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“DATA QUALITY & SYNCHRONISATION”

PERSPECTIVE FROM A LARGE SUPPLIER



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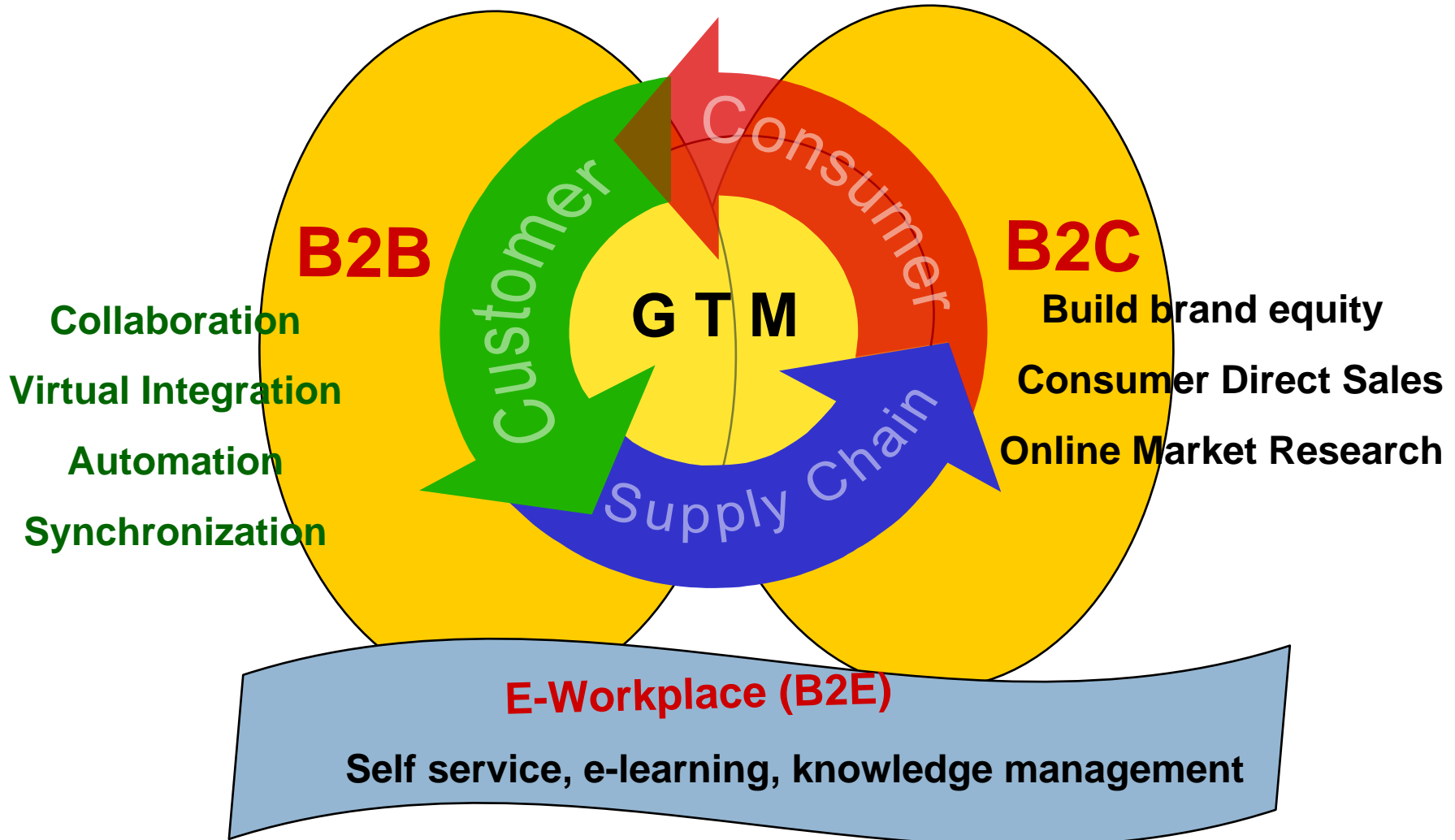
Agenda

Data Quality & Synchronisation at Kimberly-Clark Australia (KCA)

1. Strategic Context
2. Where are we now?
3. Importance of in-house Data Integrity
4. Importance of data synchronization (of high quality data)
5. Benefits of synchronisation (of high quality data)
6. How did KCA implement GS1net?
7. What have we learned?

