



ECCnet and Profile Systems Enabling Leading Manufacturer and Retailer Trading Partners for Data Synchronization

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Based in West Springfield, Massachusetts, Profile Systems provides software and services that manage the automation of processes between business-to-business sellers and buyers. The company maintains an impressive list of customers from within the manufacturing and retail sectors – companies which include Procter & Gamble, Campbell's, Osram Sylvania, Johnson Controls, and Dana Automotive, to name a few. The following case outlines the relationship between Profile and ECCnet, Canada's centralized, standardized on-line product registry – a relationship that changed the way over 1,000 vendors from across North America conduct business with their Canadian retailers.

Background

In the latter half of the 1990s, the vision for electronic collaboration among trading partners was just taking shape in many circles, as participants struggled with the rules and requirements necessary to make such an environment successful. But in Canada, there was already a major movement that pushed for a national online product registry to improve product data integrity and realize greater cost savings over traditional, more cumbersome commerce methods. Industry leaders had watched as regions such as Australia and Europe developed their own infrastructures, complete with centralized data management that synchronized data among trading partners. As a result, Canada strived to develop its own model.

Early on in this initiative, Canada's EDI Council and the Product Code Council of Canada (PCCC) joined forces, seeking to achieve business-to-business electronic commerce by combining product identification and EDI. However, they forgot one important component that would be critical to making the union work – a common data standard. Interestingly, in a recent A.T. Kearney survey of more than 100 executives, 93% of the respondents stated that they feel data synchronization is a critical first step to successful e-collaboration.

That stumbling block disappeared with the introduction of the Electronic Commerce Council of Canada (ECCC). ECCC is a non-profit organization created in 1997 by The Canadian Council of Grocery Distributors and the Food & Consumer Product Manufacturers Association. To this day, this highly respected organization works with more than a dozen industry associations, helping its members adopt electronic commerce to achieve success both in their own industry sectors and at a global level. Most importantly, ECCC promotes global standards for the identification of goods and services, ultimately helping Canadian companies build more efficient and effective supply chains. At present, the organization represents more than 14,000 companies in 23 industries with over \$200 billion in combined annual revenue.

In 2000, just three years after its birth, ECCC launched ECCNet – a centralized, standardized on-line product registry for core product information that is repeatedly exchanged among participating organizations. Product data in ECCNet is synchronized with trading partners, allowing participants to rest assured that they are working with current and accurate information for every transaction. Moreover, it reduces the burden on suppliers, who simply have to input their product information just one time – ECCNet then distributes it to appropriate retailers via a highly efficient one-to-many model.

Today, the roster of more than 1,400 companies who use ECCNet reads like a “who’s who” of the manufacturing and retail communities. Those companies include: Campbell Soup, Coca-Cola, Colgate-Palmolive, Dole Foods, General Mills, Gillette, GlaxoSmithKline, H.J. Heinz, Hershey, Johnson & Johnson, Kellogg, Kimberly-Clark, Pfizer, Ocean Spray, Sara Lee, Clorox, and Minute Maid, to name just a few. The popularity of the registry with companies of this caliber falls right in line with the findings of that report from A.T. Kearney, which states that 84% of the respondents see e-collaboration as a priority.

Challenges and Objectives

The present-day success of ECCNet was not an overnight or automatic phenomenon – it was preceded by considerable anxiety and substantial risk for everyone involved – particularly ECCC management – as many companies were relying on the organization to follow through on its promise. For example, manufacturers representing 90% of the Canadian grocery’s “all-commodity” volume had committed to load ECCNet by the end of 2001. Fourteen Canadian grocery, food service, and pharmacy retailers agreed to mandate the exclusive use of ECCNet among their vendor communities by January 1, 2003.

Initially, these companies were intrigued by the promise of ECCNet and its potential impact on costs, productivity, and overall operational effectiveness. By automating transactions, ECCNet would eliminate the many inefficiencies that result from inaccurate, incomplete, and non-standardized data. It would also streamline processes – cutting costs and eliminating unnecessary delays in getting products to market. And yet, manufacturers and retailers were hesitant to entrust their critical business functions and data to such a new and unproven environment. As a result, ECCC had to commit upfront to a set of milestones and delivery deadlines in order to get vendors to sign on.

Those “conditional contracts” were critical to the launch of ECCNet, making it very important that everything went as planned – particularly in the area of data management and synchronization, which sat at the core of the ECCNet infrastructure. The organization needed to make clean, synchronized data a core requirement – there would be no room for interpretation, as data discrepancies could cause costly errors. And that meant that the technology vendors that ECCC enlisted to develop the network needed to help the organization achieve its objectives, honor its commitments, and provide reliable service to the industry.

Solution

To address this critical synchronization issue, ECCC turned to Profile Systems, a highly successful provider of electronic catalog, product data synchronization, and vendor-managed inventory (VMI) technology solutions to leading manufacturing, distribution, and retailing organizations. Profile Systems customized versions of its ProSYNC and ProLYNC products specifically for the ECCnet catalog initiative. They then chose ECCnet partner GE GXS to host the service and to serve as a repository. With Profile Systems technology at its core, the system allows ECCnet suppliers to gather, normalize, cleanse, and cross-reference data from multiple disparate business systems and then export the data to ECCnet as mandated by ECCnet standards. In fact, the technology itself actually makes EDI simpler.

