Why PIM?

Transform your Product Information Management Processes

- An Executive Presentation
- Last Revised 12/05/19

Agenda

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- Sample Problem statements

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- Conclusion

- What is PIM

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- Why invest in PIM now?

- Product Data Flow

- PIM Landscape

- Realization Roadmap

- Why ERP is not PIM

- Next Steps

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Summary

- Most CPG leaders rate digital a top priority

- Brands need to share comprehensive, accurate, and timely digital product information with retailers, marketplaces, regulatory authorities, search, social media, and other digital platforms

- A recent McKinsey survey of senior CPG leaders found that most consider digital technologies to be a priority, but few have defined a clear strategic vision linked to actions. The major obstacles cited were a lack of skilled resources, out-of-date software models and an inadequate IT infrastructure, the absence of data standards, and obsolete data-management systems.

- Retailers expect product data from Brands, have less IT budgets and rely on Brands with few exceptions (Walmart, Home Depot etc.)

- Regulatory compliance examples: CPG companies required to comply with European Union's Food Information Regulation (EU FIR), US FDA, California Prop 65

- By 2023, 58% of US retail sales, roughly $2.9 Trillion, will be digitally influenced**Forrester Research

- Lack of data standards, and obsolete data management systems are top barriers to digital excellence

- These challenges lead to brand damage, higher costs and complexity, and lost sales

- What is needed is a central repository of trusted product information (i.e. a PIM) and automated data exchange with retailers, marketplaces, and other digital platforms

Objectives

- Improve digital competitive advantage

- Improve sales (at brand, category and product level)

- Enhanced customer experience, deliver localized experience

- Optimize content processes and resources

- Enhance brand integrity and control

- Improve business-to-business collaboration across the supply chain

Sample problem statements

- It take months to publish one product to our retailers via GDSN/1WS

- Our retailers constantly complain about the lack of rich product data and we are always in catch up mode

- Our marketing department is frustrated and is going with their departmental solution

- We have manual processes in place to top-off retailer specific product information

- Our brand websites have their own process to collect product information and rely heavily on external agencies

- We are not able to handle the product assortments needs of our warehouse retailers due to inflexible product data processes

- Our label graphics team has their own process to collect the product data

- We have manual product content translations processes, resulting in delays at local markets.

- Our ERP is rigid when it comes to product data related changes, our ERP contains bad product data and difficult to have data governance rules in ERP.

Challenges

- Rapidly changing requirements of retailers and the pace you can deliver
  - Retailers expect brands to provide all the data, even more so due to digital shelf demands
  - Current tools and processes cannot support retailer data needs in a consistent, sustainable manner. One off data projects are common.
- Fragmented technology, systems and data
  - Launch of new products takes months
  - Manual, disjointed, and error-prone processes to manage data
  - No content guidance for local/regional product content owners , examples – Global description vs local description, global claim text vs. local claim text
- Organizational silos between digital, trade and supply chain teams
  - Leads to multiple source of product data

Challenges

- Consumer behavior shifts:

  - More online buying trends for CPG products

  - Product research happens online before product purchase in store

  - Scheduled, auto purchase of products from e-tailers like Amazon

  - Supporting these require providing rich product data + media assets for consumers to make decisions

  - Channel shifts – Consumers using more channels for product shopping - mobile, web, kiosk, print etc.

  - Need for detailed nutritional information, ingredients, allergens, third-party certifications, social compliance programs, usage instructions, advisories & safe handling instructions across channels.

- Tough competition :

  - Retailers coming up with private label brands (Walmart, Target, Costco etc.)

  - New innovative DTC (direct to consumers) brands coming in the market – Young shoppers like to buy from niche brands.

  - Consumers can easily replace a Brand

- M&A

  - Need to absorb acquired company product data quickly and accurately to realize expected synergies

Challenges

- Regulatory & Compliance
  - Need to comply with industry regulations
  - Hazardous and ingredient information
  - Local regulations, need for localized labeling information
- Marcom websites needs rich data for brand.com websites
  - Marketing needs rich content by channel, digital marketing driven by data, good data

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Challenges

- Operational issues:

  - Manual product data syndication challenges for brick & mortar retailers (1WS/GDSN). Error prone process, you are always behind the curve.

