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QlikView In Action:

Supply Chain Visibility and Optimization

Sponsored by **QlikView**

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Introduction

Most companies strive to automate their supply chain—and with good reason. Reducing reliance on the push of uncertain forecasts in favor of the steady pull of customer demand is a proven path to success. Doing so requires synchronizing an enormous number of products and steps—a difficult task for any organization, especially one that's growing at breakneck speed. To stay competitive, it's important to know as much about each product, process, and market as possible. Ideally, executives must be able to see and understand the associated changes and movements in raw materials, inventory and products, marketing campaigns, promotions, and any other dimension of activity affecting the supply chain.

In this paper, CITO Research identifies a transition in supply chain management that is helping managers arrive at decisions with a superior level of knowledge about each product at every step. The paper uses supply chain challenges in the consumer products industry to examine the transformation of practices in business intelligence and to demonstrate how companies with different functional roles spread across organizational silos can empower users to explore data and ask and answer their own questions.

Seeing the Supply Chain Landscape

Consumer products companies are in a race against competitors, retailers, and consumers to launch new brands while aggressively managing their current ones. The consolidation of pricing power in the hands of a few retailers such as Wal-Mart has driven companies to launch waves of brand extensions to fortify their shelf space, while consumers have come to expect a profusion of choices at ever-lower prices. The recession and the resulting draw-down of inventories in the face of slackening demand put further pressure on companies to slash costs and shed unprofitable brands.

The result is a competitive landscape more in flux than most industries. Giants such as Proctor & Gamble are shedding non-core brands while extending winners; others are outsourcing the grind of launching products to private-label manufacturers; and some niche brands have gotten out of the business of making things completely, preferring to license their products instead.

What they all have in common is increasingly complex supply chains. As brands and products proliferate, are spun off, and reconsolidated, consumer products companies find themselves struggling to understand what they have, what they need, and where they're going. Doing so requires a tremendous amount of data, drawn from both external sources (suppliers, partners, customers) and internal ones (marketers, production managers, supply chain groups). The ability to see all of the data surrounding a brand at a glance is a tall order, one only made harder by the proliferation of systems and processes designed to support it. Before companies can profit from efficiencies of scale, they need to consolidate these systems. It was with this in mind that they turned to Big BI[1] for help.

The Problems with Big BI

While very few supply chains are as complex as say, Proctor & Gamble's, the challenges facing consumer product companies are indicative of how Big BI isn't up to the task of routing data across the modern enterprise. As this story from the consumer products industry shows, the path of data from the source to the product manager who needs it is not a smooth one.

Several years ago, a private label manufacturer began to aggressively expand, rolling up brands and licensing contracts while simultaneously launching new products under its brand umbrella. The complexity of its portfolio grew accordingly. The problem was that each acquisition arrived with its own supply chain and IT. The company soon found itself running multiple enterprise systems from Microsoft, Oracle, and SAP, with no easy way of streamlining operations. Eager to wring efficiencies out of its supply chain, it elected to consolidate around one vendor. In the end, the one it chose wouldn't matter—"because I don't think we would have achieved markedly different results with the others," said the company's supply chain director. Why? Because the company would have to depend on Big BI for answers.

From the start, the company knew it faced limitations. Big BI could deliver *known unknowns*—answers to the questions it knew how to ask—but not *unknown unknowns,* that is, problems that it never knew existed. But that would turn out to be the least of its worries. No one knew how complex the installation would be—not

[1] Big BI has come to mean the computing systems that collect data from a suite of enterprise applications, use extract, transformation, and load processes to load and normalize the data into a data warehouse, compute OLAP cubes to support predetermined forms of analysis, and then distribute the data using reporting systems or data marts.

even the consultants hired to implement it. "A year later, no one could tell me how many people I needed to build reports, and what if we needed to change something?" the director said. "I was unclear about what was going to happen, how long it was going to take, and what I was going to receive at the end—what would it even look like?"

Melding its disparate data sources through Big BI turned out to be a disaster—configuring the reports for materials management took a year. ("We were struggling before the implementation, and we were struggling even more after it.") Product managers made do in the meantime by hand-extracting chunks of data to Excel. The goal of automating its business seemed further away than ever; instead of placing information in the hands of the managers who needed it, it was now locked inside Big BI, where they could barely get at it.

