

VP

FUNDAMENTALS

VOORNE PARTNERS

The Business Innovation Company



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Spring 2011

The Lofty Oak from a Small Acorn Grows

- Lewis Duncombe

Or perhaps more fittingly as Charlie Brown of Peanuts fame said “every oak tree started out as a couple of nuts who decided to stand their ground” And on that note we welcome you to our Spring Edition of VP Fundamentals. After the long, cold, wintry weather it’s always a pleasure when Spring arrives, bringing with it a sense of new growth and beginnings; the essence of which migrates to our thoughts and ideas allowing new Projects to take form and develop. And it does sometimes take the persistence and belief of those ‘couple of nuts’ to get some major Initiatives off the ground.

This is no less true for us within Vorne Partners where several initiatives are taking shape as 2011 progresses. In our Personalities Section we feature Paul Greenwell, one of our UK based VP consultants, who offers process expertise in the area of Finance – having already assisted our Clients on SBE Implementation Feasibility Studies and Consolidation Implementation Projects.

We have forged a Partnership with FPM Solutions BV; a consultancy firm located in the Netherlands delivering high quality consultancy and services for the SAP Business Objects Planning and Consolidation product suite. Together we will be able to offer our Clients a complete service offering, from the translation of business requirements into the design of new business processes and through to the implementation phase with both configuration and Project Management expertise. Sandra van Hoven, a Senior Consultant from FPM Solutions writes an article on Financial Consolidation.

Wim van Heijzen reports on the Partnership initiated with IDS Scheer, whose Aris Software is a world market leader in process analysis and optimisation. This will allow us to facilitate clearly measurable improvements of customers' business performance on a vendor-independent platform.

Gert Holm our Managing Director, shares our success in signing a global consultancy contract with AkzoNobel.

And last but not least, we would like to thank Unilever and Kuwait for sharing information on a major project they successfully completed, which we were delighted to work on with them.

Enjoy reading this Spring Issue of VP Fundamentals.

Karen Appleyard
Delivery Manager





Personalities: Paul Greenwell



My first exposure to Vooorne Partners was as a customer over ten years ago. I was part of a team implementing a major change programme. The programme was pan European in terms of scope and involved changes to the legal entity structure of the business, its relationship with customers and to the IT system that hosted all the key business processes.

From the outset I was impressed by Vooorne Partners pragmatic and hands on approach to delivering key project objectives and by the maturity and experience each consultant brought to the table. All had 'done this before'

At the end of 2009 I left a major global Chemical company after 27 years service, during which time I had successfully carried out a huge variety of roles in both Finance and IT. The full spectrum, from Management Accountant to Shared Service Centre Manager in Finance, to Project Team Leader to Global SAP Support Manager in IT. Over 27 years I just about covered it all.

It is this broad breadth of experience that enables me to help the Clients of Vooorne Partners. Often it is difficult for an individual faced with a huge Change Project to immediately see what needs to be done, in what order and what the potential pitfalls are. I can set this framework early in the Project and with detailed content knowledge of Financial Business Processes get the Project moving, get processes designed and get issues resolved in a timely manner.

The work I do for Clients has included helping a major Utilities Company design their Consolidation Processes and how they will be enabled both by a new IT System and by procedural changes within their Organisation. This covered documenting the process design in a Blueprint Document, through to supporting the Implementation of the Project - which delivered on time and in full. I have also helped a Chemical Manufacturer understand how their new Steering Model and Trading Model should best be enabled by their system Enterprise Model, which led to some considerable simplification in their Financial Structures and Processes.

Financial Process Design, enabled by IT is the main area which I get involved in, and it is the hands on practicality, working closely with Clients that I enjoy the most.

As well as a professional accounting qualification, from a leading UK body, Paul also has a degree in Economics from the University of Leicester in the UK.

Unilever Managing Business Change

Unilever initiated a project to ensure its return on investments in advertising and promotion activities were optimised, using a single effective IT tool to manage and control the efficient market roll-out of its brands and innovations. This involved:

- Further harmonisation and standardisation of promotion-related business processes
- Increased optimisation of the S&OP processes.

