

INTERACTIVE SESSION: MANAGEMENT

COLGATE-PALMOLIVE KEEPS MANAGERS SMILING WITH EXECUTIVE DASHBOARDS

Colgate-Palmolive Company is the second largest consumer products company in the world whose products are marketed in over 200 countries and territories. The company had 38,600 employees worldwide and \$16.734 billion in annual revenue in 2011. Colgate has been keeping people smiling and clean around the world, with more than three-quarters of its sales in recent years coming from outside the United States. Colgate's brands in oral products, soap, and pet food, are global names, including Colgate, Palmolive, Mennen, Softsoap, Irish Spring, Protex, Sorriso, Kolynos, Elmex, Tom's of Maine, Ajax, Axion, Fabuloso, Soupline, and Suavitel, as well as Hill's Science Diet and Hill's Prescription Diet.

The secret to continued growth and stability for the past two decades has been Colgate's ability to move its brands off shore to Latin America, Europe and Asia. In the past, Colgate divided the world into geographic regions: Latin American, Europe, Asia, and North America. Each region had its own information systems. As long as the regions did not need to share resources or information this patchwork system worked, more or less. This all changed as global operations became more integrated and senior management needed to oversee and coordinate these operations more closely.

Colgate had been a global SAP user since the early 1990s, but it was running five separate ERP systems to serve its different geographic regions. Over a period of time, disparities in the data developed between different geographic regions and between the data used at the corporate level and the data used by an individual region or business unit. The data were constantly changing. For example, every time a sales report was run, it showed different numbers for orders and shipments. Colgate wanted more usable data to drive business decisions and all of its managers and business units worldwide to use the same version of the data.

Colgate chose to solve this problem by creating a single global data repository using SAP NetWeaver Business Warehouse, SAP's analytical, reporting and data warehousing solution. Colgate's regional ERP systems feed their data to the warehouse, where the data are standardized and formatted for enterprise-wide reporting and analysis. This eliminates differences in data across the enterprise.

One of the outputs of the warehouse for senior managers is a daily HTML table showing a series of financial and operational metrics for the day compared to the previous month and quarter. The data the executives see is exactly the same as what their peers in all Colgate regions and business units see.

However, the data were not being used by enough employees in their decision making to have an impact on business benefits. Colgate's power users had no trouble using the reporting and analytical tools provided by the warehouse, and they were satisfied with the matrix reports from the system. Colgate's senior managers and other casual users, on the other hand, did not feel comfortable running ad hoc reports or drilling down into the layers of data to answer questions the data brought to light. They did not have much time to spend developing reports, and the standard reports produced for them by the warehouse lacked navigation and drill down capabilities. Tables had no color coding so users could only interpret the data by scrutinizing the numbers on the table.

Eventually Colgate's senior managers and other casual users began requesting deeper access to the warehouse data in a more timely and user-friendly format. They wanted reports that were easier to run and where the data could be interpreted faster. Senior management requested customizable, real-time dashboards that could be more easily used to drive performance improvement.

Colgate's information systems specialists then implemented SAP NetWeaver BW Accelerator to speed up data loads and improve user perception and adoption and SAP BusinessObjects Web Intelligence to build customized reports. SAP BusinessObjects Web Intelligence provides a powerful, intuitive interface that enables business analysts and non-technical business professionals to ask spontaneous questions about their data. Casual business users can use simple drag-and-drop techniques to access data sources and create interactive reports that drill, slice and format information based on their needs. Tools for cutting edge visualization allow end users to view two- and three-dimensional charts and hone in on specific areas of focus.

Colgate started using SAP's BusinessObjects tools to build user-friendly dashboards, and quickly

created dashboard prototypes for management to review. Once management approved the dashboard design, the dashboards were populated with production data. Now Colgate's senior managers are running the dashboards to monitor the business from a high level.

Employee training was essential to the dashboards' success. Members of Colgate's global information systems development team created customized courses for Colgate's 65 business intelligence experts and ran the classroom training. The training identified people that could be used as resources for developing the reporting tools. When word spread about the dashboards' capabilities, Colgate's power users signed up for the classes as well.

For Colgate, better reporting tools that can support different kinds of users have greatly expanded the use of business intelligence throughout the company. Currently about 4000 users interact with Colgate's SAP systems daily but this number is expected to expand to 15,000 to 20,000 users in

the future. People who are accustomed to seeing reports stuffed with numbers are finding that they can use the information presented in dashboards to make faster decisions. For example, managers can determine positive or negative financial conditions by simply looking for where dashboard reports use the color green, which reflects improvements in Colgate's financial position. Executives who formerly relied on other people to obtain their custom reports and data are able to access the information on their own. They can see real data from the system much more easily and quickly.

Sources: Paul Ziobro, "Colgate Shows Improved Growth," *Wall Street Journal*, April 26, 2012; Colgate Palmolive Corporation, "SEC Form 10K for the Fiscal Year Ending December 31, 2011," Colgate Palmolive Corporation, February 26, 2012; David Hannon, "Colgate-Palmolive Empowers Senior Leaders with Executive Dashboards," *SAP InsiderPROFILES*, April-June 2011; www.colgatepalmolive.com, accessed July 22, 2012; and SAP, "Placing Relevant Business Content within Business User Reach," 2011.

CASE STUDY QUESTIONS

1. Describe the different types of business intelligence users at Colgate-Palmolive.
2. Describe the "people" issues that were affecting Colgate's ability to use business intelligence.
3. What management, organization, and technology factors had to be addressed in providing business intelligence capabilities for each type of user?
4. What kind of decisions does Colgate's new business intelligence capability support? Give three examples. What is their potential business impact?