Case Study

Nestlé Professional

The Foodservice Giant Serves Up Data Quality with Unrelenting Focus

Challenge

As a multi-national business, getting a handle on product data may seem daunting. Nestlé Professional, the foodservice division of the world's largest food and beverage company, recognized in the early 2000s that product data for its globally recognized brands would increasingly come to the fore in the marketplace, as technology was enabling digital transformation among stakeholders. Nestlé Professional started early to cleanse and complete accurate data sets for its dozens of brands labeling hundreds of products.

Solution

The solution started internally with the implementation of the Global Data Synchronization Network™ (GDSN®). Nestlé updated its current product data for each of its stock-keeping units (SKUs), thereby helping them discard the ones no longer active in commerce. The company expanded its data sets to use GDSN categories required for the digital exchange of data worldwide and among all stakeholders. This process was made easier by Nestlé Professional's existing use of GS1 Standards, specifically the Global Trade Item Number® (GTIN®), for the unique identification of their products.

Benefits

- **Actual Costs.** While the cost of soft savings is inestimable, quantifiable costs are estimated to be between $7,500 and $15,000 for each inactive product, equating to millions of dollars in savings annually.

- **Time and Productivity.** Each inactive product GTIN removed from commerce delivers incalculable time saved and money ill-spent. Maintaining inactive stock-keeping units (SKUs) puts a burden on resources – ultimately resulting in massive inefficiencies – because each one involves more than a dozen departments within the company. Downstream costs can also accumulate for products no longer in the pipeline, should customers request them.

- **Transparency and Trust.** High-quality product data means potential customers can find, see, and interact with products they may be considering. Hence, they are more likely to purchase from Nestlé Professional rather than searching for competitive options.

It's a simple matter of trust

So says Fleur Veldhoven, vice president for the marketing of food at Nestlé Professional. "Transparency and accuracy of data and product-level content increases the level of trust our customers have in our products and our company."

Nestlé Professional brands include Stouffer's, Minor's, Sweet Earth, Coffee Mate, and NESCAFÉ among many others. It is dedicated as much to its foodservice customers as it is to its iconic brands, by striving to build close working relationships with foodservice partners and use the strength of its brands and products to help them drive profitable growth and enhance end-consumer satisfaction.

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Vice President, Food Marketing, Nestlé Professional

Veldhoven is accountable for data quality and data governance for the entire food portfolio at Nestlé Professional and is, therefore, responsible for trillions of bits and bytes of product data. "Our investment in GS1 Standards supports our business priority to provide accurate, complete, and value-added information about our products to our customers—wherever they shop or do their product research."

Each GTIN involves supply chain, production scheduling, production and manufacturing, master data, product development, quality control, accounting, factory finance, inventory control, salvage, transportation, and finance. Twelve departments have to touch every single inactive GTIN at least once a year.

Nestlé Professional product-level content is grounded in consumer insight. "We use global consumer insights to deliver profitable new business ideas for our [foodservice] customers," says Veldhoven.

This focus, ultimately, drew Nestlé Professional into a comprehensive data management initiative in the early 2000s, prior to the introduction of the Global Data Synchronization Network (GDSN). GS1's introduction of the internet-based, interconnected network of interoperable data pools governed by GS1 Standards, the GDSN would enable companies around the globe to exchange standardized product master data with their trading partners and would be an important component of Nestlé Professional's future.

GS1 Standards were already an integral part of Nestlé Professional's supply chain, with its over 750 products assigned Global Trade Item Numbers (GTINs), which are globally unique codes used to identify trade items throughout the supply chain, among other tools based on GS1 Standards, including barcodes on all retail products.

Turning Bad Bytes into Good Business

Having incomplete information or product attributes hidden from the consumer when they are searching online impacts revenue. As a result, poor data quality management can lead to wasted effort maintaining master data for products no longer in high demand due to changing consumer tastes.

To pursue an all-inclusive approach to its data quality goals, Nestlé Professional started with comprehensive master data cleansing for the data already established for its hundreds of products.

"Before diving into data cleansing for incorrect product information, it's worth taking the time to understand how each data element is populated, the timeline for each, and who will be responsible for each element," says Robi Basu, product data analyst. "For a manufacturer as large as Nestlé Professional, this took some time and, to this day, the processes are constantly being updated."

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Robi Basu
Product Data Analyst

"Nestlé Professional identified long ago the expense of keeping inaccurate GTINs active in the systems we share among the Nestlé family," says Dyana Sankovich, custom business project coordinator with over two decades experience with Nestlé. "Nestlé Professional was tasked each quarter with a review of its master data for inventory, forecasting and production scheduling to validate profitable products as well as collecting the data needed to satisfy business relationships. This process reduced the time spent on maintenance exercises throughout the year."

