



## USING SAP MDM TO TAKE CONTROL OF YOUR DATA

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# Agenda

adidas Group

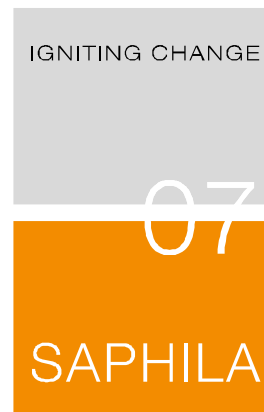
Business Impact of “bad” Data

Business Solution

Supplier - Benefits achieved

Product – Approach and benefits

Lessons Learned



# adidas Group – Brands and Global Partnerships



- Sports footwear, apparel, and hardware
- 500 million units/year
- 600,000+ SKUs (30% new every 6 months)
- Third-party manufacturing in 30 countries
- Product distribution to 50+ countries
- 2006 Sales of nearly \$13 billion
- 25,000 employees

Global Partnerships: NFL, NBA, Major League Basketball, Olympics, etc

# Business Impact of “bad” Data

## Financial.....

- Sales orders can be placed for articles that have been reserved specifically for certain customers. Orders must then be cancelled (\$ 2.6m per year)
- Range Plans suboptimal due to incomplete key data. Sales lost in first production month due to order cut-off dates missed (\$ 3.4m per year)
- and many more examples.....

## Business losing face.....

- Promise to customers not kept
- Forecasts incorrect
- Allocation of products to markets and sales channels either wrong or not possible
- Resources spend a lot of time to rework data

## IT issues.....

- Cost and time to integrate new applications
- Cost and time to enhance current applications to meet new business realities
- Unnecessary point-to-point application interfaces and multiple TIB messages for one data object

# What is Data Management for the adidas Group

- Making a commercial difference
- Solve business problems
- Enable Group solution (all brands)
- End-to-end (no silo's)

The end-goal of Data Management:



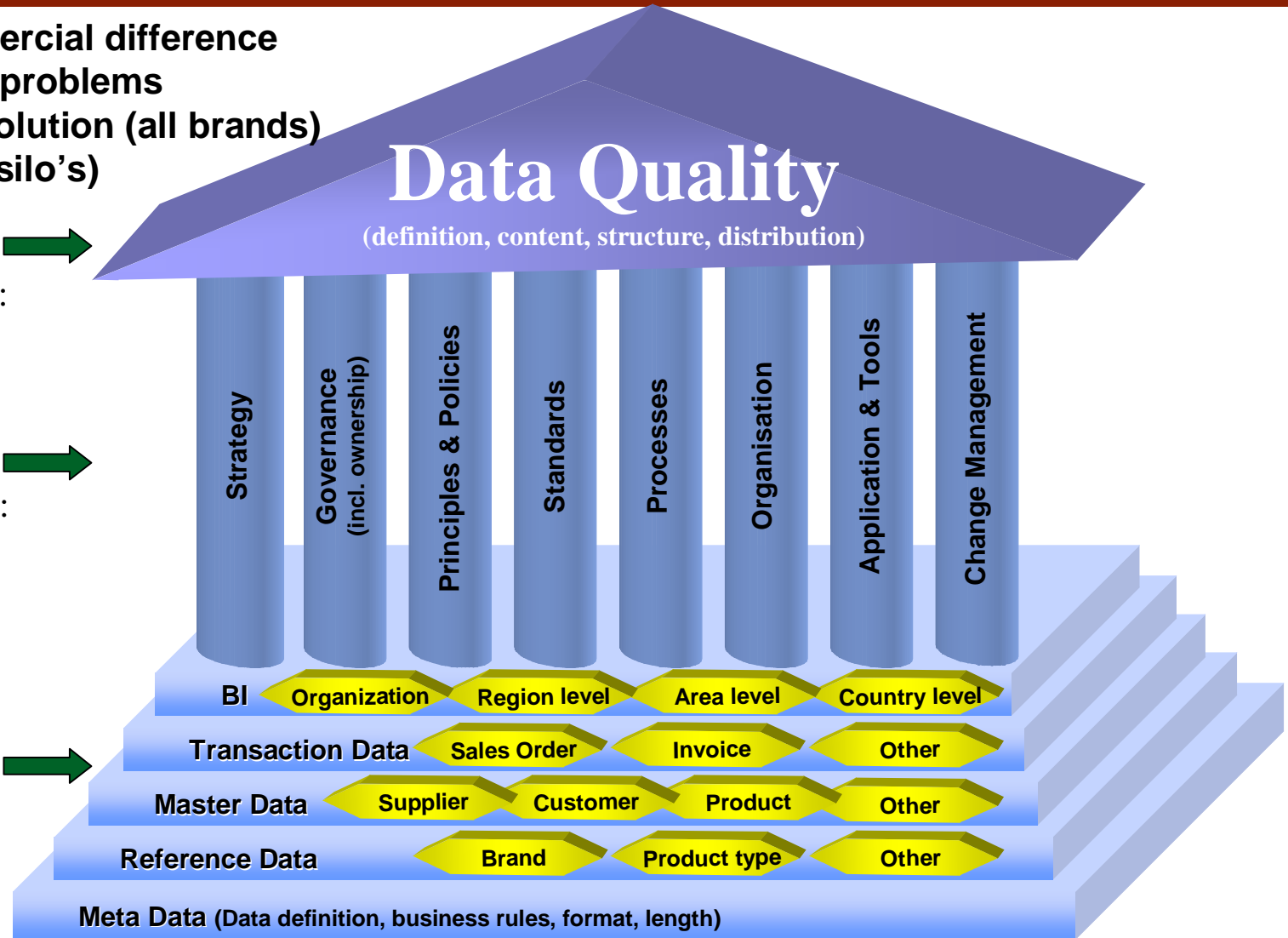
## Data Quality

(definition, content, structure, distribution)

What is needed to reach the end-goal:

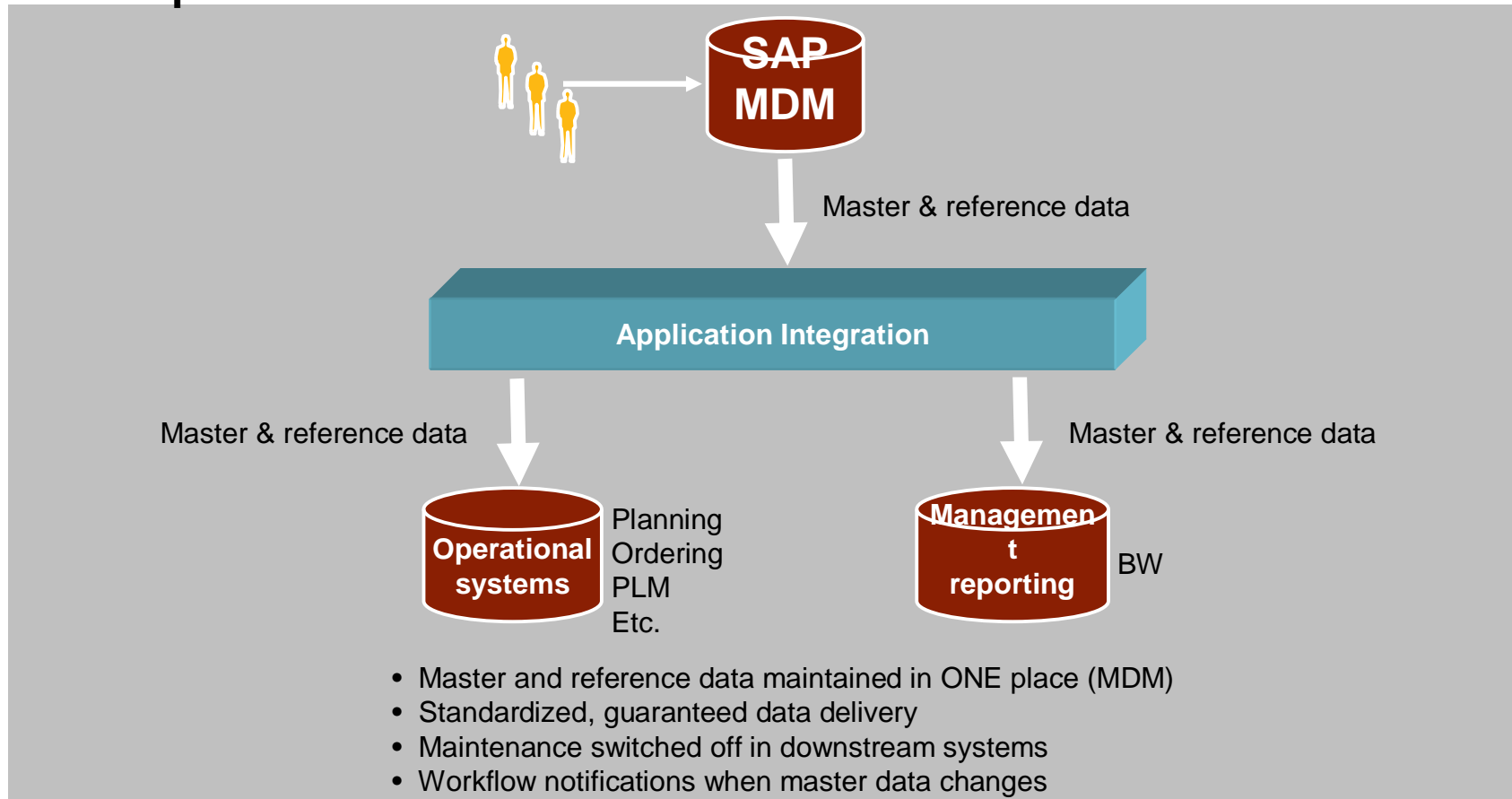


What are the foundations as input to reach the end-goal:



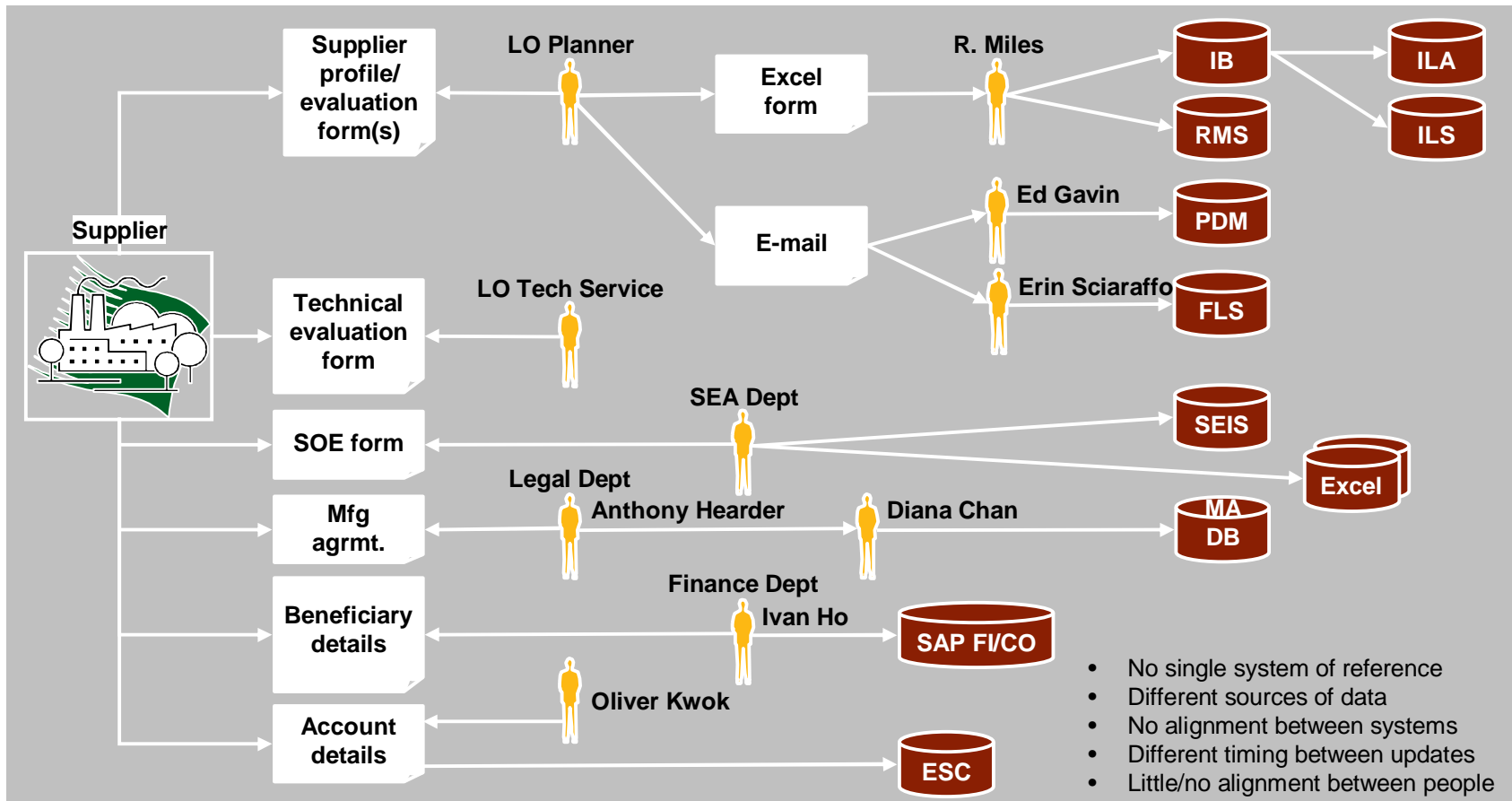
# Business Solution

“How does centralized MDM fit into the overall adidas application landscape?”



