

CASE STUDY

ERP Systems Are Not A Substitute For PIM Solutions



An Industry Overview

Since the dawn of the Industrial Revolution, manufacturing has pushed human development far and wide. But recent years have shown the future of the industry to look grim. PwC's *2017 Industrial Manufacturing Trends*, reports that output was expected to increase just 3.4% in 2017. Moreover, according to the International Monetary Fund 80% of industrial manufacturers' revenue growth fell to the negative or between 0 and 10%. Some core issues with industrial manufacturers are siloed data and inefficiencies in their IT framework. In PwC's *Manufacturing Barometer* for July 2016, 80% of respondents planned to increase operational spending within 12 months, but only 30% of that was delegated to information technology.

But, to every cloud a silver lining! A key to productivity growth, and thus cutting costs and increasing profitability in the long run, would be to make deliberate investments in new machinery, software, and talent in this sector. Manufacturers can, for example, take the following measures:

- Leverage data and analytics in a new business model: the breadth and value of services provided by a manufacturer can enhance customer retention and lead to deeper commercial engagements.
- Mine operational data: if connected machines become paramount in the near future, manufacturers will need to be able to use the multitude of incoming data to their and their customers' advantage.
- Organize intellectual property: Many large industrial manufacturers have as many as 100 different ERP systems; company leaders must overhaul existing IT systems and create a new architecture in order to make better sense of the complex environment.
- Share data so that every participant in the supply chain is operating off one integrated data model, a "single source of truth."

Riversand's Solution: Product Information Management

This client has over \$50 billion in North American sales and employs over 19,000 people in approximately 165 manufacturing locations, making it one of the top 100 industrial producers in the world. However, due to siloed data systems, it took the manufacturer weeks to supply product information to customers where the competition could respond to requests within days. Sales were lost, customer satisfaction was low, and account managers spent more time smoothing over data issues than building relationships or up-selling existing clients.

Developing product information management strategies had been an ongoing evolution for this company. In the past, the manufacturer developed and relied on systems such as “Spirit”—a solution based on the BPCS ERP system with internally developed, customized, “PIM-like” capabilities. However, ERP systems were not designed as PIM solutions—they do not offer the broad functionality outlined by Forrester Research and implemented by leading PIM vendors. A Principal Analyst at Forrester helps set the stage: “Product data is the lifeblood of many large enterprises. For manufacturers ... the efficiency of the product supply and distribution chain may be their one and only true differentiator.”

The global manufacturer contacted and engaged Riversand Technologies to perform a full Valuestream business process analysis and make recommendations. During the Valuestream assessment, Riversand identified potential high-value use cases of PIM for the company. PIM use cases are typically delineated by “buy-side” (eProcurement, strategic sourcing,

marketing, reporting/forecasting, and customer service) deployments. It was decided that the company would focus on its “sell-side” needs, as the use cases were expected to yield the highest return on investment and satisfy the most pressing needs.



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- As stated by a Forrester principal analyst.

Riversand recommended a Phased Deployment approach, rolling out PIM to support specific use cases and users in a structured, planned way. This allowed IT to prioritize high value use cases, implement with limited scope, quantify/prove ROI, increase knowledge transfer, and then leverage learning during the next phase. This Phased Deployment method would limit risk and investment in software and services, and result in the following benefits:

- Increased revenue: empowered users with the ability to quickly respond to more customer requests with accuracy
- Cost savings: improved efficiencies in managing data syndication for National Accounts and Tier 2 customers
- Speed to market: increased NPI efficiencies would equate to both increased sales (due to quicker time to market) and time savings
- Reduced redundant tasks: eliminated duplicate entry of same data across multiple families of similar parts and GTIN's and eliminated duplicate entry of the same data by different sets of users into different systems
- Enhanced data quality: improved product data and governance processes through the use of lookup tables and inheritance models and process standardization.

Reference

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Riversand is an innovative leader in Master Data Management, powering industries from the world's largest to SMBs. Riversand's single integrated, scalable and robust multi-domain MDM platform caters to a variety of use cases across multiple verticals. In addition Riversand offers specific solutions such as Vendor Portal, Spare Parts Management, Material Master, GDSN on-boarding, Media Assets Management, Print Publishing etc. Business value which Riversand provides include accelerated time-to-market, increased sales, improved order accuracy, reduced costs and enhanced customer service. Customer satisfaction is at the heart of Riversand's innovation.

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