Unilever's Process Office Department (the corporate 'bridge' between operational business and IT) worked with Unilever business experts from different countries to evaluate the process for setting up, preparing, analysing and executing product promotions. The result was a unique pan-European business process blueprint supported by one common set of tools and systems, to be implemented as TPME (Trade Promotions Management & Evaluation).

Implementation Analysis

Unilever Benelux (BNL) was one of the first selected to roll out this new process. The company asked Vooorne Partners for support with an impact analysis of project implementation and help in preparing the Benelux organisation for related change.

Acting as local project manager, Vooorne Partners coordinated and supported the input, requirements and project activities on behalf of the Benelux operations and ensured alignment with the Process Office's overall TPME project planning and execution.

The detailed analysis phase included :

- Conducting a High Level impact analysis of the new solution
- Creating a plan of approach for BNL business involvement for the detailed analysis phase
- Managing, supporting and guiding the detailed analysis phase for BNL business resources and input in line with overall Process Office plans
- Managing and guiding coordinated input to the detailed analysis phase on the different market circumstances (and related local processes) then existing in Belgium and the Netherlands
- Preparing the business related activities for the high level plan of TPME implementation ensuring complete coverage of BNL critical items.
- Delivering to the BNL board an impact analysis of the business critical items for decision to Go or No-Go with TPME

Using the techniques introduced by Vooorne Partners, the business organisation was brought fully on board and gained a thorough understanding of the change the new solution would bring.

Implementation support in UK and DACH

After the Unilever Process Office's detailed analysis phase was executed in Benelux, UK/Ireland and DACH (Germany, Austria and Switzerland), actual project implementation was initiated for UK/IRL and DACH.

The approach and support provided by Vooorne Partners for BNL led the Unilever Process Office to ask Vooorne to coordinate all business input and run-up activities for the DACH and UK implementation.

By creating one central execution plan for all the countries concerned Vooorne Partners, together with the Process Office, achieved a single approach and single voice from the business. Implementation was on time and led to a successful Go-Live with no major interruptions to business. As the 'voice' of the business organisations, Vooorne Partners helped the Central Implementation Team to:

- Identify the right business priorities
- Secure availability of business resources throughout the implementation phases
- Deliver the required local change management activities





Fokke van der Veer (VP Supply Chain Benelux):

"With its very pragmatic but well structured approach, Voorne Partners helped us during a stage where our organisation was in the midst of multiple (organisational and process) changes.

Voorne Partners helped us reduce the workload on our organisation and with the focused project involvement of our people were able to pinpoint the important items for the Benelux organisation. As an 'outsider' Voorne Partners significantly helped to create good interaction between the business and the Process office/IT, achieving an approach that balanced the need for harmonisation on one hand and pressure from specific business requirements on the other. Their business sense, combined with speed and process knowledge, helped us a lot in the decision making process for this project."



On any given day, two billion people use Unilever's products. With 163,000 people in around 100 countries worldwide, the world-wide turnover in 2009 was €39.8 billion. The products are sold in over 170 countries around the world. In many countries Unilever manufactures the products that they sell, while Unilever also exports products to countries where Unilever does not have manufacturing operations. Unilever is the global market leader in all the Food categories in which they operate and Mass Skin Care and Deodorants in which it operates and it has very strong positions in other Home and Personal Care categories.

Financial Consolidation and Reporting: The End of the Spreadsheet Era, by Sandra van Hoven

Financial consolidation and reporting is the combination of the financial positions and earnings reports of a parent company with those of various subsidiaries in a single set of financial statements as if they were a single entity.

It serves two main objectives. Firstly, it helps a company's top management and financial stakeholders, such as shareholders, employees and suppliers to evaluate the company's economic performance and health. Secondly, it enables the financial and legal authorities to review and ensure a company is acting in compliance with applicable legislation and regulations.

Increasing demands imposed on financial consolidation and reporting

Financial consolidation and reporting has become increasingly complex over the last decade. Structures of companies are constantly subject to change as a result of mergers, acquisitions, divestments and internal business reorganizations. In response to the financial scandals, legislators and regulators have imposed strict regulations on companies to ensure correct and transparent financial reporting. And on top of that companies face a constant pressure to reduce their reporting deadlines.

