

Master data management for retail:

Use your information to improve customer experience.

> CREATE A SINGLE SOURCE OF ACCURATE PRODUCT INFORMATION

> IMPROVE COLLABORATION WITH PARTNERS

> OPTIMIZE MARKETING AND PROMOTIONS

> ENHANCE INFORMATION THROUGHOUT YOUR VALUE CHAIN



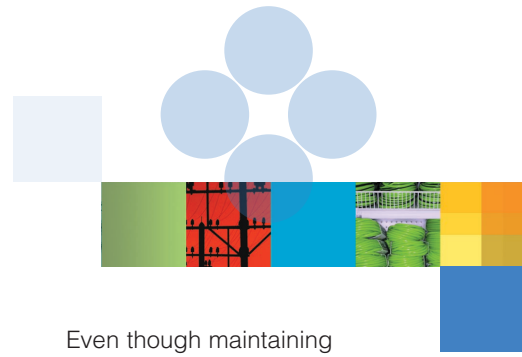


Use one of your company's most valuable assets — critical product and customer information — to its full potential

You're constantly looking for ways to match the right products with the right customers to create a purchase. But when you are dealing with more than one "version of the truth," it's difficult to know which choices to make — whether planning your assortment or routing products through your supply chain.

For more information on this solution, including demonstrations and customer case studies, visit ibm.com/retail/flexibility





Gathering accurate customer and product information is harder than ever for today's retailers. Your customers are changing. Old shopping patterns and customer segments are fading away, replaced with rapidly shifting and evolving trends that defy conventional labels. So knowing your customer is a real challenge. How do they like to shop? What channels do they use and what do they prefer to purchase in each channel? A single customer might use different channels for different purchases — preferring to browse the store for a new television and shop the Web to order DVDs, for example.

At the same time, your customers expect you to provide far more product information — and more diverse types of information — today than ever before. The grocery store customer needs to know if there are peanuts in a particular product. The online shopper wants to see what a certain sweater looks like in different colors. Especially as “unstructured” data — such as digital product images and videos — becomes a bigger and bigger factor, managing content becomes more and more important.

Even though maintaining a current, accurate repository of product information is more critical than ever, many retailers find it difficult because they maintain multiple systems that require the same information, but in different formats. And they connect with many partners, each with its own system. These multiple internal and external systems can lead to inaccurate and inconsistent information, creating costly redundancies and misleading analytics. Worst of all, faulty information can cause you to serve the wrong customer with the wrong product — a bad combination in today's competitive retail environment.

Turn the page to learn more about how your retail company can:

- > Establish a single, accurate source of product information.**
- > Extend that valuable information to your trading partners to help improve synchronization and collaboration.**
- > Help improve marketing and promotions with a central repository for customer information.**
- > Capitalize on enhanced product and customer information throughout your value chain.**



**Maintain consistent,
complete, accurate data**



Today's forward-thinking retailers are finding ways to create and maintain consistent, complete and accurate business data. They are transforming that data into something meaningful, determining once and for all what the truth is, then using this information effectively for themselves, in collaboration with their business partners, and to serve their customers better.

Leverage IBM's retail industry expertise to transform your management of critical business information

IBM solutions for the retail industry bring together the extensive IBM portfolio of hardware, software and high-value services — and its wide network of Business Partners — to address the most prevalent challenges for clients in the industry. IBM solutions and retail industry experience help each client accelerate its progress in becoming an On Demand Business — so it can respond with flexibility and speed to virtually any customer demand, market opportunity or external threat.

Creating business processes with a *service orientation* has emerged as the best way to achieve that flexibility and speed, as well as agility and resilience. Service orientation takes everyday business applications and data and breaks them into individual business tasks, called services. These services can then be shared with other departments within your retail organization, integrated with your trading partners and exposed directly to customers to create new or

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modified business processes. As a result, you have the flexibility to easily respond to changing market requirements. And because these services can tie together existing enterprise resource planning (ERP), human resources (HR), customer relationship management (CRM) and supply chain systems such as SAP, Oracle, Siebel and JD Edwards, there is no “rip and replace” required. Furthermore, these services can be used across multiple processes — rapidly, easily and consistently — to help drive improved time to value and reduced costs.

IBM software, a key building block of the IBM solutions for the retail industry, is vital to employing a service orientation strategy. It helps our clients achieve business flexibility by enabling them to model, assemble, deploy and manage business processes for today’s on demand business environment.

IBM, with its deep retail industry expertise, has combined leading products within its software portfolio to offer retailers a way to establish a master set of data throughout their enterprise. Then you can answer questions such as, “What data are we receiving?” and “Where is the data coming from?” You can accommodate data in different formats — and thus find inconsistencies and alleviate them easily. And you can verify the accuracy of data, and so establish one version of the truth. This can eliminate time spent debating whose data is correct, allowing you to refocus on transforming that data into meaningful information, then using it as a service throughout your enterprise.



