



Customer Success Story

Thirdware implements shared services for CPG Major

**THIRDWARE
SOLUTION INC.**



COMPANY

Hindustan Lever Limited (HLL) is India's largest fast moving consumer goods company with leadership in Home, Personal Care (HPC) products, Foods and Beverages.

HLL's brands spread across 20 distinct consumer categories touch the lives of two out of three Indians and results in sales in excess of Rs. 10,000 crores (\$ 2.5 billion). HLL is a subsidiary of Unilever Plc., a US \$ 60 billion transnational.

CHALLENGE

HLL's diverse Home and Personal Care product range (HPC), comprise popular brands like Lifebuoy, Lux, Dove, Surf, Sunsilk, Ponds, Vaseline, Lakme, Axe and Denim, which are manufactured at 36 location's spread across India. The greatest challenge for the project was to connect these locations keeping in mind the geographical spread. Another challenge that HLL faced at that point was non-harmonized master data across all its locations. Apart from these, HLL has 10-12 add-on modules (at least 100 programs in each module) working with MFG/PRO in each location and all these modules were on different versions.

The Shared Services project was envisaged in the year 2000 with an objective to **"Derive tangible IT and business benefits by centralizing factory commercial operations, thus providing a clear foundation for National Shared Services Center"**

Shared Services for HPC manufacturing was identified as a strategic initiative for process improvement and refinement. It involved concentration and consolidation of all hard non-physical process driven activities from across geographies at a centrally located Shared Services unit, thereby retaining only the operational activities at the units to provide for **"Intellectual control at the Shared Services Center and Operational Excellence at the unit "**

SOLUTION

Thirdware was chosen as the partner to help deliver Hindustan Lever's Shared Services initiative. The choice took account of Thirdware's relevant in-depth knowledge of MFG/PRO and expertise in HLL specific processes, combined with successful experiences in delivering similar consolidation projects in the past.

The HLL and Thirdware team designed and implemented a fully integrated centralized solution to support Planning, Procurement, Payments, Costing and Financial Accounting. Local teams were involved at each step of the design and implementation process. This ensured that the solution addressed local needs and was being used in a similar manner across boundaries, thereby having systems that are consistent across the entire organization while optimizing resources and technology.

Company

Hindustan Lever

Location

India

Industry

Consumer Product Group
Food and Beverages

Products

Soaps, Detergents, Personal Products, Cosmetic, Tea, Coffee, Ice cream, Processed Foods.

Solution

QAD MFG/PRO version eB

Modules Implemented

Distribution, Manufacturing, Financials, India Localization modules

Number of Sites

Thirty Six

Number of Users

500+

Environment

IBM AIX/Windows NT

Implementation Time

Phase I - 12 months

Phase II - 9 months

Phase III - 15 months





The project consisted of three distinct phases spread over the years 2001 – 2003

PHASE I – INFRASTRUCTURE CENTRALIZATION

Initiated in 2001, Activities in this phase included

- Setup of centralized server infrastructure
- Setup connectivity from units to central server
- Migration of 36 manufacturing units from distributed MFG/PRO 7.4H to eB
- Harmonization of Master Data
- Migration of 36 distributed databases to single centralized database on shared server

At the end of this exercise 36 manufacturing units were live on the Central server operating out of a single database.

PHASE II – PROCESS RE-DESIGN

The processes in the manufacturing units were analyzed to identify those suitable for centralization. For these segregated processes, an in-depth study was done on the as-is process and a future state process model was developed that leveraged connectivity and technology. The processes that were studied for transfer to a centralized shared services operations were:

- Planning & MRP – Raw and Packing Materials
- Purchase – Raw and Packing materials. (Only call-offs from the unit)
- Accounts Payable – Material & Overheads (including Engineering Stores)
- Technical efficiencies & Costing
- Financial accounting (including Fixed Assets)

PHASE III – SHARED SERVICES CENTER

- Designing and Building a Shared Services Organization at HLL – From Vision to Operation
- Leveraging Innovative Technology for greater Impact
- Shared Services Performance Measurement and KPIs
- Workforce Transition Management and Operational Handover

BENEFITS

- IT Cost Savings – Reduced hardware costs, Reduction in custom codes by 40%, Reduced helpdesk calls
- Improved Operational Excellence by standardization of business processes
- Availability of on-line data due to centralization – Data Warehousing, Supplier/Customer Collaboration, Supply Chain Planning made easier. Ability to leverage company-wide data enabled improved decision making
- Effective allocation and use of resources, increasing flexibility to business change and growth through greater ability to absorb increased volumes

ABOUT THIRDWARE

Thirdware is a global IT services and outsourcing firm committed to helping clients utilize best of breed technologies to achieve sustainable competitive advantage. Utilizing leading edge collaboration software, Thirdware delivers an integrated suite of world class enterprise applications that are affordable, scalable and manageable.

Study prepared by Thirdware in cooperation with Hindustan Lever

