

## SAP Customer Success Story Consumer Products



**“Cleaning up our data and developing it in a new way that is consumer focused will help our retailers get our brand messaging out to the consumer more effectively than ever before.”**

Dave Cosgrove, Director of E-Business for North America,  
Whirlpool Corporation

### AT A GLANCE

#### Summary

To provide the same, consistent product data to its worldwide retailers and partners, the Benton Harbor, Mich.-based Whirlpool Corporation publishes its global trade item data on UCCnet, now part of 1SYNC – the global data pool for product information. In order to consolidate this data, the global manufacturer of household appliances turned to the SAP NetWeaver® platform.

#### Web Site

[www.whirlpoolcorp.com](http://www.whirlpoolcorp.com)

#### Key Challenges

- Inadequate data synchronization, resulting in slow partner communications and updates, inaccurate item definitions, and credit errors
- Inability to deliver consistent, accurate information to partners, due to 17 separate product information databases

#### Project Objectives

- Implement an integrated solution to deliver consistent product information through UCCnet to all trading partners
- Implement a 3-phased approach to data synchronization: compliance, business process improvement, and collaborative optimization

#### Solution and Services

SAP NetWeaver, including the SAP NetWeaver Master Data Management and SAP NetWeaver Exchange Infrastructure components

#### Why SAP® Solution

Support for emerging Internet standards and Web services, enabling more efficient business communications

#### Implementation Highlights

- Established working relationships with multiple divisions
- Emphasized needed changes to business processes
- Presented opportunity to standardize data
- Provided potential to develop data in new, consumer-focused way

#### Key Benefits

- Reduced errors, due to elimination of manual tasks and spreadsheets
- Streamlined sales processes
- Improved efficiency company-wide
- Enabled accurate reporting
- Enhanced supply chain and order execution
- Improved ability to quickly introduce new products
- Decreased trade partner setup time

#### Implementation Partner

SEEBURGER

#### Existing Environment

Multiple databases

#### Database

Oracle 9i

#### Operating System

Microsoft Windows 2000 Server

## WHIRLPOOL

### One of the World's Largest Manufacturers Turns to the SAP NetWeaver® Platform to Transform Product Data Exchange and Improve Business Processes

As emerging Internet standards and Web services continue to evolve, opportunities for more efficient business communication continue to develop. A spectacular example of such an opportunity presented itself to the Benton Harbor, Mich.-based Whirlpool Corporation, the US\$13 billion global manufacturer of household appliances.

It began when one of Whirlpool's major trading partners announced that, in the future, it wanted Whirlpool Corporation and its other vendors to publish all trade item information to UCCnet, the global data pool for product information. "This retailer really wants to do business with us in that manner," says Jim Shimp, Whirlpool Corporation's senior director of global application development. The significant task of understanding how Whirlpool would meet the requirements of UCCnet fell to Shimp. According to the senior director, the first step in making the transition involved synchronizing data.

#### Putting an End to Data Sprawl

At the time of the retailer's request, Whirlpool was flooding its partners with information coming from all parts of its company. This resulted in separate streams of information regarding pricing, imagery, promotions, and merchandising. Says Dave Cosgrove, Whirlpool's director of e-business for North America, "Because we were communicating with our trade partners across many touch points, it was difficult to consistently execute our brand and trade strategies."



To complicate matters further, the deluge of product information was also, at times, inaccurate and contradictory. “As we started to look at it, we found 17 different databases that really didn’t talk to each other and had different information in them,” Cosgrove says. For example, identical products would have different item definitions in different databases, or the same product would be listed twice – once with its dimensions in metrics and once in U.S. measurements.

Without data synchronization, Whirlpool found it difficult to meet the trade compliance requirements of retail partners. The company also faced issues such as miscommunications between vendors and slow response times. Lack of quality data also slowed new product launches, while disparate databases created a lag in product updates and conflicting item definitions. And inaccurate product, delivery, and specifications information resulted in incorrect or returned shipments and retailer credit reduction errors.

Publishing its product data on UCCnet would end this data sprawl. UCCnet is now a part of 1SYNC, a subsidiary of the not-for-profit GS1 US (formerly known as the Uniform Code Council, which was created to unite the two leading providers of data pool services – UCCnet and Transora). 1SYNC was created to help companies realize the value of data synchronization through the global data synchronization network.

As part of a global data pool, manufacturers can upload their product information into UCCnet and retailers can pull it out again. “It’s more effective for them and their IT groups to access this data through UCCnet,” says Shimp, “and it makes it easier for us to maintain it in our internal SAP® software system. Rather than having requests for information about our products go through our organizational structure, much of this information can be found in the UCCnet data pool and is steered by agreement between the manufacturer and retailer. UCCnet brings standardization to that data so that it can be reapplied company to company.”

### **Embarking on a Global Data Synchronization Initiative**

In the past, publishing accurate product information was a major supply chain challenge for any company. It was often a hit-or-miss endeavor – due to custom-built systems. The process was fraught with errors, data was often obsolete, and there was almost no assurance that the information was being delivered to the right person.

But now, companies like Whirlpool can use the SAP NetWeaver® platform to support global data synchronization. Using the SAP NetWeaver Master Data Management (SAP NetWeaver MDM) component, manufacturers and distributors can publish consolidated and consistent product information and engage in bidirectional communication according to international data standards.

For manufacturers, product data consolidation can reduce supply chain costs by up to 3%. IT groups don’t have to build a new interface every time they need to exchange product information with a retailer or reseller. In addition, SAP NetWeaver global information structures enable full product information content, message orchestration, status management, and automatic updates to provide optimal flexibility and efficiency.

