

Fortune 500 CPG Co. Key Facts:

USA Consumer Goods Company:

- USD 15 Billion Turnover
- 50 000 Employees
- Hundreds of well known products

Assets:

Productions plants, packing plants and distribution assets in many countries worldwide.

Refresh Materials Current Scope:

400 000 SKU's Globally

Refresh License:

Global license including Refresh Desktop for all standards Material de-duplication algorithm

Live with Refresh since:

2013

ERP Systems:

Various.
ERP Systems & Procurement Teams split geographically and by Business Unit. Includes 100k SKU's in SAP 4.7 and 250k SKU's in SAP ECC6

Level of In-House ERP Knowledge:

High. A decade running existing ERP

Level of Purchasing Knowledge:

High. Sourcing Innovators. Looking to find savings and value at all sites.

Current Status:

Live with Refresh since 2013, De-duplication run completed. New special savings project in Raw and Pack material types started.

Refresh Languages installed:

English, French, Spanish, Portuguese, German

Combined Standards in Refresh:

- UNSPSC Segment
- UNSPSC Family
- UNSPSC Class
- UNSPSC Commodity
- ISO 8000 Noun Qualifiers
- HTS – Harmonized Tariff Codes
- INTRASTAT
- In-house industry-specific codes



Refresh™ Data Standardization Software Project Case Study: USA Fortune 500 CPG Co. finds “Millions in Savings”



Some factors key in the selection of Refresh™ included:

- + Success in testing match rates on own in-house data
- + Low software integration / implementation effort
- + Ease of use, allowing the right people to do the job fast
- + Pre-built dictionary & standards ready to use on day one
- + Ability to be up and running one week after purchase
- + Excellent references from Fortune 50 customers in USA

“Yes... show me the money!”

*Global Head of Indirect Purchasing
USA*

The Solution:

At the kick-off workshop for Refresh Desktop the standard Refresh extraction program was applied to the first ERP system – immediately analyzing two thirds of the business. Refresh's automated de-duplication algorithm then began identifying duplicated purchased items across all the sites, factories, packaging plants and distribution warehouses. All of this was done in just a few hours with the Refresh automated algorithm crawling the SKU database and producing a report potentially worth “millions in savings” in reduced inventory:

| | | | | |
|-----------|---|--------|---------|--------------------------|
| 241108979 | 0 | 206268 | 1052899 | SPINDLE HSE 250-016-377 |
| 241118979 | 0 | 206362 | 1053003 | *SPINDLE,HSE 250-016-377 |
| 241128980 | 0 | 206269 | 1052900 | WHEEL HSE 250-020-386 |
| 241138980 | 0 | 206363 | 1053004 | *SECURITY WHEEL,HSE 250 |
| 241148981 | 0 | 206270 | 1052901 | *PIN, SECURITY HSE 250-0 |
| 241158981 | 0 | 206364 | 1053011 | *SECURITY PIN,HSE 250-02 |
| 241168982 | 0 | 206382 | 1053029 | *PRESSURE REDUCING VALV |
| 241178982 | 0 | 206385 | 1053032 | *4/2 WAY CONTROL VALVE |
| 241188983 | 0 | 206394 | 1053041 | SEAL KIT 07-FLO-500KIT-0 |
| 241198983 | 0 | 206479 | 1053126 | *SET,O-RING,PD500/575,F/ |

Found 24135 duplicate materials across files

Refresh screenshot showing 24135 duplicated items

Key Business Benefits:

The project continues, but the company is immediately able to realize some large quick wins by combining stocks of duplicated items across the enterprise. The next phase will include using Refresh to **re-describe items** easily, and **automate spend** classification giving procure-to-pay a solid data foundation for **continuous improvement**. After the de-duplication algorithm's success on the first part of the business, the project was extended to include the remaining third of the supply chain. Great results again:

| | | | | | |
|-------|------|---|-------|---------|--------------------|
| 10408 | 3714 | 0 | 66119 | 1190570 | RING,SNAP,TIROM |
| 10409 | 3714 | 0 | 78385 | 1247521 | CIRCLIP 660 |
| 10410 | 3715 | 0 | 66135 | 1190622 | RING,RETNG,FORI |
| 10411 | 3715 | 0 | 89412 | 1262013 | T.V. ASSY SANP RIT |
| 10412 | 3716 | 0 | 66142 | 1190643 | HSNG,BRG,PRESS |
| 10413 | 3716 | 0 | 75705 | 1244936 | HSNG W/BUSH |
| 10414 | 3716 | 0 | 66143 | 1190643 | HSNG,BRG,PRESS |
| 10415 | 3717 | 0 | 66168 | 1190675 | ORING,OR144,5-3J |
| 10416 | 3717 | 0 | 76216 | 1245439 | ORING,144,5X3 |
| 10417 | 3718 | 0 | 66178 | 1190683 | ORING,8X3,064000 |

Found 11021 duplicate materials across files

Refresh finds 11021 additional dupes - show me the money indeed.

Business Challenge:

Big data within the supply chain in a large global business normally conceals a substantial amount of duplicated items. These items almost always hide a significant saving which can only be unlocked through a deep de-duplication and standardization initiative.

This particular customer is a household-name Fortune 500 consumer goods company with many well known brands to be found in almost every home in the United States. The supply process spans from sourcing and farming, production and packing and all the way through to delivery of the packaged consumer unit at the supermarket.

Management was well aware of the potential for savings through standardization of all supply chain materials but their teams had struggled in the past to get to grips with the half-a-million different items being purchased, stocked or sold. Without software automation the project would simply not have been attempted.

The supply chain is further complicated from an IT perspective today by more than one purchasing and maintenance system with multiple versions of SAP running concurrently. The result is that the small central procurement team has to deal every day with hundreds of thousands of purchased line items from multiple suppliers.

As part of an in-house efficiency drive, procure-to-pay and warehousing savings had been targeted. It was hoped that a decent reduction in working capital and an increase in free cash flow could be achieved, enabled by software or services

The software selection process involved multiple demos of Refresh desktop running everything from MRO spare parts to product packaging and raw material food ingredients. The company was also comparing Refresh test results with an outsourced consultancy approach, as well as two large ERP offerings. After demonstrating the quickest potential for real savings on a complete test set, the global HQ in the USA signed up for the full global enterprise license of Refresh.