

POMS 2015 Martin K. Starr Excellence in Production and Operations Management Practice Award

The Martin K. Starr Excellence in Production and Operations Management Practice Award has been instituted by the Production and Operations Management Society (POMS) to recognize contributions made to the field of Production and Operations Management (POM) by POM practitioners. This award is based on exceptional quality of contributions to the POM field and is presented to an individual who has done an exceptional job in making advances in the practice of POM, promoting the profession, making an impact, and building a linkage between industry and academics. These contributions are not restricted to a single organization and may span time spent at several organizations during the career of the candidate. The cumulative contributions made by the candidate during his/her career are evaluated. It is an international award and is open to all POM practitioners from around the world. It is POMS' most prestigious award to recognize a practitioner and industry leader. The POMS' Board in its annual meeting held on April 28, 2006 in Boston, U.S.A. unanimously approved that the award be named after Dr. Martin K. Starr. The POMS' Board in its deliberations noted that Dr. Starr has contributed to POMS and its activities since its inception and has been a constant source of guidance and inspiration to POMS. Naming this award after him is indeed a great recognition of his services to the POM profession in general and the POM Society in particular.

The first ten recipients of the award are: Dr. Dean Bartles (2014), Josue Gomes da Silva (2014), Mr. Thomas Debrowski (2013), Dr. Gang Yu (2012), Mr. Edwin Keh (2011), Dr. Krishan Kumar (2010), Ms. Erin J. Wallace (2009), Dr. Dino Petrarolo (2008), Dr. Corey A. Billington (2007) and Mr. Lee Cockerell (2006). All ten recipients are esteemed members of the POM field. Dr. Dean Bartles is currently serving as the General Manager of the Ordnance and Tactical Systems Division at General Dynamics. Mr. Josue Gomes da Silva is the Chairman and CEO of Conteminas, a global bed and bath home fashion products company based in Brazil. Mr. Debrowski was Executive Vice President, Worldwide Operations, Mattel, Inc. Dr. Yu is the co-founder and Chairman of NewHeight Corporation and The Store Corporation (www.yihaodian.com). He is also an Adjunct Professor at Beijing University, Tsinghua University, The Chinese University of Hong Kong, Wuhan University, and Shanghai Jiaotong University. Mr. Edwin Keh served as Chief Operating Officer and Senior Vice President of Wal-Mart Global Procurement. Dr. Krishan Kumar is the Director of Maruti Automotive Center of Excellence, Maruti Suzuki India Limited, the largest automobile manufacturer in South Asia. Ms. Erin J. Wallace serves as Senior Vice President of Operations Integration Line of Business for Walt Disney Parks & Resorts. Dr. Dino Petrarolo is the Managing Director at Shatterprufe, South Africa's Automotive Glass Manufacturer; and prior to his current position, Dr. Petrarolo served as the Global Head of Manufacturing Development, SABMiller pic, Sandton, South Africa. Dr. Corey Billington is Professor of Operation Management and Procurement at IMD in Lausanne, Switzerland; and prior to his current position he worked as Senior Vice President for Hewlett Packard (HP). Mr. Lee Cockerell is a

consultant, author, and speaker, now retired as the Executive Vice President of Operations for the Walt Disney World Company.

The committee for the 2015 award unanimously selected one candidate from a slate of excellent candidates — Mr. Pier Luigi Sigismondi.

Pier Luigi Sigismondi – Chief Supply Chain Officer Unilever

Pier Luigi Sigismondi was appointed Chief Supply Chain Officer in September 2009 and is a member of the Unilever Leadership Executive. An Italian national, he holds a Masters in Industrial & Systems Engineering from the Georgia Institute of Technology, Atlanta, Georgia.



Pier Luigi started his career with Booz Allen & Hamilton as an industrial engineer working in the aerospace and automotive industries and heading several multi-national assignments in the US and Europe. He joined global management consultancy A T Kearney in 1997 as Principal, becoming vice president of operations in Italy. Focusing on strategic procurement, manufacturing and logistics across industries, including fast-moving consumer goods (FMCG), appliances and retail, he led numerous assignments in South East Asia, Europe and Latin America.

In 2002, Pier Luigi joined Nestlé SA as vice president of corporate operations strategies, based in Switzerland. He was responsible for industrial strategies and the restructuring of the group worldwide as well as for management of global cost improvement programmes. He moved to Nestlé Mexico in 2005 as vice president of supply chain and R&D.

