

Standards in Action Benefit Calculator

Ram Viswanathan Retail Systems 2003



"WHAT'S THE ROI OF THE TIME WE SPEND FIGURING OUT ROL?"



CxO conversation

- We should do GTIN because UCC has mandated it
- We should get involved in GDS because this big Retailer is doing it
- We should take up RFID because well, how cool would it be if our products had this tiny little intelligent tag

By adopting GTIN, we can bring additional products to market, sooner - resulting in an additional annual revenue of \$ 25 MM

OR

- By doing GDS, we can increase our return on IT spend by 25%
- By implementing RFID, we can reduce inventories by \$18 MM and free cash flow by \$1.4 MM per year



About Standards in Action

- Promotes international adoption of comprehensive EAN.UCC
 Systems of supply chain standards
- Educates top level retail, consumer goods and technology executives
- Develops tools and techniques to explain the function, features and benefits of EAN.UCC System

www.retailsystems.com/communitycenters/cscc/SIA_map.pdf



The Benefit Calculator

- This tool assists retailers and consumer products companies, with a easy yet comprehensive assessment of benefits.
- It will offer a rational view of the potential to enterprises from the involvement in and adoption of Retail standards.
- This is not a scorecard against other companies, but a tool to determine benefits specifics to the systems, applications and processes of individual companies.

Helps
Define, Quantify, and Pursue
The \$\$\$



Basis for the Calculator

- The key functions that drive business operations
 - Planning
 - Fulfillment
 - Financials
 - Store Operations
 - Information Systems
- Processes that constitute these functions
- Activities or Drivers of benefits in these processes



Methodology

- Functional and Process Decomposition
- Uniform system to define and quantify each benefit driver through 4 variables
- Assignment of improvement range for each driver
- Weighted assessment of benefits by different standard groups
 - Identification Keys
 - Representation Physical manifestation of keys
 - Communication Data Interchange
 - Process Business process context



Standards Layers

GDS CPFR

Business Process

EDI XML

Transaction

UPC RSS

UCC128

Representation

GTIN GLN

Identification

HTML XML

Apache JBoss



Key Features

- Hierarchy of Retail & CPG functions
- Functions based on
 - 16+ Processes
 - 30+ Atomic level benefit drivers
- Adjustable variables with default values
- Provision for 'what-if' analysis
- User guidance through a series of questions
- Built in benchmark improvements for reference
- Description of functions, processes and standards
- Summary by enterprise, by process and by function
- Saving of work to resume later
- Distribution of benefits by standard groups



Open Source Platform

- Linux OS
- PHP server side scripting/ PHP Web Services
- MySQL database
- Apache Web Server
- HTML/CSS
- XML/XSLT



Product Demonstration

- Sign in as a demo user
- Review portfolio of benefits and summary
- Review functions, processes and benefit drivers
- Navigate help
- Perform what-if
- Save model
- Access by self-registering at www.nathanresearch.com



Future Enhancements

- Multiyear Projections of each benefit
- Sector Specific Variations
- Mapping benefits to specific initiatives GDS, RFID etc.
- Generalization of Initiatives
- Investment Calculation
- Investment in specific initiatives
- Three to five year NPV and IRR calculation
- Reporting of Opportunities, Initiatives and Rankings
- Create a customized program by picking A,B,C initiatives
 Part of an Performance Management Process



About Nathan Research

- Seasoned Team of Industry, Process and Technology specialists with experience in
 - Retail and Consumer Goods Companies
 - Management Consulting
 - Software and Technology



Thank/You

Ram Viswanathan

www.nathanresearch.com

ram@nathanresearch.com

214-507-0015