IBM master data management for retail, part of the IBM Information On Demand strategy, helps you differentiate customer experiences and cement the loyalty of your most valuable customers. You can use the solution to help:

- Increase the speed and number of new product introductions by establishing a single source of product information.
- Share product information beyond your enterprise, to facilitate trading partner synchronization and collaboration.
- Establish a single view of your customer to provide more personalized service.
- Use this new, more accurate information to make better decisions throughout your operations.

Help increase the speed and number of new product introductions

Introducing a new product should be fairly straightforward — you collect all the information you need; decide whether or not the product fits into your assortment; add details like category, price and marketing benefits; and then promote the product. But currently, information from multiple sources usually has to be input and compiled using manual, error-prone processes. And passing that information to another department — for approval or action — is just as time-consuming. Category or product managers may end up spending too much time collecting and verifying all the information needed on any new product instead of focusing on how to promote that product in the stores.

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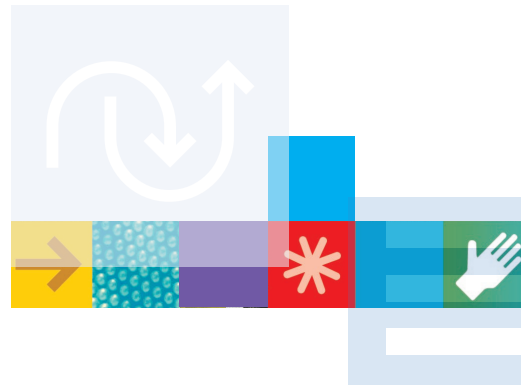
Imagine adding a newly released DVD to your assortment in time for it to be promoted during the holiday season. Your supplier provides you with the basic information — title, cost, maybe a cover image — and you have to enrich that information with:

- Category — “DVD.”
- Subcategory — “Comedy.”
- Marketing benefits — “Makes a great gift.”
- Cross-sells — other movies with the same lead actor.
- Up-sells — perhaps a new portable DVD player.
- Video preview to show on an in-store display or over the Web.

Tracking all that different information, across systems and through the approval and promotion processes, creates numerous chances for mix-ups and takes time.

One component of IBM's software for master data management, IBM WebSphere® Product Center, provides a centralized repository from which you can manage product information that is scattered internally across your enterprise systems and externally among your business partners. This centralization helps you eliminate incorrect or inconsistent information, avoid manual

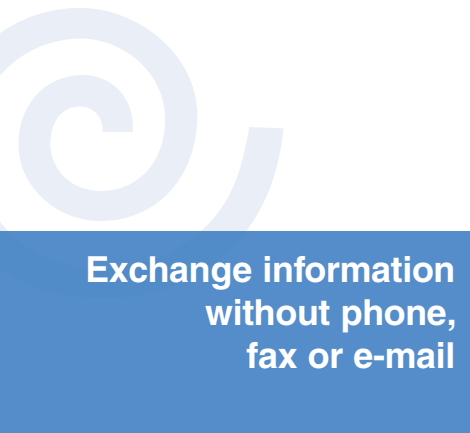
handoffs or corrections, and minimize the time required to introduce new products or promotions in all your channels. With WebSphere Product Center, you can easily add and enrich product information, plus manage both structured information from your database and unstructured information, such as product images. Then you can use that information to quickly introduce the product and add it to catalogs, e-mails and Web promotions.




Synchronize your data with your partners

The sharing of information about trading prices, locations and products between retailers and their business partners has historically been accomplished through phone, fax and paper. All are error-prone and time-consuming. Inconsistent information and manual processes cause delays in product introductions, lead to the use of different information in different stores or create a need for partners to renegotiate order terms. Worst of all, they can cause a retailer to promote an inaccurate product price or feature.

Instead of using manual processes, you can leverage IBM Global Data Synchronization for WebSphere Product Center — part of IBM master data management — to electronically share product information with your partners through market-leading global data pools that use industry-wide global standards for exchanging product information. This can help you automate and streamline the collection, verification and sharing of product information.



Exchange information
without phone,
fax or e-mail



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You and your trading partners pass product information automatically — without phone, fax or e-mail. You submit a request from the same system you use to hold your product information; your partner receives an alert, fills in the proper information and submits it — and it is automatically added to your system. This streamlined process helps reduce the time, cost and complexity of maintaining accurate product data. Furthermore, it helps you manage product information as it evolves over time, because your partners can add new information and you get to decide whether and how to use it.

IBM Global Data Synchronization for WebSphere Product Center also helps you:

- Drive process improvements by obtaining insights into your data sharing activities.
- Build a strong foundation for additional strategic initiatives (such as RFID and Electronic Product Code) with your suppliers.
- Support business processes and data models based on industry standards.