SAP NetWeaver offered Whirlpool a quick and easy way to fulfill retailer mandates by providing basic global data synchronization functionalities in a single package. And it ensured data consistency and accuracy between Whirlpool and its retailers, thus reducing error-processing costs due to inconsistent master data.

Whirlpool used both the SAP NetWeaver MDM and SAP NetWeaver Exchange Infrastructure components to publish its product information to UCCnet (now part of 1SYNC) in the first quarter of 2005. SAP NetWeaver MDM transforms the product data into the structure that UCCnet requires. SAP NetWeaver Exchange Infrastructure transports the data to UCCnet. “This is the first implementation in the world where UCCnet used the SAP NetWeaver Master Data Management global information structures,” Shimp says.

### **A Three-Phase Implementation**

“We decided we were going to crawl, walk, then run,” says Cosgrove, referring to the three-phase implementation. “First, we’d target compliance and do what we needed to do. In phases two and three, we would also clean up our data and get ready for the longer journey.”

In phase one of the implementation, Whirlpool consolidated product information using SAP NetWeaver MDM and published it to UCCnet. The primary goal for phase one of the project involved consolidating and publishing product information (originating from sales, logistics, and the advertising and marketing departments) using SAP NetWeaver.

Shimp explains, “If we look at this simplistically, when we publish the product number and the description of our product to UCCnet, this major retailer can match it to its information using its own product number. We can now exchange attribute information back and forth about that product. As we change the description or attribute data, the retailer’s system automatically updates the product descriptions or related data fields. There are approximately a hundred data fields to which we can actually publish data that are already defined by the UCCnet standard.

“As we make changes, the retailer is automatically alerted and vice versa,” Shimp continues. “Nobody has to make a phone call; no one has to check data entry. There are no more mistakes based on bad entry of information. All data is shared across all systems, and it all comes through a Web service.”

“Business processes were the focus of phase two – in particular, how to expedite product introductions, get to market faster, and improve invoicing,” says Cosgrove. “In phase two, we’d gotten a little smarter, a little faster. We’d developed a master data strategy. After developing our UCCnet interface, we felt we could develop a comprehensive digital asset strategy.”

Whirlpool had developed numerous channels to communicate with its trading partners. Different departments sent different sets of overlapping information to retailers. For example, the sales department sent product data, the logistics team sent supply chain data, the marketing department sent catalog and advertising information. “We believe we can create one stream instead of many streams,” Cosgrove says.

To streamline the information channels, the data synchronization team traveled the breadth of the company in order to persuade individual departments about the need to be more efficient. “This strengthened our relationships across our enterprise,” Cosgrove remarks. “It’s been a very interesting journey talking to marketing and engineering and IT and all the different organizations and getting them to understand how important this strategy is to Whirlpool, our trade, and our consumers.”

### **Collaborative Optimization, Up and Down the Value Chain**

Phase three of the implementation centers on optimizing collaboration and making improvements in demand forecasting and replenishment planning, as well as ventures into pricing realization and radio frequency identification (RFID).

During this phase, Whirlpool will continue to build on emerging Web technologies, such as UCCnet and Web services, to optimize how it transacts business with its trade partners. Improvements brought about by IT will increase the speed, and the value added, on both ends of the supply chain – for Whirlpool and the retailer. Whirlpool is looking forward to leveraging its partnership with SAP and with its major retailers to continue in its mission to add value for the customer, the home enthusiast.

## Many Lessons

Gaining high-level support was essential to the project's success. "Commitment from upper-level management was difficult to obtain because when we would talk to the CEO and VP of sales, they didn't really understand why data synchronization was important to Whirlpool," says Cosgrove. "It was a pretty dry topic for them to get their heads around. We had to create a compelling vision and relay it through several levels of our organization to get them to understand why this project would be critical for their success and for their future endeavors."

Whirlpool also learned that internal flexibility is essential to withstanding external change. Cosgrove describes UCCnet as a real moving target. For example, just weeks after Whirlpool began to publish to its data pool, UCCnet announced the merger with Transora. How would this change UCCnet? No one knew, but everyone at Whirlpool was ready to weather that change and do what it took to keep moving forward.

Cosgrove comments, "It was daunting because we had to reeducate everyone."

Shimp adds, "However, those on the front lines of IT continue to advocate to all parts of the business that operational efficiency and effectiveness in today's Web-paced world can only be achieved through integrated efforts. It cannot be realized working in the functional silos of yesterday."

In the process, Whirlpool discovered that its retailers were not utilizing information effectively either. "As receivers of that information, they still had a long way to go to sort through their own issues," comments Cosgrove. "Another lesson to learn is this: remember to keep your perspective — and your sense of humor."

## Many Benefits

Whirlpool anticipates many long-term benefits from its SAP NetWeaver-based project. Says Cosgrove, "Cleaning up our data and developing it in a new way that is consumer focused will help our retailers get our brand messaging out to the consumer more effectively than ever before."

Shorter-term benefits to Whirlpool include standardized business processes, which are helping to drive supply chain efficiency, decrease dependencies on manual processes, and decrease trade partner setup time. Other pluses: a more effective pricing and promotion strategy, improved inventory management, the ability to execute more accurate orders, increased speed to market for new products, and improved reporting and analyses.

Sales and administrative processes are now more streamlined, thanks to the elimination of many manual processes and spreadsheets. Customer loyalty has increased as well.

Finally, the company has comprehensive support for other collaborative e-commerce initiatives and RFID opportunities.

Cosgrove summarizes the data synchronization initiative at Whirlpool: "Emerging solutions such as UCCnet depend on a robust portfolio of capabilities that can be combined in innovative ways for a strategic business advantage."

Whirlpool found exactly what it needed in SAP NetWeaver.