**Path to Growth**	**One Unilever**

2000 - 2004 — Path to Growth
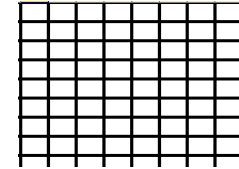
brand focus

Portfolio change and brand focus
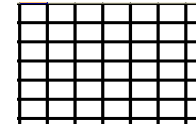
Restructuring and savings

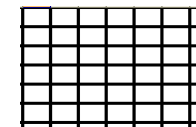Increase operating margin

2005 - 2013 — One Unilever

Country/
Category
Matrix
2005

One Unilever
2007 / MCO
2008

4 Categories /
8 Clusters

OUR ERP JOURNEY

From fragmented IT and more than 200 Local ERP Systems & Processes

1 Desktop 100,000 Users
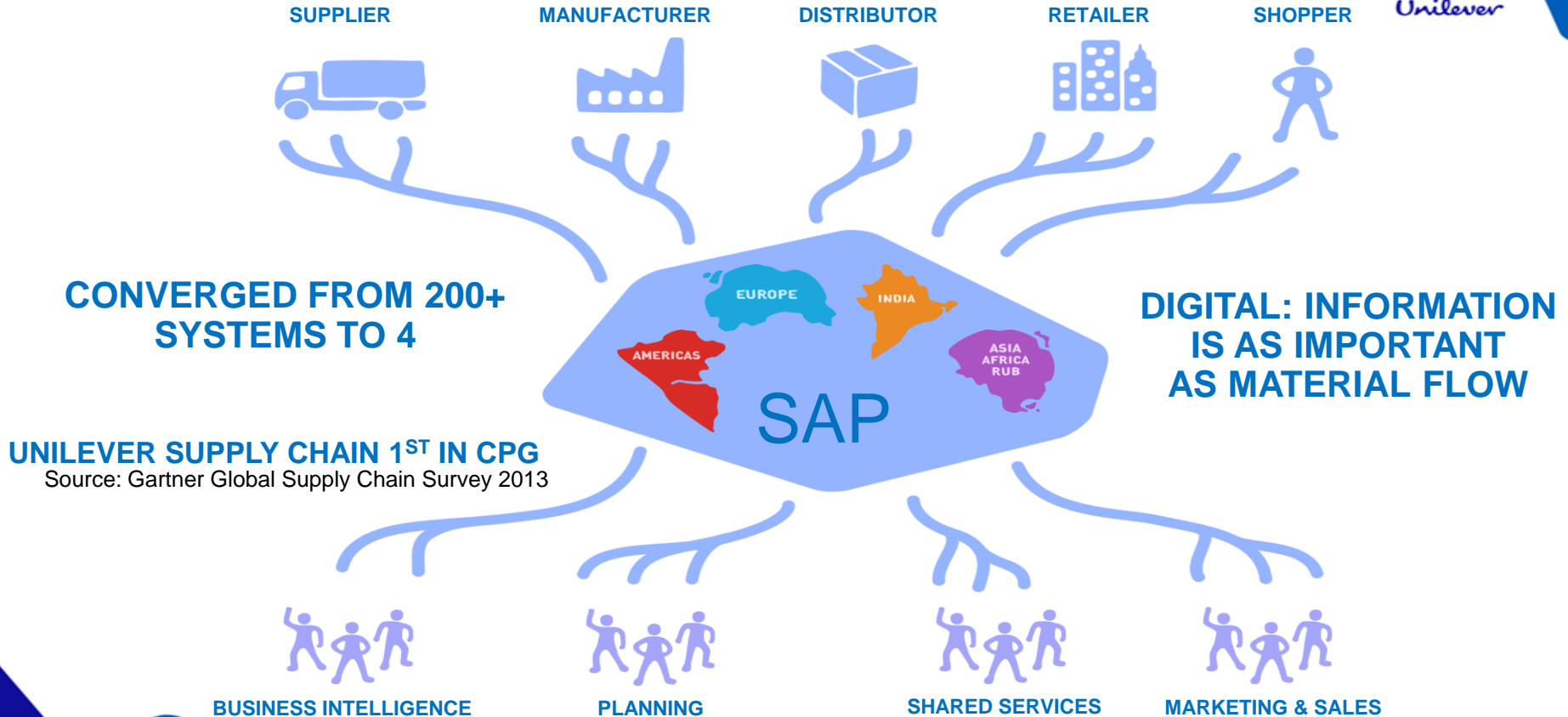
1 Collaboration 4,000 Sites

4 SAP landscapes managed as 1
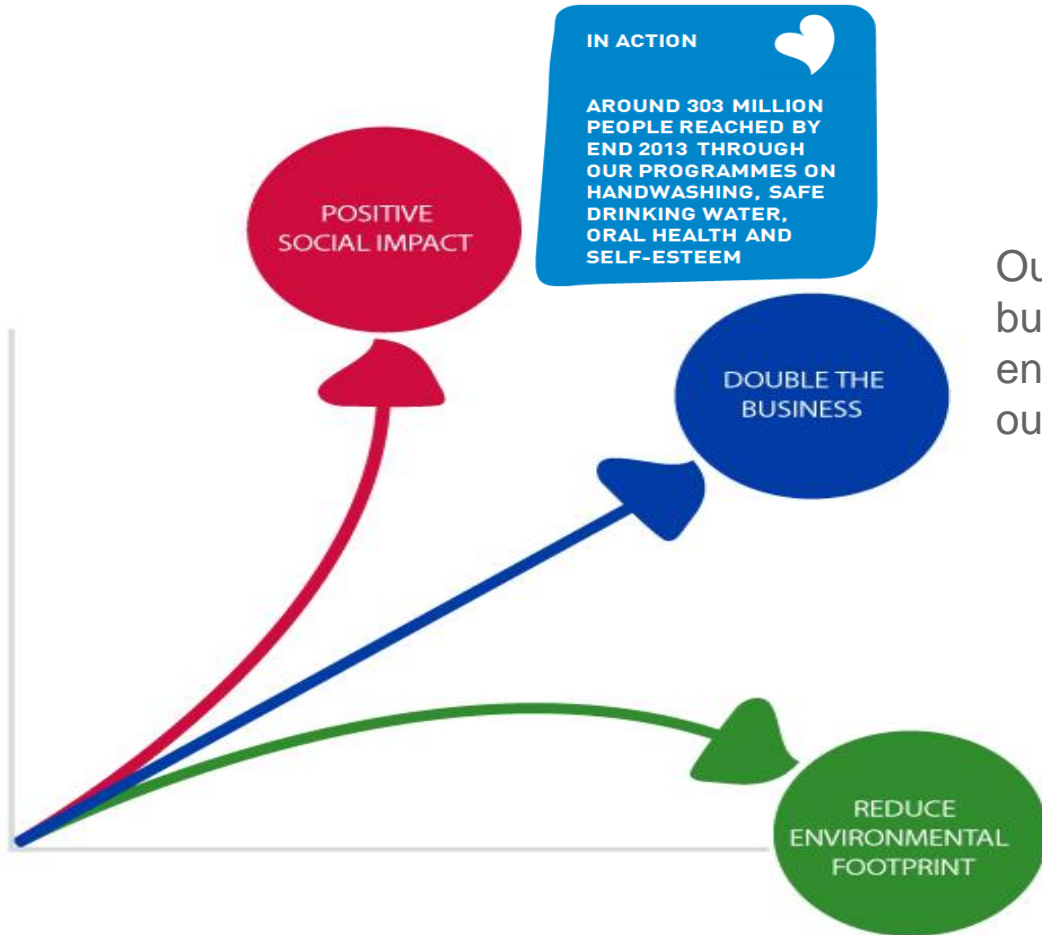
Core Systems
1 HR
1 Digital
1 Information

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UNILEVER
SCALE

Value Chain	
Revenue	€50bn
Operating Profit	€7.5bn
Employees	174K
Locations, Countries	1000,190
Consumers/Day	2bn
Stores	10m
Customers	150K
SKU's	60K
Materials	200K
Suppliers	300K
Factories	250
Distribution Centers	440
Trucks/Day	10K