  - Manual product data syndication challenges for e-tailers/marketplaces

  - Manual product labelling process

  - No single repository for product claims information

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Challenges

- Need for new assortments/ bundles
  - Need for multiple packaging/ assortment types based on local markets
  - ERP system cannot handle the assortment/bundles easily

- ERP does not contain rich product information (Copy, Descriptions, Titles, Photos, Video, Assortments, Variants, Languages etc.)

- Reporting/BI Issues
  - Master data is the foundation to drive better insights into consumer behavior
  - Need for sales tracking by channels

Conclusion

- A modern PIM (product information management) system is needed to handle all the use cases for today's digitally driven commerce

What is PIM?

- **Ventana Research**
  Product Information Management (PIM) is the practice of using information and technology to effectively support people and product related processes across the enterprise supply chain throughout the life of a company's products.

- As today's organizations add suppliers and **increase** the number and diversity of products and services they offer customers and partners, and as customers increasingly interact with organizations across **multiple touch points**, organizations need to address limitations in the ways they manage and distribute product information, including related attributes and content that describes the product.

- PIM is also considered the "MDM of Product Data"

- A PIM system is an enterprise data management solution that helps **centralize all product data from various systems**, creating a single view of product data that can be **leveraged across all channels, business units, and functional areas**.
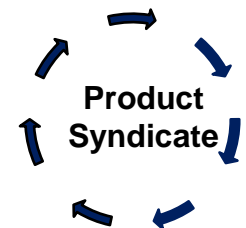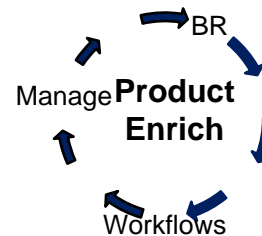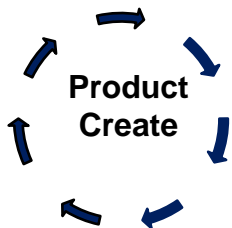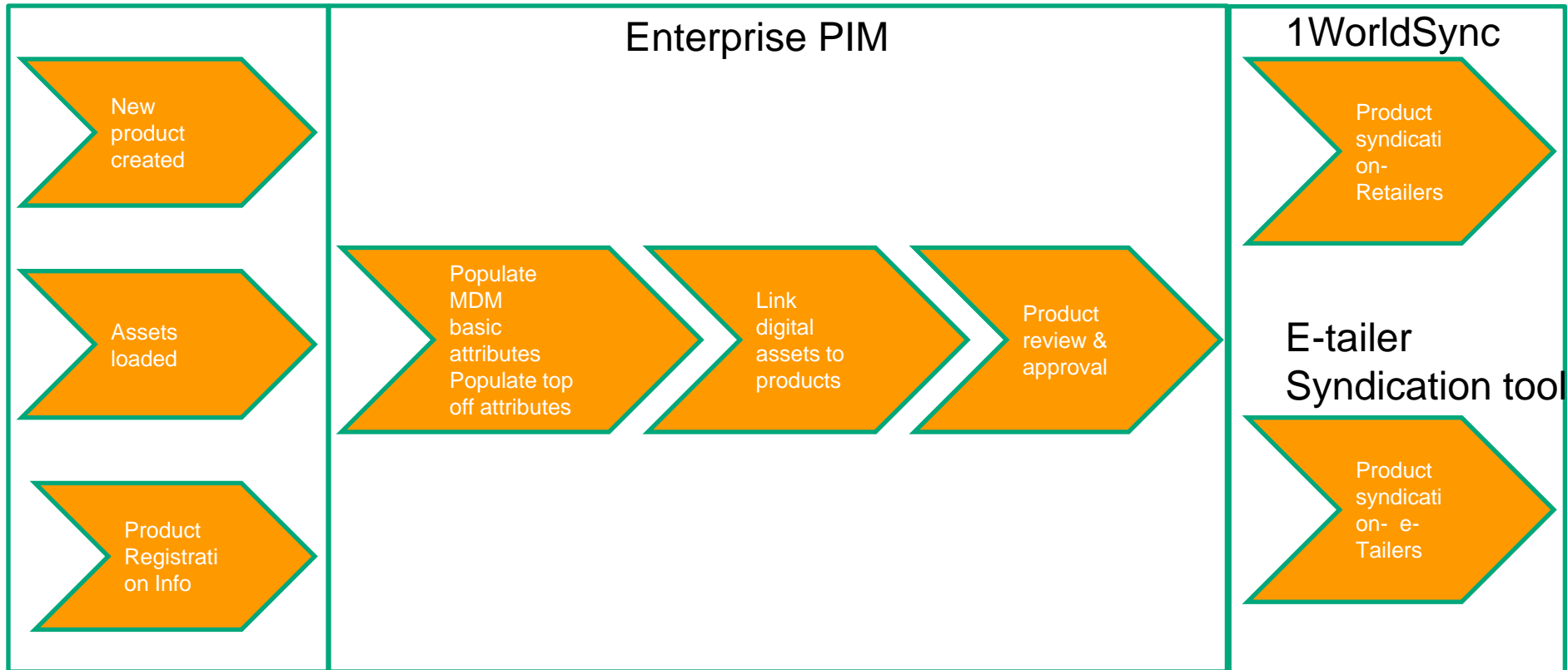
- Product Data Modeling