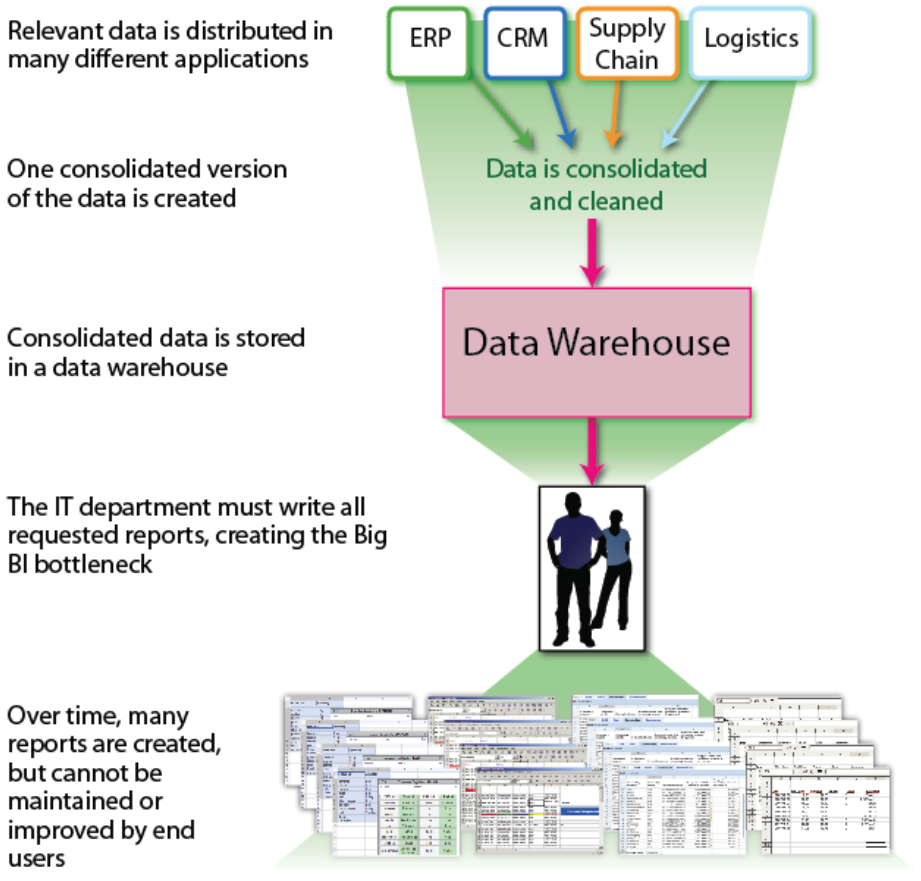

Figure 1. The Big BI Bottleneck

Help came from an unlikely quarter. While auditioning consultants to untangle its mess, the company was referred to one of their clients for help. During their call, the company's supply chain director was complaining about the inherent drawbacks of Big BI when the client interrupted him. "You know," he was told, "you should be using QlikView." What was QlikView? His interest piqued, the director downloaded a demo. "Within a few minutes," he said, "we knew we were onto something."

QlikView's Impacts and Benefits

The company quickly enrolled in QlikView's proof-of-concept program, abbreviated SIB (for "Seeing Is Believing"), which included the rapid prototyping of a prospective solution. Challenged to replicate a report in its own software, QlikView's analysts spent a week extracting the relevant data tables from the central warehouse using a Big BI connector, then loading them into QlikView as individual data sets—one for sales, one for materials management, and so forth. ("I don't have to think about the joins of my tables; I don't even have to think about which tables to pull out of ERP," says the director. "The appliance just bolts onto the side and sucks the whole thing out.") Using QlikView's interface for analysis, it was suddenly able to gaze across a total landscape of its supply chain before drilling down by product or brand or segment or market—or any combination it liked.

But the bigger change was the newfound ability to segment data by role, rather than publish a single set of reports for each division. Line managers had been in desperate need of better information, but top executives were reluctant to hand over reports containing information well above their pay grades. QlikView resolved the impasse by creating a single report segmented by role at login. Whether the products in question were gadgets or cutlery or picture frames, the relevant data was automatically segmented according to the user's credentials. For the first time, the people who needed information the most could actually use it.

