

Unilever Europe improves retail execution and trade promotions efficiency with IBM

Overview

■ Customer Challenge

- Improve customer management and reporting processes for sales representatives across Europe.
- Maximise return from investments in trade promotions.

■ IBM Solution

- IBM Business Consulting Services assisted in the design, implementation and management of a Europe-wide Siebel CRM programme.

■ Customer Benefit

- Improved communication between sales representatives, account managers and marketing professionals to ensure agreements with retailers are being honoured in-store.
- Improved return on promotional spend due to more targeted promotions, wider customer coverage, more precise volume planning and tighter monitoring of retail customer compliance.



Unilever Europe is a region of Unilever, the global consumer products group. Unilever Europe spans more than 30 countries and produces and promotes a wide range of products including oils and margarine, savoury products, ice cream, frozen foods, beverages, home and personal care products. Well-known brands include Bertolli, Lipton, Knorr, Iglo, Walls, Dove, Axe, Domestos and Cif.

Due to increased competition in the retail market and greater pressure on margins, Unilever Europe faced a number of challenges. “Firstly, we needed to work more closely and more efficiently with our retail customers to increase revenue opportunities,” explains Juergen Ritzek, European Customer Development Manager, Unilever Foods Europe. “Secondly, we needed to gain better visibility into the effectiveness of our in-store promotions.”

Inadequate information

Agreements are made centrally with retailer customers about which Unilever products are distributed in their stores and where these products are placed. Part of the job of the field sales force is to check that agreements are being honoured and report back to account management and marketing colleagues. However, there were no formalised ways of doing this and valuable information often fell through the gaps.

“There were different processes and technologies used by sales staff in different countries,” says Richard Kenway, Programme Manager for Unilever’s European CRM for Retail programme. “We felt that if we harmonised the process across Europe and found a suitable technical solution, we’d improve the effectiveness of our sales operation.”

Unilever was also suffering because it lacked visibility of the effectiveness of trade promotions, such as two-

for-one offers and near-checkout product placements. Like many of its competitors, the company spends vast amounts of money on trade promotions with limited information about return on investment.

A single Europe-wide solution

Unilever decided to move to a single solution across its European sales operations to address these problems. IBM had already run a successful CRM project in Unilever's German food business, using Siebel, and was asked to put forward a proposal for a Europe-wide programme.

IBM was chosen as partner for the European contract for three main reasons, according to Ritzek: its expertise in running large, complex programmes involving business, IT and process people; its experience in the fast moving consumer goods (FMCG) sector; and its Siebel expertise.

The European CRM programme has two elements: retail execution, enabling field sales staff to access real-time customer information and report back to account managers and customer marketing using tablet PCs; and trade promotions, improving return on promotional spend through greater visibility of trade promotion success.

Streamlined sales

Three countries are currently live on the retail execution element. Three more are scheduled to go live this year and another ten next year.

Unilever is already seeing substantial benefits. "Sales staff have information in real time that's customised to their needs," said Ritzek. "This reduces administration and means sales can spend more time selling and adding value to customers."

The solution also provides a structured feedback mechanism, improving

lines of communication and reporting between sales representatives, account managers and marketing professionals. It also enables sales people to offer more value added services at the point of sale.

Improving promotions

The trade promotions aspect of the CRM programme is still in development and Germany will be the first country to go live on this module. By harmonising the process for planning, executing and evaluating promotions across Europe, Unilever hopes to achieve two main benefits: improve the success rate of promotions, based on better information about what has and hasn't worked in the past; and enable better forecasting of stock levels.

Knowledge transfer was a key requirement from the outset and the proportion of IBM consultants to Unilever staff working on the programme has diminished over time. Unilever is very pleased with the way that IBM Business Consulting Services has supported the formation and drive of the CRM programme and is gradually handing over the reins to Unilever staff.

Lasting impact

Although the programme isn't scheduled to finish for a few years – by which time Unilever envisages that 80 to 90 per cent of its European operations will use the solution – it looks set to have a lasting impact. "This programme has introduced an integrated approach in our retail sales functions across Europe, harmonising processes and making performance more transparent," concludes Ritzek.

For more information

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