Become customer-centric with a single, consistent view of each customer

Suppose one of your customers recently purchased a dining room table from you. If you could ascertain that he was now looking at the matching chairs either online or in the store, it would make perfect sense to offer him a coupon for the chairs. You could very possibly convert his interest into a sale. But you would need to have the relevant customer information at hand.



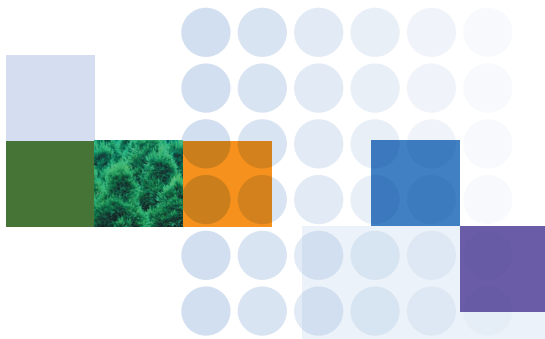
Retailers collect a large amount of data on customer activity, but today their customers are shopping across multiple channels — each of which usually collects data in its own way. Getting an accurate picture of a customer requires searching out and combining different pools of information that are gathered from purchases and browsing across channels and at multiple stores.

IBM WebSphere Customer Center provides the technology and processes to help you create and maintain an accurate, timely and complete view of the customer across multiple channels, business lines and systems. It brings information from multiple sources together in a central customer hub, which you can leverage to focus on meeting customer demand. WebSphere Customer Center delivers this single, accurate view of the customer to all channels and CRM applications, enabling the integration of multichannel promotions and customer service.

To understand how these capabilities can enable you to provide the personalized service your customers desire, imagine that a customer fills out a form in one of your stores that indicates he prefers when you communicate with him by e-mail. Using an IBM solution, you can store that information in your customer hub alongside preferences the customer provided for his account on your Web site — shipping address, billing address and so on. Consequently, you have the information you need to communicate with your customers in a variety of ways, but can always send information in the ways your customers prefer.

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Extend this information throughout your enterprise

IBM master data management facilitates the collection and verification of customer and product data, making it usable to all aspects of your enterprise. As a result, you help maximize the consistency, simplicity and uniformity of your processes, analyses and communications. You attain greater agility and help simplify integration initiatives.

For example, you can use the master data you collect to take corrective actions. If you learn that same-store sales are down, how long would it currently take you to execute a solution? With the IBM solution, you can more quickly identify a group of customers for a targeted promotion, pull together the product information and marketing benefits,

and take action in your store. This capability can help your store operations managers — at a corporate level and regionally — move swiftly to capitalize on these opportunities.

Furthermore, the IBM solution can help provide more reliable information to every channel, process and application that touches the customer. You'll be able to take an accurate look at key customer segments — or even individuals — and target them with unique promotions and products. When you're armed with the "truth" about your products and customers, tough choices become much easier. You'll have the information to help design better promotions, make smarter assortment decisions — and drive revenue throughout your enterprise.

Thoroughly plan process changes — and adjust implementation as needed

When you use a service oriented approach to optimize the business processes involved in retail data management, you can obtain the flexibility and responsiveness needed to bring innovative products, services and strategies to market. But successfully improving your processes depends on having a good plan and diligently tracking your progress. As many as two thirds of process implementations fail to produce the expected benefits because their true impact is not known prior to execution.*

That's why IBM offers industry-leading tools to help your staff plan, monitor and adjust the implementation of process changes. Leverage easy-to-use tools that help your teams:

- Easily reuse, create, modify and collaborate on process models.
- Simulate and analyze the impact of processes before implementation.
- Enable your IT team to quickly create supporting applications by leveraging your process models.
- Monitor and optimize processes by specifying key performance indicators during process design.



Business Partners help further leverage IBM software capabilities

IBM master data management for retail is complemented by applications and services provided by our IBM Business Partners — including the hundreds of Business Partners specializing in

service orientation — helping to make this solution a world-class foundation for using product and customer information to drive customer satisfaction and revenues. Working together with our clients, IBM and IBM Business Partners can help meet the needs of today's retailers.

For more information

IBM is unique in its combination of unmatched retail industry experience, deep service orientation skills, unparalleled Business Partner network, and software and technology product excellence — and as a result is a clear leader in service orientation. We can help you get started with service orientation, whether for the enterprise, a departmental initiative or a single project. IBM is the ideal resource for retailers who are looking to establish a single source of master data to better serve their customers.

To learn more about IBM master data management for retail, including demonstrations and customer case studies, visit

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6-06
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*Omar A. El Sawy, *Redesigning Enterprise Processes for e-Business*, 2001.

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