Collaboration on PDM for CPG

A Partnership between a consumer products business and a technology innovator in PLM.

Curt Funke

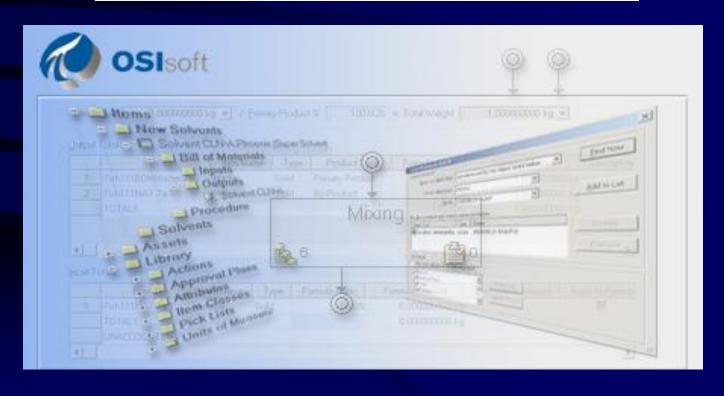
Divisional Vice President of Global Purchasing and Packaging

Ethan Fraley

Packaging Engineer

Alberto-Culver and ProcessPoint





Consumer Product Focus



A leading international manufacturer, marketer of personal care (hair and skin), food, and household products.

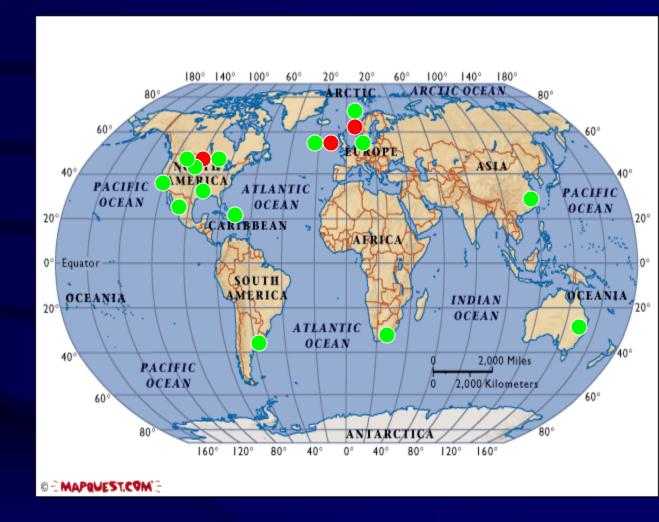
Also the world's largest retailer of professional hair care products with 2700 Sally Beauty Supply Stores

Alberto-Culver Company

- Founded in 1955 by Leonard Lavin
- \$2.7 Billion dollars in annual sales
 - \$1.1 Billion in Consumer Product Manufacturing
 - \$1.6 Billion in Retail Sales from Sally Beauty
- 11 consecutive years of record Sales and Profits
- 6000 Products sold in more than 130 countries
- Over 300 new products launched globally in 2000
- Three product design centers and 14 manufacturing sites in 11 countries

Alberto Culver Offices & Plants

- 14 Manufacturing Sites
- 3 design centers
 Chicago, Stockholm,
 Basingstoke UK.
 - Packaging
 - Formulation
 - Creative Design
 - 1200 Direct Suppliers
 - 6000 Products sold in 130 countries.



A.C. Aggressive Growth Plans

- Our company doubles it's size every five to seven years.
- New innovative products are the greatest contributor.
- Acquisitions have strengthened our growth and operations.
 - Pro-Line Corporation -1999
 - St. Ives Laboratories 1996
 - Cederroth International 1991
- Speed to market helps us to accelerate sales growth
- Effective supply chain management, purchasing tactics, and building supplier relationships help us drive profit improvement.
- Building our business through globally expanding our base line brands has been a major contributor.

Business Challenges at Alberto Culver

- Rapid growth in new product introductions, promotions, and customer specific displays. Over 300 global new products and 250 promotional/display SKUs in one year.
- Faster product lifecycles leading to frequent redesigns, formula and graphics changes, and regulatory compliance.
- More granular attributes needed for supporting other systems such as WMS, e Sourcing, ERP, e Procurement, and CRM.
- Walmart and other retailers supporting on line catalogs from CPG manufactures sending data through the UCCnet by January 2004.
- Silos of product specifications in multiple business units not uniform, not connected, not complete (acquisitions, mergers).
- Finally...do more...with no additional head count.