Dealing with these demands in a spreadsheet based system results undoubtedly in a cumbersome solution, prone to mistakes and errors. Despite that, Gartner estimates that still some 50% of the large and 75% of the midsize companies are using spreadsheets to meet their financial consolidation reporting requirements.

From a spreadsheet based towards an automated closing process

With the complexity increasing, so has the demand for solutions supporting a flexible high-quality financial consolidation process. Solutions that allow the financial staff to focus on the analysis and understanding of the figures instead of spending time on transactional work. Solutions that produce accurate auditable financial statements quickly. And most important which put accurate and timely information into the hands of the decision makers, so they can act more effectively and faster.

Benefits of automated financial consolidation & reporting solutions	
Process automation	built in rules for currency conversion, intercompany reconciliation and consolidation adjustments
Integration with source system	automation of data extraction, transformation and loading routines
Enhanced data quality	due to less manual intervention and data validation rules
Flexibility	ability to handle changing organizational structures by period
Audit ability	ability to track changes
Robust security	handling data sensitivity needs
Ease of maintenance	solution to be maintained by the business
User friendly	intuitive reporting capabilities with drag-and-drop functionality
Faster close	

Items to consider before implementing an automated financial consolidation & reporting solution:

- ❖ Corporate chart of account impact
- ❖ Corporate reporting set versus business reporting sets
- ❖ Accounting principles
- ❖ Intergroup & intra group principles and matching process
- ❖ Closure calendars and a need to accelerate the process
- ❖ A good blueprint



Voorne Partners and FPM Solutions consolidate their services for the provision of financial consolidation and reporting solutions

Voorne Partners and FPM Solutions have entered into a partnership for the provision of financial consolidation and reporting solutions.

FPM Solutions is a consultancy firm located in the Netherlands delivering high quality consultancy and services in the areas of financial consolidation and reporting and business planning and control.

Together VP and FPM are able to offer our Clients a complete service offering. From the translation of business requirements into the design of the new business processes and through to the implementation phase with both configuration and project management expertise.

*Sandra van Hoven,
Partner*





Let the SUNSHINE in ... logistics processes

During the last three years Kuwait Petroleum in North West Europe (KPNWE) has been implementing a project to come to a more centralised approach to the North West European business. This included the closure of local offices and centralisation of businesses and functions at the center in Antwerp. As a consequence of this, the logistics department absorbed new countries into the existing organisation in Antwerp. Due to speed of the implementation, processes were taken over as they were performed in the local organisations and the logistics department in Antwerp needed to handle different processes per country and customer segment. Consequently, logistics administration required a lot of effort. Shortly after the centralisation project, a corporate initiative was launched to accelerate the month end closing process. Faced with these two challenges, KPNWE turned to Voorne Partners for support in streamlining the administrative logistics processes in terms of speed, reliability, and resource requirements. To achieve the expected substantial process improvements and benefits, project Sunshine was born.

Designing the European Process Platform (EPP)

As a first step all existing processes per country and business line were mapped using MIFA (Material and Information Flow Analysis), a lean management technique to capture, visualise, and analyse all key characteristics of logistic flows in one go. The results were used to identify strengths and weaknesses and to design a harmonised and efficient solution. Voorne Partners facilitated the process through a series of interlocking and cross-functional workshops covering as-is assessment and solution design.

This collaborative approach helped KPNWE logistics to understand the variance in its processes and to build consensus and support for a standardised solution: the European Process Platform (EPP). It is built around a series of highly automated core processes, simplifies and harmonises the current process landscape, and can be "copied" to accommodate new businesses as the company continues to grow. Additionally, improvements in truck planning / inventory management, forecasting, and fuel contamination prevention were identified.

Building the European Process Platform

After the overall design had been accepted the project team went on to describe the impact of the EPP in detail for all countries and business lines. The next step was to build, test, and implement the EPP. Voorne Partners used a parallel approach making sure that learnings from one area could be used to update others seamlessly while the EPP grew.

Planning quality was improved by introducing a new forecasting tool that suited the dynamics of the oil business better, and by optimising order and trip planning parameters. To tackle cross contaminations of different fuels a poka-yoke** solution was developed, piloted, and implemented in a joint effort of KPNWE / Voorne Partners, its logistics service providers, and suppliers of tank truck equipment.

