How to optimize the entire value chain with PIM

- Five concrete gains that PIM creates for your business

Perfion

Content

A PIM system creates value throughout the business

"A PIM system? That's really something you need if you work with e-commerce."

Product Information Management (PIM) systems are often closely linked to e-commerce, and it is also true that a PIM system is almost indispensable if e-commerce is an important part of the business.

However, the great emphasis on e-commerce sometimes overshadows the value that a PIM system creates in other parts of the business, which is the system's greatest power: establishing a "single source of truth" for product data, which can optimize all the company's processes that involve product data.

Therefore, in this whitepaper we will focus on how to utilize the PIM system as a motor for a number of business value chain optimizations, and on the concrete gains you can attain in product development, procurement, manufacturing, marketing, sales and after-market services.

Effective data enrichment in the company – how-to guide

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It is called a value chain for a reason. One link is connected to the next, and it is precisely the connection that creates the value. Nonetheless, in many companies, there is a lack of consistency in working with products and product information, meaning that the data is not efficiently transmitted from link to link.

In the case of a manufacturing company, the product will start off in a product development department. This is the birthplace of the first data, which will typically reside in a dedicated product development system. A little data will then be put into the ERP system, and Procurement will extract it, work on it and enrich it as needed. When Marketing and Sales come into the picture, the procedure is the same. At this point, sales may need information that Product Development has had with from the start, but has not been shared and therefore Sales has to find the data themselves. Every function works with product data in its own fragmented systems – often in Excel spreadsheets – increasing the risk of duplication and error.

The sooner the data is made easily accessible common knowledge, the greater value it has. This is where the PIM system, as the common reference point, ensures that the next link in the chain can rely on the previous link's work, instead of having to reinvent the wheel.

Get the picture with shared effort
The PIM system is central to the equation, but it is the processes around the work that really create value.

It can be overwhelming to change the entire company's data enrichment processes, but the gains justify the effort.

The first step is to get an overview, which is a valuable exercise in itself.

Gather representatives of the company's departments in a workshop, and start with a joint effort to get a picture of how each department accesses and enriches product information. By asking in the following way, you can create a picture of the processes affecting product information:

- "Who gets the product after me?" When an employee takes an action related to product data, write it in a box and draw a line to the next action. This will give you a picture of the overall workflow.

- "How do you get there?" This will show you if there are more people involved than initially thought and how the information gets to the next link.

- "Who will really get the job next time?" This will show if other people than first assumed actually get the assignment.

Along the way, write down the terms that are specific to your organization, as well as the types of product information that are accessed and enriched. This result of this approach can be illustrated in the following simplified example:

An example of a process

Imagine the following scenario, where a new product is to be launched:

Julia:
Sends an email to Olivia: "Do you know if this product is 17 or 18 cm high?"

Olivia:
Checks the product's height in an Excel sheet and replies: "Hi Julia. It's 18 cm high."

Julia:
Is not sure what price the product should have. She goes and asks Michael: "What's the price on this thing?"

Michael:
Checks the price, which is stored locally on his computer: "It is DKK 80, ex-VAT."

Julia:
Also needs to know what colors it comes in: "Michael, do you know what colors we deliver it in?"

Michael:
Is not involved in that area. "No, you should check with Product Development."

Julia:
Writes an email to Product Development: "Hi William. What colors do we deliver this item in?"

William:
Finds the colors it can be delivered in. "Hi Julia. Here are the color choices. Remember that you also need the technical specifications to go with it, but I do not have them - Brian does."

And on it goes, until everything has been clarified. It is a very drawn out, manual process.

A procedural quick win

With a PIM system, the process looks like this:

Julia:
Needs to know the product's height. She goes into the PIM system and searches the product, and finds its height under the Measurements tab.

Julia:
Is not sure what price the product should have. She still has the product open, and can see the price under the general information.

Julia:
She also needs to know what colors it comes in. Again, she looks under the product and finds the colors it can be delivered in.

Julia:
She also needs the other technical specifications. They are easily found under the *Technical specifications* tab.

