

Siemens Partners
with Verdantis
for Massive
**ERP Harmonization
and MDM Initiative**



Siemens' Water Technologies Business Unit Partners with Verdantis for Massive Enterprise Resource Planning (ERP) Harmonization and Master Data Management (MDM) Initiative

When Siemens acquired USFilter, an immediate priority was to transition its many business systems to Siemens' universal SAP ERP system. However, prior to being acquired and renamed by Siemens, USFilter had been through its own lengthy series of mergers, acquisitions, and divestitures. Transitioning to a single business information system was no small order.

As Jeffrey Karson, Project Manager, Business Integration for Water Technologies recalls it: "We had 18 different business platforms. We had everything from SAP, Oracle, and Baan, down to Quick Books in some of the smaller segments of our business."

A steering committee comprising the company's CEO, CFO, CIO and others understood that Water Technologies would need both a set of standards and processes for controlling the creation of new information for SAP as well as a solution for cleaning up, enriching and harmonizing older material data being transitioned to SAP.

Investing in both data cleanup and process control was an easy decision for the Water Technologies steering committee; the challenge came in finding a single solution provider that would be up to both sets of tasks.

"We looked to see which companies offered solutions for what we needed to do," Karson says. "We narrowed it down to three providers and, from there, quickly down to just Verdantis and one other provider."

“I can train a new Verdantis Integrity user in about two hours. And half of the time is spent talking about why we use Integrity. It takes only about one hour to teach a person to use a tool as powerful as Integrity”

Jeffrey Karson,
Project Manager,
Business Integration for
Water Technologies

Water Technologies' strategic goals

- Improve visibility and control of information
- Improve operational efficiency
- Improve working capital management
- Comply with Siemens' standards



After seeing demonstrations of the competing solutions, Karson says Water Technologies selected Verdantis because “it was the only provider at the time that had a complete solution that had been engineered specifically to do what Water Technologies was trying to accomplish.” While other providers had pieces, he says Water Technologies would have needed to use other service providers to fill critical gaps. “We could use the Verdantis Harmonize Solution to harmonize existing data and bolt on the Verdantis Integrity Solution to control new information flowing into SAP.”

Verdantis also undertook a detailed proof of concept initiative in which it harmonized a subset of Water Technologies’ real material master data, Karson says. “Verdantis asked us for sample data and loaded it into its tool to show us exactly how the tool would react with our data. Each Water Technologies ERP is unique, so we needed to make a few tweaks, but overall, the proof-of-concept phase was a big success.”

A bonus, Karson says, was that Verdantis already had a relationship with Siemens' Energy Sector in the related area of Spend Analysis. As such, it had already gone through a process of mapping Siemens' proprietary Electronic Serial Number (ESN) materials coding system to the global standard United Nations Standard Products and Services Code (UNSPSC) coding system, which would be introduced through the material master data harmonization process at Water Technologies.

About Siemens' Water Technologies Business Unit

Siemens' Water Technologies Business Unit is a leading global provider of cost-effective and reliable water treatment systems and services, offering everything from emergency water supply and conventional water treatment processes to wastewater reuse systems, membrane bioreactors, ultraviolet disinfection systems and reverse-osmosis cleaning contracts. The company's products and services are designed to help keep cities safe, or companies profitable.

“ The people at Verdantis are smart and their technical know-how in MDM is sound. We may have gone through some rough spots, but they stuck with us and guided us. I am very happy with what we have been able to accomplish ”

Jeffrey Karson,
Project Manager,
Business Integration for
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How Verdantis harmonizes material master data

The Verdantis harmonization process begins by loading historical material master data into the Verdantis Harmonize Solution. Using statistical artificial intelligence (versus inflexible rules), the solution analyzes cryptic text fields, classifies, and enriches material records according to the global UNSPSC product coding standard and/or to other standard or proprietary part numbering systems that may be required.

The Harmonize Solution also parses unstructured material attribute information from text fields into attribute fields selected and/or added by the client, depending on level of granularity desired. The solution does this regardless of language and supports some 25 languages. Next, the Verdantis Harmonize Solution uses a host of sources existing customer text fields, an extensive content library built up over many years by Verdantis and information crawled and scraped from suppliers' web sites to enrich and fill missing material attribute information. Finally, the Verdantis Harmonize Solution looks for exact matches by supplier names and/or part numbers to identify and eliminate duplication in a client's material master data.

From the parsed and enriched material attribute fields, Verdantis Harmonize can then generate normalized short and long material descriptions that can be uploaded to ERP and to on-going MDM systems such as Verdantis Integrity.

The benefits of harmonization include improved search, empowered sourcing, lower inventory and handling costs, more productive employees, increased plant uptime, more successful initiatives like Bill of Material (BOM) and design reuse, and successful data governance going forward.

