

Case Study

IBM Product Master

429,000 Active SKUs

One of the world's leading cosmetics, beauty and skincare companies manufactures its products at more than 42 facilities worldwide, supporting sales in more than 150 countries.

From shampoo to lipstick to moisturizer, the company manages an incredible 640,000 product SKUs — of which approximately 429,000 are active products — and that number is only rising.

To add to the complexity, each of these products can be identified by more than 470 attributes in 12 different category families. These categories include

- \ Product dimensions
- \ Product artwork

- \ Packaging data
- \ Supply chain flow information
- \ Sustainability information
- \ E-commerce information

Any inaccuracies in this product information acts like a pebble throw into a pond, causing cascading ripples through the downstream supply chain. Such ripples can be extremely expensive, costing manufacturers and their partners and retailers upwards of 15 to 25 percent of total revenues, according to a 2017 study on bad data done by MIT Sloan Management Report.

The Company

A global leader in cosmetics, skincare, beauty products.

Products Supported

640,000 (429,000 active).

The Solution

IBM Product Master

The Benefits

- \ E-commerce now accounts for 8% sales.
- \ E-commerce is now the company's third largest "country", after the United States and China.
- \ Product information published and updated to **17** SAP instances globally.

Supporting 17 SAP Hubs

To ensure the company's growing universe of hundreds of thousands of products would be as accurate and up-to-date as possible, the company elected to integrate all product information on IBM Product Master.

This information had previously been housed on 17 different SAP hubs and seven different market supply logs (MSLs) used by retailers, partners, and affiliates across the globe, and the consolidation effort took four full years in a phased approach.



The Foundation for Digital Transformation

The launch of IBM Product Master was a significant step forward in the company's digital transformation journey, which has delivered the following project benefits

- \\ 'Publish locally, update globally' capability ensures real-time synchronicity of product data regardless of SAP platform.
- \\ Significant cost savings achieved for the company and its partners, retailers and affiliates through data quality improvement.
- \\ Greatly reduced operational interruptions caused by poor information.
- \\ Improved productivity due to reduced errors that require analysis and repair.

IBM Product Master has proved to be a key enabler for many strategic cross-functional initiatives around digital transformation, that in total are delivering significant business results for the company.

These include

- \\ **33.6%** growth of e-commerce sales year-over-year (FY17)
- \\ E-commerce now accounts for **8%** of global sales
- \\ E-commerce has grown to become the company's third largest "country", after the US and China

Since IBM Product Master was launched, the platform has been so successful that the company has integrated four more instances of IBM Product Master across the company to support regulatory compliance and other enterprise-level initiatives apart from the products themselves.

PIMS Fast Facts

- Supported by more than **30** full-time employees worldwide.
- Actively used by more than **600** employees in a variety of functions.
- Manages nearly **500** attributes per product.
- Integrated with **17** separate SAP instances worldwide, enabling 'publish locally, update globally' capability.
- Supports more than **300** validation rules, ensuring that product information is input correctly and stays correct throughout the product lifecycle.

These validation rules are complemented by a product information validation process spanning multiple functional teams. It includes

Marketing

Name and features of the product

Product Development

Content, volume, packaging type, etc.

Financial & Accounting

Product hierarchy, dimensional weight pricing and product pricing

MSL Panners

Supply chain parameters, catalog information, network data

Product Information Management

Ensure data quality, confirm application of business rules

Only then can the product information be created, duplicated or modified in the system before being published for global use and reference.

About Persistent

Persistent Systems (BSE & NSE: PERSISTENT) builds software that drives our customers' business; enterprises and software product companies with software at the core of their digital transformation.

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