ERP	
SAP Landscapes	4
Core SAP Users	51K
Interfaces	6,000
ECC Database (Prod)	80Tb
Orders, Invoices/Yr	1.2m, 6m
Invoice Lines/Year	500m
ECC Transactions	16bn
ECC Data Centers	2 (1DR)
IT	
e-Mail Users	95K
Mobile/Smart Phones	47K
Routers	1,700

SAP AT THE HEART OF OUR VALUE CHAIN

SUPPLIER MANUFACTURER DISTRIBUTOR RETAILER SHOPPER

CONVERGED FROM 200+ SYSTEMS TO 4

SAP

EUROPE • INDIA • AMERICAS • ASIA AFRICA RUB

DIGITAL: INFORMATION IS AS IMPORTANT AS MATERIAL FLOW

UNILEVER SUPPLY CHAIN 1ST IN CPG
Source: Gartner Global Supply Chain Survey 2013

BUSINESS INTELLIGENCE PLANNING SHARED SERVICES MARKETING & SALES

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OUR COMPASS STRATEGY

IN ACTION

AROUND 303 MILLION PEOPLE REACHED BY END 2013 THROUGH OUR PROGRAMMES ON HANDWASHING, SAFE DRINKING WATER, ORAL HEALTH AND SELF-ESTEEM

POSITIVE SOCIAL IMPACT

DOUBLE THE BUSINESS

REDUCE ENVIRONMENTAL FOOTPRINT

IN ACTION

OUR WASTE IMPACT HAS REDUCED BY AROUND 11% SINCE 2010†

Our vision is to double the size of the business, whilst reducing our environmental footprint and increasing our positive social impact.

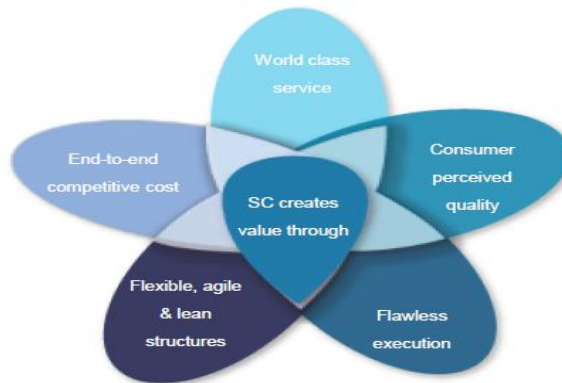† Measured 1 July 2012 - 30 June 2013, compared to 1 January - 31 December 2010.

