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UNLOCKING THE POWER OF STANDARDIZATION



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› Preparing for the Future of Global eCommerce Standards

By Sonia Coleman

Some manufacturing leaders may relegate data standards implementation to the IT basement, but the reality is that these bits of attributed information may hold the keys to a company's future success.

End-user customers and distributors continue to clamor for more detailed product information for specification and marketing purposes. Precious time is wasted converting data to numerous formats, errors proliferate, and even a wrong acronym can cause a digital train wreck.

The solution? Global eCommerce standards.

"Our customers are demanding more product information because they need it to make buying decisions," said Jason Archbold, catalog marketing specialist for Border States Electric. "The better the marketing information is on a product, the easier it is to get that product line-up correct. Right now, it's a challenge. Having standardized attributes would make the whole process from manufacturer to end customer more efficient and reliable."

eCommerce standards can also remove many inefficiencies in data translation.

"Distributors are sending out enriched data requests to multiple manufacturers, and we're receiving them from many distributors. If we can both speak the same language, it eliminates a large amount of waste in the process of conveying information from business to business," said Michael Johnson, marketing analyst for Pentair Technical Products.



A SCHEMA FOR ATTRIBUTED DATA

In response to the need for more robust product data, the IDEA Industry Standards Committee (ISC) has developed the Electrical Industry Attribute Schema to help sell products more effectively. This tool facilitates a supply partner's ability to provide standardized marketing information in Industry Data Warehouse (IDW), IDEA's data synchronization platform. The schema is based on the global, non-proprietary United Nations Standard Products and Services Code (UNSPSC) for product categorization.

"We're constantly working to keep up with global and industry needs. We operate as a community of manufacturers and distributors to foresee where we need to be with our product data," said Angela LiVolsi, data synchronization specialist for Philips Lighting Company and member of the ISC.

The release of this industry-owned schema is the latest of many standards efforts overseen by IDEA since it became authorized to develop and maintain the electrical portion of the UNSPSC by the standards body GS1 US, in 2004.

Through the standards committee, more than 30 electrical distributor and manufacturer companies worked together to create the industry schema, developing as many as 27 attributes or product descriptors for each category.

"With UNSPSC codes as the base, and the product descriptor attributes that provide more specific detail for descriptions, you can get down to the very minute differences between products within a family," said Ms. LiVolsi.

REDUCED ERRORS, INCREASED SALES

Since it standardizes detailed product information, the UNSPSC-based schema

offers many benefits to manufacturers, distributors, and end users.

"An obvious benefit to implementing the UNSPSC standards is error reduction," said Dawn Wright-Perry, retail services manager for Milbank. "This will improve all the processes through the entire supply chain. It will also give manufacturers the ability to have consistent, clean data for all their products, as well as provide that data a lot faster and easier to distributors."

"This is going to take us beyond transactional data to catalog data, and for distributors, providing this information in a standardized format increases the quality and makes it easier to use," said Mr. Archbold.

For example, Border States has been building product marketing information themselves, using manufacturer-owned online and print catalogs as well as gathering bits and pieces of information from other sources.

"Now that this product information is residing in a platform, it's going to be more accessible and efficient for us to continue to build these products into our online catalog," he said. "But beyond that, I can also trust the data much more because the manufacturer has provided it. If it's correct, then we're just reformatting and redisplaying it, as opposed to trying to reenter the data."

As a result, the level of individual manufacturer support of IDW and the product schema initiative support are important factors that distributors like Border States consider when evaluating manufacturer partners' performance.

"The level of IDW support is an expectation that complements other NAED (National Association of Electrical Distributors) Supply Chain Scorecard

criteria,” Mr. Archbold continued. “We’ve been involved in formulating IDW’s product schema standards; now we need all manufacturers to populate the available IDW catalog fields—the sooner the better.”

“Having standardized attributes would make the whole process from manufacturer to end customer more efficient and reliable.”

He predicted that those manufacturers quick to implement the UNSPSC-based attribute standards will find that their products are being featured in more distributors’ sales materials—and being sold more often—because distributors can more easily present their products to the end customer.

Likewise, manufacturers using UNSPSC codes and the attribute schema will have more control over their product information and the way their products are marketed and displayed to the customer.

“This will allow us to make sure that the descriptive information that is being used to sell our product is unified and accurate, plus it will allow our partners to better promote our products,” said Ms. LiVolsi.

IMPLEMENTATION PROGRESS

In December, UNSPSC became a mandatory field in IDW and are currently being used as a primary product code. The majority of manufacturers in IDW have populated UNSPSC codes, including those manufacturers interviewed.

Most manufacturers are in the process of implementing the schema, which many estimate could take more than a year to complete.

“The UNSPSC-based attributes are a huge leap forward. This presents a very robust and scalable solution. With that comes some complexity, so fully implementing the attribute schema in a manufacturing organization can require a significant initial investment in set-up. However, once established, maintenance becomes a simpler matter going forward,” said Mr. Johnson. “If you stand above it and look down at the approach that has been taken with the schema, it makes sense and seems like the next logical progression to universal standards for product attributes.”

For many manufacturers, adding this level of robust data requires them to completely reinvent their product masters in their in-house enterprise resource planning systems. With such an undertaking, some leaders are looking for cost justification, while others are working to coordinate buy-in among all their departments. However, Border States’ Archbold said that he expects that many manufacturers have the capability to populate the schema and will do so soon.

EYES ON THE FUTURE

Ms. LiVolsi pointed out that implementing the UNSPSC-based schema will prepare the industry for the future of global commerce with GS1.

“We now know that marketing content, enriched descriptions, attributes, and multiple spec documents are becoming global standards. To do business globally,

this is what is going to be a necessity. Although the GS1 initiative is mainly being driven by the retail sector, the distribution sector is not far behind. The efforts that NEMA and IDEA are making to incorporate the GS1 understanding of the new attributes is going to put us ahead of the game in the future,” said Ms. LiVolsi.

Dawn Wright-Perry of Milbank encourages other NEMA members to implement the schema.

“Right now, other channels already require that manufacturers use global standards and taxonomy to describe and define our products. NEMA members should take advantage of this attribute schema that IDEA has put together,” said Ms. Wright-Perry. “Offering standardized enriched product information is going to make you, as a manufacturer, easier to do business with; it’s going to make your products easier to find, access, and understand. And, in the fast-paced electronic environment that we live and work in today, that could be your only advantage.”

Sonia Coleman has been involved in the electrical industry for more than 10 years.

To learn more about how to implement the UNSPSC-based Electrical Industry Attribute Schema, check out the free, interactive eLearning module available at www.myideaportal.net/TrainingModules/AttributeSchema/player.html.

This fast-paced training course provides an overview of the electrical attribute schema, including benefits, components, and ways distributors and manufacturers can apply the schema to their businesses.