Product Information Solution

for Retail

"Product Information Management software is an essential prerequisite for retailers and consumer packaged goods firms embarking on multi-enterprise initiatives for item synchronization, collaborative planning, forecasting and replenishment (CPFR), and radio frequency identification (RFID) to secure competitive advantage."

Andrew White
Senior Research Analyst

Gartner

WebSphere software

Global Data Synchronization and Beyond for Retailers
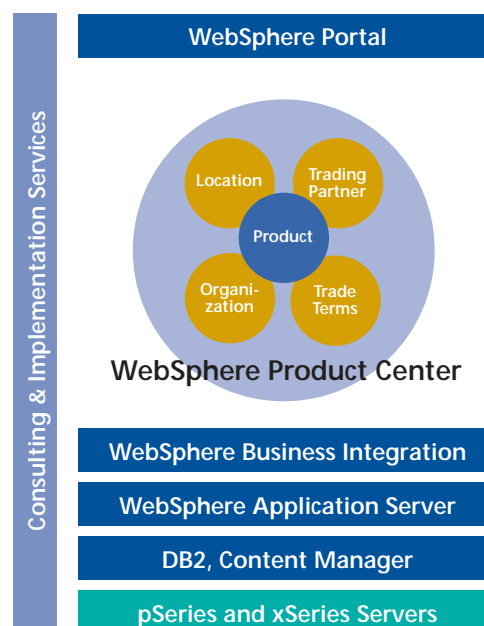## IBM WebSphere Product Center for the Retail Industry

Widely publicized studies from Cap Gemini, Ernst & Young, the Global Commerce Initiative (GCI) and the Food Marketing Institute (FMI) have shown that standards-based global data synchronization delivers significant improvements in both top and bottom line performance for retailers. Based on these documented benefits, leading retailers such as Wal-Mart, The Home Depot, Carrefour, Staples, Albertsons, and Kroger, as well as tens of thousands of their suppliers, have joined the Global Data Synchronization Network (GDSN). To embark on global data synchronization, retailers need a solution that can receive and validate an ever-increasing volume of incoming data including item information, pricing, promotions and vendor master information from their suppliers. Retailers also use global data synchronization to send location master information such as Global Location Number (GLN) data to their suppliers. All of these requirements are fulfilled by IBM WebSphere Product Center, the market-leading product information management solution used by leading retailers for global data synchronization and to enable critical business processes including new product introduction, price optimization, micro-merchandising, Radio Frequency Identification (RFID) and collaborative planning.

IBM WebSphere Product Center provides the first comprehensive solution that allows consumer product manufacturers to create, manage, and synchronize their product information, both within and beyond the enterprise. WebSphere Product Center middleware enables companies to integrate and centrally manage, comprehensive product information that is typically scattered across an enterprise within ERP, legacy, CRM, and data master systems. IBM WebSphere's product information management solution also links product-related information with terms of trade such as pricing and then synchronizes this information internally with existing enterprise systems and externally with trading partners.

WebSphere Product Center is designed for the scale and complexity of current and future global data synchronization initiatives. Beyond global data synchronization, this best-of-breed product information management solution extends and integrates across internal systems, and streamlines key business processes, providing competitive differentiation for world-class retailers.

From Item Synchronization to Global Data Synchronization and Beyond

Large retailers have begun synchronizing basic item information with their suppliers as a first step toward global data synchronization. As standards for global data synchronization mature, retailers are quickly moving from synchronizing base item information to

WebSphere Portal

Consulting & Implementation Services

Location · Trading Partner · Product · Organization · Trade Terms

WebSphere Product Center

WebSphere Business Integration

WebSphere Application Server

DB2, Content Manager

pSeries and xSeries Servers

"Developing a central repository of comprehensive, accurate product information that is seamlessly synchronized with our suppliers' data is key to our goal of becoming the preferred retailer for our vendors. Our new system will allow us to provide the best customer experience and will enhance the company's overall performance. We are building the foundation for future strategic initiatives— from faster new product introductions, to a comprehensive pricing and promotions infrastructure, to a richer and more targeted experience for our customers."

Bob Dunst
Executive Vice
President
and CIO

Albertsons

synchronizing category specific item information and party, trade condition and price information. This shift from item synchronization to global data synchronization brings demonstrable business benefits including faster new product introductions, reduction in out-of-stocks, fewer invoice queries and more accurate order fulfillment.