All the back-and-forth communication has been eliminated. With a PIM system, the departments can focus on their own core tasks and be sure that all product information is gathered in one place.

Overview is the way to quick wins
In the process of getting a picture of the product's life cycle, you will most likely be surprised at how many different employees actually need to access and work with product data.

The overview you now have will allow you to easily achieve gains through small adjustments to your processes. By making the PIM system use a central part of the company's internal processes, you enable all the employees involved to work more efficiently and avoid reproduction of efforts. Overall, you will be freeing up significant resources that can be applied to more value-creating activities.

5 concrete gains that PIM creates for your business – from procurement to after-market services

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Product development and procurement

Streamlined ERP system
Depending on the type of company, the product life cycle will start in the product development or procurement functions. When new products come about, they traditionally start out in the ERP system and a volume of data will be created there, even if the product is not ready to be sold yet and this data basically does not belong in a transactional system such as an ERP. It requires ERP system adaptation that is cost-heavy to develop and not least to update.

Business's ambitions are increasingly moving toward more streamlined ERP systems. This can be achieved with a PIM system. By letting products start out in a PIM system, you avoid filling the ERP with non-transactional data, and when the product is ready to sell, you can easily transfer it to ERP.* Product development and procurement thus have a new role in creating the foundation for the product information that the rest of the value chain will enrich.

The fact that the product originates and initially stays in the PIM system does not mean that the information is not accessible from ERP. Full-blooded PIM systems will be tightly integrated with ERP, so the data is mirrored by and can be accessed through ERP – only without "polluting" the system.*

A function found in Perfion PIM.

Manufacturing

Easy distribution of related product data
Each product has a lot of specifications related to the product itself, but there is also typically a certain amount of related data that could be advantageously linked to it.

Let's say that your company produces ceramic hobs. The product must be placed in a tabletop hole and therefore it would be smart to link the hob to the relevant cutting file.

The related information could also concern how a given product should be packaged for shipment. This type of internal information will typically be kept in fragmented systems, but by aggregating it in the PIM system, you optimize internal communication.

That does not mean that all company employees must have access to PIM, because the information may not necessarily be read here. Exactly as with external communication, it can be distributed to the relevant systems.

Marketing

Greater speed to market

It is common knowledge that marketing can obtain great value from PIM. There is an obvious advantage to being able to enrich, maintain and distribute product data in a central system. When you have easy access to accurate product data, you avoid unproductive time lost on looking for the latest version of a product description.

A PIM system also ensures that, instead of waiting for a product to be completely finished, marketing can begin to work with the information in parallel with product development, for example. Instead of a classic waterfall model, involving fixed and sequential phases, one achieves a much more efficient and smooth process that ensures faster time-to-market.

The effect of this can be seen in relation to catalogue production. When marketing can get started with catalogue production even though all the information is not yet available, the time-to-market is shortened significantly. It also reduces production time when marketing does not have to take time to double-check data in multiple systems.

Being able to work with related product data also opens a number of possibilities for making marketing's job easier.

Here is a simple example: You sell your products in multiple markets, and local laws determine what images you may use in different places. It quickly becomes difficult to keep track of, but in a PIM system you can put an unlimited number of tags on images,* for example, to define where individual images may be used. In that way, you will ensure an easy overview and allow the system to see that images are not used incorrectly, avoiding potentially costly errors.

Other clear benefits for marketing include being able to handle multiple language layers in an easy way, manage the same products in a B2B and a B2C webshop from one system, quickly generate customer-specific price lists, etc.

A function found in Perfion PIM.

Sales

Targeted sales data at your fingertips

Targeting and speed. Those are two of the most important parameters when sales staff need to maintain the momentum of a sales process, and they are both supported by a PIM system.

Instead of marketing having to produce sales material from time to time, templates can be used in the PIM system,* making it possible with a few clicks to generate data sheets and offers tailored to an individual customer's requests and circumstances, e.g., discount rates.

A function found in Perfion PIM.