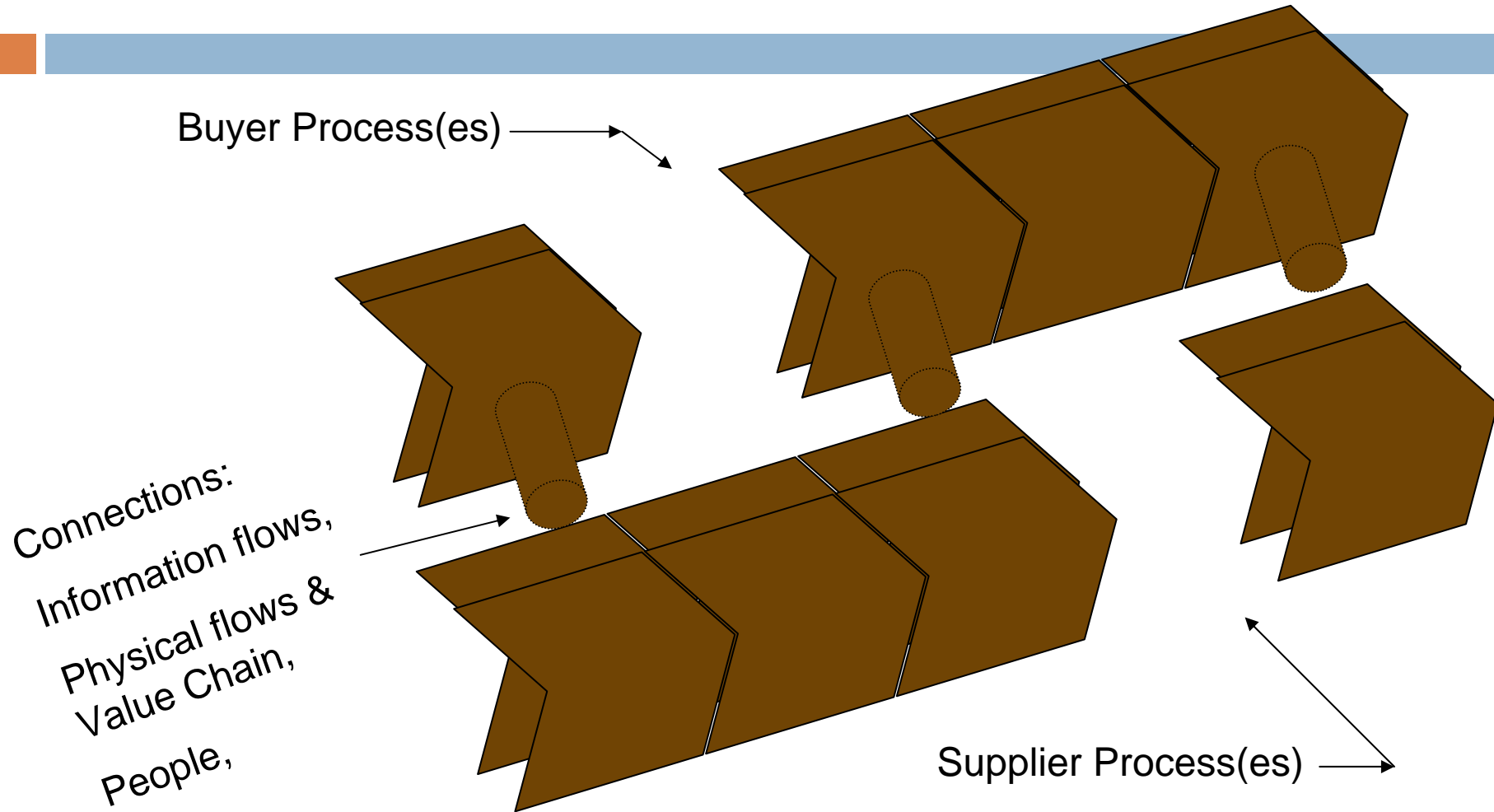
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1. Strategic Context: KCA e-Business Strategy



1. Strategic Context: E-Collaborative Supply Chain:

Delivering value via collaboration, automation, integration, synchronisation



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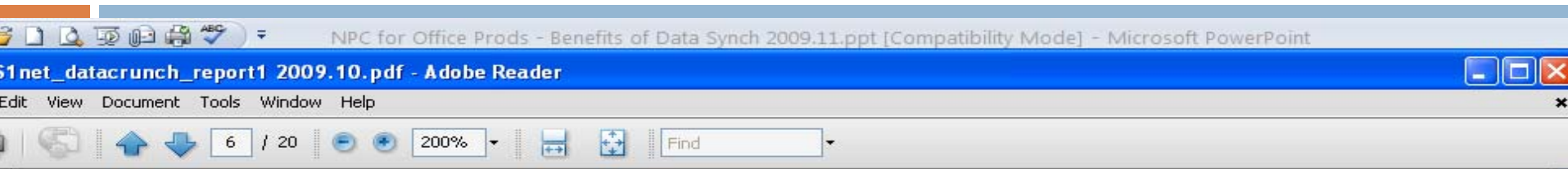
2. Results of recent GS1 Data Quality Audit at KCA (imported SKUs)