A Good Scrub

"The soft savings were impossible to quantify," Sankovich says. "Without master data cleansing at the forefront, unknown costs would have reduced the ability of each employee to spend his or her time productively. Each GTIN involves supply chain, production scheduling, production and manufacturing, master data, product development, quality control, accounting, factory finance, inventory control, salvage, transportation, and finance. Twelve departments have to touch every single inactive GTIN at least once a year."

Sankovich asked her counterparts in finance to estimate the cost of attending to inactive products that might include updating information, modifying recipes, or handling the myriad other tasks involved with the "care and feeding" of its products. The eye-opening answer was between $7,500 and $15,000 per GTIN, depending on the brand, the distribution channel, and other factors. The data quality process could save Nestlé Professional millions of dollars each year, as some 300 inactive GTINs could be eliminated.

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Custom Business Project Coordinator

The Chicken (Soup) & (Chocolate) Egg

Nestlé Professional began its data quality journey with its vision of successful e-commerce operations governed by digital transactions. When it commenced, distributors, foodservice operators, and consumers were not asking for expansive data – but that was about to change in the ensuing years, showing the company's foresight.

Eventually distributors began asking for data-driven information, and Nestlé Professional either provided it or asked for more time to build what was needed. Distributors were soon followed by foodservice operators and consumers asking for a greater breadth of information about the products they were buying and serving, from ingredients to serving suggestions.

Being ahead of the curve has been of enormous value. "Definitely during the pandemic, there's been a huge push for quality e-commerce content and having a solid presence online for your products," Sankovich says.

Now that commercial entities are cognizant of quality data as a driver of commerce, ongoing costs can be avoided when there is attention on the collection and maintenance of data. Nestlé Professional's early adoption of data quality governance principles and practices has helped it stay ahead of the curve.

"One of our largest distributors said they're going to start fining manufacturers for missing marketing content, images – all kinds of stuff," says Melanie Painter, a content management with Nestlé Professional. "Another warned that without imagery, they would shoot it themselves and bill us for it."

A Committed Company

With its mature data governance in place, Nestlé Professional colleagues are accustomed to the collaboration that is needed to bring a product – and its data – to market as well as maintain products already liberally traded in the global marketplace.

"From product conception to launch, there are several collaborative workstreams and data management platforms that must connect in order for retailers to digest our data" says Robi Basu, product data analyst, whose team is responsible for supporting Nestlé Professional's objective of winning in the marketplace through data. "By providing accurate, complete and timely product data, we ensure this comes to fruition across our many businesses."

$7,500-$15,000 per GTIN
Estimated product data maintenance costs on inactive products.

Implementing data quality processes found **hundreds of inactive GTINS** that could be eliminated

The data quality process, by identifying inactive products, saved between $7,500 and $15,000 per GTIN, depending on the brand, the distribution channel, and other factors.

Global Nestlé maintains a master data platform – the Product Data Hub (PDH) and it is divided into two sectors, one for regulatory and another for marketing. The former includes all product data that is needed to satisfy regulatory bodies worldwide such as the way food safety is addressed and foodstuffs are labeled, while the latter includes information foodservice customers and consumers need such as ingredients and preparation suggestions.

"A dedicated team is needed to start this process and fine-tune it as the group evolves to meet the needs of the business. The team cannot work in siloes, but they have to be engaged to envelop the roles up and downstream," Sankovich says. "As with any team, the people make the difference. Forward thinking and well-developed work ethics are an important part of a good team. Functions and actions overlap as each team player strives to complete tasks; sharing and cross-training of information is key."

GS1 US as Go-To

Those involved on Nestlé Professional's core data governance team strongly recommend the resources provided by GS1 US to any organization considering a data quality initiative. In fact, a GS1 US conference event was an early touchstone in Nestlé Professional's understanding of GDSN and launching its own data quality effort. Since then, team members have been active participants in various GS1 US industry initiative workgroups including the Joint Foodservice & Retail Grocery Product Information, Images, and Governance Workgroup.

"If you're new to GS1 and the GDSN, I'd recommend joining a GS1 US workgroup or discussion group in the space you're working. These are great opportunities to learn about what's going on across the industry, upcoming changes, and any other relevant news," Basu says. "The other nice thing about these groups is that you'll be with peers who are working through similar challenges and you can pick their brains, along with voting on issues and standards that may directly impact your business."

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Nestlé Professional's Lynn Nathe, lead coordinator of master data agrees: "Nestlé Professional's involvement in the GS1 Data Quality Group, Global Data Model Sub Team, Foodservice and Retail Grocery Supply Chain Workgroups, among others has been a very rewarding experience over the years. Participation in these groups and initiatives enable Nestlé Professional to learn how customers use our data, issues they experience with publications, and new data needs of customers, which can enable suppliers and customers become more competitive through dynamic data quality. These teams enable Nestlé Professional to have a voice into how we want our data to be represented throughout the supply chain. The contacts I've made through twenty plus years of being an active member of these groups has been very rewarding and productive."