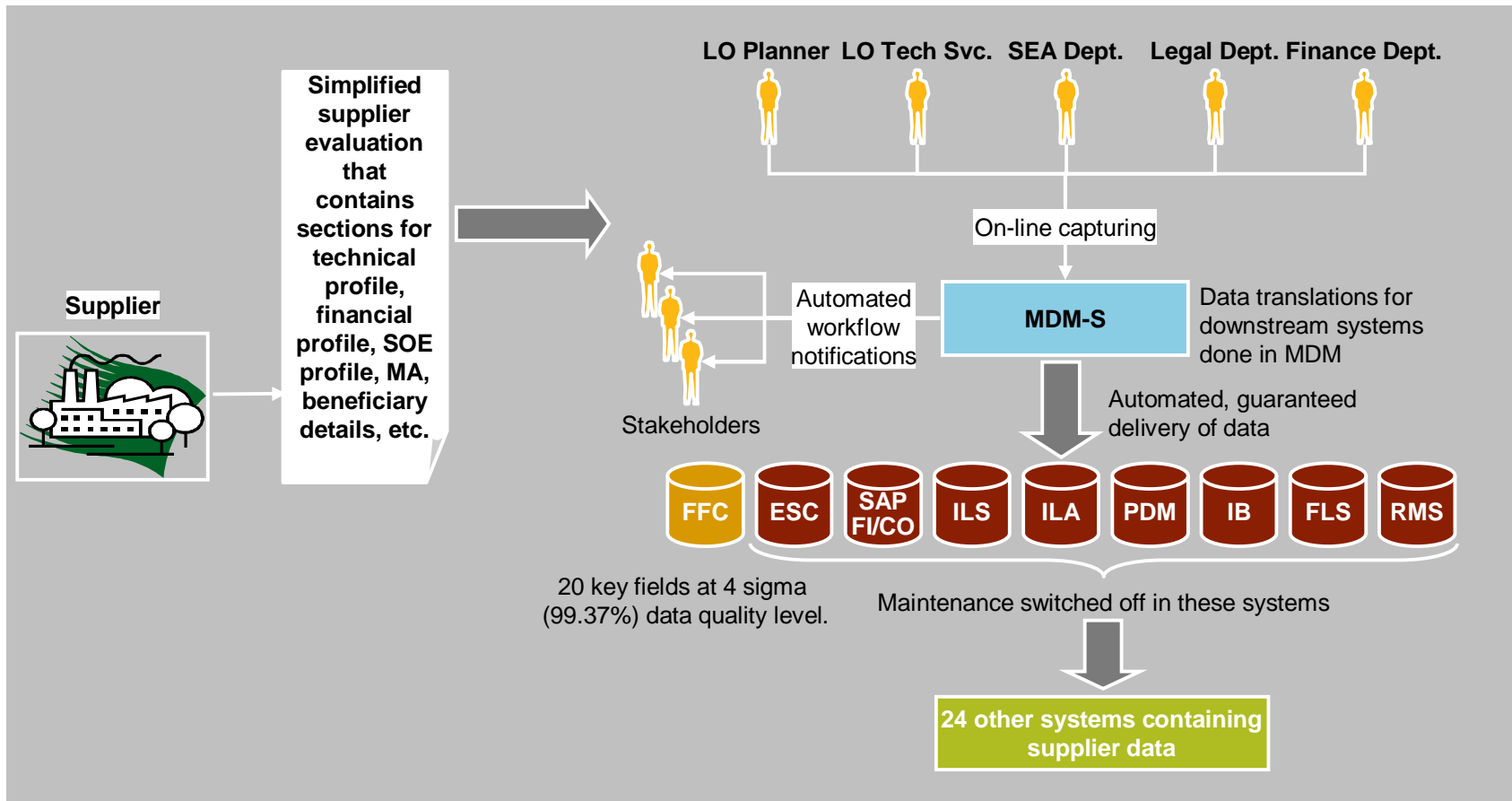
# Business Solution

## “Supplier: before”



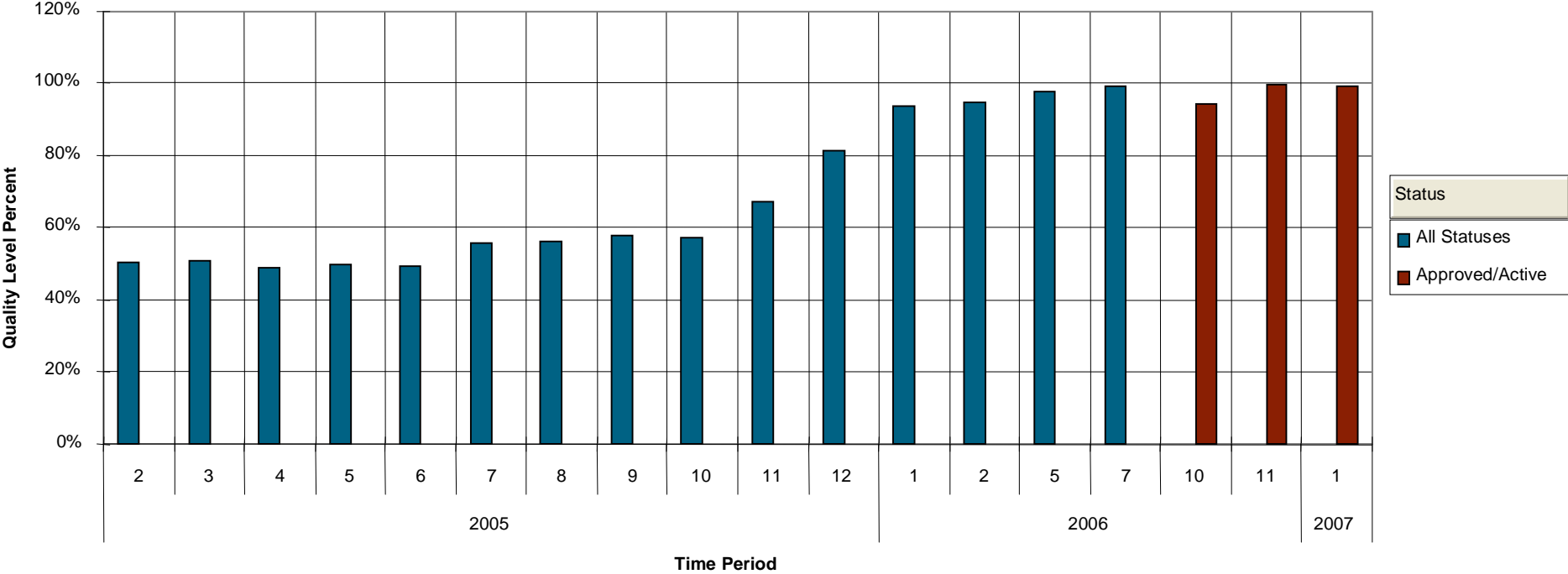
# Business Solution

## “Supplier: after”



# Supplier - Data quality

## Supplier KPI Quality By Period

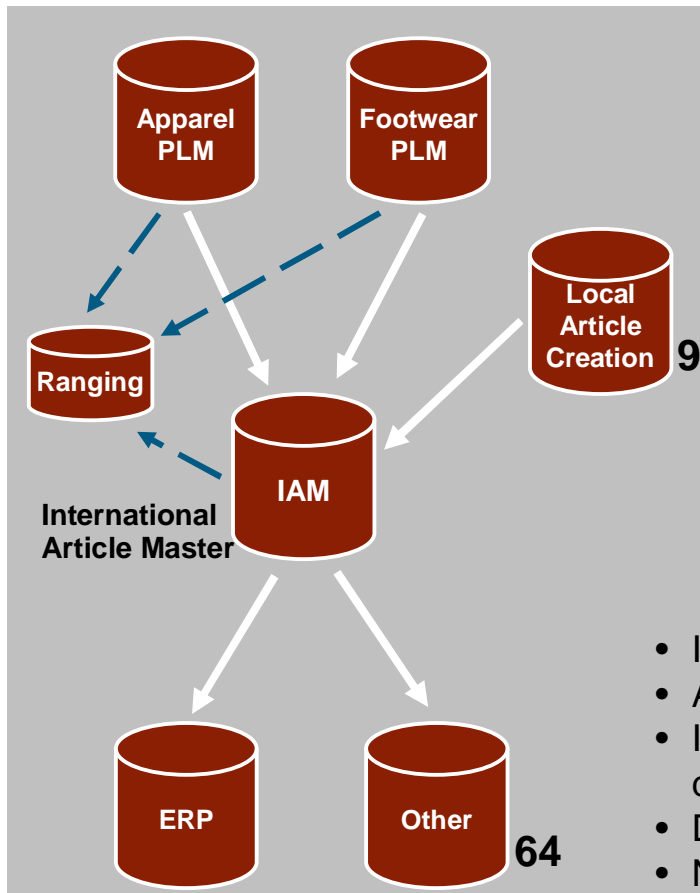


# Supplier - Benefits achieved

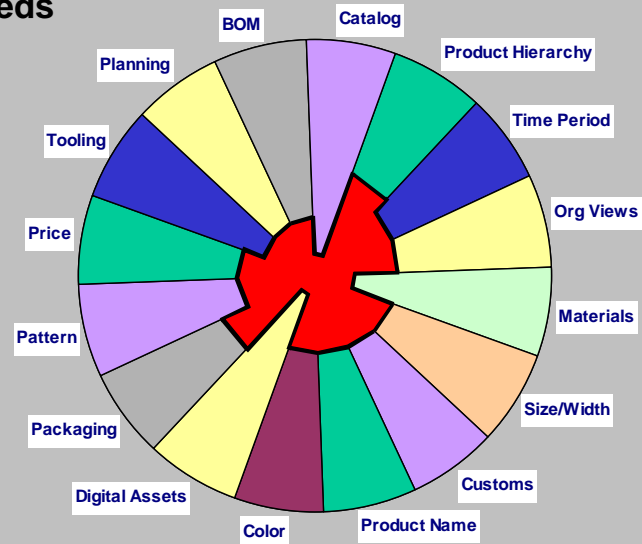
- For the first time, supplier master data is under control
- One global process to maintain supplier data – adapted by all brands
- Time to establish a new supplier reduced by 45%
- Clear data ownership established – The Snr VP (Global Sourcing) is the steward for Supplier data
- Simplified application landscape and “one version of the truth”