A MORE COMPETITIVE COST STRUCTURE

Savings mitigating inflation

- Value improvement
- Restructuring
- M&A synergies
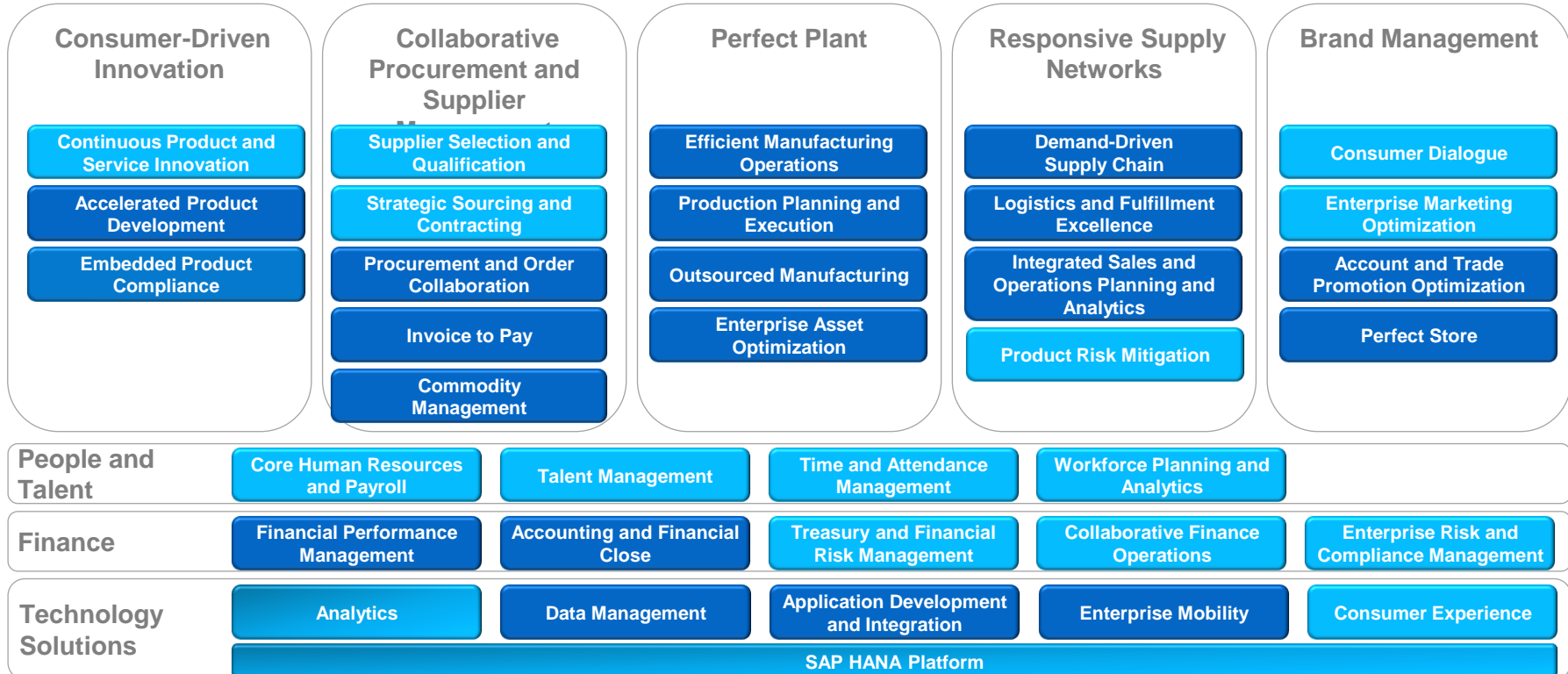- Non-working media

Global supply chain

SC creates value through

- World class service
- Consumer perceived quality
- Flawless execution
- Flexible, agile & lean structures
- End-to-end competitive cost

Containing cost with discipline

SAP VALUE MAP

Color — **Unilever coverage**

Opportunity
Core Footprint

Consumer-Driven Innovation

- Continuous Product and Service Innovation
- Accelerated Product Development
- Embedded Product Compliance

Collaborative Procurement and Supplier Management

- Supplier Selection and Qualification
- Strategic Sourcing and Contracting
- Procurement and Order Collaboration
- Invoice to Pay
- Commodity Management

Perfect Plant

- Efficient Manufacturing Operations
- Production Planning and Execution
- Outsourced Manufacturing
- Enterprise Asset Optimization

Responsive Supply Networks

- Demand-Driven Supply Chain
- Logistics and Fulfillment Excellence
- Integrated Sales and Operations Planning and Analytics
- Product Risk Mitigation

Brand Management

- Consumer Dialogue
- Enterprise Marketing Optimization
- Account and Trade Promotion Optimization
- Perfect Store

People and Talent

- Core Human Resources and Payroll
- Talent Management
- Time and Attendance Management
- Workforce Planning and Analytics

Finance

- Financial Performance Management
- Accounting and Financial Close
- Treasury and Financial Risk Management
- Collaborative Finance Operations
- Enterprise Risk and Compliance Management

Technology Solutions

- Analytics
- Data Management
- Application Development and Integration
- Enterprise Mobility
- Consumer Experience

SAP HANA Platform

SAP supports the core value chain, use and expand to drive growth

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MANAGE ERP AS ONE

MANAGE 4 ERP LANDSCAPES AS 1

Four landscape/project dedicated teams to One global ERP team

Many Ways of Working to One

Fragmented to Template approach for Big Bets

Cluttered system to simplified system

To manage ERP as one

CAPABILITIES FOR "DEVELOP ONCE, DEPLOY EVERYWHERE"

- Global Documentation and Configuration Management
- Global Release Management
- Project & Solution Delivery Playbook
- Global Development Template to facilitate 1xDevelopment

Documentation Configuration

Project & Solution Delivery

Global Solution Manager

Release

Development Template

Increase speed to value at lower cost

DRIVE GROWTH WITH INNOVATION

M&A

Global Product Lifecycle Mgmt.

