

Case Study : UNSPSC Adoption

Introduction:

Griha Soft is a Bangalore-India based content services company. Griha's core business interests are providing end-to-end catalog content management services for B2B markets, suppliers, and buyers' organizations worldwide. Griha serves the MRO, Healthcare and Life Sciences Domains.

Client:

A major food and beverages company in North America, second largest in N.America and third largest in the world, marketing many popular brands in more than 155 countries.

Challenge:

The client had multi-location manufacturing facilities through-out N.America numbering more than 40. Few of these facilities were result of acquisitions made over years. Each facility acted as an SBU and had its own supply chain. The procurement process, systems and workflows were different at most of the facilities. There was no specific data governance policy to describe and manage the master data. Often the data was being managed by the IT staff along with clerks looking after procurement. Only some facilities had tried to put up a schema to accommodate catalog and vendor information.

This resulted in multiple data silos. Data across any two facilities were incompatible. Buyers and requisitioners were having tough time to find the right product and services within the legacy information systems. Purchasing managers were not able to get expenditure information necessary for spend analysis.

Creation of enterprise wide reports on took more time, with questionable accuracy.

To overcome this issue, client tried deploying an enterprise-wide eProcurement system. But data quality issues proved to be a formidable obstacle, especially in procurement. Each facility had its own master files, often different versions, non-standardized, incomplete, ridden with duplicate and obsolete entries. Also, the legacy taxonomy structure used for finding products and to categorize spend was inadequate. Most of the items were categorized simply as "Others".

Solution:

Working closely with its partner, Griha rolled out a data cleansing exercise to clean the master data for MRO (Maintenance, Repair and Operations) at each of the location and finally integrate it with the corporate master files.

There were a total of 3,000,000 lines of item information in all of the master files. There were about 4000 vendor records. All these were present in different systems.

Following set of goals were established for the project;

- A comprehensive data cleansing and categorization project plan to be established.
- A complete adaptation of UNSPSC v8.04 as a core taxonomy.
- Categorization of existing product information to UNSPSC
- Establish cleansing rules and guidelines for the existing and as well as upcoming product information
- Cleansing and enrichment of product information using domain experts.
- Creation of clean data files and loading them into the new ERP.

Execution:

Project was executed at Griha's offshore facility in Bangalore, India in a span of 30 months. Griha formed a special team of Domain Experts, Content Specialists and Software developers to work on this project in close liaison with its partner. A Content Editor Platform was developed jointly by Griha and its partner. This editor was integrated with customer's IT system and was made available to Griha's designated team over the web.

Griha utilized subject matter experts to consolidate the customer's existing taxonomy structure and build a map to UNSPSC. The existing product information were then classified to UNSPSC.

The major challenge was to move the product information to the granular nodes of UNSPSC, especially those who were previously classified as "Others".

Parallely, the data cleansing and normalization exercise began. Items with poor fill percentages were identified and separated. A rule based cleansing and enrichment was done to bring about uniformity, richness and consistency.

Items from all the locations were classified to UNSPSC.

- Cleansing and normalization of the data elements were carried out. Critical information like Vendor Name, Manufacturer Name, Descriptions and UOMs were ensured to be present and accurate. Exceptions were escalated to client.
- Attribute data was filled with relevant information from the input and as well as referring the MFR and Vendor websites
- The cleansed data was loaded into corporate master.

Benefits:

- Consistent coding across company divisions, suppliers and information providing uniform picture of company expenditure.
- Enabled buyers and requisitioners within the organizers to find all the products and services within a category with ease.
- Enabled purchasing managers to have a closer look at expenditure and facilitated strategic sourcing.
- Reporting was timely and accurate.
- Greater utilization of technology investments resulting in increased ROI