Unilever’s approach to Transportation

Warsaw, 12th October 2015
MARTIN KLEINHEMPEL

• Global Process and Technology Manager Transportation
• Lead of Unilever Global Transport Management Design Authority

FRED KEMPKESES

• EDI & Interoperability Manager
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. In 2013 we achieved a turnover of €49.8 billion and had 174 thousand employees.

14 Unilever brands have a turnover of €1 billion or more
TRANSPORTATION APPROACH
FROM EUROPE TO GLOBAL
Unilever Supply Chain

65 factory locations
100 distribution centers
>250,000 customer locations
Unilever Supply Chain

Material Supplier

Unilever Factories

Distribution Centres

Trade Customers Distribution Centres

Inbound transports

Primary transports

40 000 transports per month
2007-now
From locally managed transports to one European transport model

• **Before Ultra: Different ways of operating transports via**
  - (External) 4PL or
  - Factory or country teams or
  - Material Supplier

• **2008: UltraLogistik**
  - Unilever Transport & Logistics
  - Internal 4PL (no truck owning)
  - Launched in 2008

• **Operations Centre**
  - E2E Transport Operations
  - Logistics service support

ULTRALOGISTIK EUROPE

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<tr>
<th>Raw &amp; Pack Transport</th>
<th>Primary Transport</th>
<th>Secondary Transport</th>
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- 400 Suppliers
- 65 Factories
- 100 Warehouses
- 150+ Main Carriers

€290m

Transport Order Development
Volumes / Month

- 2008
- 2009
- 2010
- 2011
- 2012
- 2013
THE KATOWICE OPERATIONS HUB JOURNEY

Co-located with the factory

2003
Unilever
Transport Planning
Office Poland & Baltics

2006
Unilever
USCC founded in CH

2008
Unilever
UltraLogistik Transport
Operations Europe

New Office

2012
Finance Operations

2013
Central Planning

2014
DRIVING SUSTAINABLE GROWTH IN TRANSPORTATION

- **Customer Service**
  On time in full focus, partnership approach, strong carriers.

- **Carbon Efficiency**
  Measurement and reduction of CO2 emission for transport.

- **Cost Driven**
  Deliver savings
Customer Service

… visibility and control of transportation E2E

… selection of reliable carriers

… building partnerships with carriers and customers

> 99,5 % of shipments “on-time”
DRIVING SUSTAINABLE GROWTH IN TRANSPORTATION

• Carbon Efficiency

enables ….

… CO2 friendly transport mode decisions

… increase load fill of equipment used

… reduction of km travelled
ULTRALOGISTIK CAPABILITIES

PART OF UNILEVER, NOT OUTSOURCED
• Can challenge status quo
• All shareholders driving Unilever optimization
• Access to E2E information & people across functions

PEOPLE AND COMMUNICATION
• Well educated team, language skills
• Service mind set
• Dynamic and diverse team

STANDARDISED & CONSOLIDATED ACTIVITIES
• Scale benefits, synergies of centralizing the teams
• Reporting: real visibility & focused improvements
• Best practices across the region for value creation
.... spurred on by the successes of Ultralogistik model in Europe Unilever top management decided in 2010 to roll-out the concept globally
Various different local or outsourced TMS solutions

Ultralogistik Transport Operations Europe

Global Ultralogistik roll-out powered by global OTM solution

2011/12
US/CANADA
MEXICO
PANAMA

2013
BRAZIL +
EUROPE (TMS upgrade)

2014/5
INDIA
INDONESIA
SOUTH AFRICA

2015
CHINA
TURKEY
SOUTHERN AFRICA
AUSTRALIA*)

< 2007

2008

2010

3 OTM instances

> 2500

* planned
Building a network of control towers across the globe

- Common organizational model
- Scope of service - inbound, primary, secondary & international
- TM System deployed

