

Building a Business Case for PIM

Six Steps to Manage Product Information More Effectively



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Products are the Foundation of Business

Complete and accurate product information is essential to the successful operation of every aspect of a business. Yet our research finds that **74%** of organizations require some or significant effort to manage their product information. As doing this effectively can cost tens of thousands of dollars per product per year, delivering complete and accurate product information efficiently and intelligently is critically important.

Businesses need product information management (PIM), which uses information and technology to support business- and product-related processes across an organization. Effective PIM deployment provides easily available information, including images, videos and other visual and descriptive content that is used to market, sell, service, syndicate and distribute products.

Takeaway: Organizations must invest in product information to maximize revenue and optimize business process effectiveness.

How to Build a Business Case for PIM

There are many demands on an organization's priorities for allocation of resources, time and financial investment. To convince management to invest in PIM, a business case must **demonstrate value** – not just potential efficiency improvements but a direct impact on **revenue** and **customer growth**.

Our research shows that a business case for PIM should focus on improvements to product-related processes but also on channel- and commerce-related merchandising efforts. PIM can increase revenue and can also reduce returns and buyer frustration. The goal should be improving performance by providing a great product experience using easy-to-access, accurate and up-to-date information that is the same regardless of the channel.

Takeaway: Clearly present the value of PIM in terms of customer growth, efficiency and measurable outcomes like revenue growth.

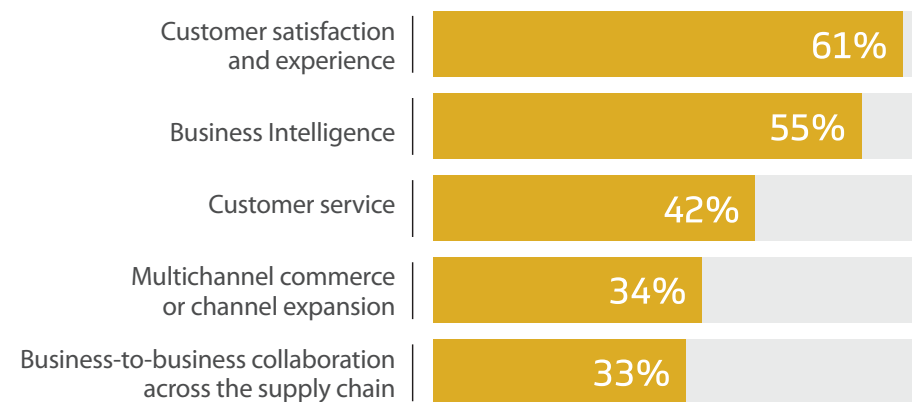


Step 1: Determine the Strategic Value

The first step in building a business case for PIM is to define the strategic value being sought and how it will be attained. It's a common assumption that business cases support investments in technology. In fact, technology alone does not always deliver the digital transformation value needed. **Information**, particularly concerning products, **is an essential asset** that must also be a priority for investment and monetization.

For the business case, specify in detail the targeted strategic value. Our research indicates that value lies in customer satisfaction and experience, improvements in business intelligence on products, customer service and multichannel commerce, and better B2B collaboration across the supply chain.

Top Five Business Case Drivers



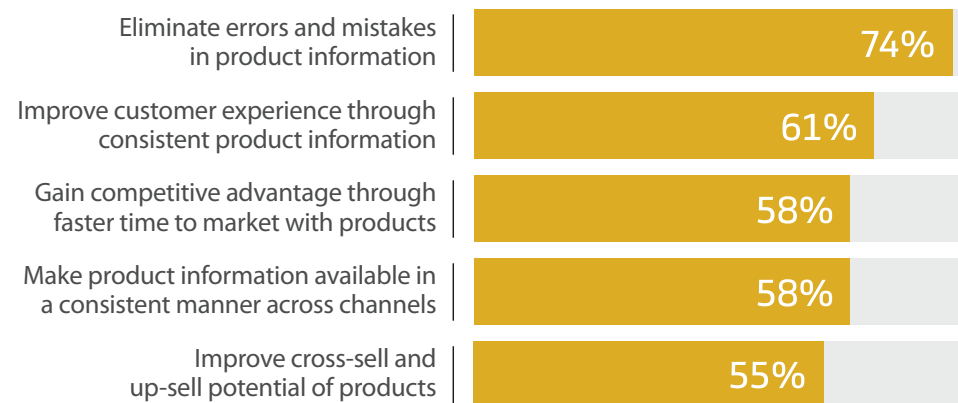
Takeaway: The business case should prioritize the strategic value of using effective PIM.