Commodity Hedging

SAP
DEVELOP ONCE
Deploy everywhere

Turbo Charge Finance

FOR GLOBAL INNOVATION AT SPEED

UNILEVER HANA ROADMAP

Establish HANA foundation

Re-engineer business processes and expand on HANA foundation

Enable real-time enterprise with SAP Business Suite on HANA

2012

- Implement FI-CO accelerator, globally using HANA sidecar

- Run HANA POC's:
  - BPC
  - GR/IR Monitor

- Validate HANA business case
- Develop HANA capability

2013

- Expand accelerator for ML
- Implement GR/IR Monitor
- POC APO and ECC on HANA
- Develop solutions for:
  - Accelerated Trade Promotion Management (TPM)
  - Overall Equipment Efficiency (OEE)
- Develop HANA opportunity portfolio and governance
- Unilever Global Template: Process and Information model reference system on HANA in the Cloud

2014 +

- Implement HANA Based Material Ledger cockpit
- Implement more operational analytics on HANA e.g. Working Capital (DSO, DPO, DI)
- Implement BPC on HANA
- Implement APO on HANA
- Implement TPM and OEE on HANA
- Smart Finance
- Migrate Business Suite to HANA
- …

HANA is disruptive technology

FINANCE @ THE SPEED OF HANA

- **Fast Implementation**

  HANA CO-PA accelerator implemented globally
  4 months

- **Accelerated month end close**

  System close on day 1

- **Improved business operations** Clarifica

  balances multi-period, multi-entity in real-time

  ECC before BW extract

'Turbo Charging' Finance

Find a Month a Year
- Accelerate Month-end Close
- 'No Touch' Automation
- On time with Quality
- One source of truth

Zero Based Controls
- Lower Cost of Compliance
- Preventive & Automated Controls based on risk

Liberate Finance to Partner the business

- **Material Ledger accelerator**
  "…a huge step forward in enabling systematic analysis of ML-data first time ever…"

Change way of working and unlock value

UNILEVER GOODS RECEIVED/INVOICE RECEIVED RECONCILIATION

FROM

- •10 complex activities
- •16 hours to run report

1. GR/IR Clearing Account

2. G/L Account Line Item Display

3. Vendor Master Record Display

4. Purchase Order Display

5. FI Document Display

6. Material Display

7. Invoice Document Display

8. Manual table extraction to Excel

9. Manual Excel Pivot set-up

10. Reconciliation

TO

Actionable analytics for all unmatched
Invoices/ Goods Receipts
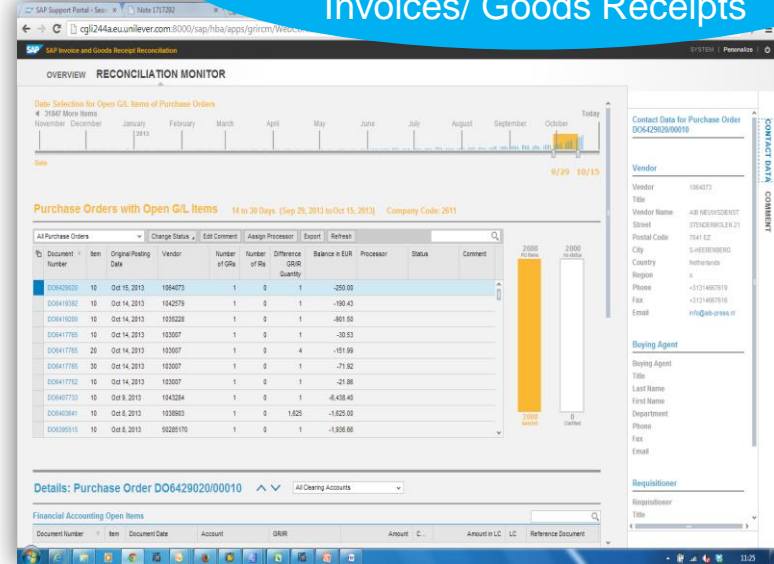
Empower transactions with analytics