While basic item synchronization involves the same standard 150+ attributes for every product in every category, global data synchronization recognizes that specialized, category specific attributes are applicable to each category of products. For instance, phosphate content is an important category specific attribute for detergents while voltage is an important category-specific attribute for batteries. The Global Commerce Initiative (GCI) is developing a Global Product Classification (GPC) schema, also known as BRICKS, that contains thousands of category-specific attributes that are unique to each of hundreds of different product categories. Category specific attributes greatly increase the utility of global data synchronization by providing specific information that is relevant to and important for each product category. WebSphere Product Center provides retailers with the robust product information system needed to manage tens of thousands of category specific attributes across millions of items.

With party synchronization, suppliers and retailers must synchronize a superset of traditional location master and GLN data including physical locations such as warehouses and stores, as well as legal and financial entities like corporate headquarters, subsidiaries and distinct accounting departments. Unlike item information that primarily moves from manufacturer to retailer, party synchronization also requires the movement of location information from the retailer to the manufacturer. With IBM WebSphere Product Center, retailers can consolidate, cleanse, validate and manage party data from suppliers and can synchronize location master information from a variety of internal systems such as legacy vendor masters, ERP, CRM and warehouse management systems. WebSphere Product Center allows retailers to send location master and comprehensive

GLN information to suppliers. Using IBM WebSphere Product Center for party synchronization, retailers can dramatically improve ship-to and bill-to accuracy, reduce invoicing errors, and drastically cut time and expense associated with maintaining suppliers.

Beginning in 2004, suppliers and retailers will start synchronizing trade conditions (terms of trade), and pricing. With trade condition and price synchronization, the frequency and volume of data exchanged between retailers and suppliers will grow by more than 100 times. IBM WebSphere Product Center supports the definition, management and synchronization of trade conditions and prices, reducing time and resources needed for resolving invoice discrepancies and deductions due to errors. WebSphere Product Center also manages pricing, trade conditions and promotions information at the corporate, market and store levels. The increasing scale and complexity associated with adopting price and trade conditions within global data synchronization initiatives requires that retailers adopt the leading product information management solution, IBM WebSphere Product Center.

Product Information Management Using IBM WebSphere Product Center

IBM WebSphere Product Center is in production at some of the world's largest retailers, managing millions of GTINs (Global Trade Item Numbers) and billions of attribute values synchronized with tens of thousands of suppliers, and disseminated to thousands of stores and users. WebSphere Product Center features the industry's most scalable, flexible data model, which allows retailers to define and manage product attributes, location information, vendor relationships and business rules that match the way the retailer does business. Using an intuitive graphical user interface, users can create, view and navigate product hierarchies in multiple internal merchandising and external categorization schemes such as Global Product Classification (GPC), UDEX, A.C. Nielsen and IRI.

IBM WebSphere Product Center's best-in-class security model controls user access based on a retailer's organization and supports

distinct roles and responsibilities with complete audit trail capabilities for tracking and reporting. Retailers can define comprehensive security permissions for thousands of users including internal users from departments such as merchandising, marketing, logistics, and store operations as well as external users from suppliers and distributors. Retailers leverage WebSphere Product Center to define and automate business processes for managing product information within their organizations as well as to collaborate with suppliers using flexible workflow and collaboration tools.

IBM WebSphere Product Center is developed with an open architecture based on Java 2 Enterprise Edition (J2EE) standards, which provides unmatched reliability and scalability coupled with

ease of integration with internal systems. Robust messaging and tight integration with leading enterprise application integration solutions such as IBM WebSphere Business Integration ensures that retailers can leverage IBM WebSphere Product Center with a wide variety of internal systems including research & development, product data management, pricing optimization, price management, ERP item masters, legacy location masters, enterprise data warehouses and many more. IBM WebSphere Product Center provides complete global data synchronization capabilities, including certification with UCCnet, Transora, as well as connectivity to WWRE and regional data pools. IBM WebSphere Product Center also supports direct connections with large manufacturers.