# Product - Approach

## “Product: today”

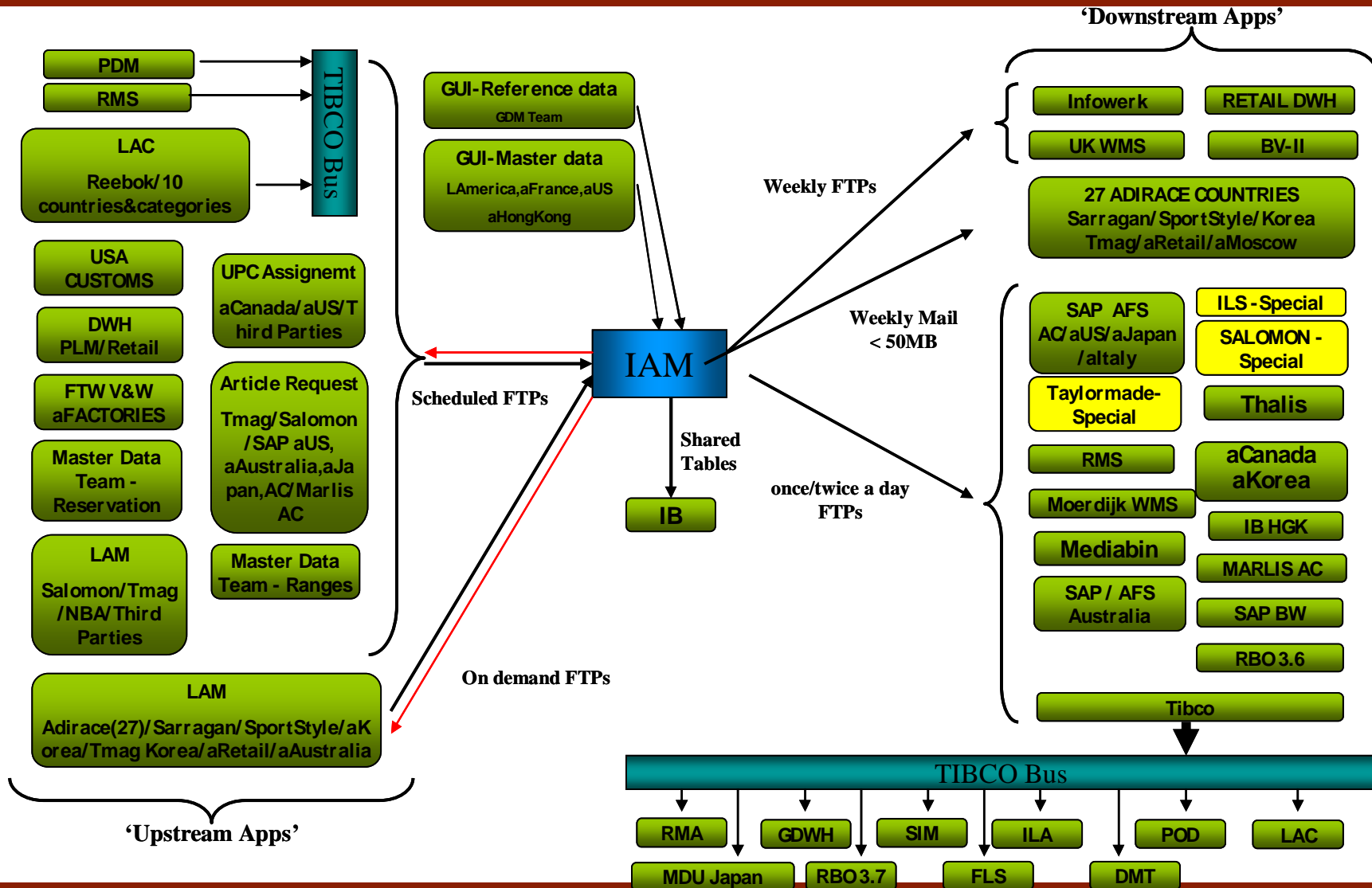


## Scope of IAM vs. what business really needs



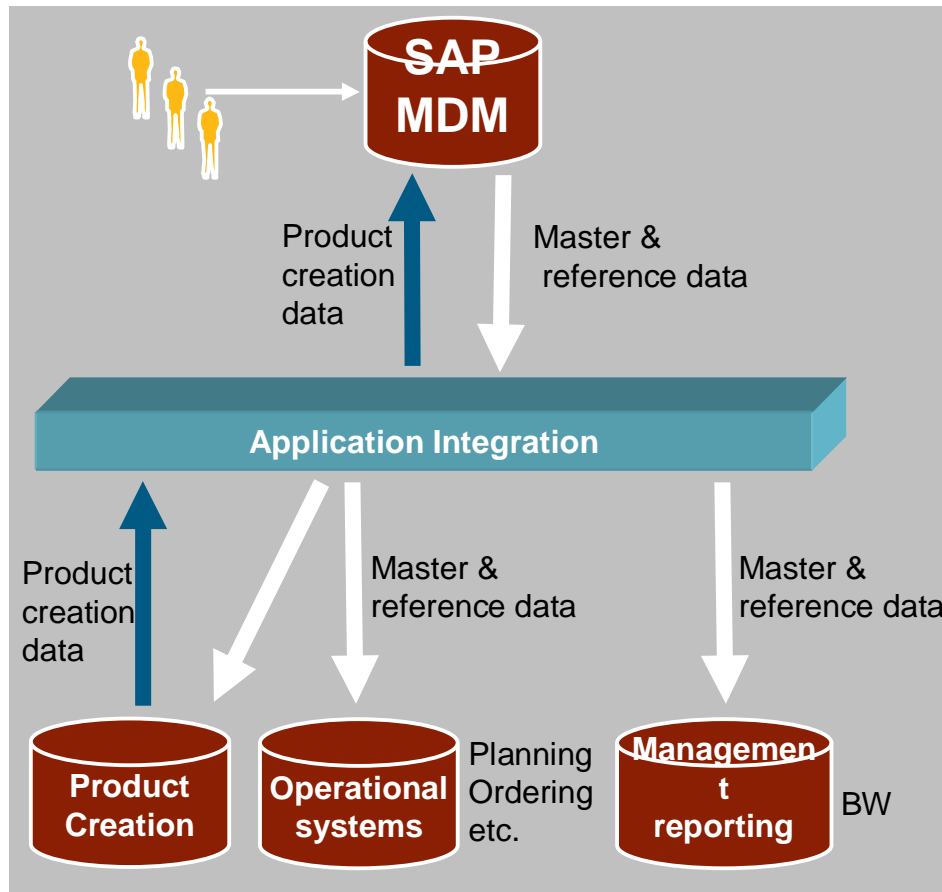
- IAM: Not all data fields; only contains adidas brand data
- ALL master data captured in PLM, minimum validations
- IAM only receives data when product is commercialized – if data needed earlier, IAM is bypassed
- Different timing between updates (daily, weekly) - batch
- Non-standard integration to/from IAM

# Product – Approach – Current complexities



# Product - Approach

## “Product: mid-term solution”



- Product creation – holds data needed for product creation only
- MDM holds all product data for entire Group (all brands)
- All product data published by MDM – standard interface
- All data enrichment occurs in MDM
- Online data validations in MDM
- Data publishing based on business event (not batch) from MDM
- IAM replaced – cost savings of \$2.6m per annum

## Product – Mid-term benefits

- One “version of the truth” for product data (all brands)
- All master data owners enrich product data in one place – including life cycle management
- 9 systems for capturing local product data is eliminated
- Standardized integration design – makes adding of new systems easier
- Lag of 6 to 8 weeks between product creation and MDM eliminated – Product planning, etc can happen sooner
- Improved data quality due to online data validations
- Product master data quality KPI’s and reports in one place (MDM)

# Lessons learned

- Repeat: Very high-level sponsorship needed to succeed
- The concept of centralized data management works
- You do not just implement a new tool – process and organization will change as well
- Refine your end-to-end processes, do not re-implement complexities
- Make use of consultants if the concepts are new in your organization (SAP, SITACORP)

# Using SAP MDM to take control of your data - your turn

Questions?

