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Imperial Brands — MDM

Imperial Brands is an international tobacco company which manufactures, markets, distributes and sells the whole variety of tobacco-related product lines. By deploying a corporate master data management (MDM) program based on Kalido Information Engine, Imperial Brands successfully addressed data governance, BI and reporting challenges that consistently plague other multinational consumer goods organizations. The Kalido Information Engine gives Imperial Brands freedom to let local master data persist in 130-plus reporting units, yet confidently build corporate data warehousing, business intelligence and reporting atop its many combined data sources.

▶ PROBLEM

Across the landscape of finance, IT, supply chain and manufacturing the mantra "One version of the truth" is heard frequently. In a large, complex business it's not always that simple. As a practical matter, business units in a global enterprise often need to maintain their legacy or country-specific master data structures in frictionless coexistence with corporate MDM.

Imperial Brands' global presence and wide-ranging product portfolio has been boosted by a history of acquisitions. Its product and market diversity provide business resilience and a strong platform for future growth. As an IT organization, Imperial Brands takes a highly strategic perspective and strikes a balance between standardization and accommodation.

To this end, Imperial Brands supports a significant level of local autonomy in terms of market definitions, products and business "language" while it simultaneously advances an ERP consolidation program to unify the usage of corporate master data and corporate ERP solutions. The acquisition strategy led to a current IT environment which is complex and varied, with emphasis on SAP, QAD, Siebel, Microsoft and IBM InfoSphere Datastage for middleware. Kalido is Imperial Brands' master data and data warehouse standard, and fills the role of managing product and market related master data.

When Imperial Brands selected and implemented master data management via Kalido, it was seeking strategic solutions to several IT challenges. Some 30 different ERP systems and several CRM systems including Siebel are used at Imperial Brands, each with its own unique way of defining master data elements.

The large number of data sources and diverse product coding and sales reporting schemas made it difficult to aggregate numbers quickly for BI and analysis. Each new acquisition added to the complexity.

"With Kalido, we built a long-term foundation that handles change in products, codes, applications, product hierarchies, acquisitions and restructurings."

Olaf Thiemann
MANAGER PLANNING, DATA MANAGEMENT & INTEGRATION
Imperial Brands

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A specific requirement was to define and maintain master data subsets in multiple systems with multiple meanings. In practice, individual countries and business units needed the freedom to continue with existing systems and their data structures, this mainly driven by unique/ specific local country/ region specific legislation and laws.

▶ SOLUTION

Imperial Brands' original goals when implementing Kalido included achieving higher quality data and lower cost, in large part to develop and support data warehouses for reporting and analytics. Standardization of Imperial Brands' data definitions have been equally important. Imperial Brands began with Kalido version 8, and a master data hierarchy five levels deep. Imperial Brands has since moved to Kalido version 9. The master data enables the correct links between business units and corporate, and to downstream systems, including data warehouses and business analytics.

Vinod Goyal, Solution Analyst MDM and Imperial Brands' Kalido MDM specialist, has worked with Kalido MDM for four years. "We have four main areas in corporate MDM," explains Goyal. "Product master data is by far the largest, then market data, followed by competitor data, and the fourth is the time dimension for financial reporting."

Evolution and expansion

Since Olaf Thiemann joined Imperial Brands, he has overseen an evolution of Kalido in the company. Since the initial data model was installed, the size of the system and the size of the user community have grown significantly.

As Imperial Brands grew, so did the number of records in its MDM system. This increase in complexity of its master data hierarchy was driven mainly by requirements from both business users and finance. In addition to adding the brand hierarchy, Imperial Brands' master data has increased from five levels deep to its current nine levels in the hierarchy with numerous relationships to other categories and dimensions.

The structure of its master data has evolved in response to demands from projects in individual business units, not just corporate needs.

▶ RESULT

Kalido has helped Imperial Brands achieve "one version of the truth" worldwide for product, brand, markets across its supply chain and finished product data. Nevertheless, one of its greatest values has been that it allows many downstream "versions of the truth" to coexist smoothly, while avoiding costly, forced extreme makeovers in dozens of business units.

Kalido as Translation Engine

During Imperial Brands' history of acquiring companies, it has always endeavored to allow the new units to maintain their existing coding. This is no small issue. Certain countries charge code listing fees and any code change is costly. For this reason, the local codes never change, but the product it refers to may change, and the corporate version of the local code may be significantly different. Business units and country operations are spared the expense and difficulty of converting to Imperial Brands' corporate code system.

Thiemann elaborates on situations where local independence for master data is important. "Reporting units send their sales numbers into our central systems with their own coding, but our systems do not speak the local codes. Technically, a dimension in the corporate MDM defines the link from local to corporate systems. Additionally local MDM systems exist in several countries to enhance the corporate MDM data structures with local needs defined by specific local reporting requirements."

Rather than force each country operation to give up their known data structures it had prior to the merger, Imperial Brands leverages Kalido as a translation and collaboration engine. All 130-plus Imperial Brands reporting units—including country operations, some factories, and business units—can send in flat files to report their financial or operational numbers.

"Without a translation engine, this would not work," says Vinod. "Our only other option is one code worldwide, which could cause great inconvenience to business units across the globe. Kalido would make it easier, however, to apply uniformity to codes throughout all our operations, either gradually over time or as a strategic policy."

Ease of use and ease of change

Imperial Brands has found that with Kalido Information Engine, its small-sized MDM team can handle the most sweeping changes without difficulty. Thiemann recounts that, "When needed, we restructured our markets hierarchy, to better illustrate how we cluster the world."

MDM workflow to handle changes

Each month, typically, two or three data model changes in Imperial Brands' master data are approved and carried out. Most are driven by the group's Finance team.

To ensure proper governance, Imperial Brands set up a defined change request procedure. Of Imperial Brands' nearly 200 Kalido MDM users worldwide, though all can pull information on master data from the system, only a handful will perform mass changes to records on a daily basis, and just three in the entire company can change the model itself.

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The process begins at Imperial Brands with a change request document. Thiemann's group confirms the feasibility of the change, and sends it via the MDM Sponsor to a Data Definitions and Standards Committee. Assuming it passes committee, Olaf's group models the change in a test environment. From there, it is confirmed by those who requested the change, then approved, and finally the dependent downstream systems must also okay it. "Only then," explains Goyal, "Do we promote a master data change for implementation and linkage. For consistency in reports, every new local SKU must be accurately linked to a retail SKU in the corporate system."

Conclusion & Outcomes

For an international organization like Imperial Brands with strong established country operations and a wide variety of deployed ERP solutions, the ability to integrate local diversity into corporate consistency is critical to data governance and cost efficiency. Imperial Brands' MDM program is a key component of its growth strategy. In fact, the flexibility retained by local operations would probably be unmanageable and unviable if not for the comprehensive, coherent Kalido solution for MDM and its ability to translate between different hierarchies, coding schemes, and data definitions.

Imperial Brands' mature master data management program has successfully supported data governance and data warehouse activity under complex, changing conditions. With nearly a decade of relying on Kalido Information Engine, Imperial Brands has a unique understanding of the challenges and strategic benefits of master data management.

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