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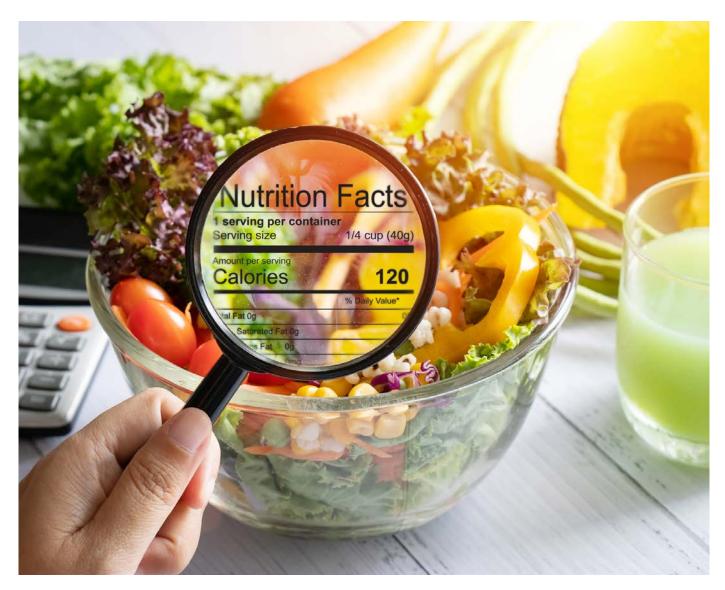
Avni Gupta
Custom Business Project Coordinator

Delighting the Customer

Nestlé Professional's goal is to become an intimate partner with its customers, a goal that cannot be approached without solid product data.

"The commitment to data quality affects multiple functions within Nestlé Professional, such as brand marketing, packaging, design and sales. We understand the value of product data and the importance of accurate, up-to-date data for our consumers," says Avni Gupta, a custom business project coordinator with Nestlé Professional. "As the leading food and beverage manufacturer in the world, we leverage our product information to provide best-in-class data across all digital and brick-and-mortar platforms. Having a data-driven mindset allows us to engage with our consumers and their changing shopping habits."

"A company can have the best products in the business, but if they cannot reach the consumer, no one will ever taste them. Data is the best way to help the consumer see products and answer their questions of what we can provide them," Sankovich says.

A Data-driven Mindset

Evident from the comments of all of those on the frontlines of Nestlé Professional's data governance program, the importance of maintaining quality data has become intrinsic to the company's day-to-day culture. As Nestlé Professional says on its own website:

Undoubtedly, this focus has resulted from the nearly two decade-long dedication to pristine data quality. And with so many hands potentially touching product data, it's impossible for many within the company to ignore the negative implications of halfhearted data management. For instance, legal ramifications can result from issues with consumers, such as allergens not listed in the product data. Being unable to meet retailers' product information management (PIM) data standards can damage critical relationships. Distrust can limit prime shelf space, resulting in revenue impacts and fines that might be levied by retailers for inaccurate or overdue product information. Worst of all for any company is a lack of trust in manufacturers and its brands.

As Jeff Cowan, senior director of Community Engagement at GS1 US points out, "A data quality initiative is not as much a program as it is a process. Data is an ongoing asset, so continuing maintenance, attention to detail, and collaboration are intrinsic to its success as well as establishing an organization's mindset aimed at customer satisfaction."

As Nestlé Professional's Veldhoven says: "It's a simple matter of trust."

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About the Organizations

About Nestlé Professional

Nestlé Professional is the Nestle 'Business-to-Business' out-of-home expert, offering a diverse set of customers (restaurants, fast-food establishments, cafés, hospitals, schools, and vending machine operators) food and beverage solutions with a focus on taste and health. www.NestléProfessional.us

About GS1 US

GS1 US®, a member of GS1® global, is a not-for-profit information standards organization that facilitates industry collaboration to help improve supply chain visibility and efficiency through the use of GS1 Standards, the most widely used supply chain standards system in the world. Nearly 300,000 businesses in 25 industries rely on GS1 US for trading partner collaboration that optimizes their supply chains, drives cost performance and revenue growth while also enabling regulatory compliance. They achieve these benefits through solutions based on GS1 global unique numbering and identification systems, barcodes, Electronic Product Code-based RFID, data synchronization, and electronic information exchange. GS1 US also manages the United Nations Standard Products and Services Code® (UNSPSC®). www.gs1us.org

About Global Data Synchronization Network (GDSN)

The Global Data Synchronization Network (GDSN) is an internet-based, interconnected network of interoperable data pools governed by GS1 standards. The GDSN enables companies around the globe to exchange standardized product master data with their trading partners. The GDSN is used as a tool to support high data quality through use of authoritative data sources, real-time data synchronization, and standardization of data formatting. The GDSN operates using a publish-subscribe pattern between two trading partners, each of which are registered with and access the GDSN via a data pool. The GS1 Global Registry acts as a directory to point to the data pool where data is housed and matches subscription to registrations in order to facilitate synchronization.

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