Simplify your business with Data Unification

MDM and Global Data Synchronization

Felix Loecher, GDS Program Manager
Global Data Synchronization

Powered by SAP NetWeaver
Master Data Management

The Key to Successful Collaboration
SAP’s Solution for Global Data Synchronization
Case Studies
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Case Studies
Collaborate for Profitable Growth

ALL collaborative processes require synchronized master data

Order

Dispatch Advice

Invoice

CPFR

e tc.
Key to Collaboration is Synchronized Data

The continuous harmonization of data attribute values between two or more different systems, with the end result being the data attribute values are the same in all of the systems.
Trends Around Global Data Synchronization

GDS today

- Two groups
  - Benefit focused global players
  - Manufacturers that must comply with a retailers mandate
- The most advanced projects are those that are business and not IT driven

2007 Trends

- RFID Implementations Will Incrementally Move to Item Level, further driving GDS initiatives
- GDS is a real issue with manufacturing in Asia and Latin America
- Industry standards are the new strategic battleground
- Change in mentality from pure price or cost-cutting to collaborative innovation
- Manufacturers and retailers look for integrated solutions rather than pure data sync. solutions

Gartner, March 2006, Gain Value Sooner With a Clear Understanding of the Global Data Synchronization Road Map
Lack of Global Data Synchronization Significantly impacts your value chain because of
- Multiple systems & interfaces
- Conflicting item definitions
- Different proprietary SKUs numbers

Resulting in
- Slow product updates via multiple channels and systems
- Challenges of getting new products to market
- Incorrect / returned shipments
- Deductions & lost shelf time

We do not talk the same language of business, ...

*Cap Gemini, 2006, Data Accuracy in the Consumer Goods and Retail Industry
The Business Case for Global Data Synchronization (GDS)

GDS is a No-Brainer. Quick ROI and low TCO

Consumer Products/Retail

- Inaccurate product data leads to $30+ billion cost on supply chains (Source: Global Commerce Study)
- Total savings potential is 1%-3% of supply chains costs
- Elimination of duplicate records results in saving of up to $1,000/year/record (Data management survey by GICOM)

Examples

- Johnson & Johnson have virtually eliminated data integrity-related out-of-stocks at Wal-Mart U.S - resulting in 2.5% fewer out-of-stocks
- In Guatemala, Procter & Gamble and retailer La Fragua have increased purchase order accuracy by 3%
- At Dutch retailer Albert Heijn, GDS has measured a 30% productivity improvement in their data management department.
- Gillette Venezuela improved their order processing productivity by more than 50%
- US retailer Wegmans has increased store sales by increasing speed to market on new items by two weeks
- Unilever Colombia improved new item speed to market from 3 to 4 weeks to just 2 to 3 days, increasing item sales by 2 to 3 weeks

*Cap Gemini, 2005, Global Data Synchronisation At Work in the Real World Illustrating the Business Benefits
Global Data Synchronization

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The Key to Successful Collaboration

SAP’s Solution for Global Data Synchronization

Case Studies
MDM is the Foundation of our CP Strategy

1) Build the Base
   Master Data Management
   Build the Foundation for Integration and Collaboration

2) Enable Core Business Processes
   Enterprise Resource Management
   Build the Foundation for Transaction Processing

3) Grow Consumer Intimacy
   Consumer-Driven
   Analytics
   Discover Actionable Insights

   - New Product Development and Introduction
     Discover Define Design Launch
   - Integrated Sales and Marketing
     Brand Promote Sell Service
   - Demand Driven Supply Network
     Plan Execute Sense Respond
The First Step to Enterprise SOA

Accelerate new business processes with accurate master data

- **Flexibility & Speed**
  Unify any data
  Unify customer, product, employee, supplier and user defined data with one solution to build robust business processes

- **Insight & Productivity**
  Industry insights
  Supports 1Sync (UCCnet, Transora), configurable for other industries