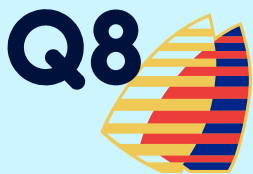
As the organisational implications of the EPP and improvements in planning became clearer, a change management stream was phased in to update the organisation structure, job descriptions, and to come up with a coherent training concept and communication plan. Voorne Partners provided KPNWE with the methodology and templates to identify critical areas of change and their organisational impact in a structured and efficient way.

As Koenraad Vankelst, Director Logistics and HSSE of KPNWE said:

"I felt that we worked really well as a team, Voorne Partners and KPNWE, and that the people within KPNWE learned a lot from you as well. A big thank you again for all the hard work. You gave us the necessary tools, it is now up to us to show to the company that we have entered a new era, with more automation, standardisation and efficiency."

After all, the Sunshine project not only delivered the quantitative benefits that KPNWE had targeted but also highlighted the non-monetary real value of excellent supply chain management in terms of simplicity and flawless execution.

*** Poka-yoke (...) is a Japanese term that means "fail-safing" or "mistake-proofing". A poka-yoke is any mechanism in a lean manufacturing process that helps an equipment operator avoid (yokeru) mistakes (poka). Its purpose is to eliminate product defects by preventing, correcting, or drawing attention to human errors as they occur.*



Kuwait Petroleum refines and markets fuel, lubricants, and other petroleum derivatives to a diverse customer base across Europe under its distinctive "Q8 sails" logo.

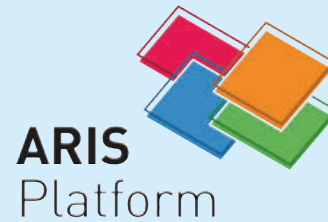
Its network of more than 4,000 Q8 branded service stations extends across seven European countries - Italy, Germany, Sweden, Denmark, Holland, Belgium and Luxemburg. Q8 is at the forefront of developing forecourt retailing by expanding the range of goods and services offered - serving the needs of the local communities and motorists. In some markets this is through establishing partnerships with other companies - in the Benelux an alliance with supermarket chain Delhaize provides a complete "mini-supermarket" service.

KPI owns through International Diesel Services (IDS) a network of fully automated 24hours outlets supplying diesel to large national & international road transport across Europe. Own customers are serviced through our highly automated logistics network, where our investment in technology plays an important role in ensuring timely delivery of the highest quality products.

VP loves BPM!



Gert Holm & Mark Straathof undersigning the partnership agreement



On Thursday 23rd December Voorne Partners and IDS Scheer signed a partnership agreement regarding their Business Process Management (BPM) tool ARIS. The ARIS platform provides integrated software products that help companies to continuously improve their business processes. The products cover every phase of a process improvement project, from strategy definition and process design to the transfer of process models into IT systems and monitoring of process execution. ARIS is the industry standard in Europe and is aligned to and integrated with SAP R/3.

Voorne Partners will use ARIS to store and maintain their VP Process Reference Model, which is used as a best practice process basis for our customers. Where possible, the ARIS products will be used for process design and implementation in our customer projects.

This partnership will combine the strength of Voorne Partners' in-depth business knowledge and IDS Scheer's market leading BPM solution and make that also our customers will love BPM!

AkzoNobel & VP sign global consultancy contract

AkzoNobel and Voorne Partners have entered into a Global Consultancy Contract. Both companies already have a longstanding relationship and see this contract as a confirmation for further effective projects.

Gert Holm (Voorne Partners) and Monique Beersma (Global Purchasing Director) are signing the contract.



www.voornepartners.com

VOORNE PARTNERS BV

"Thorbeckestaete"
Thorbeckelaan 82-f
3201 WK Spijkenisse
The Netherlands
tel. +31 181 400 578
fax +31 181 400 579

VOORNE PARTNERS GERMANY GmbH

Kaiserswerther Strasse 115
40880 Ratingen (Düsseldorf)
Germany
tel. +49 2102 420 632
fax +49 2102 420 62

VOORNE PARTNERS UK Ltd

1st floor, Holborn Gate
330 High Holborn
London WC1V 7QT
England
tel. +44 20 7203 8370
fax +44 20 7203 8409