After Market Services

Gather product defect data in the PIM system
Even when the product has left the company and is in use by customers, it makes sense to think PIM into the processes.

For example, if you allow customers to create complaint cases online in a system where they click through to the specific product and a category of product failure causes, you can send this information directly into the PIM system so you can easily get a direct link between the product and the historical error data. Here too, related data can be advantageously linked to the product in the PIM system, creating an overview that can lead to improvements.
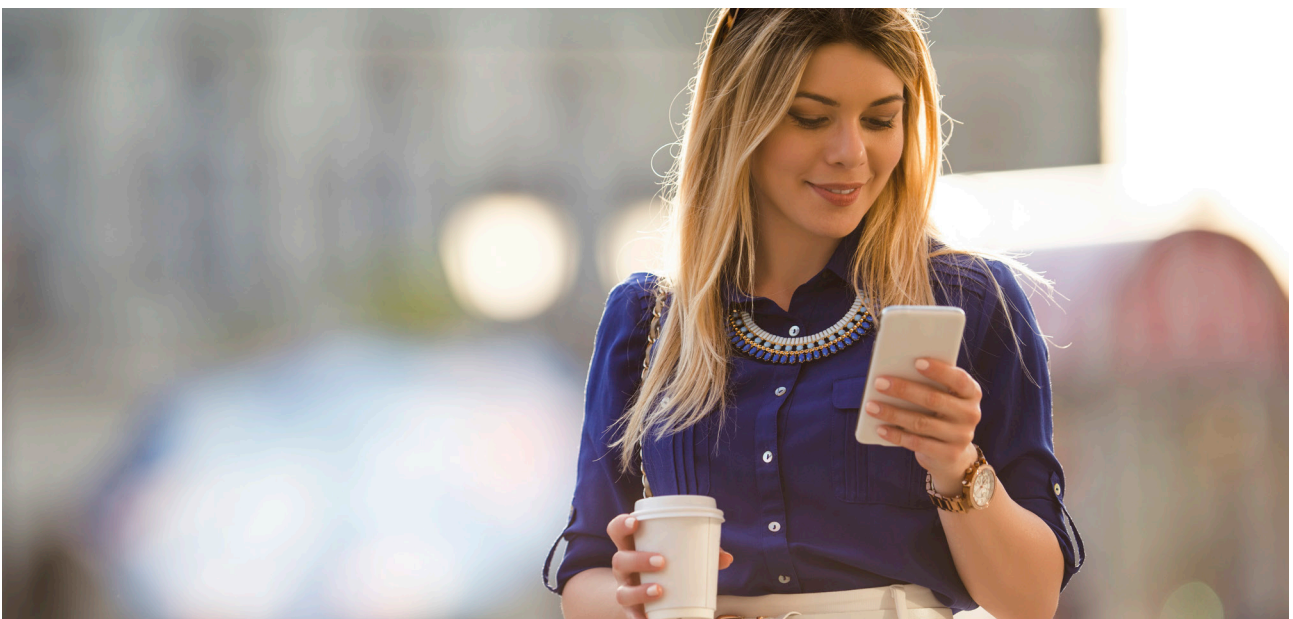
Summary: Five value-chain gains enabled by PIM

