

*Information Integrity is the accuracy, consistency and reliability of the information content, and associated processes, systems and environment.*

## **2009 Excellence in Information Integrity (EII) Award For-Profit Application**

***(Application including verifiable information MUST NOT exceed 8 pages)***

0. Briefly describe your organization's **mission and primary business/ activity**. State your organization's **Annual Revenue and Number of Employees**. If your submission is for a sub-unit, what is the primary business/ activity of the sub-unit? Please submit a brief organizational chart.

ABC Company, with \$XXB in XXXX revenue, designs, delivers and services Mobile phones, set-top boxes, and Enterprise Communication equipment. Until XXX, ABC Company's supply chain was decentralized, residing in each business unit of the company. Then, ABC Company consolidated its supply chain functions into a single organization to deliver best-in-class services while optimizing business processes and costs. Through consolidation, ABC Company's Integrated Supply Chain (ISC) became a corporate function that satisfied demand focused on the key competitive factors. The ISC organization satisfied the demand through a network of EFG manufacturing sites and HIJ Customer Fulfillment Centers (CFCs). ABC Company shipped KLM million handsets in NOPQ worldwide through these CFCs.

1. Describe your organization's **key Information Integrity (I\*I) issue/ opportunity** and the related business issues that needed to be resolved (*operational cost, revenue leakage, regulatory fines, customer/ client dissatisfaction, loss of reputation, etc.*). **Provide appropriate quantitative data.**

While the consolidation of the ISC organization was relatively straight-forward, the consolidation of related business processes and systems was complex and challenging. The organization faced significant challenges in the accuracy, consistency, and reliability of information content, processes, and systems needed for a global and agile supply chain. Sales and planning functions resided in the business units while Order Management and Products Available to Sell were managed by ISC.

The ABC Company Supply Chain's primary problem was balancing supply while maintaining customer satisfaction, with dynamic actual sales in retail. Many factors contributed to this problem such as the accuracy, consistency, and reliability of the information content, processes, and systems. These changes drove the new organization to seek significant improvements in the levels of information quality and customer satisfaction.

Data Integrity problems typically revolved around consensus of "ship target" numbers. The worldwide operations teams spent time questioning the accuracy of 'ship target' numbers rather than focusing on corrective actions required based on the data. The cost of poor information quality was another attribute that contributed to problem. There was a considerable amount of overhead required to manually pull numbers together, a task which required a large number of staff. The staff was geographically disbursed across all regions, and the process of pulling information together was managed thru emails, conference calls, and global "NetMeeting sessions." CFC and logistics capacity planning did not exist at the time, so the organization was at risk for missing opportunities meet new customer demand. Without this visibility, the supply chain was unable to take on additional capacity, and thus was also unable to meet customer expectations. This affected our customer satisfaction due to our inability to deliver reliably and on-time.

2. Describe your organization's **senior leadership involvement** (*highest level responsible for the I\*I project*) with the key I\*I issue/ opportunity by checking appropriate roles and **provide a short narrative (Select all that are applicable):**

*Initial Commitment*  *Personal Involvement*  *Outstanding Support*

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The Global Tracker project was sponsored by Executive Vice President of the Supply Chain, who reported directly to ABC Company CEO. The project was championed by the next two layers below our executive sponsor – these leaders drove the design, development, and implementation of the Global Tracker to improve the supply chain’s ability to deliver reliably the Customer demands under dynamic changing conditions.

3. Prior to the deployment of any I\*I solution(s) in your organization, what was the **impact your organization’s key I\*I issue/ opportunity had on your profitability and/or mission critical effectiveness, as well as on your customers/ clients such as loss of reputation, loss of customers/ clients, decreased sales, etc.** **Provide appropriate quantitative data and a short narrative.**

*Indicate the severity of the I\*I issue/ opportunity (Select only one):*

Low\_\_\_ Medium\_\_\_ High\_\_X\_\_

The severity and impact of the problem was high to the ISC organization and ABC Company overall. It directly impacted ABC Company customers, ISC internal customers, and suppliers. Customer Responsiveness was a key competitive factor for the ABC Company Mobile Devices Business (MDB) to improve its position with key customers. This was a challenge in a dynamic market characterized by frequent changes in demand. To be best-in-class, MDB team and ISC teams invested significant time in the planning and execution phases of the process.

In addition to affecting customer satisfaction by not delivering reliably on existing orders, ABC Company was unable to efficiently manage opportunities for additional capacity based on changes in market demand. Understanding the material that is coming into the CFCs and capacity of the CFC allows ABC Company to better understand if our CFC can handle an upside in demand. This type of capacity utilization also allows ABC Company to manage the resources on site.

4. Describe the **root causes (RCs) of the key I\*I issue/ opportunity.** *A root cause refers to underlying issue(s) causing the I\*I issue/ opportunity, rather than a symptom.*

The root causes that required our response were multi threaded:

- Lack of consolidated or networked systems, preventing simple data consolidation. This also drove leaders to spend time questioning the accuracy of ‘ship target’ numbers rather than taking corrective actions based on this critical business data point.
- Information timeliness, which is critical in ABC Company’s dynamic market. Due to the existing manual process, ABC Company could not consolidate, review, and react to information in a timely manner. Information latency drove delays in recognizing changes in demand, and ABC Company was unable to efficiently react from a manufacturing and CFC perspective.
- Inconsistent business processes contributed to different numbers across the regions and sites. For example, a definition of a “shipment” was different across multiple sites and regions.

