

About Refresh™:

Fresh International provides a very practical software called Refresh™ for standardizing and enriching the data that you use to describe all of the items that you buy and use.

In this chapter we will be looking at alternatives to Refresh – other less-automated approaches to Item Data Standardization. This is especially informative for IT decision-makers as it has been written by IT counterparts in other organizations who have tried other approaches over the years.

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Our engineers have plant backgrounds and the Refresh developers have 15 years full-time experience in implementing large ERP in global well known companies. We can get you up and running in a matter of days & standardizing your data an order of magnitude faster.

If you think you may be able to use our tools to unlock value from your systems please contact us.

Refresh™ Software Project Discussion Document: Refresh Versus some Alternative Project Approaches



Take the fastest trustworthy route to standardized item data

Overview:

Here we will have a look at some alternatives to Refresh – other less-automated approaches to Item Data Standardization. This chapter is especially informative for IT decision-makers as it has been written by IT counterparts in other organizations who have tried other approaches over the years. It is assumed here that you already have a good idea of the functionality provided with Refresh. If not, detailed discussions and screenshots looking at the Refresh functionality for Operations, Maintenance, Procurement as well as pure IT functional considerations, are all available in the other chapters in this series on our website.

Over the last 15 years we have worked in Enterprise Resource Planning (ERP) projects, specifically focusing on getting the tougher business benefits out of the ERP systems implemented. Since 2003 we have been addressing these issues through development of our Refresh™ software, but before 2003 we were also consumers of other available data standardization tools, standards and headcount on our projects. Since 2003 we have also had the chance to include experience from some of the world's leading organizations & discuss in detail their approaches that have worked or failed.

Refresh is live today in companies using various ERP systems such as SAP, Oracle and others. For the purpose of this discussion we will use SAP as the example where we want to be specific but the reader should keep in mind Refresh brings the “missing piece of the puzzle” to Non-SAP ERP systems too.

We will now look at a non-exhaustive list of possible alternative approaches to running your project of data standardization. So as to help you avoid similar problems, we will list warnings/pitfalls/comments from our customers and companies who have tried these approaches. Detailed references are of course available by e-mailing us – we will be happy to share our contacts & experience.

Alternative 1: Outsource the Cleansing:



On average outsourcing this data delivers poor value

What it is: This was a popular approach 5 or 10 years ago when organizations had money to spare, there were limited non-manual approaches, and they did not want to wait for buy-in from the functional teams in-house. The solution was to send the in-house data problems to “an expert” outside the company and to wait for them to cleanse it. When the cleansed data came back it was loaded into the ERP.

Why it is used: Typically in an ERP upgrade or implementation a lot of data had to be migrated and the business users pleaded lack of resources to which management/IT counteracted with a “OK let someone else do it”. This is often politically easier than taking ownership.

How it most often fails to deliver:

- Quality of the data is not as expected
- Business users say “this is not my data”
- Not cost effective – can be \$1 per basic line
- Outside staff cannot possibly know/see all items
- Non-technical descriptions and translations
- Contextual description of Items are lost
- No in-house knowledge built for the future
- Hidden IT costs e.g. download / upload programs
- No practiced Sustain tools - ERP gets re-infected

How to better use: Use sparingly – Only 5 or 10% of all data may be outsourced effectively e.g. complex standard parts.

Typical quote: “We were disappointed with the quality and ownership of the data when it came back. We are now re-doing parts of it ourselves in-house. Never again”

Alternative 2: Do it yourself manually without tools:

What it is: This approach is to share out the in-house data to be cleansed, giving the business cleansers a data standard target to stick to (usually a word document) and to wait for them to cleanse it themselves.



Cleansing lots of materials in-house takes a long time

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Why it is used: This is an approach used in a few cases where companies were not aware of non-manual approaches, or they have been disappointed in the prices and/or quality of other data standardization software/services on offer. It is also used in the rarer cases where IT or the business underestimates the variety of indirect materials and the amount of work needed to standardize them consistently.

How it most often fails to deliver:

- Quality of the data is not consistently applied
- Business users get pulled in to other activities
- Not cost effective – technician cost for months
- Not timely – generally takes too long
- Pulls resources for too long from critical business
- Frustrates the business users – mind-numbing job
- Job is rushed just to get through it
- Not multilingual and if it is, it's poorly translated
- Data standard is too weak & no pre-built dictionary
- Hidden IT costs e.g. download / upload programs
- No practiced Sustain tools - ERP gets re-infected

How to better use: Use sparingly – very few materials (<1%) may be done by hand e.g. very unique in-house parts

Typical quote: “We were in a big hurry – we had 6 months planned for all of data extraction, cleansing, conversion and loading. When we finally got resources and started it took so long that eventually we just had to lower our goals for data quality and just load in whatever we had before the big due date of cutover and go-live. Cross-plant de-duplication was the first to get dropped”

Alternative 3: Do it yourself, first building your own tools:



Matching rules, dictionary & content are longer than you think

What it is: This was a popular approach 5 or 10 years ago when organizations had large IT departments with large IT initiatives and money to spare, and there were no suitable packaged tools available. Typically in an ERP upgrade or implementation there was a request from the business for some software tool to be developed to help them to automate the application of their data standards to many line items.