UNILEVER BPC ON HANA POC

- Global Raw & Pack Material Forecasting System

- Migrated from BPC7.5 (MS) to BPC10 NW HANA

- **Significant Performance improvement** with BPC 10 on HANA
- Up to 18x for some scenarios

  - *Exchange Rate calculation – 67% improvement*

  - *Buyers' Data Input Schedule – up to 96% improvement*

  - *Data Loads – up to 84%*

- Opportunity to simplify

- Improved User Experience
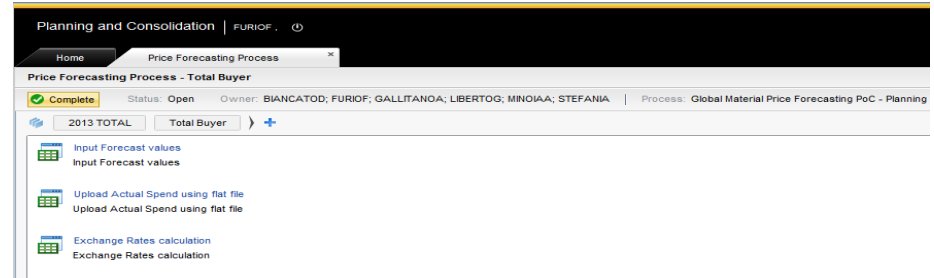
Confirmed viability of Unilever BPC on HANA

UNILEVER APO ON HANA POC

- Migrated 2 Tbyte APO system to HANA
- Compressed to 360 Gbyte in-memory
- Simplify landscape – reduce TCO
- Improve system performance
- Include 6.8% additional sales orders in daily plan

Current

IAP | TWS

Oracle

OPTIMIZERS

→ Refresh →

**1.
Create APO
Sandbox**

Sandbox APO | TWS

Oracle

→ HANA & Unicode (SAP) →

**2
HANA Migration &
Unicode Conversion**

PoC APO

HANA Unicoded

→ Configure →

**3.
Build HANA
PoC System**

PoC APO-HANA | TWS

HANA

OPTIMIZERS

→ Test →

Sandbox APO | TWS
BASELINE

Oracle

**4.
Conduct PoC**

PoC APO-HANA | TWS

HANA

OPTIMIZERS
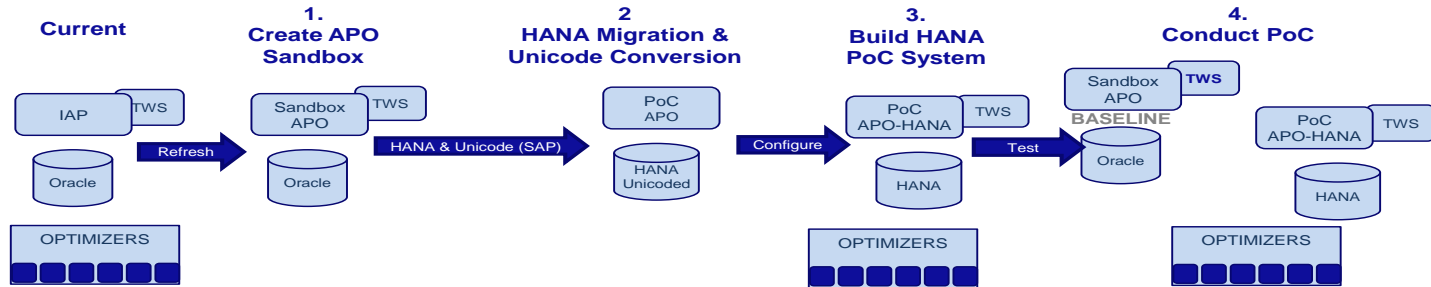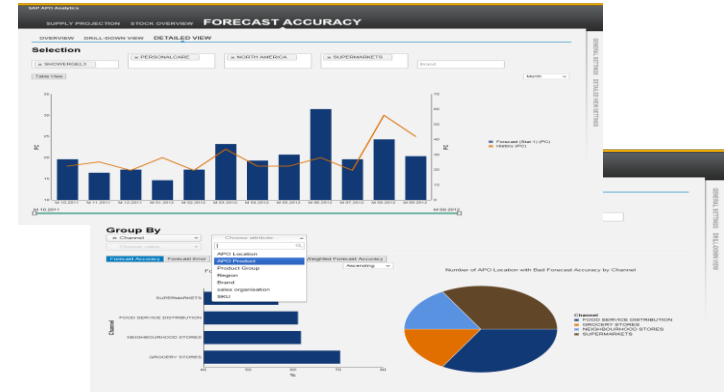
Confirmed viability of Unilever APO on HANA

