

## LEXMARK.

# Lexmark: Starting with the Basics and SAP NetWeaver® Master Data Management

To print the perfect report, you need a reliable printing device and accurate data. Lexmark International Inc. knows about both of these basic requirements. Lexmark provides its global customers with a wide range of printing products and services. And when the company initiated a worldwide IT transformation, it used SAP® software to make sure it started with **reliable master data**.

#### Company

Lexmark International Inc.

#### Headquarters

Lexington, Kentucky

#### Industry

High tech

#### **Products and Services**

Printing and imaging products, supplies, software, solutions, and managed print services

#### **Employees**

13.300

#### Revenue

US\$4.1 billion

#### Web Site

www.lexmark.com

#### **Partners**

SAP® Consulting, Wipro



#### BUSINESS TRANSFORMATION

#### The company's top objectives

- Increase the speed and consistency of business analysis
- Support a timely consolidation of global business systems
- Improve service to a vast network of customers, partners, and suppliers

#### The resolution

- Established a data governance organization
- Implemented the SAP NetWeaver® Master Data Management (SAP NetWeaver MDM) component to address four data domains: customers, products, vendors, and materials
- Rolled out an enterprise-wide master data management program

#### The key benefits

- · Faster reporting for decision making
- Greater insight into profit and loss by customer and product
- · Better integration of new acquisitions

Read more

"Since rolling out our MDM system, we have measured a reduction in cycle time of more than 50% for creating a new customer record. This has had a tangible impact on many of our downstream processes."

Srikant Dharwad, Enterprise Architect, Lexmark International Inc.

#### **TOP BENEFITS ACHIEVED**

>50%

Less master-record setup time since rollout

80% Reduction in customer master records

15 minutes
Turnaround for key

financial reports

See more metrics

#### Company objectives

Resolution

Business transformation

Future plans

## **Keeping customers for life**

Lexmark International Inc. offers innovative printing and imaging solutions to customers in 170 countries around the world. In each and every location, the company operates with a single vision: "Customers for Life." Lexmark maintains its focus on this vision by starting with the basics – high-quality products and services and an unflagging commitment to customer satisfaction.

The company's industry leadership depends on timely business decisions. This requires trusted data gathered from across the worldwide enterprise. But a couple of years ago, Lexmark surveyed its eight financial analysts and discovered that these experts spent up to 22,000 hours a year searching for the information they needed for their reports. Lexmark took decisive action.

"We decided to consolidate a number of our global business systems and drive greater speed and consistency in our business analytics," recalls Srikant Dharwad, enterprise architect at Lexmark.



"But for these initiatives to be successful, we recognized the importance of starting with an enterprise-wide data management solution."

As a result, the Lexmark team developed global, master data management (MDM) standards and established a governance team to monitor and enforce data quality. Lexmark selected the SAP NetWeaver® Master Data Management component as the foundation for its award-winning implementation.



Company objectives

#### Resolution

Business transformation

Future plans

## Recognizing leadership in master data management

Lexmark planned its MDM project in conjunction with a consolidation of the company's business systems. When company leaders choose the SAP® ERP application for their global platform, using the SAP NetWeaver Master Data Management component was a logical choice. Lexmark also appreciated the overall advantages of SAP solutions for enterprise information management.

Even before the software was selected, Lexmark had already established a data governance organization. This group spent six months setting the foundation for a successful software rollout by defining the project scope, crafting specific data standards, and identifying the business owners of the data. With the extensive SAP ERP implementation to consider, the company's CFO wanted the project to address master data across four critical domains: customers, vendors, products, and materials.

The Lexmark team – with help from its implementation partners SAP Consulting and Wipro – rolled out the solution in phases across the company. At each location, all four domains were implemented at the same time. Today, Lexmark relies on end-to-end processes to manage master data from sales through service. And the data governance group uses a full suite of information management tools to ensure the quality of that data.

The success of Lexmark's MDM program has earned its share of recognition. One notable example: the implementation recently received the annual Gartner Master Data Management Excellence Award.

"We looked at the whole suite of tools that addressed data quality, metadata, reporting, and data profiling. SAP had the better enterprise information management story to tell."

Srikant Dharwad, Enterprise Architect, Lexmark International Inc.



Company objectives

Resolution

#### **Business transformation**

Future plans

### **Seeing picture-perfect results**

Lexmark's MDM program has delivered more than accolades. Rationalizing and cleaning the company's master data created a single view of the customer and reduced the number of often-duplicated or obsolete customer records from more than one million to 200,000. Lexmark also eliminated some 75,000 invalid vendor records. As Dharwad points out, "Some experts estimate that it costs around \$50 per vendor record for annual maintenance." Going forward, the company has cut the cycle time for setting up new records by more than 50%.

Another key objective was improving the speed of business insight. Today, personnel across the enterprise have access to the same reliable master data. Lexmark uses that information to produce reports faster and with greater consistency. "It used to take three or four people a week to complete one of our key profit and loss reports," says Dharwad, "Now, one person can do that same job in about 15 minutes."

#### **KEY BENEFITS**

>50%

Less master-record setup time since rollout

15 minutes
Turnaround for key financial reports

80%

Reduction in customer master records

**65**%

Less data to migrate to the SAP® ERP application

**75**%

Reduction in vendor master records



Company objectives

Resolution

Business transformation

**Future plans** 

## Planning the next steps

Not too long after the new MDM system was in place, Lexmark completed the first of three company acquisitions. "In a matter of weeks, we were able to identify common customers and vendors," says Dharwad.

Dharwad says the next step for Lexmark is to consolidate its customer and vendor master data into a single business partner repository. This will enable Lexmark to gain a better understanding of the strategic relationships that exist with the many vendors that are also Lexmark customers.

Clean master data will help ensure that Lexmark always has a clear picture of the basics – from accurate customer addresses to warranty entitlements. And the basics are important, whether your goal is to print the perfect report or to keep your customers for life.



