



Let's build a smarter planet



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## Smart is...

**Optimizing finance processes to simplify, standardize, unify and ultimately, transform global operations**

Using intelligent technology, instrumented asset-based process solutions and global delivery capabilities, Unilever Europe and IBM formed a partnership in 2005 to create a centralized "One Unilever" finance organization. Built on a foundation of process innovation and advanced analytics, this highly transformational solution delivered enhanced quality, control and access to information for Unilever Europe and created a more flexible, adaptable operating model that contributed to the company's EUR700 million annual savings.

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## Unilever Europe

*Radical transformation lets Unilever Europe focus on growth and winning in the marketplace*

*IBM and Unilever have a long-standing, collaborative partnership that has contributed to Unilever's extraordinary journey toward transformation and global integration.*

Facing soft top-line revenues and an elevated cost structure, Unilever Europe needed to make dramatic operational changes. Over the years, Unilever Europe had expanded in a siloed fashion, by country and division. As a result, this well-known consumer products giant had become a loose federation of business groups and geographies operating across 24 countries, all using multiple ERP systems. With so many different finance and accounting processes under three separate leadership teams, the result was a complex, inefficient organization that impeded growth.

In 2005 its leadership team made a strategic decision to integrate the company's multiple business units into a single, unified Pan-European organization, but needed to implement the systems and framework to enable this goal. The diversity of cultures, policies and language across Europe further complicated the challenge, as did the varying levels of technology across the company's business units, which ranged from advanced to outmoded paper-based systems.

### **Empowering people to get the most out of life**

Building on a history that spanned three centuries, in 2005 Unilever Europe reassessed its vision for the 21st century. The company's mission has always been to help people look good, feel good and add vitality to their lives. One of the world's most recognized and respected brands, with annual revenues of more than EUR44 billion, Unilever has operations in about 100 countries on five continents. The company manages more than





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## Business benefits

New centralized “One Unilever” finance and accounting organization, resulting in improved efficiency finance processes

Standardized business process integrated across the enterprise using one common ERP across Europe

Significant cost and operating savings contributing to the EUR700 million annual savings of the One Unilever program

Enhanced transparency and controls over operations

Pan-European service management with greater visibility and access to high-quality information for decision making and continuous improvement

Greater focus on core competencies, including brand and growth initiatives

A shared governance model in place at every level to help ensure key outcomes and future direction

Faster and more direct access to the benefits of economies of scale

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500 individual brands in 14 different categories and employs more than 167,000 people. Unilever Europe represents 32 percent of the Unilever global business and employs 32,000 staff.

## Creating “One Unilever”

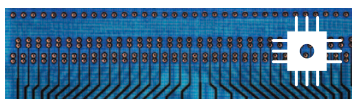
In a bold move, the company implemented a total business transformation initiative with an aggressive two-year timeline called “One Unilever,” resulting in a single ERP system across Europe that encompassed outsourcing initiatives in finance as well as IT and HR. The “One Unilever” initiative was set on an aggressive timeline, and a roadmap was developed for each activity that would be implemented over a two-year time period. The company needed to implement all components at the same time—not sequentially—because it needed rapid results.

## Teaming with the right provider

With the “One Unilever” initiative in place, the company began looking for the right service provider. With the decision to complete the work on a tight timeline, Unilever Europe elected to go to an outsourcing model rather than take a “stepping-stone” approach using shared service centers. The leadership team believed that outsourcing would present less of a risk than insourcing and decided that an outsourcing partner with a track record in helping large companies transform their businesses could do so faster. The company needed proven, innovative technology and processes from a provider that understood the challenges of change management in large-scale business transformation. Most important, it needed a provider with a like-minded culture in which Unilever Europe would be comfortable transferring some of the risk. Unilever Europe believed that IBM could provide the expertise, the experience and the

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## Smarter Finance Processes:



### Instrumented

End-to-end workflow technology captures data and enables automated processing, real-time tracking and updates for financial processes across the enterprise.