Since his very beginning as COO of Unilever, Pier Luigi brought a complete different approach to the Supply Chain organization across the globe. His initial contribution was related to the way of thinking and designing Unilever's Supply Chain. He implemented a new mindset where the operational excellence should overcome the traditional operational KPIs to be a growth engine for the company. In that sense, he positioned Supply Chain as a key area to support the performance of the company. However, his vision and new approach were not enough to deliver alone the outstanding results seen over the last years. Therefore, Pier Luigi led the implementation of important capabilities in the Supply Chain organization.

In the Manufacturing area, he created the Global Manufacturing Excellence area that launched the worldwide implementation of WCM methodology as a continuation of the TPM journey which has delivered solid results over the previous 10 years. He also centralized the management of capital investment and technology development leveraging Unilever's global scale through the delivery of core design equipments to all

factories, on top of enabling the exchange of assets among operations and the optimization of investments.

In the Customer Service area, Pier Luigi and his leadership team designed and implemented a robust transformation over the last 4 years. First, a new S&OP methodology and expert team were put in place with a disciplined roll out across the global, focused on the most relevant countries. The improvements in the Forecast Accuracy and Forecast Bias have not only contributed to customer service levels, but also reduced the investments in additional capacity and increased the return on assets (with better capacity utilization). A second important contribution in the customer service journey was the creation of the so called Logistics Control Towers. Control tower is the name given to the centralized logistics and order to cash operations that leverage scale, improve customer service and reduce costs, delivering also a strong knowledge management in operations. Today, these control towers are centers of excellence spread around the global, for instance in New York, Panama and Sao Paulo for Americas and in Katowice-Poland for Europe. With this centralized capability in the control towers and the improvement of the customer service teams located in each country, Pier Luigi implemented a complete new approach to the operations with what he called 'Global scale with local intimacy'.

In the Cost and Cash field the contributions are remarkable. The first improvement to highlight is related to cash improvement. Because of the capabilities implemented in the factories, in the S&OP process, Logistics and Order to Cash process, the global stock levels measured in Days on Hand were reduced in more than 10 days, releasing a relevant amount of money to be reinvested in the business. The second improvement to mention is the savings generation along the last 4 years. The operations across the globe delivered a savings amount higher than 3% of the turnover year on year, being a strong contributor for improvement of gross margin. However, the results in cost savings came not only through the discipline and efficiencies of the operations, but also from a new approach brought by Pier Luigi: the Low Cost Business Model (LCBM). Through this process, the entire P&L of a specific category in a specific region is scrutinized to find opportunities that go from formulation and pack materials until commercial discounts given to customers, a real end to end approach.

Another important contribution led by Pier Luigi is related to the Sustainability agenda. Based on Unilever's sustainable living plan, the Procurement team launched an ambitious program to disproportionately increase the amount of raw materials sourced from renewable sources (carton, oils, fats, cocoa and many others). This approach is also embedded in the factories across the globe, with strong programs related to water, energy and waste reduction. This new way of doing business was recognized by the market and Unilever is today in the top industry group in Dow Jones Sustainability Indices.

Last but not least, it is important to highlight the importance given by Pier Luigi to the set up of a winning team with a high performance mindset. Pier Luigi has implemented a real global organization that is also strongly connected to each market place. He

implemented a strong training program to factory leaders and senior leadership that includes, for example, sessions with the Royal Mariners and Lotus Formula 1 team. All of this to create the proud of being part of a winning Supply Chain organization.

All this effort and innovative approach in the way of leading operations brought not only strong results to Unilever, but also recognition in the industry. According to Gartner analysts in their annual supply chain research, in 2010 Unilever was in position #21 among the top supply chains in the world. With all the improvements implemented under Pier Luigi's leadership, Unilever evolved to position #10 in 2012 and #4 in 2014, being the #1 in the FCMG and the #1 in Europe. All these achievements and recognitions mentioned above are the reasons why Pier Luigi is being nominated as a candidate to Martin K. Starr Excellence in Production and Operations Management Practice Award.

The committee for this year's award consists of the following:

- Dino Petrarolo (Chair), Senior Vice President, Competitive Capabilities Int., South Africa.
- Martin K. Starr, Emeritus Professor, Rollins College, Winter Park, Florida, U.S.A, and Emeritus Professor, Columbia University, New York, U.S.A.
- Thomas Debrowski Executive Vice President, Worldwide Operations, Mattel, Inc. (Retired).
- Henrique Correa, Professor, Rollins College, Winter Park, Florida, U.S.A.
- Norma Harrison, Professor, Macquarie University, Sydney, Australia.
- Norman Faull, Emeritus Professor, University of Cape Town, Cape Town, South Africa.
- Pauline Found, Senior Lecturer in Operations and Lean at University of Buckingham