- **Product development and procurement:**   Streamlined ERP system
- **Manufacturing:**   Easy distribution of related product data
- **Marketing:**   Greater speed to market
- **Sales:**   Targeted sales data at your fingertips
- **After Market Services:**   Product defect data gathered in the PIM system
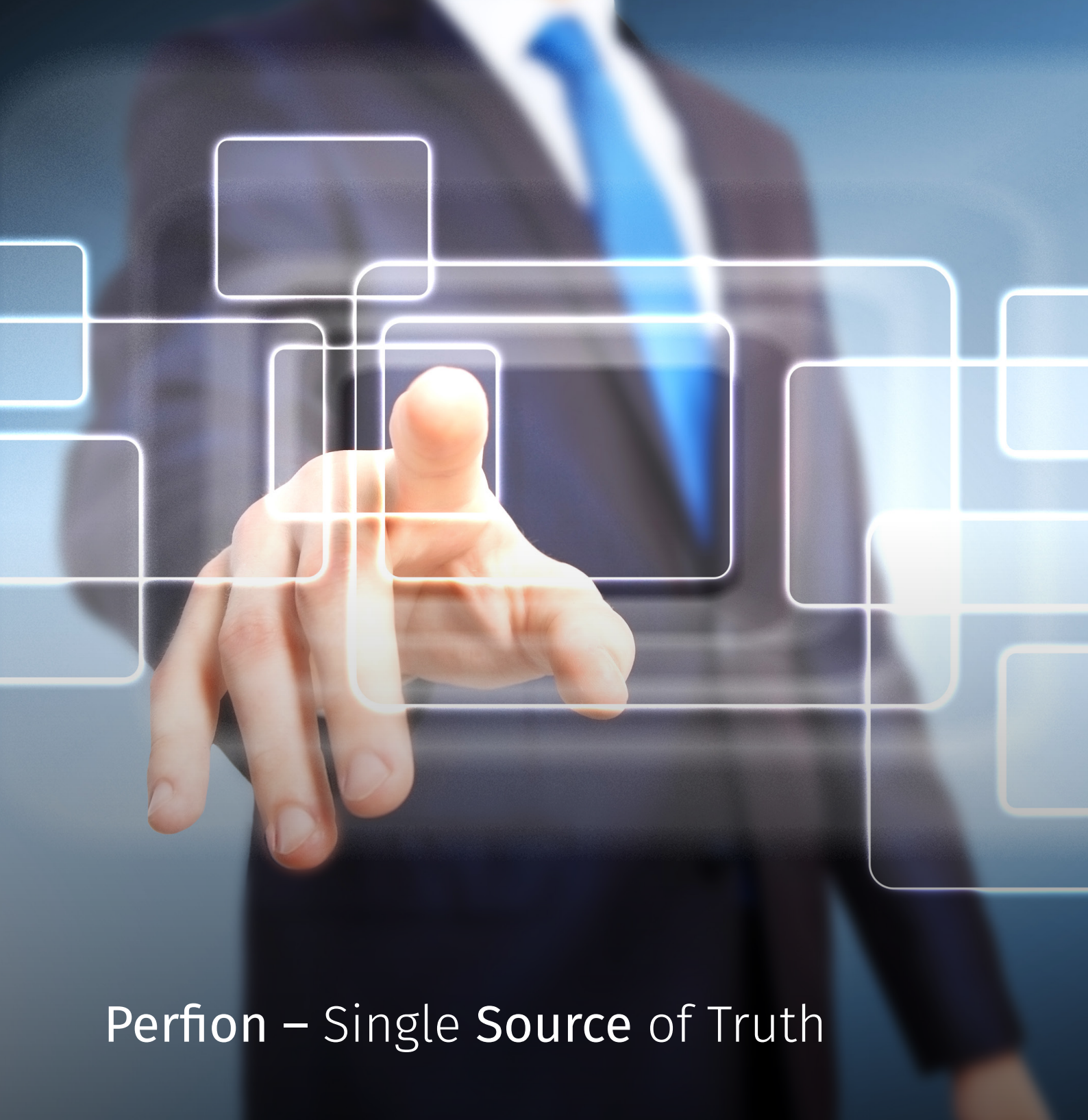
Perfion – Single **Source** of Truth

Perfion PIM has been developed for businesses that communicate in many channels and in several languages, and have a complex product structure with a lot of product data.

With Perfion, you have one single source for all of your texts, technical data, files, images, videos, etc. It gives you full control of all of the product data on all of the sales and marketing platforms.

As the world's only 100% standard solution for Product Information Management, Perfion PIM gives you the basis to optimize your business's processes so you can lower time-to-market, win new markets and always deliver the information your customers need.

Perfion's open API makes it easy to integrate the solution with the IT systems you are using today – everything from your ERP system to InDesign to your Office package. Perfion also has standard integration for several e-commerce platforms, which makes it easy to update your website directly in Perfion PIM.