SIEMENS
Ingenuity for life

Consumer products

Unilever

Perceptible differences that drive top-line growth

Products

Teamcenter, NX

Business initiatives

New product development

Knowledge and IP management

Production efficiency

Business challenges

Sustainable growth

Rising cost of raw materials

Huge product portfolio

Employees spread across more than 100 countries

Keys to success

10-year partnership with Siemens

Global visibility of entire product portfolio and raw material specifications

Knowledge re-use

Common system for packaging design

Results

Better profit margins

Top-line growth

Order of magnitude reduction in raw material specifications

PLM technology supplies the framework for innovation on a global scale

150 million times a day...

...someone, somewhere in the world, chooses a Unilever product. Unilever's brand portfolio spans 14 categories of home, personal care and food products and includes world favorites such as Lipton, Knorr, Dove and Omo. The company employs 179,000 people in 100 countries worldwide. Its products are sold in the Americas, Europe and Asia/Africa in roughly equal distribution.

Innovation is critical to sustaining Unilever's growth. "We see product innovation as one of the key drivers of top-line growth," says Huw Evans, R&D director of information in Unilever's Home and Personal Care Division. Unilever defines product innovation this way:

"Product innovation means providing the consumer with a product that delivers a perceivable benefit that is differentiated from those of our competitors and that differentiation drives the choice to purchase and use that product," explains Evans. "You can change products to improve their price differentials, for example, but if the consumer is not really experiencing a difference, then we wouldn't classify that as innovation. Innovation is about consumer-perceptible benefits that drive choice. To help achieve this Unilever invests €1 billion every year in research and development, which includes support for five major laboratories around the world that explore new thinking and techniques to help develop our products."

Innovation best practices

For the past 10 years, Unilever has partnered with Siemens Digital Industries software to create a global specification management system that serves as

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Huw Evans
R&D Director of Information
Unilever, Home and Personal Care Division

the first major component of its product lifecycle management (PLM) system supporting its product innovation process." A company such as Unilever, with a global organization and a complex product portfolio, would not be successful without some independent technologies to support it," Evans says. "PLM technology components from Siemens are examples of such critical, independent technologies. PLM will provide the framework for information management in our product innovation process, supporting the common process, the common structure and the common language that we must have if we are going to create innovative products that address unmet consumers' needs and are deployed quickly to market."

Establishing a partnership with a PLM supplier, as Unilever has with Siemens, has been an important innovation best practice, according to Evans, because it supports many other innovation strategies. "The partnership with Siemens has provided us with a cornerstone in our approach to PLM," he says. "Quite frankly, if we hadn't been working with Siemens, I don't think we'd have achieved what we have so far. Siemens has brought a lot of value."

Specification management

Specification management has been helpful to Unilever as it strives to innovate in the face of rising raw material costs. Using SIMATIC IT Interspec specification management functionality from Siemens, Unilever has achieved global visibility for all raw material specifications, allowing an order of magnitude reduction in the number of specifications in the organization.

Purchasing fewer materials in greater quantities gets the company better deals with suppliers. But Evans also sees a strong, and equally powerful, connection to innovation. "We can invest the money we're saving back into driving value for innovation," he explains. "If you think about it, it takes a certain amount of R&D time to develop and manage and maintain any individual specification. If you're reducing that by an order of magnitude, clearly there's R&D time that can be reinvested elsewhere."

Knowledge re-use

Another innovation best practice that would be impossible without PLM technology is knowledge re-use. This is very important to Unilever's strategy of

Solutions/Services

Teamcenter
siemens.com/teamcenter

NX
siemens.com/nx

SIMATIC IT
siemens.com/mom

Customer's primary business

Unilever is a leading global provider of home, personal care and food products.
www.unilever.com

Customer location

London, United Kingdom
Rotterdam, The Netherlands

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driving top-line growth through innovation because, as Evans explains, "We cannot afford to invent a completely new product every time we need to innovate. The re-use of componentry in new and creative ways is as important as the inventive step itself."

Teamcenter® digital lifecycle management software from Siemens facilitates knowledge re-use by providing a single source of product information for the entire global organization – something Unilever is currently putting into place to support its deployment of CAD for its packaging function. Evans believes knowledge re-use will not only facilitate the innovation process, but it will also support the faster cycle times that the current competitive climate dictates.

Unilever's innovation efforts are not limited to its products. They extend to production design processes and package design as well. PLM software from Siemens is also being used by Unilever to support these areas. For example, Unilever uses the NX™ digital product development system from Siemens to design its packaging. "Packaging is a very large component of our product. It's certainly the first thing that a consumer sees so it's a big driver of choice," Evans explains. "Getting that right is very important. NX is underpinning our common way of working in the packaging function."

PLM at Unilever is not an IT project, according to Evans. He refers to it "as a technology-enabled business change project that evolves with Unilever's business priorities." In a company such as Unilever, where innovation is always a high priority, PLM solutions from Siemens Digital Industries Software are providing a solid foundation for future growth.

Siemens Digital Industries Software

Americas +1 314 264 8499
Europe +44 (0) 1276 413200
Asia-Pacific +852 2230 3333

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