- **Consolidation & Control**
  Easy deployment
  Pre-built data models, mappings and iViews
IT SCENARIO VARIANTS

Master-Data Consolidation
- Cleansing and de-duplication
- Data normalization including categorization + taxonomy management
- Interactive consolidation capabilities

Master-Data Harmonization
- Automated synchronization of master data information that is globally relevant
- Interactive and automated distribution capabilities

Central Master-Data Management
- Central data creation
- Ongoing master data quality

MDM ENABLED BUSINESS SCENARIOS

Rich Product-Content Management
- Powerful capabilities to load, aggregate, and search on parametric product data
- Intelligent image management and Web/print publishing

Global Data Synchronization (GDS)
- Consistent trade item data exchange with retailers via data hubs (e.g. UCCnet or Transora)

Customer Data Integration (CDI)
- Consolidating and managing customer data from all available sources
- Customer data management capabilities such as matching, standardization, and survivorship
The GDS Scenario: Definition and Key Capabilities

**Definition**

Manage trade-item exchange between CPG manufacturers and retailers via a certified data pool of the GDSN.

**Key capabilities**

- Lean and focused GDS
- Seamless and integration with backend
- Flexible end-to-end solution
- Leverages MDM technology
- Fits on top of existing system landscape (Low TCO)
SAP has a holistic View on GDS

- SAP is part of the GS1 community
- GS1 Standard compliant
- Certified to for 1Sync data pools
- Build to connect the dots between RFID, MDM and GDS
- SAP committed to the GS1 standard: GUSI, GEPIR integration
- Partner enabled
The Process Flow

SAP NetWeaver

GDS
- Adding GDS relevant content to trade items
- Creating trade item objects from material master data
- Uploading material master data into GDS
- Registering trade items
- Publishing trade items to trading partners
- Requesting trading partner action

Data Pool

Retailer

Exchange Infrastructure

Backend

Application Platform

Load ERP material data
Create trade items
Enhance GDS relevant info
Register with data pool
Publish to trading partners
User Interface

You know the process, you know the tool

- Thin client
- Intuitively, easy to use
- Customizable search fields
- Adaptable roles
Keep up with the constantly changing GS1 Standard

Support of customer specific requests

- Add fields and tables to the underlying MDM schema.
- New inbound and outbound modules support import and export regardless of the schema,
- Define the appearance of fields
- Add, move or remove Tabs, Groups, and Fields
- Define default values and mandatory constraints
Highly Flexible: Adapt to Your Needs
Ensure Data Quality: Validation of Trade Items

Different Levels of Validation

- At data entry level
- When saving tabs
- At Item level
- In bulk
Quickly Duplicate Trade Items
Use Own Market Groups To Publish To
Combine MDM Scenarios e.g. Product Harmonization and GDS in PCDM Scenario

1. ERP – 3rd Party
2. Legacy
3. ERP – My SAP
4. XI
5. MDM Import
6. MDM Syndication
7. GDS Console
8. MDM Import
9. MDM Product Repository
10. MDM GDS Repository
11. MDM Server
12. DBMS
13. DP

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SAP NetWeaver®

WHIRLPOOL

Key Challenges
- Inadequate data synchronization, resulting in slow partner communications and updates, inaccurate item definitions, and credit errors
- Inability to deliver consistent, accurate information to partners, due to 17 separate product information databases

Project Objectives
- Implement an integrated solution to deliver consistent product information through UCCnet (now part of 1SYNC) to all trading partners
- Implement a 3-phased approach to data synchronization: compliance, business process improvement, and collaborative optimization

Why SAP® Solution
Support for emerging Internet standards and Web services, enabling more efficient business communications

To provide the same, consistent product data to its worldwide retailers and partners, the Benton Harbor, Mich.–based Whirlpool Corporation publishes its global trade item data on UCCnet – the global data pool for product information. In order to consolidate this data, the global manufacturer of household appliances turned to the SAP NetWeaver® platform.
SAP NetWeaver®

