



Smith & Nephew Sustains Healthcare Leadership with Informatica Data Integration and Data Quality for Enterprise Data Governance

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— Barbara Latulippe, enterprise data architect, Smith & Nephew

FAST FACTS

BUSINESS INITIATIVES

- Improve operational efficiency by ensuring lines of business share accurate, trusted data
- Provide the foundation for reliable and effective customer information, order management, and inventory data
- Put data quality accountability and visibility into the hands of the business user

TECHNOLOGY STRATEGY

- Use Informatica to help each line of business measure, monitor, and improve data quality and acknowledge its direct impact on operational efficiency
- Enable IT to cost effectively and efficiently access, cleanse, and furnish trusted and consistent master data to the enterprise

Consider the Smith & Nephew Challenge of Managing Master Data

How do you maximize supply chain operational efficiency, improve relationships with healthcare professionals, and drive enterprise-wide reporting without a data quality and governance model?

That was the challenge facing Smith & Nephew, one of the leading global healthcare companies. The fundamental challenge was that data supporting the company’s operations in 32 countries resided on multiple instances of SAP. This setup made it extremely complex and expensive to create a unified picture of the company’s supply chain and trading partners’ master data. To achieve the company’s goals, its data quality and governance road map had to be improved.

With the support of Informatica® Professional ServicesSM, Smith & Nephew is capitalizing on Informatica data profiling, data quality, and data integration solutions to access and improve master quality data to help streamline manufacturing production and improve sales order management and product logistics. The journey toward enterprise data governance continues, and in one year, Informatica has already helped Smith & Nephew revolutionize the way the company thinks about data and how to apply it for competitive advantage.

BENEFITS

- Saved \$1.4 million in mailing costs by cleansing customer masters
- Unified data profiling, data quality, and data integration from one vendor
- Helped each business unit to adhere to predetermined data quality KPIs driving process improvement and operational efficiency
- Increased confidence in accuracy of data used for planning and forecasting
- Resulted in predictable and optimized active data governance
- Contributed to earning improvement through data quality and visibility
- Reduced SKU through visibility of inactive parts by 50 percent
- Ensured regulatory compliance by a validation check of all relevant fields
- Standardized, cleansed, and validated more than 500,000 customers and material records

Sal Chiovari, CIO, understood the importance of a robust master data management framework and supported an Enterprise Data Governance & Architecture team in 2007. It's fair to say very few people at Smith & Nephew knew about Barbara Latulippe or paid much attention to data quality when she joined the healthcare company. They do now. Thanks to an innovative data quality and integration strategy, she and her team have brought the business and IT together to help Smith & Nephew access, transform, and improve master data quality in the United States across its four key lines of business. The scope of the project has expanded to include all European and Asia Pacific country migrations based on the success of the team's first major data integration milestone. Informatica data integration technologies and the guidance of Informatica Professional Services are supporting reduced cycle times for data migrations, increased data quality, lower total data cost of ownership, and enhanced productivity;—all resulting in business process efficiency while maximizing business performance.

For more than 150 years, Smith & Nephew has developed advanced medical devices for healthcare professionals around the world. The company consists of four global business units (GBUs): Orthopedic Reconstruction and Trauma (joint replacement systems and products to repair broken bones); Endoscopy (arthroscopy or minimally invasive joint surgery); Wound Management (treatment and prevention products for hard-to-heal wounds); and Biologics (a wide range of medicinal products such as vaccines, blood, and blood

components). From a technical perspective, each of these four GBUs operated and managed its business using its own separate SAP installation, which led to a significant degree of autonomy across the Smith & Nephew enterprise.

As a result, it was almost impossible to obtain a clear, holistic version of the company's global data, including customer information, vendor partners, and management. The lack of synchronized data also led to a high degree of manual input, obsolete or inaccurate data was sometimes brought into the SAP systems, and data migration "collisions" were inevitable. When Barbara Latulippe, enterprise data architect, joined the company, it was clear to her that action was necessary. "Project silos led to serious data quality issues," she says. "Troubleshooting was an inexact science, and there were multiple different hand-off approaches to different teams in each GBU, and generalization of data quality made it difficult to quantify the impact."

Measure, Monitor, and Improve the Quality of Master Data

Smith & Nephew's long-term goal is to continue to drive consistent business processes sharing the same master and reference data. In the short term, however, the goal is to help each GBU measure, monitor, and improve the quality of its master data and acknowledge its direct impact on operational efficiency.

The Enterprise Data Quality team began by narrowing the data governance program to about 35 key item master fields that were impacting manufacturing production, sales order management, or product logistics. This resulted in four major key performance indicators (KPIs) by function (enterprise, product classification, sales, and plant) facilitated by collecting business rules from subject matter experts and translating them in Informatica Data Quality™. A major initiative

"Informatica Data Quality & Integration Solutions are another example of how our Global Information Systems teams provide innovation to the business, not just support and lights on."

— Sal Chiovari, CIO, Smith & Nephew

the team supported was the stock keeping unit (SKU) reduction project. This effort gave Sales & Marketing visibility to manage slow moving or inactive parts and streamline its product offerings. Subsequently, it cleaned up its production environment and used this as a catalyst to focus on improving product life-cycle processes.

A Data Governance Council was formed to help define baseline data quality standards, review and implement these standards across the GBUs, and examine how master data should be governed and maintained. A comprehensive implementation of Informatica technology—spearheaded by experts from Informatica Professional Services—was the foundation of this initiative. Evaluating vendors who could support data profiling, data quality, and data integration with one solution convinced the team that Informatica was the right choice to tackle the company's data challenges. "We wanted to invest in robust data quality tools, which were scalable and which could handle large volumes of data," says Latulippe. "We also wanted to work with one vendor who continues to support robust business solutions with business metadata management and point of entry. Time and again, it was only Informatica that could comfortably provide solutions in all these key areas. They have helped us put data quality into the hands of the business users, transitioning the analysis from IT closer to the source."

