



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



Excellence is our Passion

Implementing a standardized 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.

## 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 organized into three business units: Laundry & Home Care, Beauty Care, and Adhesive 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.

## Globalizing 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 organized 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 forward was far from clear. Rationalizing and coordinating three business units - traversing 50 countries with their attendant IT systems, processes and behaviors - 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 optimization
- 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, organizational 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 realized. If a new department of Transportation Management was created, greater process standardization 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 utilized. 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 center (SSC) in Slovakia. There, transport planners were tasked with driving best practices in a centralized manner. This organizational restructure ensures execution of standardized 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 standardization. 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, Luxembourg 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 has 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 optimization.

## 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 globalized economy. Most important, the broader goal was for a system that would promote practices and behavioral changes of a consistently high standard to support the next wave of growth. Although the project is ongoing, these goals are already tracking well.

Standardization has enabled greater automation of TM processes, which in turn has provided greater end-to-end visibility through the value chain. Logistics 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.

*'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

---

*'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 standardized 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

## About BearingPoint

BearingPoint is an independent management and technology consultancy with European roots and a global reach. The company operates in three business units: The first unit covers the advisory business with a clear focus on five key areas to drive growth across all regions. The second unit provides IP-driven managed services beyond SaaS and offers business critical services to its clients supporting their business success. The third unit provides the software for successful digital transformation and regulatory requirements. It is also designed to explore innovative business models with clients and partners by driving the financing and development of start-ups and leveraging ecosystems.

BearingPoint's clients include many of the world's leading companies and organizations. The firm has a global consulting network with more than 10,000 people and supports clients in over 70 countries, engaging with them to achieve measurable and sustainable success.

For more information, please visit:

Homepage: [www.bearingpoint.com](http://www.bearingpoint.com)

LinkedIn: <http://www.linkedin.com/company/bearingpoint>

Twitter: @BearingPoint

## Contact

Kay Manke  
Partner  
[kay.manke@bearingpoint.com](mailto:kay.manke@bearingpoint.com)