



Retail supply chain collaboration in India gets a boost with new IT platforms

Indian E-tailers Increasingly View Supply Chain As a Profit Center

Unilever Moves Supply Chain Finance to Global Shared Services

March 5, 2014 Viktoria Sadlovska BRIC 1 comment

Global fast moving consumer goods (FMCG) giant Unilever is planning a number of operational changes this year, which it [announced](#) at its annual meeting last December. These include reducing the number of products and improving working capital management, with a goal of achieving "at least €500 million in savings by mid-2014". The goal is to increase profit margins by focusing on the best-performing products and increasing operational efficiency.

For Unilever's emerging market subsidiaries, this plan translates into organizational changes and increased focus on improving operations. As part of its operational transformation, Unilever is in the process of consolidating and transitioning more operational functions into its shared services organization called Unilever Enterprise Support - "a global business unit that will manage the company's shared business services, made up of HR Services, finance transactions, IT services, information management services and workplace services".

The move towards shared services will impact supply chain-related processes of the company's Indian subsidiary - Hindustan Unilever (HUL) - and other emerging market subsidiaries. Changes will include integrating and standardizing cost reporting on supply chain transactions in these markets. The transition will involve multiple emerging markets in which the company operates, including "a group of countries in the different clusters in Africa, Asia and Russia (AAR) finance organisation" that will be transitioning into "the global ways of working for supply chain finance".

In a recent job opening [description](#) for a Senior Supply Chain Transition Manager in Bengaluru Area, India, HUL explains that the consolidated global Supply Chain Finance Services team "is responsible for the end-to-end supply chain accounting processes from supply chain transactional activities". The goal of this organizational change is to centralize all operational supply chain finance and costing activities across Africa, Asia and Russia and then "embed these changes into the current AAR MCO [Africa, Asia and Russia multi-country organization], Supply Chain and Sourcing units organisation".

Such dedicated focus on understanding and managing supply chain costs throughout its global operational units highlights Unilever's understanding of the important role the global supply chain plays in delivering operational efficiencies and driving profits throughout the organization. It will also create a central command-and-control unit for any future supply chain finance initiatives that the company may decide to undertake with its suppliers and customers in emerging markets.

Integrating global supply chain cost reporting into its shared services organization will increase Unilever's visibility into costs across emerging markets, enabling it to find new ways of improving its financial supply chain management. It can also help uncover opportunities for innovative supply chain finance programs that can bring further benefits to the company and its global supply chain partners, such as improved access to capital at the right stages in the global supply chain.

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- Transportation infrastructure (roads,

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johnmardlecashperform March 7, 2014 at 3:57 am -

Excellent news and hopefully supplier innovation will not be stifled as with Apples approach to SCF

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