- The audit hit 907 externally purchased SKUs comprising 1526 packaging levels (ie GTINs for outer packs, inner packs etc)
- 323 Materials (36%) had the wrong GTIN in ERP for the Outer unit;
- 354 Materials (39%) had missing/wrong GTIN in ERP for the Inner unit;
- 46 Materials (5%) physically have intermediate pack levels that were not defined in ERP, and hence are also missing their GTIN & dimensions etc;
- 8 Materials physically have Inner pack levels that are not defined in ERP, and hence are also missing their GTIN & dimensions etc;
- Dimensions for almost 100% of Inners and Intermediate units, and a high percentage of Outer units, are missing or wrong in ERP;
- Weights for almost 100% of all units are missing or wrong in ERP.
- The contents of some Outer, Intermediate, or Inner units for a few materials were wrong in ERP.

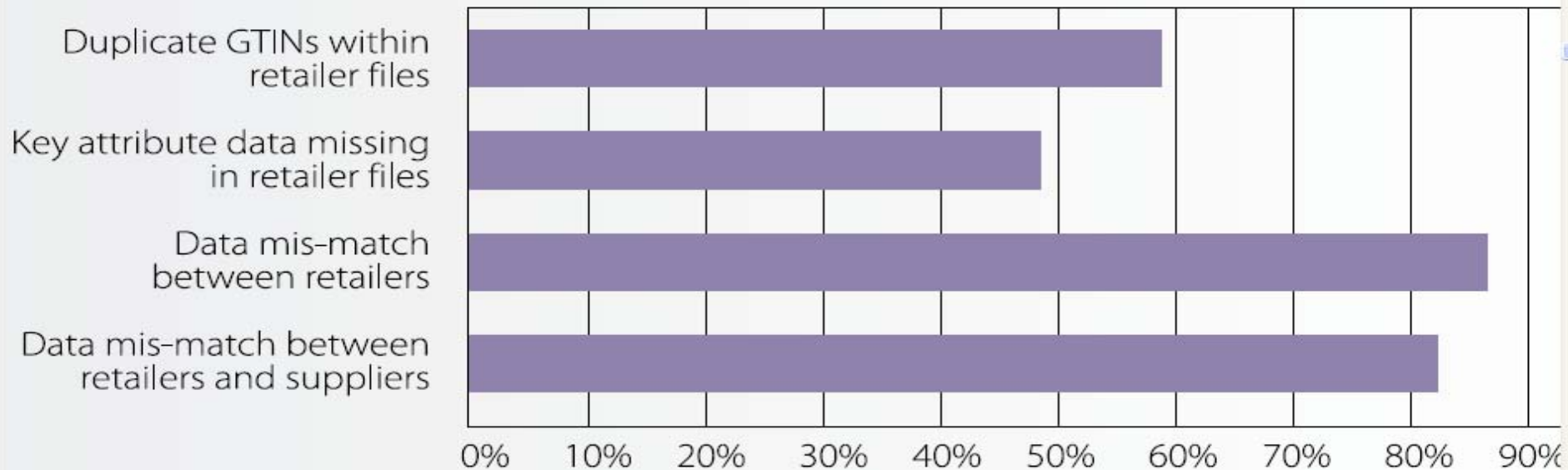
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2. Where are we now?

Results of recent GS1 UK Data Crunch Report



Grocery industry.



2. Where are we now?

Results of recent GS1 UK Data Crunch Report



3. Importance of Data Integrity at KCA

Data integrity is the foundation for all business functions, especially if they are computer-supported, and particularly if they are automated.

Without high data integrity, the basic information which underpins systems, transactions and processes is significantly wrong. Decisions and transactions are often wrong, therefore users can't "trust" the system. Hence users must manually intervene in every process, and many users resort to keeping separate records which they prefer to trust.

Errors, waste and delay will repetitively occur, which then necessitates more effort in validations, reconciliations and re-work. Often, whole procedures and departments can be built to accommodate the fact that things go wrong. Fixing errors is built into people's jobs. IE the errors are "institutionalised" and become part of "the way we do things".

3. Importance of Data Integrity at KCA

How do you think above results affect...?

- ❑ Conveyors in production must scan product to control flow to sorters, palletisers, etc. Accumulate pallet /layer slugs;
- ❑ Robotic palletisers must stack pallets to pallet pattern;
- ❑ SSCC Label Printer Applicator (LPA) units must print & apply labels to full pallets, assume full pallet qty;
- ❑ LPA records drive auto production recording against correct Planned Order;
- ❑ RollOnRollOff and ASRS systems scan SSCC and assume label is correct. Reject if Ht or Wt inconsistent;

3. Importance of Data Integrity at KCA

How do you think the above results affect?