Water Technologies' U.S. master data harmonization requirements

LEGACY SYSTEMS

- 8 brands in the U.S
- 13 instances
- 3 instances that consolidate businesses

MATERIALS

- 1,300,000 active materials
- No common protocol for part descriptions or attribute callouts
- Duplicates within and across legacy systems
- No common or Siemens required classification

BUSINESS PARTNERS

- 102K customers; 63K suppliers
- No common protocol; duplicates across legacy systems
- No global visibility into business partner relationships
- Little industry classification



For Water Technologies, which faced an exceptionally complex harmonization task, the process has yielded a critical lesson that others would be wise to heed, Karson says. “It’s great to find a solution provider who can take on the task of harmonizing and enriching your material master data. But as the client, you need to be equally on board and engaged in the process. The solution provider knows what it’s doing. You need to listen to what it tells you and work hard to get your stakeholders completely on board. At the end of the day, it’s your data and you need to be an active participant in defining how the solution provider is going to help you clean it up.”

Karson recommends forming a team on which each plant or business unit is represented. “You need people who know their data and can speak with authority about it. You need to listen to the experts and be prepared to answer the questions they ask. Otherwise, you can still end up with duplicates and other problems that can be difficult and time-consuming to remedy,” Karson warns.

Controlling information creation

Where Harmonize ends, the Verdantis Integrity Solution picks up to manage material master creation and maintenance going forward. The Integrity Solution is fully configurable and can be mapped to any desired workflow. For Water Technologies, the defined process goes as search, define, authorize, create, and update.

Karson explains: “To define a new record, an SAP user must sign on to Verdantis Integrity. First, he needs to search for an opportunity to extend an existing item to his plant. His local manager would then

“ If you pay attention to harmonization and load good data, the Verdantis Integrity Solution is very powerful. You can find anything. It executes your process for creating and approving items. And it moves your information cleanly into SAP ”

Jeffrey Karson,
Project Manager,
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Water Technologies



approve the extension, and the record would proceed through workflow and on to MDM. There, it would be assigned its W2T number which identifies the record as belonging to Water Technologies in the larger Siemens SAP network and pushed into SAP.” If there is no potential match, the local data manager would then follow an established process for defining and obtaining all necessary approvals for the new item.

The central MDM group, Karson notes, applies consistency checks and approval workflows for changes to existing records as well. “If an item is shared across plants, the workflow in Verdantis Integrity carries it to all the local data managers before it comes to MDM.”

Karson remarks that the Verdantis Integrity tool was easy to configure to match Water Technologies’ desired process and that the Verdantis implementation support team was able to help Water Technologies refine and execute its new control process. Karson highlights: “Being experts in this domain gives Verdantis a great deal of insight into material master data. They helped us refine what we were trying to do and to figure out how to get it done.” In return, Water Technologies has helped Verdantis to refine its Integrity Solution for maximum ease of use and effectiveness.

For example, an early incarnation of the Solution did not have reverse workflow. “If a record came to me that required correction,” Karson says, “my only option was to correct it myself. But it’s the people in the plants who really know their data and who need to focus on data quality. We needed to be able to send records back through workflow for corrections.”

Benefits of master data harmonization and governance initiatives at Water Technologies

BUSINESS

- Process standardization drives continuous improvement
- Provides consistent and actionable information
Enables elimination of duplicated data entry across applications

FINANCIAL

- Improves spend and supply management
- Enables part standardization and lean inventory

TECHNICAL

- Improves success of SAP implementation
- Facilitates interfaces between and among applications
- Enables centralized maintenance and change management



Other usability features in Verdantis Integrity that Water Technologies has helped to bring about include:

