





Organizations that sell products or services—or both—face an array of daunting challenges as they bring their offerings to market. Line-of-business leaders consistently struggle with managing product and service lines throughout their lifecycle—from capturing the right data for business intelligence to understanding how their channels perform to streamlining the laborious processes involved with introducing new products to market to signing on new channel partners. Channel partners also need access to the most current information about products or services to effectively keep pace with market trends and consumer whims.

Customer expectations play a significant role in creating these challenges. Today, consumers demand that their retailers employ a multichannel approach so they can buy exactly the products and services they need—when, where and how they want. In addition, manufacturers and retailers must consistently innovate to create new product and service offerings, develop better cross-sell and up-sell offers, and devise new ways to add value through packaging, delivery or support.

Extending the supply chain beyond the boundaries of the enterprise creates challenges as well. With the growing number of supply and distribution partners needed to do business globally—and the fact that some of those partners may choose to invest in automation strategies while others remain in manual mode—complexity of sharing product movement information is compounded across the value chain.

## Intensifying challenges mandate a fresh approach to product and services optimization

Many of today's organizations manage and distribute their products and services primarily through manual processes. But in a global business environment where effective collaboration with suppliers and distributors is critical to success, accurate and coordinated product data is more important than ever. Process automation is no longer optional because customers will take their business elsewhere rather than forgive errors regarding price or product availability. Understanding customer preferences must extend well beyond demand analysis to detailed vigilance over campaign effectiveness. What's more, companies must respond to customer demand for a constant stream of new offerings—meaning that they are under constant pressure to bring products to market in less time and at better prices. Companies in virtually every industry face these challenges.

Retailers often face difficulties in providing a consistent shopping experience across channels such as Web sites, brick-and-mortar stores and customer service centers. A lack of consistent visibility hinders the accurate assessment of campaign performance. The goal: sell the right products at the right time to high-value customers to increase revenue, enhance the customer experience, maximize cross-sell and up-sell opportunities and speed time to market.

Pharmaceutical companies also face challenges surrounding the management of both product information and product movement. Diversion, theft and counterfeiting can cost drug makers tens of billions of dollars each year and puts consumers at risk of receiving ineffective drugs—or worse, receiving drugs that can actually harm them.

Manufacturers also face significant product and service optimization challenges. Without real-time access to information on products, parts and availability, they depend on sales tools such as configurators and product guides that cannot provide the latest information—and customers need rapid, in-context access to unstructured information such as technical manuals, service bulletins, images, data sheets, computer-assisted design (CAD) drawings and instructional videos. Furthermore, many manufacturers have inefficient processes for new product introduction, warranty claims and returns.

IBM recognizes the difficulties inherent in bringing products and services to market. Through a comprehensive product and services optimization strategy, IBM stands ready to support executives as they address these questions and transform the way their companies address product information management.



### Deliver the right products to the right customer at the right time

At the core of the IBM product and services optimization strategy is a flexible solution framework that is designed to deliver rapid return while providing a roadmap for the future. Drawing on unique IBM capabilities in Master Data Management (MDM) information solutions and coupled with deep industry expertise, the framework brings together a comprehensive combination of technologies and implementation services to support transformation.

The framework is founded on an extensible, reusable platform and designed to provide accurate and timely product information, in-line and in context. IBM® Information Server software enables organizations to unlock information from application and database silos across the enterprise and beyond, optimize and integrate it, and place it in the context of IBM product and

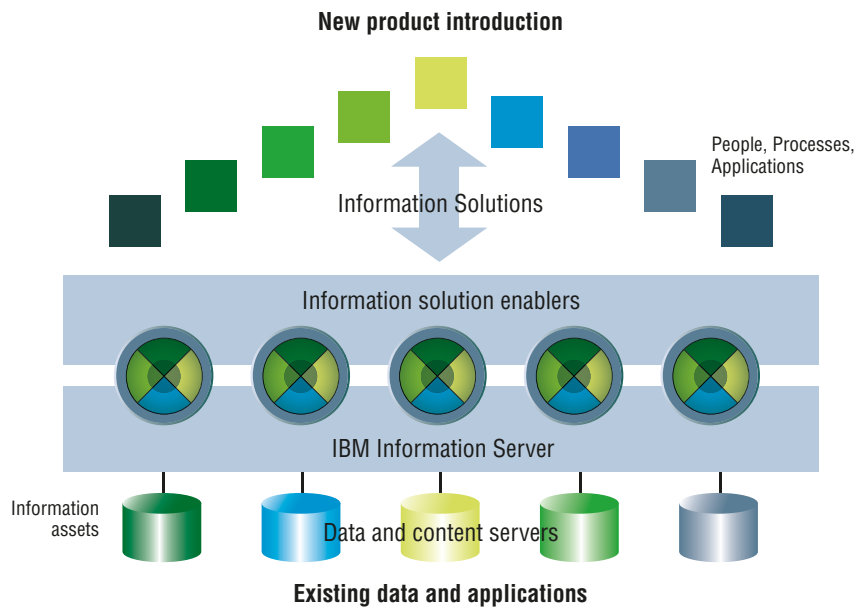
services optimization tools—helping to give companies real-time visibility throughout their supply chains and enabling them to deliver the right products to the right customer at the right time.