* by end of 2015
ULTRALOGISTIK CONCLUSION

- Reduction of transport cost by ~8% (EU)
- Load fill improvements of 3% on average per load
- Reduced total vehicle kilometers driven by 29 million km, or roughly 1.7% across our key global markets
- Reduced our CO2 emissions on average by 9% (NA, BR, MX, EU)
- Strong in-house transport management capabilities – external recognized

... WHILE IMPROVING / MAINTAINING CUSTOMER SERVICE LEVEL
USAGE OF GS1 STANDARDS FOR TRANSPORTATION

– PRIMARY TRANSPORT
HIGH LEVEL PROCESS DIAGRAM

Ultralogistik

Tender Request
Tender Response
Shipment Status

Unilever

Collection
Collect/Deliver

Suppliers

Location

Factory DC
TRANSPORTATION TENDERING

1.0 Transport requirements are managed in Unilever’s ERP through Customer Ordering (=Secondary Transportation), Procurement from Suppliers (=Primary Inbound Transportation) and Planning and Manufacturing (=Primary Outbound Transportation).

2.0 Deliveries are created in Unilever’s ERP system.

2.1 Deliveries get integrated as transport orders in UTMS (Unilever Transport Management system).

3.0 Transport Orders are planned and optimized into shipments.

3.1 Transport Planner tenders the shipments, sent to the Carrier using GS1 TransportInstruction 3.0 messages.

3.2 The Carrier checks/plans the shipment execution checking equipment, driver availability etc.

3.3 The Carrier accepts/declines the transport assignment by sending TransportInstructionResponse 3.0 messages to Unilever.
   - If the Carrier accepts the assignment, he will move into transport execution mode.
   - If the Carrier Declines the assignment, the transport planner will retender the shipment(s) with a different Carrier.
1.0 The Carrier picks up the goods at one or multiple pickup location(s)
Date/Time and Reason codes in case of delay are captured and sent to Unilever UTMS using **GS1 TransportStatusNotification 3.0** messages

1.1 These get integrated as pickup events in Unilever UTMS

2.0 The Carrier drops off the goods at one or multiple dropoff location(s)
Date/Time and Reason codes in case of delay are captured and sent to Unilever UTMS using **GS1 TransportStatusNotification 3.0** messages

2.1 These get integrated as pickup events in Unilever UTMS
CARRIER INTEROPERABILITY DOCUMENTATION

• Based on GS1 XML V3.0
• Info and schema’s available on GS1 website
• 2 message types are relevant
  Transport Instruction and Response
  Transport Status Request and Notification
• 3 Interfaces
  • Tender Request (TransportInstruction)
  • Tender Response (TransportInstructionResponse)
  • Shipment Status (TransportStatusNotification)
• Unilever Usage specified in documents
• GS1 Global Location Number ‘GLN’ to be used as sender/receiver of the messages
• Internet connectivity via AS2
GS1 STANDARDS USED

- XML TransportInstruction 3.0
- XML TransportInstructionResponse 3.0
- XML TransportStatusNotification 3.0
- All managed as ‘shipments’
- SSCC’s
- GLN’s
  - Used to identify senders/receivers of messages (=Company/Entities)
  - Used to identify transport pick-up/drop-off locations in the message payload

Interfaced with Oracle (UTMS), SAP/ECC (ERP).
So not used: GTINs, GCIN.
Most of these carriers migrated from EDIFACT and EANCOM to GS1 XML, the rest implemented on GS1 XML from the start. Planning for 2015-2016: another 10 to 15 carriers.
EXPERIENCES

• Smooth implementation with +-60% of our Carriers
• Close assistance needed with the remaining 40% due to:
  • Unfamiliarity with GS1 Standards (even GLN)
  • Business process alignment
  • First time implementation of AS2 for Carriers

• Timeframes
  • Smooth implementation within 6 weeks project time
  • 8-10 weeks for partners needing close assistance
CHALLENGES

• Data exchange and integration from (all these different) GPS systems from trucks on the road
  • For slot planning (drop-off & pick-up)
  • For delivery planning
ULTRALOGISTIK
VIDEO