When consumer goods giant Unilever announced plans to double its business by 2020, it had to think on a global scale. There was no alternative for a company with 2 billion consumers using at least one Unilever product each day, including some of the world’s most recognizable brands like Dove, Axe/Lynx, Lux/Radox, Becel/Flora, Knorr, Lipton, Hellmann’s, Heartbrand, and Ben & Jerry’s.

In projecting to reach 4 billion of the earth’s inhabitants each day to fulfill its 10-year plan, as well as double sales to €80 billion, Unilever will need to do more than simply put additional products on the shelves. Finding a revenue stream by expanding into emerging markets is a central component of the ambitious roadmap, which also includes halving its environmental impact within the same timeframe.

Enabling Growth with Convergence
Unilever’s business model prior to 2007, when mostly every business in nearly 200 countries of operation acted as an autonomous subsidiary, would have made this ambitious growth plan exceedingly difficult. Under this model, Unilever operated more than 250 ERP instances, processing roughly 30,000 transactions per minute. One key step, then, toward a growth-oriented business focus would entail consolidating its fragmented IT and ERP platform to be managed as a single global entity.

“Our worldwide business runs on ERP systems. Every transaction for each order we
Objective: Converge more than 250 ERP systems into four regional-based SAP ERP systems managed as one global platform, and maximize efficiency of core financial processes and reporting

Solution: In parallel with the move to a global platform, implemented core SAP ERP Financials and other applications on SAP HANA

Benefits: Significantly reduced time spent on month-end financial close process, financial analysis, and product cost forecasting process

drive informed business decisions — especially with its SAP ERP instances expected to process roughly 60,000 transactions each minute, should Unilever reach its ambitious growth objective. To address this need, the company began exploring SAP HANA software as a proof of concept as part of its strategic Value Engagement partnership with SAP. By 2012, Unilever decided to implement SAP HANA as an analytic appliance to accelerate some of its key SAP ERP applications, starting with SAP CO-PA Accelerator.

“It ties back to doubling our transaction volume,” Béchet says. “Our worldwide business is totally dependent on growing to scale with SAP software. We are very interested in anything that can help improve performance, scalability, and transactional reporting, and for us that included being part of that SAP HANA journey in the early days.”

Unilever accomplished two major objectives by implementing SAP CO-PA Accelerator, powered by SAP HANA. The first was to further reduce its month-end financial close to within one day, giving Unilever tangible evidence that SAP HANA could deliver on its promise of increased speed. This achievement gave Unilever the confidence that, moving forward, SAP HANA could help improve other business processes.

“Rapid Expansion, Rapid Analysis
To remain “at the forefront of the supply chain maturity curve with a wide range of cutting-edge practices,” to borrow Gartner’s analysis, Unilever knows that with its new IT solutions, speed will be a key component of its ability to

We had business users telling us they absolutely couldn’t live without SAP HANA.”
— Marc Béchet, Global ERP Vice President, Unilever

Our SAP HANA implementation helped tremendously with a business scenario where there was an urgent need,” Béchet explains. “But, perhaps more importantly, we gained experience and built a foundation for SAP HANA. And as an accelerator contained to a single (critical) business process, it was a fairly secure, low-risk use case. If it didn’t work out, we could fall back to a traditional database.”

In tandem with this accomplishment, business end users let Béchet’s team know that, at least from their perspective, SAP HANA had now become business critical and that they should do everything possible to avoid falling back to the traditional technology.

“We had business users telling us they absolutely couldn’t live without SAP HANA, so that was a big testament to the value the technology was bringing,” Béchet says.

He emphasizes that the SAP HANA initiative focuses on accelerating operational work and improving decision making in near real time, with analytics embedded directly in the SAP systems and working directly on transaction data. “The initiative does not replace but rather complements our important global Enterprise Data Warehouse (EDW) strategy for reporting and analytics, where ERP data is extracted, transformed, and loaded as well as combined with data external to our ERP systems,” he says. “For SAP HANA as well as for our EDW strategy, the quality of the underlying ERP transaction data is critical to the quality of insights and decision making. To strengthen the foundation and get the full business benefits of new real-time insights from SAP HANA as well as from traditional EDW analytics, we are continuously working on further simplifying and harmonizing our ERP transaction systems.”

Another accomplishment was more big picture in scale. In implementing SAP CO-PA Accelerator powered by SAP HANA across four SAP ERP instances in just 16 weeks, and managing it as a single global platform, Unilever validated its new ERP innovation model. It could, it was shown, achieve rapid global innovation through just four instances of an industrial-grade solution, delivering the scale, resilience, and reliability the company needed.