### IBM offers tested solutions used worldwide by industry-leading companies

IBM helps businesses optimize products and services through three key components:

- **IBM WebSphere® Product Center** is a product information management solution designed to help companies collaboratively build a consistent, centralized repository for product and service information. The solution links information on products, services, locations, trading partners, organizations and terms of trade, which is typically scattered throughout various enterprise systems and repositories.

*IBM provides a global, integrated platform for product and services optimization that is designed to serve as a single source of information and facilitate deep analysis of product movement and promotion effectiveness.*





Once the master information about product and service information is finalized and approved in WebSphere Product Center, it can be used to provide rich, relevant product information wherever it may be needed—including Web sites and e-commerce applications, marketing collateral, kiosks and mobile devices, as well as directly to customers and trading partners. The end result: accurate, consistent and complete information at every market touchpoint where consumers and partners expect to see it.

- **IBM Industry Models** help integrate data from multiple business units to build a single, unified view of the customer. These solutions simplify segmentation and profiling, data mining, channel profitability analysis and campaign management to help companies make more informed business decisions. These models provide the banking, insurance, retail and telecommunications industries with tools to help transform their businesses and gain competitive advantage.

### IBM Product and Services Optimization solutions in action in the retail industry

One of North America's leading retailers of consumer electronics, home office products, entertainment products and services began having difficulty meeting revenue and customer service targets. The company pinpointed the problem: substandard data quality and inefficient workflows around their product information. Item details were quickly outdated and could not be kept current, and bad data from suppliers was polluting the organization's internal data with errors. The process of obtaining and sharing product information had become labor-intensive and error-prone. Worse, the company estimated that problems with data quality in its referential systems was costing them 0.2 to 0.4 percent of net sales—approximately US\$280 million annually.

To fix the problem, the company needed to gather and cleanse product information in a more standardized manner. It also needed a way to allow suppliers to maintain accurate, up-to-date product sheet information that could be distributed automatically throughout its systems.

IBM worked with the retailer to deliver an internal and external data synchronization solution. WebSphere Product Center now helps the company consolidate

data from its suppliers, who now can provide that data through the WebSphere Portal and Global Data Synchronization system. This configuration greatly simplifies the creation of master information about the company's products and helps to ensure data accuracy.

Workflow capabilities in WebSphere Product Center also help facilitate more efficient new item introduction processes. Now, team members from various functions across the company can locate and interact with the same set of product information—which allows them to validate, enrich, enhance, review and approve the information in days as opposed to weeks when the process was completely manual. Consolidation of product data coming from multiple sources helps to streamline information exchange for faster response times and has helped to replace most paper-based processes with more efficient, accurate electronic exchange of product information with partners.

In addition to enhancing the quality of its product information, the retailer was able to decrease its product distribution costs by eliminating manual modification of 30 percent of product information—80 percent of which is related to price and promotion. The IBM solution also provides a foundation upon which future initiatives such as RFID might be based.

## IBM Product and Services Optimization solutions in action in the pharmaceutical industry

In February 2004, the U.S. Food and Drug Administration announced a program for combating counterfeit drugs in which it highlighted the potential of RFID technology. Under direct pressure from the FDA commissioner to adopt this technology, one major multinational pharmaceutical and vaccines manufacturer implemented a system designed to track drugs from packing through sale using unique serial numbers.

Today, detailed reports provide extensive visibility into the movement of tagged products. In addition, the system's robust error-handling capabilities help make the company aware of tag failures or order failures. Role management allows the access to the computer screen by role, and master data plays a fundamental part in providing event context and setup of products and locations.

- **IBM Information Server** enables massive amounts of data to be extracted from systems and repositories across the enterprise so that it can be cleansed, normalized and de-duplicated, then made available to all the enterprise systems, people and processes that need the data to run mission-critical business processes. IBM Information Server provides a foundation for Information on Demand by helping clients leverage valuable data that is currently locked in various discrete systems across the enterprise.

- **IBM WebSphere RFID Information Center** helps provide unprecedented visibility across the supply chain. By enabling visibility into product movement and the ability to differentiate each item with a unique serial number, WebSphere RFID Information Center can deliver new levels of business insight, enhance collaboration with suppliers and distributors and help protect consumers against product tampering. In addition, WebSphere RFID Information Center can help automate the processes necessary to meet various government standards and compliance requirements.

## Innovation that matters from IBM

Faced with the realities of a global supply chain, increasing customer demands and the dangers of counterfeiting, diversion and theft, retailers and pharmaceutical companies must optimize their product information management systems to gain real-time visibility throughout the supply chain. With consistent, up-to-the-minute information, these businesses can be better poised than the competition to keep customers satisfied and maximize profit margins.

IBM Product and Services Optimization solutions are designed to support organizations in this effort. With a comprehensive, tested suite of software and services tuned to create a single version of the truth across the enterprise and deliver real-time business intelligence, IBM delivers innovation that matters to retailers and pharmaceutical companies.





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