Product Information Management and Private Label Products

Retailers with private label initiatives need to act like manufacturers when bringing their private label products to market. To go from concept to store, private label merchandising must create product specifications, identify and capture key product attributes, select suppliers and finally source the items. As a part of this process, internally generated product information must be synchronized with internal merchandising, pricing and store systems. To develop a world-class private label business, retailers need a product information management system designed to meet the requirements of both retailers and manufacturers. IBM WebSphere Product Center is in production at leading global manufacturers like Unilever, Hewlett-

THE GOLDEN SOURCE OF PRODUCT INFORMATION
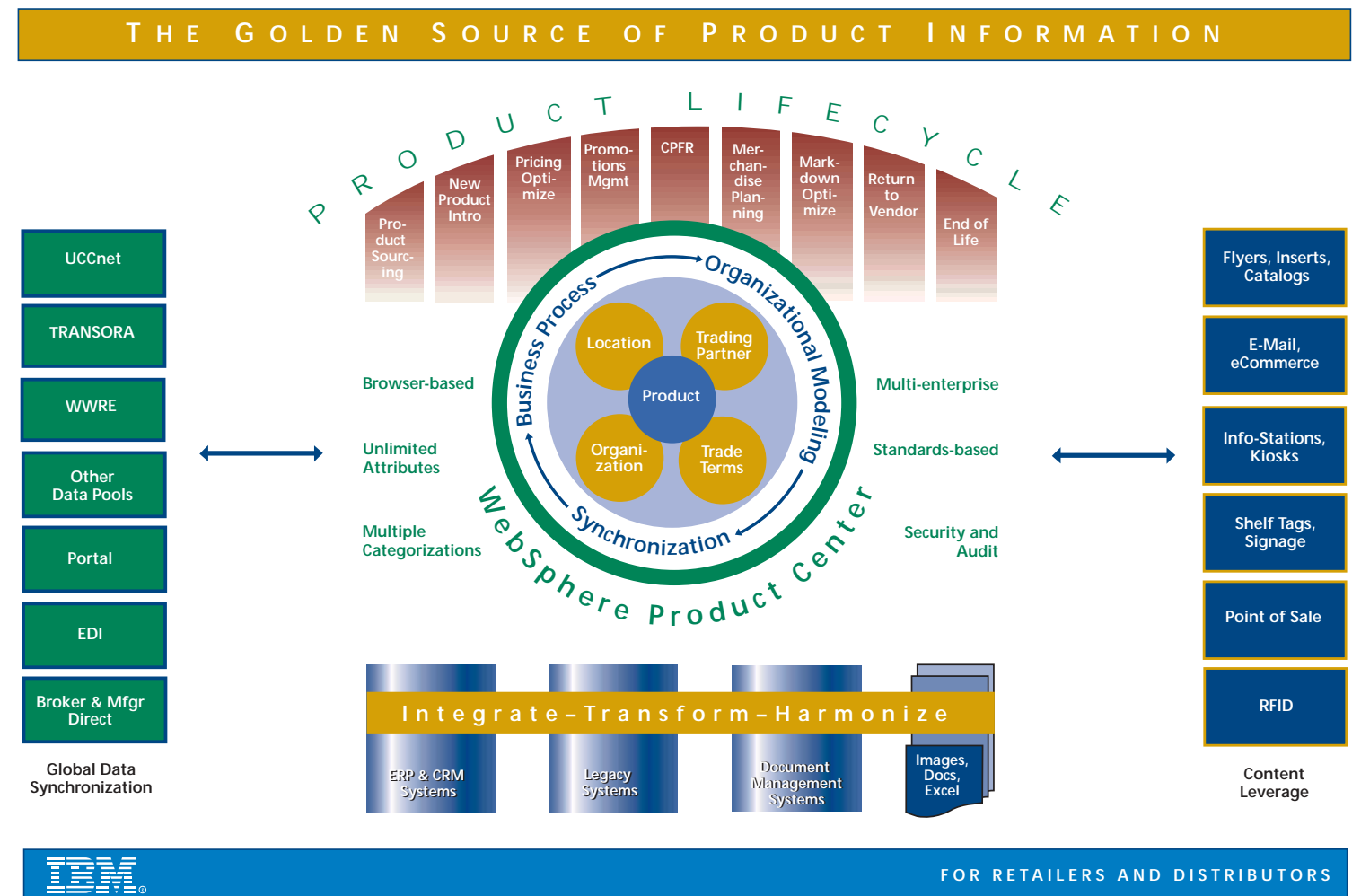
FOR RETAILERS AND DISTRIBUTORS
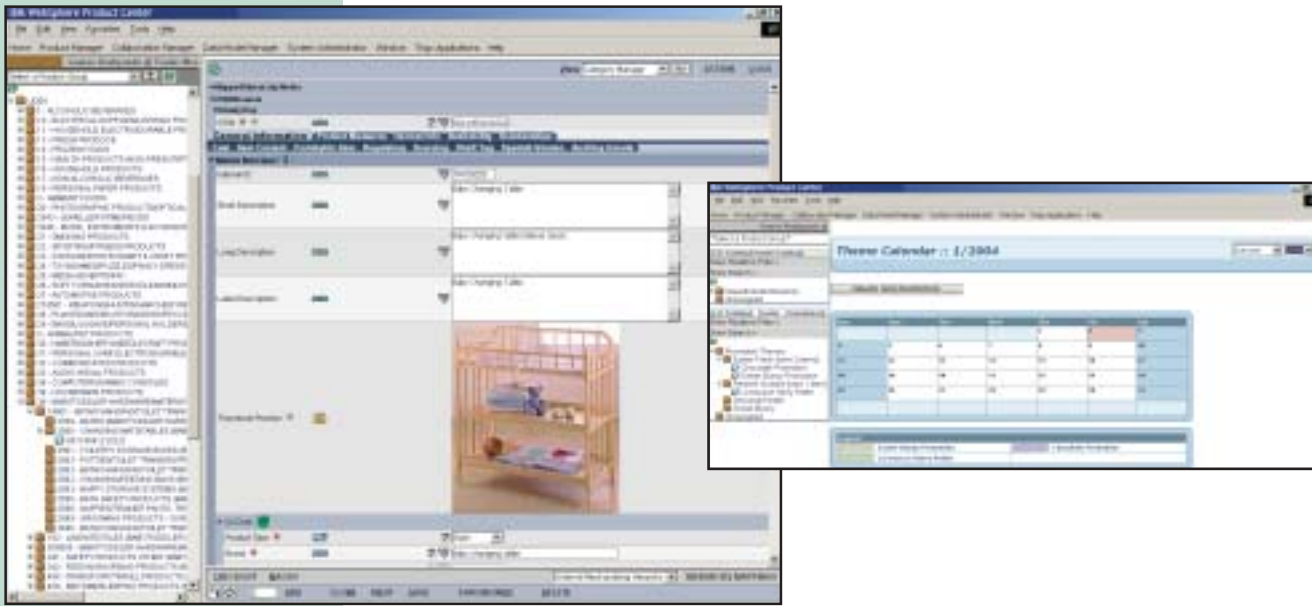
Packard, Sony and Philips Electronics and provides extensive capabilities for creating and managing product information in support of private label retail initiatives.