UNILEVER ECC ON HANA POC

- Migrated 38 Terabyte European ECC system on HANA
- Compressed to 8 Terabytes in-memory
- Confirmed standard SAP transactions are working
- Promising non-functional test results
- *Backup / Restore in 8 hours*
- *Failover to High Availability node: 4 minutes*
- *Restart full system DB: 16 minutes*
- Next Steps – Data Aging and Scale Out Load Test
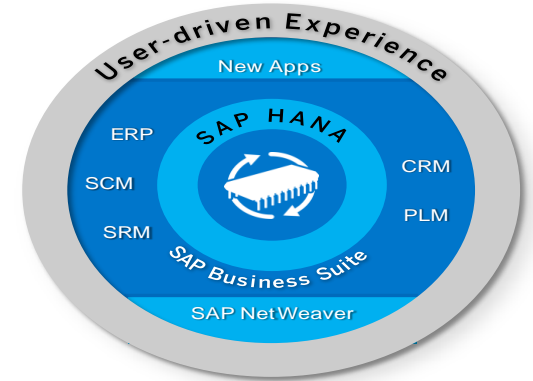
Confirming viability of Unilever ERP on HANA

UNILEVER USE OF HANA ENTERPRISE CLOUD PLATFORM

SAP HANA Enterprise Cloud

- **SAP Business Suite** — ERP | CRM | …
- **SAP Business Warehouse** — BW | BPC
- **Custom Apps** — Big Data | Consumer

SAP HANA Cloud Platform

Services
- Assessment
- Onboarding & Migration
- Cloud & Managed Services
- Application Management

In-memory Infrastructure

Developed Business Reference System in 4 months, using:

- » HANA Enterprise Cloud Platform
- » Industry Templates
- » ASAP and Solution Manager Framework
- » Rapid Deployment Solutions
- » Business Process Master Lists (BPML's)
- • Foundation to "build SAP as a factory"
- • Reference System to drive global convergence

Process Scope

- • **Planning & Scheduling**
- • **Sourcing Unit warehousing**
- • **Manufacturing & Quality Management**
- • **Purchasing**
- • **Shop floor Automation**
- • **Manufacturing & Quality Management**
- • **Product Planning & Costing**
- • **Primary Transportation**
- • **Secondary Transportation**
- • **Plant Maintenance**
- • **Actionable SC Analytics**

Use SAP to drive sustained Margin Improvement, 0.5% = €250 million p.a.

TRANSFORMING BUSINESS WITH SAP HANA

- Develop new business possibilities with SAP HANA
- Unlock value from ERP

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Implement real-time digital enterprise capabilities to support Unilever's profitable growth to €80bn

IN SUMMARY

- Successful ERP enabled business transformation

- Leading with global supply chain capabilities powered by SAP

- Continuing investment in business-driven IT innovation

- Using HANA at scale for real-time, actionable information to drive sustainable, profitable growth

CASE STUDY
HTTP://360-BT.COM/ISSUE11