

COVER STORY

WALKING THE TALK

One of the biggest aspects where HUL's USLP proposition has had to make an impact is in its manufacturing units. For **Pradeep Banerjee, Executive Director, Supply Chain**, the road has been of constantly upping the benchmarks to deliver on the larger HUL goals

IN addition to its brands, talent and market leadership, Hindustan Unilever has traditionally boasted of a deep and strong distribution network backed up by a supply chain that today is among the most extensive and complex in the industry. Over the years, HUL's supply chain has grown into a competitive machine with globally benchmarked performance on core deliverables such as safety, quality, service, cost and cash.

"HUL has hardwired end-to-end with IT systems that gives it a responsive and agile supply chain. The R&D team continues to bring innovations that have fuelled the top line and bottom line growth of the company," comments Pradeep Banerjee, Executive Director, Supply Chain at HUL.

He explains that the supply chain function has strived to stay at the forefront of technology, backed up with contemporary employment practices that eventually lead to a cost efficient and responsive supply chain. "We work in a collaborative mode with our partners, suppliers, co-packers, logistic providers, etc. We have continued to evolve in the four core areas of supply chain, for example, plan, source, make and deliver. We have taken a holistic view which encompasses end-to-end solutions," Banerjee says.

Creating the Competitive Advantage with Tech

The HUL supply chain has been reshaping its cost and asset base by leveraging digital capabilities across the four core functions of planning, sourcing, making and delivering. It focusses on a set of metrics that requires absolute integration with the needs of the business and providing innovative solutions.

"We deeply believe that supply chain will win when the business we serve wins. Our credo is rooted in creating competitive advantage for the business which we serve. We encourage collaboration, empowerment and experimentation to create end-to-end solutions," Banerjee says.

Citing the example of personal care business, he explains that as the company charts its growth strategy,



Applying USLP in Supply Chain

1. In 2016, HUL reduced CO2 emissions per tonne of production by 49 per cent compared to 2008. This reduction has been achieved through initiatives such as enhanced usage of biomass-based fuels, installation of equipment for utilisation of process waste from factories like spent coffee, tea, etc., and use of hot air generators
2. HUL achieved 16 per cent increase in share of renewable energy in 2016 compared to 2008. Use of biogenic fuels, installation of biogas plants at five factories and use of solar thermal systems at various units led to this increase in share of renewable energy
3. Water usage (cubic meter per tonne of production) in manufacturing operations has reduced by 53 per cent compared to 2008 baseline. Initiatives like captive rainwater harvesting and use in processes and utilities; increase in condensate recoveries; reduction of water losses from boiler and cooling tower contributed to this reduction
4. Total waste generated from the factories reduced by 45 per cent in 2016 as compared to 2008. Factories

- identified newer avenues for re-use and energy recovery from waste, in addition to the current reduction and recycling streams, within the purview of statutory guidelines of waste disposals
5. HUL maintained the status of 'zero non-hazardous waste to landfill' from all factories and offices. All of the factory generated non-hazardous waste was recycled in environment friendly ways
 6. Innovations in packaging led to reduction in the use of plastic in 2016. HUL substituted commodity polymers with performance-based polymers, optimised the packaging designs and changed the packaging formats of products to consume less plastic. As a result, it reduced waste generated due to polymer by 1,400 tonnes
 7. In addition to this, HUL also saved 7,000 tonnes of paper across categories and 50 tonnes of glass in foods category through material usage optimisation.
 8. Along with material waste reduction, packaging process optimisation led to 350 tonnes of reduction in CO2 emission in cosmetics category.

supply chain will need to develop capabilities for mass scale sampling of products in a cost efficient manner in its urban and rural markets. For this, it has brought in Unilever global expertise, technology and vendors together to create an infrastructure that is now enabling growth.

"Another good example is the way we serve our customers and retail trade. The IT linkages and the algorithms have enabled us to develop supply chain replenishment through the lens of segmentation. This is enabling our front end sale system, in improving dramatically its performance on service and quality on the retail shelf," states Banerjee.

The Unilever Experience

Banerjee, who has spent over 35 years with the company, has worked with Unilever in different markets. He points out that over the course of this journey, much has changed drastically but a few things have remained constant.

"Despite the state of continuous re-invention over the past few years, that has helped Unilever stay ahead of the game and remain competitive, what has not changed are the company's core values," he says.

He lists integrity, responsibility, respect and pioneering

REFRESHING CAPABILITIES TO REACH GREATER GOALS

We have leveraged technology to deal with the discontinuities like GST in a very effective manner. Our constant endeavour is to refresh our capabilities in leading us to collaborate with many startup companies that are bringing in new ways of handling logistics operations into our business. Every day we get closer to our intent of manufacturing today, what we sold yesterday."

as some of these values, and adds, "Unilever is rock solid on its ambition to create value and do it in a manner which is socially responsible. We would like to ensure that we create economic value while increasing our positive social impact. The above non-negotiables will continue to guide us through the volatile business environment."

Banerjee draws attention to HUL's broader vision that revolves around making sustainable living common place. Much of this can be achieved only by making an impact in its manufacturing units and factories. In the last few years, HUL has progressively moved the needle on this and achieved targets that are in line with its going green vision.

"To realise this vision, the company has invested in a long-term strategy of driving growth through brands with purpose, taking out costs from our business, reducing risks and helping us build trust. In the process, it is creating long-term value for the multiple stakeholders that we serve," Banerjee sums up. **BW**

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