

BUILDING OPERATIONAL EXCELLENCE WITH A DATA-FIRST APPROACH



ABOUT THE CLIENT

Founded in 1911, this American multinational company is a leading manufacturer of confectionery, pet food, and other food products and a provider of animal care services, employing **100,000+ associates** at more than **300 sites**, including more than 130 factories in about **75 countries** worldwide. Headquartered in McLean, Virginia, U.S.A. it is one of the world's largest food companies, generating global revenues of more than **\$35 billion** annually.

- **Industry:** Food & Beverages
- **Scope:** Global Material Master Data Management
- Global leader in packaged foods, beverages and pet products
- **10,000+** professionals globally
- **130** manufacturing facilities
- **75** countries globally

THE BACKGROUND

Most of these production sites have grown organically within the company and several of them have come into the company's fold through strategic acquisitions.

This complicated structure has evolved over the years, which has resulted in the company's operating a diverse landscape of processes, systems and conventions across its manufacturing landscape.

Furthermore, the absence of a Robust Multi-Lingual Data Governance System with the necessary stewardship and approval systems has resulted in unstructured data within their source systems.



THE BACKGROUND

This has led to diversity in handling of the MRO Parts and Consumables Data across the manufacturing sites, which in turn contributes to limitations around gathering Indirect Spend Procurement Insights and inventory management.

Additionally, many of these production units operate different ERP and enterprise asset management systems, each with its own conventions, taxonomies and database schemas

THE CHALLENGE

The organization's operations spanned multiple regions, each maintaining separate systems for managing customer, product, and supplier data.

- **Geographical Regions** – North America and Latin America (NALA), Europe and CIS (EUCIS) and Asia Pacific, Middle East and Africa (APMEA).
- **Source Systems:** 5 SAP instances and Microsoft One Navision.
- **Data Volume:** 1 million SKUs – MRO Parts and Consumables.
- **Languages:** 10
- **Taxonomy:** SMD and UNSPSC.

KEY BUSINESS OBJECTIVES

A haphazard combination of ERP systems, siloed Data Architectures and absence of centralized Data Governance systems was leading to supply chain constraints. To remedy this, the client was looking for an AI-led solution for data harmonization and governance to address client challenges detailed below

1

Minimize Inventory Carrying Costs

A Reliable Master Data System that completes every procurement request to ensure complete information and prevent issues like overstocking and erroneous purchases

2

Constrain Maverick Spend

To minimize unjustifiable expenses on account of unplanned but critical maintenance requirements

3

Explore Indirect Procurement Trends

Duplicated and inaccurate data would provide little visibility into the trends in MRO Procurement leading to lost opportunities as far as supply chain optimization or equipment procurement is concerned.

4

Minimize Production Downtime

To minimize instances of production downtime due to absence of critical maintenance parts or consumables

**THE SOLUTION****Verdantis team approached the project in two parts;****HARMONIZATION**

The first part entails Harmonizing the legacy Materials and Consumables data which includes;

- Identifying duplicate Material records
- Standardizing unstructured data into pre-defined fields
- Enriching the MRO data with missing information to drive smarter procurement decisions

GOVERNANCE

The second phase involves implementing a governance system for corrected and future data within the client's ERP, including:

- Validate input data across identifiers to minimize duplicates.
- Auto-enriching data from third party sources via AutoEnrichAI.
- Auto-categorizing requests into UNSPSC with attribute population.
- Configuring user access for master data creation, editing, enrichment, and updates.

VALUE DRIVERS

The project execution resulted in a thoroughly deduplicated, standardized and enriched material database, with freshly adopted standards and conventions for MRO data duly managed within the clients ERP ecosystem and governed with the help of Integrity©

Cost Savings by Data Rationalization (De-duplication)

- Cleansing helps maintain accurate inventory levels, reducing excess stock and stock outs.
- Accurate and granular classification of data makes it easier to analyse spending patterns and trends by category.
- Cleansing removes duplicate entries, ensuring that there is a single, accurate record for each item

- **Nearly 5% of Duplicated Master Records** were identified and corrected

Operational Efficiency by Improved Data Quality

- Correcting data errors, removing inconsistency and completeness of data (filling the missing information) leads to enhanced decision-making and operational efficiency.
- Governance establishes processes for continuous data monitoring, updates, and validation, ensuring data remains accurate and reliable

- **An 8% increase** in material records with MPN and MFN details
- **Around 15% material records** corrected with the right MPN and MFN details

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