ECCnet ProSYNC also gives vendors the tools to easily gather and manage product data and to simplify ECCnet-compliance. These tools and capabilities allow participants to:

- **Gain tighter control over product data** – The new solution lets companies review and approve all product data changes prior to release via a graphical interface, product reports, and certification templates.
- **Faster data input time** – Using Profile’s technology, the system allows vendors to increase the speed with which data is entered and transactions are made by more than 50%. In addition, smaller companies can now participate more easily due to the additional loading options within ProSYNC.
- **Improve data accuracy** - Redundant validation checks are performed on a regular basis to ensure that the data conforms to the ECCnet, EDI, and general consistency rules.
- **Acquire detail knowledge about the state of vendor relationships** – Users can generate detailed reports that provide information about day-to-day data transactions.
- **Automate and simplify operations** – The solution uses Web-based forms and templates that make product data simpler to post for individual retailers. And it can be configured to automatically refresh data on an ongoing, unattended basis.
- **Reduced application development time** – ECCnet can be fully integrated into a company’s own infrastructure or used in a hosted, standalone environment. Its standards-based architecture prevents the need for modifications and development to existing applications to accommodate ECCnet.

In the end, ECCnet members can enjoy an easy-to-use electronic commerce solution that reduces their operating costs, speeds time to procurement and product delivery, reduces processing errors, and enables more efficient management of and tighter control over their data and how it is used.

Results

The overwhelming success of this initiative can be measured by the meteoric rise in the number of ECCnet vendors. In less than a year, over 1,000 vendors have joined ECCnet and are using ProSYNC to load their product data into the registry.

“We never lost sight of the end game,” says Art Smith, president and CEO of ECCC. “We are helping companies build a solid e-commerce foundation around the exchange of standardized,

synchronized product data. With that foundation in place, the promise of electronic commerce is at hand, driving down costs, and improving efficiency throughout the supply chain, from the shop floor through to the end customer who buys the product off the shelf.”

Proof of these benefits can be found across the board. For example, Procter & Gamble (P&G) actually documented the efficiency and savings they realized through the ECCnet service – just in their transactions with a single trading partner, HE Butt Grocery. These benefits included a:

- 75% drop in pricing deductions;
- 99% scanning accuracy;
- 80% improvement in speed to market for new items, changes, and promotions;
- 1,300 hours saved on data entry and administration; and
- 30% improvement in the quality of their POs.

The end result – a savings of \$130,000 and 3,000 hours of labor between P&G and HE Butt Grocery, just one of thousands of partners with whom the manufacturing giant does business.

“The primary benefit will be in the area of productivity,” states Glenn Dorsey, information technology manager for the market-development organization at P&G, in a recent edition of *The Globe and Mail*. “We’ll be able to gain back five percent from sales, customer, service, and IT.”

“P&G has long understood the benefits of synchronization,” says Tim Penner, president of P&G. “Our interest is allowing buyers and sales people to focus on growing our mutual business rather than filling out forms or chasing data. Indeed, the end game for P&G and all of ECCnet’s participating companies is lower transactions costs and improved trading efficiencies.”

Futures

With an eye towards the future, ECCC plans to grow the registry, continuing to secure new participants as more companies become able and willing to participate in this new form of commerce. The organization also plans to expand its capabilities and services. In fact, that expansion has already begun with the recent launch of two new ProSYNC services – ProSYNC Online and ProSYNC Basic Small Business. The ProSYNC Online Service offers a more advanced set of capabilities, ideal for larger catalogs, more complex product configurations, and multi-users functions. The ProSYNC Basic Small Business Service offers a more turnkey solution, ideal for small- and mid-sized businesses that are looking to participate in the registry.

They’ll also implement “phase two” by supporting new industry-specific standards and planning further enhancements and functionality. For example, currently under development are sub-sets or product attribute fields for the food industry that contain nutritional and serving-size information for individual products. ECCC is also in the process of integrating sub-sets to address shelf-stocking for the retail community. These initiatives are just the beginning, as ECCC moves to further support its member organizations and ease e-commerce adoption.

Why Profile Systems?

For an initiative like ECCnet, the treatment and management of data is critical. Synchronization becomes particularly important to ensure that all participants are getting the accurate, up-to-the minute information they need to operate successfully. As a result, it became very important that ECCnet go with a vendor like Profile Systems that has a long and successful track record of deployments in similar environments.

“Giving users multiple data loading and management options, coupled with the ‘phase loading’ approach, has been critical to ECCnet’s success,” says Edward Mallen, president and CEO of Profile Systems. “In some cases, the loading of the initial sub-set has occurred in a matter of hours for some of the now-certified companies.”

“Profile Systems and its ProSYNC and ProLYNC solutions have been integral to the success of ECCnet – from the early execution on the promises made in those early conditional contracts to the present ramping of participating suppliers,” stated Smith. “As a result, we’ve been able to convince the manufacturers, retailers, and other ECCnet participants that we could deliver a registry that would provide the value they were looking for. Without Profile Systems, we couldn’t have done that to the degree that we have.”