### Interconnected

An integrated worldwide delivery infrastructure built on standardized finance processes and common data standards and technology enables seamless workload balancing across multiple centers.



### Intelligent

Advanced, embedded analytics technology provides real-time granular measurement and monitoring of activities for increased process visibility, control and business insight.



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## Solution components

- **IBM Global Technology Services®:** IBM Global Process Services including business transformation outsourcing (BTO) and business process outsourcing (BPO)
  - **IBM technology:** DCIW workflow, ARCollect (for accounts receivable), IBM Global Expense Reporting Solutions (GERS) (for travel and expense reporting)
  - **IBM innovation tools for continuous improvement:** Time-Volume Capture tool (TVC) for granular measurement and real-time monitoring of activities, IBM WebSphere® Business Modeler, Screen Scraper (eliminates duplicate data entry), JET Express (automates General Ledger journal entry)
  - **IBM Software:** IBM WebSphere Business Modeler, IBM Content Manager
  - **Partner tools:** OB10 e-invoicing software; Iron Mountain (scanning services)
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*“The successful partnership between IBM and Unilever Europe, along with an ambitious transformation agenda, has delivered significant and sustainable benefits for Unilever Europe.”*

—Christian Kaufmann, Vice President Global Finance Services, Unilever

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technology it required for a more intelligent finance solution. IBM was able to bring a rigorous methodology to project management and a “one team” transition strategy that helped breed Unilever Europe’s trust. With the goal of standardizing and unifying its operations across Europe, Unilever Europe entered into a seven-year contract with IBM. The companies collaborated to establish standardized financial processes and systems and to integrate those processes with the company’s new single ERP while gaining more control and transparency over its operations.

### **An intelligent finance strategy: broad in scope, scale and speed**

This ambitious undertaking encompassed finance transactions, including general ledger, fixed assets, accounts payable, expense claims processing, bill to cash and higher-level dispute resolution activities. Business cases were made country by country, calling for rigorous management of individual situations and the associated costs. IBM provided managed business process services on a three-tier delivery model from its facilities in Krakow, Poland; Braga, Portugal; Bangalore, India; and Manila, Philippines.

### **An authentic partnership built on award-winning governance**

Beginning with a small number of countries and then gradually extending the initiative to a larger number, IBM and Unilever Europe made fluid adjustments with the process as it progressed, ensuring buy-in by the various business groups—including mid- and upper-level management and IT managers—along the way. Key stakeholders from the lead countries visited the Krakow and Bangalore service centers, and a video helped demystify and articulate the advantages of the outsourcing process. The initiative’s scope and size demanded that it be underpinned by a stringent governance model that spelled out a detailed view of the transformation model, as well as how roles and responsibilities would be assigned. The industry-recognized, award-winning governance structure also included a joint executive committee, a service delivery committee and a customer advisory board, all of which embraced a “one team” approach.

### **The fast track to efficiency: Simplify. Standardize. Integrate.**

Unilever Europe understood that transformation of its financial processes and outsourcing was critical to the success of the larger initiative. The objective was standardization of technology across the company’s 24 countries in Europe to create a single, unified operational entity. Collaborating with Unilever Europe, IBM implemented innovative and intelligent technology to enable a more globally integrated



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*“The prime objective of Enterprise Support (ES) will be to create synergies across our shared service operations, driving continuous improvements in our service levels and cost. Moreover, moving to a unified global business unit will allow us to manage our relationships with our external business partners on a global (multifunctional) level, creating fewer and simpler points of contact.”*

—Pascal Visée, Chief Enterprise Support Officer, Unilever

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enterprise. One of the largest solutions of its kind at the time, this finance and administration outsourcing agreement empowered Unilever Europe with the technology capabilities, expertise and global infrastructure it needed to meet its goals for the “One Unilever” initiative on an aggressive timeline. Working with IBM, the company transformed itself into a more responsive, globally integrated enterprise with enhanced channels designed for better and faster decision making as well as continuous performance and cost improvements. The company’s financial processes and systems have now been standardized and integrated with the SAP ERP application, providing significantly and measurably improved transparency and control.