Implementation Highlights
- Established working relationships with multiple divisions
- Emphasized needed changes to business processes
- Presented opportunity to standardize data
- Provided potential to develop data in new, consumer-focused way

Key Benefits
- Reduced errors, due to elimination of manual tasks and spreadsheets
- Streamlined sales processes
- Improved efficiency company-wide
- Enabled accurate reporting
- Enhanced supply chain and order execution
- Improved ability to quickly introduce new products
- Decreased trade partner setup time

“Cleaning up our data and developing it in a new way that is consumer focused will help our retailers get our brand messaging out to the consumer more effectively than ever before.”

Dave Cosgrove, Director of E-Business for North America, Whirlpool Corporation
Why Colgate decided to implement Data Synch?

- Trade compliance requirements
- Slow product info communication to trade
  - 5 – 50 days / 30 days to retailers system
  - Conflicting item definitions
  - Inaccurate
- Multiple tables & interfaces
- Challenges of getting new products to market

Excerpt Colgate Presentation Sapphire US ´06
Why Colgate decided to implement Data Synch?

- Quickly meet the challenges
  - Business – data cleansing
  - Started off with in-house developed solution
  - Using 1Sync (Transora) as our datapool

Excerpt Colgate Presentation Sapphire US ´06
Trade Status

11 trade partners in Holland – GS1DAS

Excerpt Colgate Presentation Sapphire US ´06
Business Issues

- Trade compliance requirements being pulled in NA & Europe

- Each has their own variation of attributes requirements
  - Built 80+ attributes
  - Built rules for edits
  - $150 + 200 = 350$ attributes in 1Sync
  - $10+$ attributes per quarter
  - Built 23% -> 77% to go

- GSMP rules change / new

- 1Sync network upgrade

- All the above means
  - Heavy development/maintenance effort required
  - Slow down response to our trade partners

- Not in a position to meet the next challenge
  - Price & Promotion

- Lack Global visibility

Excerpt Colgate Presentation Sapphire US ´06

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Why SAP

- **Architecture**
  - Colgate’s synergy with SAP
  - Integrated solution embedded into MDM
  - Support for Web service standards
  - Based on Netweaver technology
  - Not just a demo – this is a ‘working’ product

- **SAP’s support**
  - Quick access to development team as appropriate
  - Work together to address gaps
  - New release towards implementation
    - SAP-GDS SP04

- **SAP-GDS covers our needs**
  - 1Sync standards attributes and any additional
  - Support Global requirements
    - Multi language
    - Central dashboard
    - Unidirectional communication
  - 1Sync certified
Building Blocks

- SAP-GDS as the Cornerstone of Data Synch effort

- Phase 1
  - Trade compliance – item synch
  - One to many – Data to anyone, anywhere

Excerpt Colgate Presentation Sapphire US ´06
Building Blocks

Benefits (Phase 1)
- Standardization of business process
- Drive supply chain efficiency
- Reduce trade partner set-up time
- Increase automation usage
- Enable increase speed to market for new products
- Ready for any trade partner requirements
- Eliminate need to re-invent the wheel
- Integrate into ESA planning & strategy
  - Paves the path for future SAP products
  - GDS-SP04 – Planned for Qtr 3, 06 migration

Phase 2
- Pricing & Promotion publication
- Image publication, etc

Phase 3 (Beyond Data Synch)
- X-category optimization e.g.
  - Supply -> RFID
  - Demand -> pricing & promo

Excerpt Colgate Presentation Sapphire US ´06
The Benefits of GDS are real and instant
SAP is committed to the GS1 Standard

The SAP MDM GDS solution is a
- Powerful, easy to use application to enable the data exchange with retailers
- It is Certified for 1Sync data pools
- Seamlessy integrated with the backend
- A highly flexible End to End solution
- High reuse factor, entry point for full blown MDM solution

Successfully implemented with some of worlds‘ best CP companies
Questions?

Q&A
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