- ❑ WMS must scan GTINs, Batches of received goods. Form std pallets. Consistent Units of Measure (UOM);
- ❑ Customers order by GTIN, UOM, full pallets, and layers (Ti-Hi). Price per Unit;
- ❑ Control by Batch, Shelf life, Use-by date, where relevant;
- ❑ Pick by GTIN & batch, shelf-life;
- ❑ Vehicle loading & freight costing is dependent on cube, weight;
- ❑ Invoice correct product and price;

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3. Importance of Data Integrity at KCA

How do you think the above results affect?

- MRP is dependent on Planning Parameters (lead times, rounding, lot size), BOMs, Routings, and product status;
- Truck Load Building is dependent on Vehicle Types, product dimensions, cube, weight, pallet qty, etc;
- POs to vendors are dependent on Unit of Measure, Product ID, cube, weight, etc;
- Goods Receipt assumes pallet qty, shipper qty, etc

3. Importance of Data Integrity at KCA

- The more integrated and real time your processes and systems become (desirable), the more dependent you become on data integrity, and the higher the cost of not having it. Rubbish in = rubbish out².
- Poor data integrity is like an iceberg – the bit you see is only a fraction of the true pain!
- Few organisations are taking serious steps towards improvement of this area – it is not measured, no one is responsible, and there are no formal procedures.

4. Importance of data synchronisation

High data integrity is just as important to our customers as it is to us, for the same sorts of reasons;

- The more collaborative (ie integrated & real time) our JOINT processes and systems become (desirable), the more dependent we become on synchronised high quality data, and the higher the cost of not having it. Rubbish in = rubbish out⁴ = WASTE AND ERROR ALONG THE ENTIRE SUPPLY CHAIN.
- The flow of business will just work (finally!!) – and will be faster and better;

4. Importance of Data Synch – Question?

- Q: If Data integrity is SO important, yet it is clearly so POOR, then “why haven’t supply chains blown up”??
 - *“The supply chain continues to function because each retailer, lacking trust in the suppliers’ data, has allowed its many stores, warehouses and trade buyers to develop a multitude of spreadsheets and small databases each containing local product data created and tailored for particular departmental needs.” (GS1 UK, Data Crunch Report)*

5. Benefits of high data quality/synch?

- Well there's no straight answer! What's it worth to you:
 - ▣ That all your business processes just work! First time every time!
- Let's look at the other side - Poor data integrity:
 - ▣ Processes do not execute correctly; errors occur that have to be manually and often repetitively corrected; extra (non-productive) procedures are required to validate, verify, and make corrections.

5. Benefits of high data quality/synch?

- The cost of Poor data integrity:
 - ▣ The information required to support purchasing, production, distribution, sales order processing etc, is often wrong. You make inappropriate decisions and plans based on poor quality or missing information.
 - ▣ You can't rely on the data in your system, and hence your people need to maintain informal systems to do their jobs. As users start to ignore the formal system, not only is this activity duplicative & non-productive, but it further degrades the formal system integrity and gives rise to more errors.

6. How did KCA implement GS1 net?

- KCA decided to develop our own program to extract the raw data as a CSV file, and utilise the services of a third party, Pacific Commerce, to transform & load the data to GS1 net. This was done for the following reasons:
 - ▣ KCA operates in multiple industries, and had multiple requests for populating external product catalogues. We did not want to develop multiple solutions.
 - ▣ KCA did not have the resources available at the time to do a lot of I.T. development. Pacific Commerce already had the basic capability, and was able to meet our requirements quickly and economically. Additionally, they can readily create subsets of data for meeting the needs of other external catalogues.

6. How did KCA implement GS1 net?

- Link to [KCA User Doco](#)
- Additionally, we have recently created tools for “self-auditing” our data prior to sending to Pacific Commerce, and to report KPIs.

7. What has KCA learned?

- Implementing GS1net is a serious project – don't underestimate;
- You'll be surprised:
 - ▣ How much data is missing
 - ▣ How much data is of poor quality, including maintenance of status (obsolete products etc, now on ongoing)
 - ▣ Bad practices (eg different product records with duplicate GTINs)
- You will benefit greatly from cleaning up your internal data and putting it all in one database;
- You need to design a sound process & responsibilities for managing the ongoing creation and maintenance of Product and Price data as part of NPD;
- (If you want to automate) You need to base your GS1net Catalogue structure on data elements that are in your database (eg division, category, brand);

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7. What has KCA learned?

- You need to work out:
 - ▣ How to structure your catalogue(s), including Product Item Groups;
 - ▣ Will you automate, or handle manually;
 - ▣ How to select the right products for updating to GS1net, and how to get them into the right catalogue/group;
 - ▣ How to avoid selecting inappropriate products:
 - Private Label;
 - Country-specific;
 - Dead/obsolete;
 - ▣ How to manage sending only additions and changes;
 - ▣ How to handle appropriate Private Label products;
 - ▣ What level of product catalogue access you wish to allow for competitors;

The End



- Other comments/questions?

Thank You

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