Why it is used: This tool request either went first to the IT department / outside (to consultants or software development companies) with IT's involvement in selection. Generally IT either tried to do it themselves or went with the software developer with the best IT fit and not the best specification.

How it most often fails to deliver:

- Takes 6months just to build a stable set of rules
- Business users get frustrated
- Not cost effective – IT consulting costs for months
- No quick-wins – takes too long to start properly
- Risk of fizzling out before any benefit is built
- Data standard is too weak & no pre-built dictionary
- Hidden IT costs e.g. download / upload programs
- International standards are omitted or untrimmed

How to better use: Use sparingly – Your professional, business-focused, in-house IT staff are much better utilized in fine-tuning and putting the finishing touches on a data standardization system – not building one from scratch.

Typical quote: “We were adding more business rules to the dictionary than we were actually cleansing items”

Alternative 4: Do it yourself using “the standard” tools:



You need a specific tool – don't use a hammer to undo a nut

What it is: This approach is to purchase a generic one size-fits-all tool, usually based on an IT decision gleaned from the *general item* best practices in the IT literature e.g. Aberdeen, Gartner magic quadrant etc. or based on the advice of the ERP solution provider themselves. These tools are made to cover as many data objects as possible & are not specific enough, leaving the project team to build up all the needed content and tools themselves or buy additional data services from the ERP solution provider / consultants.

Why it is used: This is an approach used in a few cases where IT or the business underestimates the variety of indirect items and the amount of algorithms, content and rules needed to standardize them automatically. Very often the formidable marketing and sales activities of some ERP and consulting providers sell it very well as a best practice.

How it most often fails to deliver:

- Not cost effective – expensive & empty
- Takes 6months just to build a stable set of rules
- Business users get frustrated
- No quick-wins – takes too long to start properly
- Too high-level for deep business benefits
- Data standard is weak & no pre-built dictionary
- Hidden IT costs e.g. download / upload interfaces
- International standards are untrimmed
- Too many bells and whistles to cover other data

How to better use: Using “the standard tools” e.g. SAP MDM for some things is not a bad idea – some of our customers do for syndication etc. But don't try to get MDM to cover all of the functions of a specialist material standardization tool which has been designed exclusively for this niche purpose.

Typical quote: “We looked in detail at XXX MDM plus XX data services as it was our IT department's default supplier, but after some time digging it was clear that it was just a base from which to build our own data cleansing tool – kind of an empty shell...and the services were costly”

Alternative 5: Buy an outside tool “bolt-on” to ERP :

What it is: This approach is to purchase a more specific tool than the general tool described above, usually based on a fast and purely business decision that this is “exactly what we need”. The problem then is to make sure that the software fits well with your ERP system and your IT department's level of comfort for integration risk . It would be better to first ensure that either the software is standalone (not interfering with the ERP system) or its written in the IT standards completely designed for your chosen ERP.

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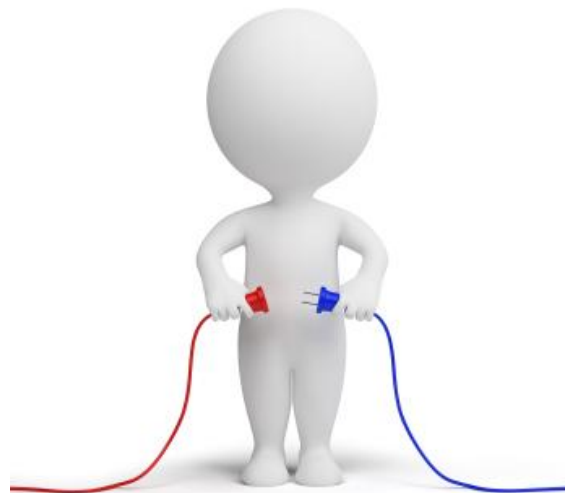
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Why it is used: This is an approach that is often started without the ERP IT team involved at first, or at all. The business functional lead finds something that they like and then the IT department is unfairly left with the task of making sure that the tool integrates easily with the chosen ERP.

How it most often fails to deliver:

- Not cost effective – expensive to maintain
- Higher Risk if integrated, Lower Gains if standalone
- Business users get frustrated at non real-time loads
- Missing international standards
- Dictionary may be proprietary – limiting vendor use
- Hidden IT costs e.g. look after interfaces and logs
- Not written in a technology from your ERP
- Field names and data types not matching your ERP

How to better use: Make sure your solution provider has a deep understanding of your ERP system and that their tools are technically written for your ERP system. For example “powered by XXX” or “certified for XXX” or “XXX partner” are generally NOT good enough – many of these are basically commercial marketing agreements with the ERP providers and are not technical approvals. How the tools will interact with your ERP system will often drive a lot of hidden burden to your IT support costs. Remember to include this in your total cost of ownership



“I just want to plug it in, risk-free & start cleansing today”

Typical quote: “We strongly avoid IT risk and we had no free resources in our IT department for this project. So we absolutely needed to choose a software vendor who could configure our ERP for all of the standard ERP functions that exist today and ONLY provide the missing functions externally all wrapped up in our chosen standard ERP interface”

If you would like to discuss further we would like to hear from you. Contact Fresh for more information and further practical project tips – we’d be glad to hear about your experience.