5. Describe **specific I\*I solution(s)** your organization deployed. *Indicate any best practices/ interventions used such as - automation, simplification, standardization, etc.*

The first major task was to improve execution around customer commitments, delivery, and promising accuracy. These challenges were addressed with a combination of process and systems which enabled an agile and iterative approach for continuous improvement. The operations teams championed the process to align plan and actual numbers, which drove integrity into the commit and delivery processes. Also, through a central application, the business was able to run daily operational calls that could now focus on which corrective actions would be taken, while at the same

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time anticipating possible road blocks for tomorrow. Therefore, the supply chain was able to optimize business processes, drive integrity into the numbers, and provide best-in-class services through the consolidation of information.

The Global Tracker was the central system that was developed for Mobile Devices business. Estimates by week and daily “units-shipped” information are displayed through a website which allowed users to view an executive summary for each CFC. The Global Tracker provides a concise and consistent view of the entire business, including ship plan and accurate order-to-ship information. The data was initially input manually to prove the concept, then to improve the accuracy of the data, provided through automated feeds from the Business and Supply Chain source systems.

The global Tracker system offers the following features:

- **Ship Tracker** – used daily to track units shipped that provides single reliable information to Sales, Marketing, Supply Chain and Finance Organization.
- **Pack Tracker** – identified how many units are packed per site as well as units in transit from the manufacturing locations to the CFC sites.
- **Open-order** information and **finished-goods inventory** are also available to determine how many orders need to be packed.
- **Shipments versus Open Orders** – is used to track the releasable and un-releasable order availability against the estimated ship volume by CFC site.
- Additional features added **communication of issues**: For example “comments,” prompt the user for reasons any time an actual shipment is lower than the estimate for that day. Or if “available daily-pack capacity” dips below 30 percent, an explanation and action plan must be entered.

Once a common system had been established, it required the business to follow a common process. The business went through the process of defining standard units, discuss timing of reporting information, standardizing templates, as well as digitizing those templates. The standard system and processes were leveraged to perform measurements which shifted the organizations attention from reactive fact finding to proactive action taking.

6. State **demonstrable I\*I results** achieved by your organization to **improve your key I\*I issue/ opportunity**. Support your results using **relevant financial metrics** (e.g., profits, operating costs, etc.) and **non-financial metrics** (e.g., customer/ client satisfaction, retention, etc.). **Provide appropriate quantitative data.**

*Indicate closest % improvement achieved as a result of deploying the I\*I solution(s) for the key I\*I issue/ opportunity from the Question #3 above (e.g., If your organization reduced the number of I\*I related customer complaints from 6 to 3, this will result in 50% improvement).*

*Make the number **Bold** or Underline a number (Select only one):*

10%            25%            50%            75%            **90%**            100%

Benefits of the Global Tracker to ABC Company have been realized through the revenue lifts, overhead reductions, and data integrity. Leveraging a “single source of truth” for operational data, our executives are able to focus on understanding and solving problems, not debating the accuracy of numbers on daily calls with upwards of YY attendees. In addition, our operations managers have recognized improvements: “A system like Global Tracker helps Integrated Supply Chain to be best-in-class by aligning everyone around a common goal and provides the right accountability and ownership at the individual site level to meet our customers’ requirements.” The Mobile Devices business was able to ship AAAM phones in CCCC as compared to BBBM phones in DDDD.

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Prior to the Global Tracker, a designated person spent time gathering emails from each site, manually consolidating information into PowerPoint, and distribute slides to meeting participants before daily calls. This method not only took time, but often did not provide accurate information. Today, through the Global Tracker, local business teams can identify which part shortages may exist, flag any “stop-ship” orders, and highlight anticipated changes in shipments for the next few weeks. The executive summary view is then generated automatically and used to drive decisions. This type of reduction in overhead cost contributes positively to ABC Company’s gross margin.

Linking back to missed opportunities, the CFCs are able to better anticipate when they will have extra capacity to accommodate last minute orders that come in from customers. Likewise, they are able to anticipate shortages due to large swings in upside for customer demand.

7. **How long has your I\*I solution been in operation** (*Select only one and provide a short narrative*)?  
< 3 months\_\_\_ = > 3 to < 6 months \_\_\_ = > 6 to 12 months\_\_\_ > 12 months X

The Global Tracker launched last year and has matured over time. A manual entry process was used to consolidate and centralize the data in ‘month’ of YZZZ. In ‘month’ of ZZZZ, data feeds were automated, driving significant data integrity improvements and reduced human intervention.

8. Was your **I\*I best practice adopted by other groups in your organization** (*Select only one*)?  
Please explain with a **short narrative**.  
No\_\_\_ No, but have plans\_\_\_ Yes X

The key concepts and best practice methodology of the Global Tracker has been leveraged in other areas of the supply chain, such as our Plan to Actual tracker. This tool compares commitments to what was actually delivered from a holistic view of the supply chain. Drill-downs into Material Goods as well as Factory Capacity to deliver on a demand signal are also available. This has become the “one stop” for Supply Chain leadership to identify where outstanding issues may exist as well as “One Source of the Truth” for key business information.

9. What steps are you taking for **sustaining and expanding your organization’s I\*I best practice**?

We plan to keel enhancing a central application, so the supply chain is able to optimize business processes, drive integrity into the numbers, and provide best-in-class services through the consolidation of information.

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***This should be the last page of your application and does not count towards the 8 pages limit.***

## **Release Consent from Applicant**

Applications for the Excellence in Information Integrity Award provide valuable illustrations of the achievements organizations have made in their quest for Information Integrity. We would like the opportunity to use the information contained in the application form and need your consent.

The information in the application form may be used for the purpose of press releases and publishing of Information Integrity best business practices in print and online, only after I have an opportunity to review it for accuracy and content.

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Signature of Organizational Representative

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Name of the Organization

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Date