### **Building intelligent finance processes for better business performance and resiliency**

Unilever Europe set out to modernize its finance processes using IBM technology to integrate the full scope of financial transactions from end to end. As part of the transformation effort, IBM deployed tools to standardize and automate existing processes that were connected through a common workflow technology and delivered seamlessly and consistently across an established worldwide delivery infrastructure. Finance processes at Unilever Europe are now harmonized, enabling work to be easily shifted across global centers. Regardless of location, service delivery remains efficient and consistent—enhancing business resiliency and driving sustainable cost-effectiveness.

Unilever Europe capitalized on document management workflow technology from IBM and a combination of e-invoicing and optical character-reading technology to automate data capture to accelerate accounts payable processing and minimize human touchpoints. A web-based vendor query portal automated invoice tracking and provided real-time status updates, further streamlining the accounts payable process. Proprietary ARCollect technology from IBM supported the bill-to-cash process, providing better intelligence around customer transactions to proactively identify and target high-value collections accounts and reduce the time spent resolving disputes. Together the companies implemented the IBM web-based global expense reimbursement application to standardize, reduce costs and better manage employee travel and expenses across the business while minimizing the likelihood of fraud and noncompliance. Real-time measurement and monitoring capabilities of human behaviors and process activities across



the vast IBM client base helped Unilever Europe identify trends large and small—now, in the future and in the past. These embedded analytics also provided Unilever Europe access to high-quality data that supports faster, fact-based decision making and business responsiveness. All of this technology provided a unique combination of capabilities for Unilever Europe, helping to rapidly deliver more efficient processes that translated into cost and resource savings.

### **Transformation journey delivers results then and now**

In April 2006, three months after the contract was signed, the solution went live in the United Kingdom and Poland. By the end of 2007, 90 percent of the Unilever European business was transitioned in line with the plan, with the remaining 10 percent on track. As a result of the collaboration with IBM, the company has greater access to information for decision making and continuous improvement as well as a flexible delivery model that can adapt to its changing business needs. These improvements have directly contributed to the EUR700 million annual savings of the overall One Unilever program. Through its outsourced finance and administration function, Unilever Europe manages more than 3.5 million transactions per year within its accounts payable, travel and expense reporting, fixed assets, general accounting and bill-to-cash processes. By outsourcing, Unilever Europe was able to accelerate the path to finance and administration transformation, accomplishing in less than four years what has historically taken other companies as many as 10 to 15. In addition, outsourcing allowed the Unilever Europe finance organization to release its energies from transactional processes and focus its expertise on its core business. The company significantly reduced operational costs while freeing up finances for future growth and improving the quality of operational information, productivity and business performance. A more scalable, competitive, streamlined Unilever Europe—with the help of IBM capabilities, service delivery and size—achieved the goal of capitalizing on its size and global reach to its competitive advantage.

## The journey continues

Building on its European success and newly created capabilities, Unilever launched a new global support business unit in April 2010 to extend this now-proven transformation model across the entire business. Using a standardized approach to process innovation, governance and change management, Unilever Enterprise Support integrates finance, HR, IT, information management and workplace services activities globally. The company's ambitious agenda is designed to propel it—and its shareholders—into the future with a sustainable, cost-effective and flexible delivery model that delivers continuous improvement and empowers the company to further capitalize on its global scale and maximize competitiveness in the marketplace.

## For more information

Find out more about Unilever at: [www.unilever.com](http://www.unilever.com)

To learn more about how IBM can help you transform your business, visit: [ibm.com/services/bpo](http://ibm.com/services/bpo)



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Produced in the United States of America  
September 2012

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