Product Information Management and the Collaborative Enterprise

Product information management and global data synchronization serve as the foundation for building broader collaborative capability across and beyond the enterprise. Key departments such as merchandising, category management, sourcing, and catalog maintenance all benefit from a single, golden source of accurate product information. A central system of record greatly reduces the cost to fuel multiple distribution channels including e-commerce sites, kiosks, retail shelves, end-caps, circulars, catalogs, electronic displays and many more with rich, relevant product information. IT departments win as WebSphere Product Center leverages investment in legacy applications and automates what are often disconnected manual processes. Significant additional benefits accrue by electronically synchronizing current and complete product information across the supply chain both internally and across trading partners.

Centralized, Synchronized Product Information is required for RFID

Radio Frequency Identification (RFID) is poised to become a transformational technology for Retailers. Having accurate, comprehensive and accessible product information is a core readiness requirement for RFID. RFID implementations require the Electronic Product Code (EPC) stored in the RFID tag to be linked to detailed product information. A product information management system such as WebSphere Product Center is needed to translate the EPC, providing detailed and accurate product information whenever a tag is scanned. IBM is committed to providing world-class solutions that will help retailers move towards RFID implementation for competitive advantage.

IBM delivers best of breed business expertise, software, infrastructure and services to help retailers drive business performance through effective product information management and global data synchronization.

To find out more about how IBM WebSphere Product Center can help your organization, please contact:
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