

BearingPoint®

Cutting-edge transport management system harnesses the operational excellence of Henkel



Implementing a standardised transport management process across Henkel's entire outbound supply chain has supported faster and more agile responses to the changing needs of its customers, while leveraging transport consolidation potentials.



‘With BearingPoint’s supply chain process know-how and TMS experience, we were able to identify the crucial business requirements and ensure their correct implementation.’

Robert Meckel,
TMS Program Manager
Business, Corporate Senior
Manager Supply Chain
Laundry & Home Care
Henkel

‘In this complex environment of a cross-business-unit project involving multiple parties, BearingPoint strongly supported Henkel in aligning and pulling stakeholders in the right direction.’

Uwe Peuser,
IT Program Manager
Henkel

‘The commitment and momentum the BearingPoint team brought to the project were key factors in the successful implementation.’

Matthias Kloth,
Corporate Director,
Integrated Business
Solutions – Process
Consulting Supply Chain
Henkel

About Henkel

Germany-based Henkel is a major consumer and industrial goods group, with noted brands such as Persil, Schwarzkopf and Loctite that have obtained globally leading market positions. Operationally, the multinational is organised into three business units: Laundry & Home Care, Beauty Care, and Adhesives Technologies. Its employees, around 50,000-strong, mostly work in locations outside its home base. In fact, the multinational has recently been pushing even deeper into new markets – a strategy that has by many counts paid off handsomely: in 2014, it reported sales of 16.4 billion euros, 44% of which was generated in emerging economies.

Globalising forces heighten pressures to revamp transport management

By 2012, it became apparent that Henkel’s transport management processes needed an overhaul. Since transport management was organised locally, there was no overarching system with which to manage the common application of best practices.

Added to that, changing customer expectations, remorseless competition, rising volatility in transport costs and fuel prices, plus new markets - and with them a host of new regulatory rules to navigate - all served to push local arrangements to their limits.

Yet the way forwards was far from clear. Rationalising and coordinating three business units - traversing 50 countries with their attendant IT systems, processes and behaviours - was a vastly ambitious undertaking. This reality was not lost on Henkel management: it reached out to BearingPoint for help, reassured by our expertise in transport management systems (TMS), adaptive ways of working, and proven methodologies in supply chain management.

Together the team set out what the TMS should deliver:

- Reduction of transport costs and emissions
- Improved logistics services
- Transparent end-to-end process
- Better data for freight purchasing and network optimisation
- Higher automation of TM processes
- Strengthened carrier relationship

Exploring the feasibility of a new TMS solution and developing the business case

BearingPoint worked with Henkel on a pre-study to begin to drill-down on a solution. By mapping the IT landscape, organisational design, transport processes, network flows, and tariff structures, the team gained a synoptic view on the operational life-cycle of the company’s transport system.

They also engaged in scenario planning to investigate ways to consolidate. For instance, if shipping consignments from different plants both heading on the same day to the same customer could be joined, a savings potential might be realised. If a new department of Transportation Management was created, greater process standardisation might follow.

The process blueprint was another key element in the planning. Whilst there was significant local variation within countries, the team sought to simplify and bring the transport planning, execution and settlement into alignment by designing the main processes connecting the entire transport life-cycle. For this, an online process design tool was utilised. This provided real-time visibility on the TM process for all involved

transport planning departments worldwide, not only during the on-site process workshops, but enabling distributed enhancement of the designed processes afterwards.

Around this time, a rigorous and independent review of software vendors took place, with Oracle's TMS handpicked from the bunch. As it turned out, the selection process itself also served to enrich the business case going forwards, thanks to actual data that emerged during vendor negotiations.

The recommended Transport Management department was established, housed within the shared services centre (SSC) in Slovakia. There, transport planners were tasked with driving best practices in a centralised manner. This organisational restructure ensures execution of standardised processes and frees local resources to focus on country-specific trouble-shooting and exception handling.

Besides standard processes, introducing the TMS functioned as a catalyst for further standardisation. This applies to tariff structures as well as warehouse and carrier communication on a technical level. BearingPoint provided valuable consulting to the Henkel Business Process Owners to ensure a holistic approach.

Comprehensive implementation

Within the impressive time-frame of under a year, the team fulfilled the implementation project up to the go-live of the pilot in Spain, Portugal and Taiwan. Afterwards the team oversaw the Global Roll-out. The TMS has already gone live in locations such as China, Belgium, the Netherlands, Luxemburg and the Europe-wide intercompany business of Beauty Care. This involved BearingPoint supporting as well as taking the lead in various functions, such as managing interface setup and master data checks; process consulting, including designing additional functionalities; managing the integration of carriers; training new users; supporting the newly built SSC department; locally supporting China with process and sea freight expertise; and providing overall project management expertise and support.

To date, the team have onboarded nearly 200 transport service providers, either seamlessly integrated via EDI or through web-portal access. The Roll-out will continue apace until early 2017. Ultimately, 600 transport service providers and 200 plant and warehouse units will have been integrated for transport planning optimisation.

Uniting an operational and business logic to pave the way for growth

When Henkel made the strategic decision to integrate its business units using a unified TMS, it wanted not only to reap cost-efficiency gains through transport consolidation. It also wanted to drive operational excellence through its 'simplicity' and interoperability - in a manner befitting a globalised economy. Most important, the broader goal was for a system that would promote practices and behavioural changes of a consistently high standard to support the next wave of growth. Although the project is ongoing, these goals are already tracking well.

Standardisation has enabled greater automation of TM processes, which in turn has provided greater end-to-end visibility through the value chain. Logistic services have been improved, as have existing carrier relationships. Moreover, the ready availability of data has lowered tender preparation for freight purchasing. All this has laid the groundwork for greater agility and faster response times to the needs of customers, which will deliver a powerful competitive advantage to Henkel in the years to come.

At bottom, the success of the project rested on the sound and intelligent planning work the team conducted. The seamless integration of Henkel and BearingPoint project teams formed an efficient and collaborative working environment. BearingPoint brought to bear operational know-how coupled with a steady hand to its design and orchestration. This has enabled Henkel to achieve its objectives.

'BearingPoint provided expertise and support with regards to strategic project topics as well as detailed expert discussions throughout the project from pre-study to implementation. The TMS helps Henkel achieve standardised transport processes across business units and, in addition, it enables joint execution of transports with corresponding savings potential. This has assisted us in putting Henkel's strategic goals into concrete actions.'

**Dr. Klaus Engelmann,
TMS Program Manager
Business, Corporate
Director, Head of
Replenishment and Export
Europe Beauty Care
Henkel**

Committed consultants with adaptive intelligence

BearingPoint consultants understand that the world of business changes constantly and that the resulting complexities demand intelligent and adaptive solutions. Our clients, whether in commercial or financial industries or in government, experience real results when they work with us. We combine industry, operational and technology skills with relevant proprietary and other assets in order to tailor solutions for each client's individual challenges. This adaptive approach is at the heart of our culture and has led to longstanding relationships with many of the world's leading companies and organizations. Our 3,500 people, together with our global consulting network serve clients in more than 70 countries and engage with them for measurable results and long-lasting success.

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