This created an adoption challenge at first, as managers used to working with a centralized IT department had to grapple with creating their own analysis tools. The company solved this by alternately training or hiring a handful of savvy managers who in time became the trainers for their respective divisions. "Now when the need arises for a report, they'll point you to an existing report or enhance it or build a new one if need be, if everyone agrees it's the right thing to do."

Increasingly, however, users are taking reports into their own hands and customizing them to suit their needs. Using QlikView's browser-based point-and-click interface, they're able to make simple but essential changes to the report, all but eliminating the intervention of IT. "We don't really need anybody," the director says. "There isn't a dedicated QlikView person. It's a skill set most people were eager to learn because it's actually fun. There were no IT resources added at all. Zero. It's all done within the business units."

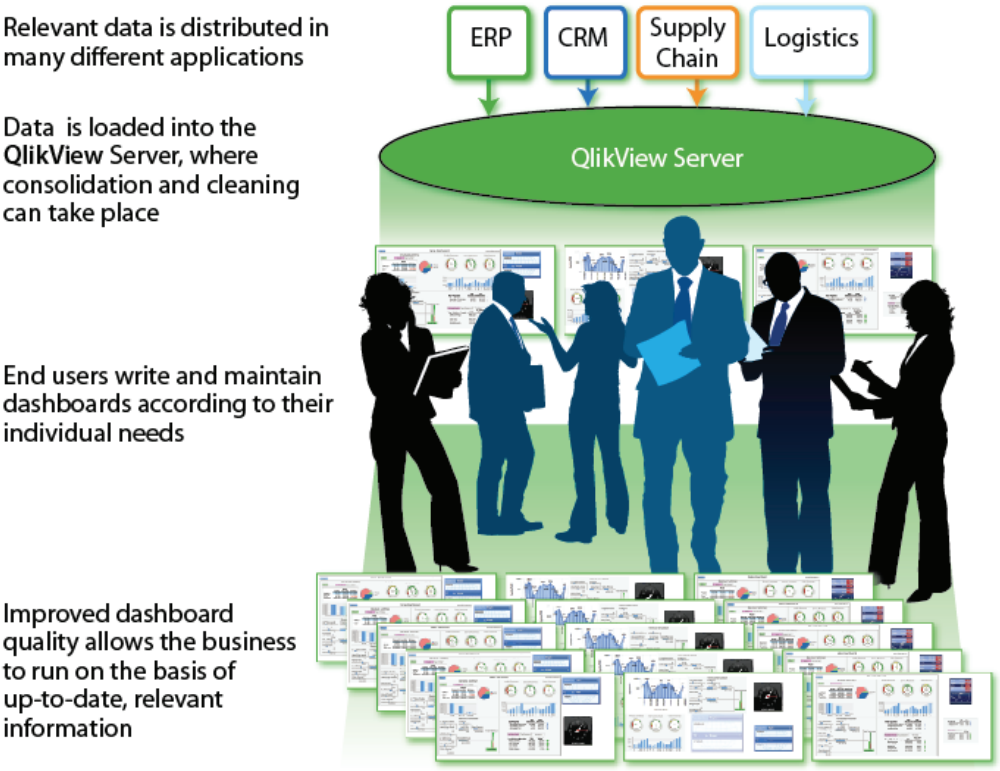

Figure 2. Users Get the Information They Need

When the recession began, the company used QlikView extensively to identify areas for cost-cutting. One analysis of its shipping container use led to renegotiations that in turn produced savings during a particularly cash-strapped time. "We couldn't live without QlikView now, considering how much the business has changed," the director said. "People are empowered to run their own business areas now. And if you don't have the tools to analyze how you're doing, how can you be expected to improve?

You can't fix what you can't measure, and we've given them the information to measure it. People can see how they're doing, improve, and then show the kinds of improvements they've made."

"The best decision we made was getting QlikView. It's part of the culture here now, and it seems like it's been here forever, although it's only been a couple of years."

A CITO Research Case Study

This document is a CITO Research Case Study, a form of content intended to explain a topic that is of potential importance to CIO, CTOs, and business professionals. This case study was sponsored by QlikView to illustrate how QlikView brings value to users.

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