“Yes, we want to innovate globally faster and more productively, and the key is that we want to do it once — not four or more times,” Béchet says. “By managing the ERP instances as one global platform, we could do that. We took the approach of developing once and deploying everywhere, which was an early example of how we can move very fast, at scale. Now, we are running a critical business process for Unilever’s €50 billion business worldwide on SAP HANA.”

**From Push to Pull**

Having seen, then, what SAP HANA could deliver as an early ramp-up customer, Unilever was open to exploring other SAP HANA use cases, such as optimizing the end-to-end planning process to maximize in-store, on-shelf availability for new product launches or during promotions. With several use cases in the proof-of-concept stage, Unilever did expand its SAP HANA implementations to accelerate other applications within SAP ERP Financials, namely SAP Cash Forecasting and product cost planning functionality.

With SAP HANA powering its cash forecasting analysis, Unilever could analyze roughly 150 million monthly records in about half the time. And product cost forecasts that had taken about seven minutes were being completed in about 30 seconds, giving Unilever a better understanding of the profitability of its products.

According to Thomas Benthien, Global Director for Finance in Unilever’s ERP Center of Excellence, the initial benefits of SAP HANA have led to a change in

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**Accelerating Month-End Closing with SAP CO-PA Accelerator Powered by SAP HANA**

Unilever now runs 4.5 billion records for general ledger line items and more than 400 million records for controlling and profitability analysis in SAP HANA, and the production system has been dramatically accelerated. Best-case achievements are as follows:

- Material ledger went from 5.7 hours runtime to 1.7 hours (66% reduction)
- Cost center assessment time decreased from 11 hours to 6.7 hours (39%)
- Top-down distribution products went from more than 11 hours to 7.6 hours (32%)
- Top-down distribution customers went from 60 hours to about 35 hours (40%)
- Controlling and profitability analysis reporting is now 10 times faster with an improved user experience

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IT philosophy. As he explains, not only is IT innovating faster, but SAP HANA also helped drive a change from a push to a pull mentality; whereas IT once pushed solutions to certain functions, the ERP Center of Excellence has demonstrated business opportunities, and savvy stakeholders from the functions are now pulling SAP HANA solutions in order to support the business growth agenda. This includes current proofs of concept on powering many components of SAP Business Suite and SAP solutions for enterprise performance management (EPM) on SAP HANA, including SAP Supply Chain Management (SAP SCM), SAP Advanced Planning & Optimization (SAP APO), SAP Trade Promotion Management, and SAP Business Planning and Consolidation.

According to Béchet, leveraging SAP HANA to drive speed and efficiency in Unilever’s trade promotion processes is of particular interest, as trade promotions drive a sizable percentage of sales transactions. As part of Unilever’s regular innovation workshops it holds with strategic partner Accenture as well as with SAP, an idea was formed to utilize SAP HANA to optimize how Unilever allocates stock, leading to more timely and efficient trade promotions.

Historically, Unilever assigned stock on a sequential basis to match orders coming in. This process is sufficient when there’s enough inventory on hand, but otherwise it can become difficult to decide how best to allocate limited resources. A customer executing an important promotion, for example, would find the same percentage of an order unfulfilled as a customer without a promotion. Using SAP HANA’s real-time analytic capabilities, Unilever could match orders against inventory at any given time, instantly run profitability scenarios, and optimize the allocation of inventory. This real-time information would allow the company to minimize any impact to current promotions in the event of inventory shortages.

“With SAP HANA, our system will have the performance to do that on the fly, something just not possible previously,” Béchet says.

Looking Ahead
This idea is just one example of how Unilever collaborated with its strategic partners to identify what Béchet refers to as a “funnel of projects” related to SAP’s in-memory technology. One of those projects, currently in the early planning stages, is to move Unilever’s entire SAP Business Suite onto the SAP HANA platform.

“It’s a journey of innovation, and we’re working with SAP and Accenture on the next steps. We know SAP Business Suite powered by SAP HANA is now in general release. But we are also running some of the biggest SAP ERP systems in the industry, and we need to move to new technologies in a risk-managed way at the right point in the maturity cycle,” Béchet explains. “We had thought this would be two years out or so, but right now, we’re seeing things moving much faster than we had anticipated, so we may very well move our SAP Business Suite onto SAP HANA sooner than that.”