- Metadata Management

- Match and Merge Records

- Data Quality Management and Data Policies

- Product Hierarchies

- Publish/Subscribe

- Data Governance

- Vendor Data On-boarding

- Multi-channel publishing

- Product Content Workflows

- GDSN Data Pool Integration

- Media Asset Management

- Print Automation

- Multi-language support
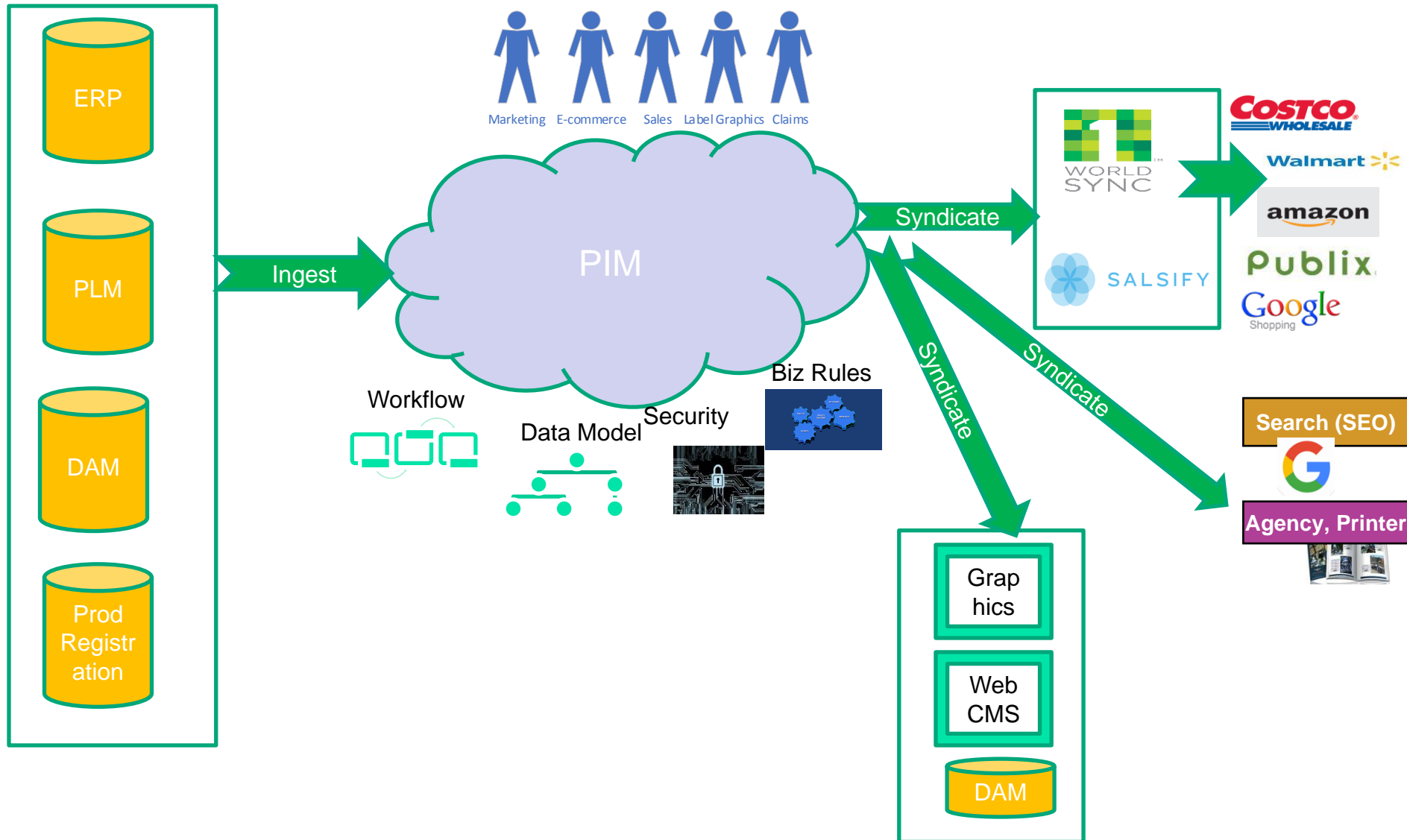
- Translation Capabilities

