



## Manufacturing case study

# Manufacturing giant speeds SKU processes by 8X

Replacing outdated product management processes with the right decision-making tool added \$1M+ in sales and cut manual processes by 50%.

## The challenge

As a multinational manufacturer that produces over 60,000 products, our client depends on efficient and accurate handling of SKUs to support portfolio and inventory strategies from the local to the global scale. In the client's transportation and electronics business group, each division handled these SKUs separately, resulting in inefficiencies and inconsistent data across different regions.

Our client faced these key challenges:

- End-to-end SKU setup workflows and SAP system setups took around two to 12 weeks, leading to a loss of competitive edge in an industry driven by rapid design changes and quick ramp-up schedules
- Lack of consolidated data repositories created an inefficient SKU management process and difficulties in data tracking
- An automated premature SKU deactivation process risked losing sales without a chance to reform the SKU lifespan
- The material setup process didn't differentiate between new-to-the-world and similar-to materials, sacrificing potential time savings
- Lack of a unified view added complexity to the decision-making process

## At a glance

### Industry

Manufacturing

### Location

Americas

### Challenge

Lengthy setups for SKU workflows and SAP systems, lack of consolidated data repositories, premature SKU deactivation processes and a lack of data overview to inform business decisions.

### Products and Services

A product portfolio decision-making tool that categorizes and applies business relevancy rules, provides insightful data visualization and reduces SKU load times.

### Success Highlights

- USD 1M+ of additional sales in one year
- 50% reduction of manual process
- 8X faster process with 5X data quality

This combination of challenges created risks amounting to millions of dollars in sales as well as potential harm to key customer relationships and contracts. Our client needed an innovative approach to material extension and management processes to realize efficiencies and remain competitive.

## The approach

Cognizant's multidecade collaboration with the client—specifically in data consolidation and migration projects—and our extensive experience in data and analytics were key reasons for our selection to address these challenges.

To maintain the market competency and sustainable growth, Cognizant developed an automated SKU setup process and product portfolio decision-making tool to ensure accelerated material creation and extension and smooth inventory management. The solution allows flexibility in applying business rules locally, regionally or globally under various material groups and employs an intuitive user interface.

Along with accelerated decision-making, the solution includes these key features:

- A simplified, standardized process that automatically loads accurate SKU data to local systems and SAP systems through SAP Data Services, all in one to two days.
- A centralized data repository through SAP Data Services that performs data cleansing and validation operations for effective SKU management. Relevancy rules and material scope categories are applied to each SKU.
- A UI-based Microsoft SharePoint site to collect business relevancy rules and decisions from the customer on materials, including lifespan and sales extension to other global units.
- Intuitive dashboards through Microsoft Power BI for effective data visualization and actionable deeper data insights.

The engagement brought together the client's business technology and operational excellence leads and Cognizant experts, who collaborated across two tracks and several phases to create a comprehensive solution.



## Business outcomes

The solution has streamlined the SKU activation process and revised the lifespan of the client's SKUs, reclaiming time and improving accuracy for the client's transportation and electronics business group. The client realized these outcomes:

- \$1M+ in additional sales in one year
- 50% reduction of manual process
- 8X faster process with 5X data quality
- Accelerated and improved decision-making across 50+ profit centers and six divisions
- Accelerated and automated SKU setup process for 20,000+ SKUs
- Streamlined activation and deactivation of SKUs
- User-friendly visualizations with deeper data insights



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