Step 2: Define Achievable Benefits

Identifying achievable benefits is the cornerstone of a business case. In this instance, focus on what PIM can provide for customers. Our research validates this: Three in five businesses cite **customer satisfaction** as the top PIM business case priority.

All benefits should be measurable and prioritized. Ensure that in addition to improved customer satisfaction through the elimination of mistakes you cite an improved **customer experience** through product feedback and increased **cross-sell** and **up-sell** of products. In addition, look to benefit by dramatically reducing product return shipping and restocking.

Benefits from Dedicated PIM



Takeaway: Define tangible benefits that are easily seen and measured.

Step 3: Prioritize the Use Cases

A business case for PIM must offer easy-to-understand use case examples. Our research finds that including use cases in a business case helps clarify how the organization will benefit through PIM.

Use cases for a business for PIM include:

- The new product **introduction and promotion process**, from definition to publishing.
- Performing product **reviews** and information **refreshes** continuously.
- Being able to easily associate **images** and **videos** with products in catalogues.
- Determining **gaps in information** about products that PIM will help fill.
- Publishing products to commerce or distribution channels in any language with a few clicks.



Takeaway: Offer use cases that illustrate achievable improvements required for business success.

Step 4: Target Cost, Resource Savings

Funding a modern PIM system isn't difficult – **74%** of organizations report being able to fund from business line and/or IT budgets. It's easier with a wide-ranging assessment of how PIM will help avoid costs, save time, eliminate purchase impediments, reduce customer inquiries and improve merchandising effectiveness.

Cost savings flow from PIM-derived reductions in time and resource usage. Focus on:

- The **time** currently required to update product information.
- The **personnel cost** to introduce or update a product.
- The **time reduction** in updating, launching and promoting new products.
- The **time and costs** of product inquiries and returns that effective information will eliminate.



Takeaway: Identify value that PIM delivers in cost and time savings.

Step 5: Determine Technology Gaps

Investing in product information management requires understanding the technology environment needed to connect it to relevant business processes. A modern-day PIM system will save time, money and resources by eliminating incompatible tools and disparate data and establishing standardization that simplifies business processes. PIM delivers value when it addresses an organization's specific needs and overcomes technology impediments that impact buyer, customer and employees.

Organizations shift to a unified approach to PIM technology to:

- **66%** Improve data quality
- **46%** Establish data governance
- **42%** Increase operational efficiency
- **39%** Reduce business unit complaints
- **36%** Eliminate errors and mistakes.



Takeaway: Select an approach to PIM that address technology gaps and information needs in product processes.

Step 6: Select the Right Technology

Organizations struggle with PIM because of reliance on old habits. **Eliminating the wrong technology** can help – spreadsheets create errors in more than **90%** of organizations.

A PIM system must provide support for the variety of roles involved in the process from administration and management to publishing. It should support multi-languages and contextual marketing of the information. In evaluating PIM systems, do not look only at functionality; examine a product's **usability, reliability, scalability** and **manageability**.

TCO/ROI also is important. Choosing technology for the wrong reason – for example, because it is already available internally – can create costly complications. Doing the homework up-front will pay off.



Takeaway: Define technology requirements that will eliminate inefficiencies and optimize productivity.

Confident Steps Toward PIM

To attain the success it deserves, an organization must have accurate, accessible and timely product information consistently available across all channels and all business units. Those that have been successful not only gain a competitive advantage but increase their revenue potential and improve buyer trust and the customer experience across all touchpoints. A dedicated approach to PIM will deliver this while maximizing productivity and job satisfaction.

To join the 24% of organizations that report that they are completely satisfied with their e-commerce, merchandising and product information management strategy, examine your situation and build a business case for a PIM investment. The six steps outlined, drawn from the experience of thousands of organizations that have realized the full potential of their PIM investments, provide a better path to improved competitiveness and customer satisfaction.

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The Ventana Research *Next Generation Product Information Management* Benchmark Research can be found at www.ventanaresearch.com.



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