Reasons to invest in a PIM platform now

- Provide customers, trading partners, and consumers with richer, more accurate, and timely product content

- Manage brand consistency across geographies and channels (mobile, web, print, etc.)

- Handle anticipated SKU count growth efficiently – more manual labor will perpetuate the inefficiencies and costs

- Reduce product data proliferation due to M&A and realize synergies quicker

- Lower sales and marketing expenses (catalog production costs, translation costs, etc.)

- Synchronize master product data across all internal systems for operational efficiencies:
  - Warehouse Management System
  - Forecasting and Procurement System
  - Accounting System
  - ERP, BI, PLM, etc.

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Consistent, harmonized product data flow

Enterprise PIM

1WorldSync

- New product created
- Assets loaded
- Product Registration Info

- Populate MDM basic attributes
  Populate top off attributes
- Link digital assets to products
- Product review & approval

- Product syndication- Retailers

E-tailer Syndication tool

- Product syndication- e-Tailers

Product Create

Product Enrich
BR
Manage
Workflows

Product Syndicate

PIM Landscape

Roadmap example

Year 1

- Enterprise product data model
- Centralized product content storage
- Configuration to support ecommerce syndication and label graphics processes
- Basic reporting
- Product content validation rules
- Basic Workflow
- External Access
- Integration with DAM
- Integration with ERP
- Integration with etailers (digital-shelf) syndication tool

Year 2

- Integration with brick and mortar retailers (GDSN/1WS)
- Publication to Brand websites
- Publication to DTC websites
- Translations & regional deployments
- Integration with DW/DL for consumer insights
- Integration with product registration system
- Integration with packaging management system
- Advanced reporting

Year 3

- Association of consumer data to product preferences, driving personalized experiences
- Global rollup reporting across channels, offline and online

Why ERP is not PIM

- ERP offers

  - A single master data repository for product information

- ERP doesn't offer

  - Data model that fits business needs or extends easily with evolving needs

  - Data quality monitoring

  - Data governance workflow

  - Complete data audit trails

  - Matching & merging for duplicate identification and management

- An ERP contains data to support business processes covered by the ERP only

  - A variety of commercial product data (channel specific data, specs, features, benefits, etc.) is not available in ERP

  - Alternate product hierarchies and relationships needed for reporting or sales are not included

  - Unstructured data (digital assets) is rarely supported

  - Print automation and vendor data on-boarding are not supported

Why ERP is not PIM

- PIM can provide GDSN connectivity and data management support

  - GPC codes or Item Hierarchies

  - GDSN Attributes and Validation Rules

  - Packaging Hierarchies

  - Data Sync Workflows

  - Automated data syndication to 1WorldSync

  - Registration and Publication Status

  - Ease of supporting future 1WorldSync data standards and attributes

- PIM should be seen as a tool to orchestrate the creation/aggregation, cleansing, and enriching of product data, and to then provide that data to other enterprise systems, trading partners, and channel partners.

Next Steps

- Conduct a detailed assessment of current data challenges and quantity the benefits of a PIM solution

- Detailed assessment:
  - Expected to take 6-8 weeks
  - Interview with various stakeholders to identify challenges and associated costs
  - Outcome includes:
    - Estimated 3 to 5 year ROI from PIM deployment
    - High level business requirements
    - Detailed PIM roadmap
    - PIM solution recommendations

Thank You

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