

Update Bulletin

Data Synchronization — an Industry Issue, and Another Reason for Connected Services

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See the attached article from Grocery Headquarters magazine, describing a recent industry conference and the agreed need for data synchronization in supermarket operations.

Obviously, this finding and the benefits are right in the zone for StoreNext's Connected Services, which collects and stores data in a single, secure environment to be used by multiple applications. Connected Services can be a big part of how grocers are able to realize the benefits of their data, kept stable across time and usage.

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Inundated with data? Many grocers are moving toward data synchronization. But without a foundation of clean data stored in a central repository, systems integration is useless.

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By Dena M. Amato-McCoy

During the Teradata PARTNERS User Group Conference at Las Vegas' MGM Hotel and Casino in late September, the conference's unofficial catchphrase, "A single version of the truth," seemed as commonplace as the chancing of the casino's slot machines.

While the retail industry is heeding this advice, most merchants are still database-heavy. Yet, considering all of the data retailers rely on, this is not surprising. [Supermarket retailers store an abundance of data such as transaction logs, customer information and their purchase histories, inventory data, financial details, promotional information and even employee statistics. As this data grows, retailers increase datamart storage memory and sometimes add new databases.](#)

The biggest culprit in the data surge for grocers could be attributed to the onslaught of mergers and acquisitions during the 1990s. These unions seemed to spur data growth, create more redundant systems and increase the perceived need for more databases.

What is a retailer to do? If supermarket operators want to remain successful and build their businesses, especially in the current sluggish economy, their best bet is to locate their own "single version of the truth." [One integrated data source will provide a solid foundation that assists in better business decisions. If retailers keep depending on segregated data sources, the results will be damaging.](#) Remember, the devil is in the details. Basing business decisions on tainted, replicated information only leads to a false view of business.

Many grocers are moving toward data synchronization as they integrate disparate information technology systems through enterprise resource planning projects or best-of-breed integration plans. But without a foundation of clean data stored in a central repository, systems integration is useless.

Retailers should think about how replicated data could be hindering category management efforts. Without reliable, clean data, grocers cannot even consider entering a scan-based trading (SBT) project. They should also forget about pursuing any collaborative fulfillment or promotional marketing projects until that single view of data is in place.

Still some operators may be unsure why data silos are not intelligent. Simply put, it may be tiring to ask three different divisions the same question and receive multiple answers. That is a result of various corporate departments working from decentralized databases. Unfortunately, this practice will remain common if information is not centrally stored or available in real time.

It is time to find the single version of the truth. It definitely exists somewhere in that jungle of databases running throughout one's company. The hardest part is creating a path to extract it.

"Supermarket retailers know they need to get their arms around data, and they have made tremendous efforts toward [data] consolidation," said Darryl D. McDonald, vice president of retail industry for Teradata, a division of NCR, at the conference. "Retailers simply need to learn how to avoid the pitfalls." And for those retailers that aren't considering an enterprise data model, consider this your invitation to join the data consolidation party.

[First, retailers should define an enterprise data model that all data must fit into properly. If information cannot be cleaned or appears more than once, delete it. Next, merchants should create a strategy or game plan for datamart consolidation. Finally, begin consolidating datamarts onto an enterprise data warehouse platform, which provides one view of data.](#)

This project will take some preparation, and results will not happen overnight. Some retailers' enterprise data warehouses can be up and running within six months. For others, the process takes longer. These retailers should not be discouraged by the transition's complexity or the amount of time needed for completion. Still, the longer a company procrastinates, the more work is created and the more time it takes to get on track.

Do retailers need another reason to consider data consolidation? Legacy-based datamart consolidations recover significant savings. For example, by transitioning its first disparate datamarts onto a single data warehouse platform, Bank of America eliminated duplicate technology and support staff and dropped its operating costs by approximately \$7 million. That is a pretty big chunk of change to save in this economy.

It's time to bite the bullet and begin reaping the benefits and cost savings of data synchronization. The grocery industry needs to start purging replicated systems and establish one view of corporate data. Once this feat is established, the opportunities and operating savings will speak for themselves.