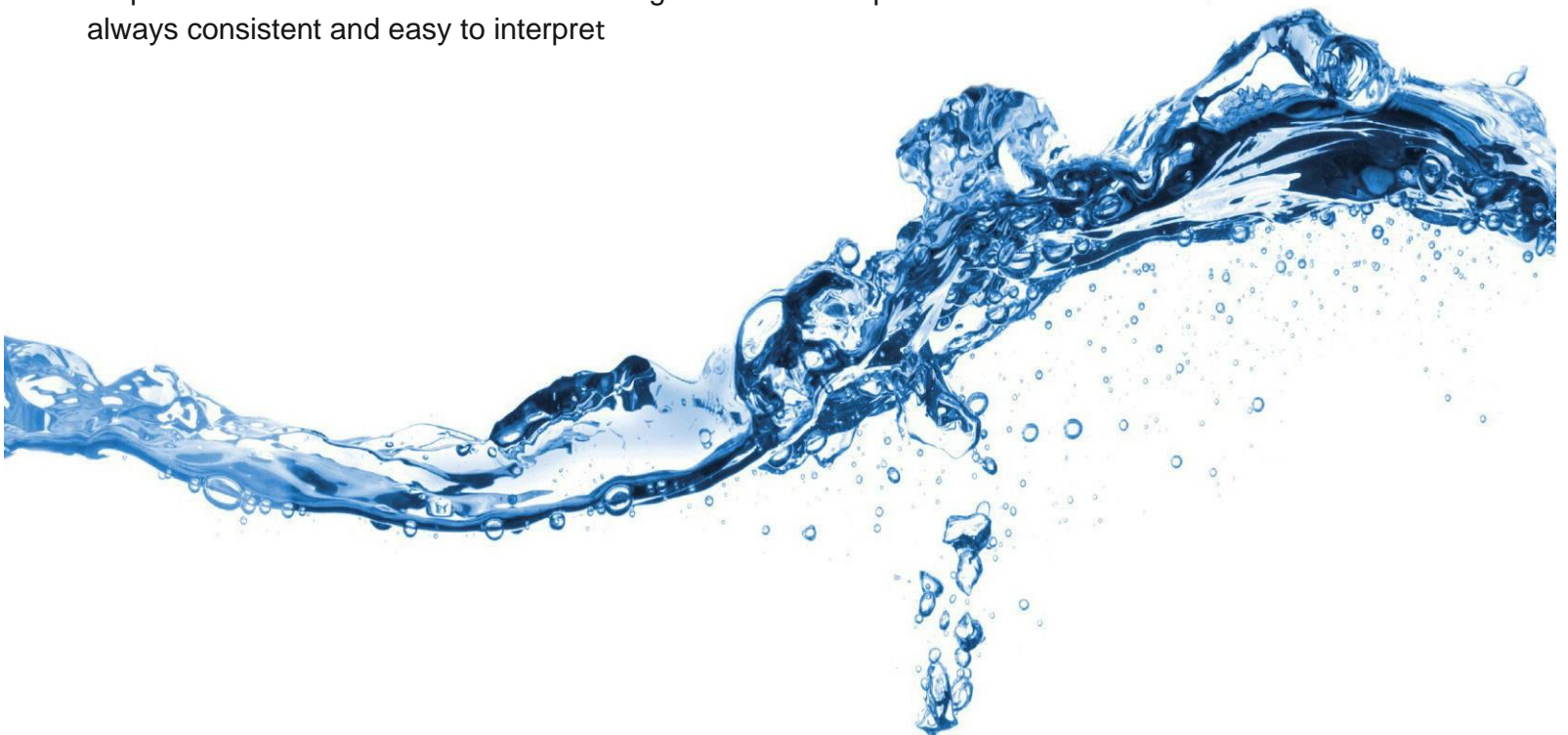
- Highlighting and side-by-side comparisons for reviewing changes easily,
- An ability to use dropdowns to semi-automate classification and entry of new data,
- A tool tip bar that makes full text visible upon mouseover,
- An ability to write master reports into MS Excel,
- Greater control over how various users interact with Integrity (for example, prohibiting certain users from creating new items from scratch), and
- An ability to easily revise category assignments if they get assigned incorrectly.

“Encouraging people to copy existing items increases productivity because they don't have to fill in all of the required attribute information and there is less opportunity for differentiation,” Karson observes. “People are not robots. Usability features like dropdown lists let us control how people enter new data so we get clean information across multiple plants.”

Forcing users to enter good data into Integrity ensures that part descriptions, especially the 40-character short descriptions that typically show up on bills of materials, are always easy to read and interpret correctly in procurement, engineering, and on the plant floors, Karson says. “A big reason we use Integrity is to control the short names. With Integrity, you can't just put N/A into critical fields. We offer dropdown lists that are normalized so the generated descriptions are always consistent and easy to interpret

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About Verdantis

Verdantis, the Master Data Management Division of Ultra Inc. has been delivering automated Material Master Data Management solutions for quality as well as governance for G1000 organizations since 2004. Verdantis, with Artificial intelligence-driven Master Data Management solutions specially designed for enterprise-level MDM strategies, deliver real ROI and business value. Our end-to-end, force-multiplying Material and Services MDM solutions with built-in specification sheets for more than 3700 categories allow enterprises to gain maximum value from ERP/MRP/ EAM investments.

Verdantis is the first to offer Master Data Management solutions that bring real ROI and Business Value by focusing on the business use and application of organizational Master data. Verdantis uniquely offers end-to-end automated ERP MDM solutions driven by our suite of Artificial Intelligence (AI) based solutions and business roles and rules. Our easy-to use solutions are easily configured to fit enterprise requirements for classification, enrichment, screens, fields, security, attachments, workflow approvals, languages and more.

Verdantis Harmonize® is a high-speed automated material /item data quality improvement tool that uses internal knowledge assets to master legacy data. Harmonize assures a globally unified, standardized, de-duplicated and enriched material master for uploading into a customer's ERP, EAM as well as Verdantis Integrity.

Verdantis Integrity® is a data governance tool that manages the quality of the material/item/product master data on an on-going basis. Powered by a strong workflow engine and a guided item creation process, it keeps a cleansed and harmonized material master permanently pristine. It prevents data duplication and enhances organization-wide parts discovery, visibility, and compliance. Leading global companies have chosen Verdantis solutions for the following reasons:

- In-depth industry and data specific domain expertise with a robust project methodology
- End-to-end automated processes to harmonize & enrich historical master data
- Ability to ensure semantic and structural data integrity and quality
- Ability to handle large volumes of cryptic and complex data in multiple languages
- Delivery of higher quality and volume than manual/ database centric approaches
- Flexible engagement models with a single focus on customer success

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