Adherence to Predetermined Data Quality Key Performance Indicators

Although the business and IT agreed that data quality issues existed, it was challenging to fix this issue because the extent of the problem was never quantified or documented. One of the first initiatives by the Data Governance Council was to launch data quality scorecards, which are viewed by more than 100 users to

"The true indicator of our success was the appreciation and thank you from our business partners; now they come to us with new data quality challenges in their efforts for continuous improvements."

— Melissa Hollingsworth, data quality analyst, Smith & Nephew

help each GBU monitor and analyze its data quality performance against its predefined key performance indicators (KPIs). Informatica PowerCenter® 8.6 extracts data from the three SAP instances (using PowerExchange for SAP) and stages the data in a SQL Server staging database; Informatica Data Explorer™ 8.6 profiles the extracted tables, reports detailed statistics on the data, and finds potential issues; and Informatica Data Quality 8.6.2 generates the GBU-specific scorecards. The Informatica Data Quality Dashboard and Reports Option™ presents the scorecard results in the form of Web dashboards with drill-through capabilities to the bad/rejected records.

SAP Material and Customer data for the four GBUs were among the first domains to benefit from these scorecards. Within a few months, Smith & Nephew harmonized, standardized, and cleansed records, eliminated obsolete ones, and achieved accurate customer master data. Putting these powerful capabilities in the hands of the business users allows them to measure, monitor, analyze, and govern the accuracy and completeness of their data. "It also promotes healthy competition between each of the GBUs as they achieve their data accuracy targets," says Latulippe.

Using the Informatica Data Quality Global Address Validation solution, which provides country directories for the United States, France, Germany, the Netherlands, and the United Kingdom, Smith & Nephew was able to flag more than inactive and duplicate customers for deletion. Based on the data

NUTS AND BOLTS

- **Data integration:** Informatica PowerCenter 8.6, Informatica PowerExchange® 8.6, Informatica PowerExchange for SAP, Informatica Data Quality 8.6.2, Informatica Data Explorer, Informatica Data Quality Dashboard and Reports Option
- **Services:** Informatica Professional Services
- **Sources:** Three SAP instances, SAP 4.7, SAP ECC 6, SAP ECC 5, depending on business unit
- **Targets:** SQL Server staging database and then back to SAP master data

clean up, the company now saves \$100,000 for every customer mailing and \$1 million in missed opportunity over the customer lifetime. All in one year. Moreover, sales, marketing, and customer service resources can continue to improve their focus on delivering high-quality service.

The adoption of data governance and data quality management is expanding every day. Informatica has also been instrumental in improving the data quality within Smith & Nephew's product inventory warehouses, where many products were missing certain classifications. The company operates a highly automated warehousing system, which requires each product to be classified by its dimensions and weight. Using Informatica, the Data Quality team was able to profile the part numbers and see how many were missing those dimensions and weights data. Using integrated templates, the time to load changes into SAP was significantly reduced from hours to minutes. By having accurate, relevant parts records, the company is able to maximize the investment in automated warehousing and reduce the risk of delays in production and orders being shipped.

Recently, in support of a Data Migration program in Germany, the Data Enterprise team was able to profile 50,000 item masters from legacy environments, compare them to existing data across three SAP systems, and provide input on the data quality within one day. This was instrumental in demonstrating the capability of a central master data repository and eliminating potential data migration problems before they happen. The local team had more time to be proactive in cleaning the data before go-live. There were many instances where the Informatica team was able to integrate data back into SAP; eliminating the need for the local team to create custom LSMWs (legacy system migration workbench,

a tool to transfer data periodically from legacy systems). "We were able to demonstrate the expediency of integration; one program which took greater than eight hours to load was done in 15 minutes using Informatica. This was a huge benefit given the aggressive schedules migration projects face," says Barbara Latulippe.

Moving Toward Predictable, Proactive Governance

As Smith & Nephew's master data model matures—from minimal awareness of data quality to active data governance—the emphasis accelerates toward data integration. This effort involves using Informatica PowerCenter to automate transforming and loading clean data back into SAP from the data quality repository. It also minimizes any requirement for custom code that needs to be written. To date, more than 500,000 records have been standardized, cleansed, and integrated back into the SAP applications. The Data Quality team and business have set their target goal to reach the stage of predictable and proactive data governance next year.

According to Latulippe, very little of this visionary "get clean, stay clean" strategy could have been achieved without the skills and commitment of Informatica Professional Services. "This data quality and governance project has been viewed as a huge success and is getting visibility by the senior executives all the way up to the Senior VP of Operations and CFO of the company. That's an indication of their commitment to the value of master data and the significance of Informatica technology and Professional Services. I am impressed with their breadth of knowledge across Informatica and SAP applications, their outstanding technical capabilities, focus, and milestone driven dedication," she says.

"Informatica Professional Services can span both business and IT. They walked us through the technical aspects of the project, they are right there with the business users trying to capture the business rules, and they are very good about putting the pieces together—asking the right questions, and then coming back with a prototype in an amazing short period of time with actual results."

She concludes, "Twelve months ago, data governance was less than optimal at Smith & Nephew. Today, thanks to Informatica technology and Professional Services partnering with the Data Quality team, data governance is spearheading a revolution in the way the company thinks about data and the way it is applied for competitive advantage."

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