Alberto Culver Goals with ProcessPoint

- Collaborate on developing a complete and global product data management (PDM) system for our Company.
- To find a supplier that could help us to web enable our specification system so that it would be truly global with the reach and speed of the Internet.
- To enhance the quality of raw materials worldwide with uniform quality standards built into specifications with both English and Metric versions.
- To provide visibility to all manufacturing sites to the specifications for all our products being managed at our design centers.
- To reduce the redundancy and proliferation of new part numbers being added and to migrate to a global part numbering system.

Core Implementation Team

- OSI/Sequencia Ray Hall, Tamara Schuryk
- Alberto Culver Company-
 - Ethan Fraley Packaging
 - Nickie Cipicchio Packaging
 - Mike Bugajsky R&D
 - Bill Ward Information Systems
 - Update the Steering Committee
 - Review progress, project issues, timeline/plans.
 - Define templates, workflow, security, approvals, testing, site needs.

Users at Alberto Culver Company

Chemists

Responsible for formulations to meet product design goals and claims

Packaging Engineers

 Responsible for design, testing, and material selection for bottles, labels, caps, cases, etc.

Process Engineers

 Responsible for reliably batching and mixing the product to the specifications.

Read only users

Procurement, manufacturing, marketing, project management, planning, quality assurance, inventory control, etc.







Purchasing & New Technology Platforms PDM and PLM is the foundation on which we build...

Bid/Auction Materials	E-Auction/E Bid - B2e Markets - Internet Bid Packages*
Plan Events/Manage Spend	E-Sourcing - B2e Markets - Strategy and Planning *
Purchase Materials	Global Peoplesoft e-Procurement - e PO Transactions*
Forecast Materials	Planning and Forecasting Replenishment-CPFR
Load/Request Materials	Various ERP Systems - Prism, Movix, BIPCs, TIMs*
Materials/Content Defined	Sequencia/OSI Global Specification System - PDM*
Materials Required	New Product Lifecycle Management - OSI/PLM

* Investments already committed/projects underway

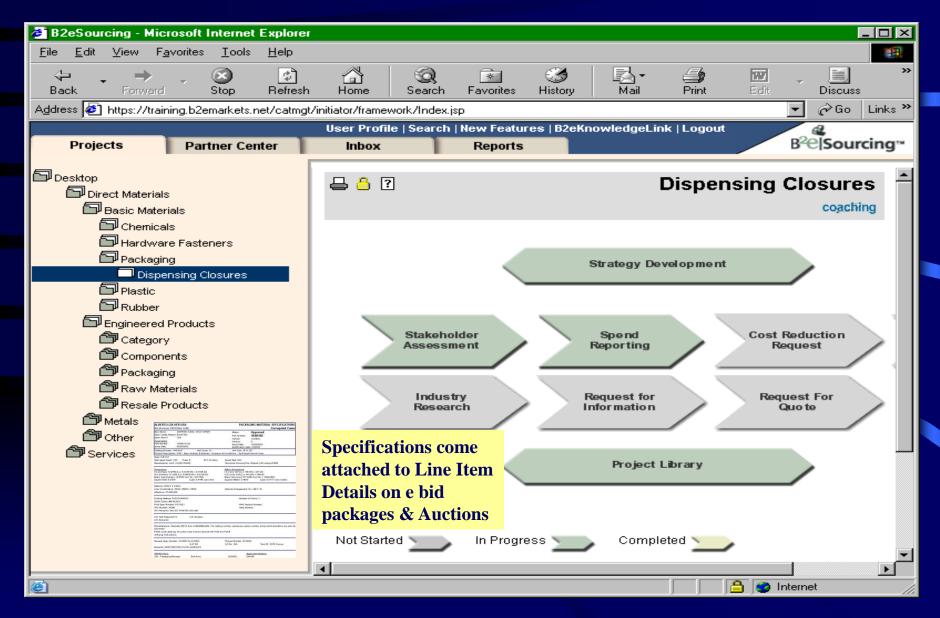
Packaging Challenges with OSI/PDM

- To integrate our CAPE palletizing specification files into our PDM packaging BOMs.
- To be able to attach art files, and print cards to our printed packaging specifications.
- To automate (within the same spec) the conversion of English measurements into metric measurements for packaging sourced globally.
- To be able to attach Solidworks and AutoCAD files to all rigid packaging specifications.
- To increase the speed of navigation and productivity of the packaging engineers with the new PDM system.

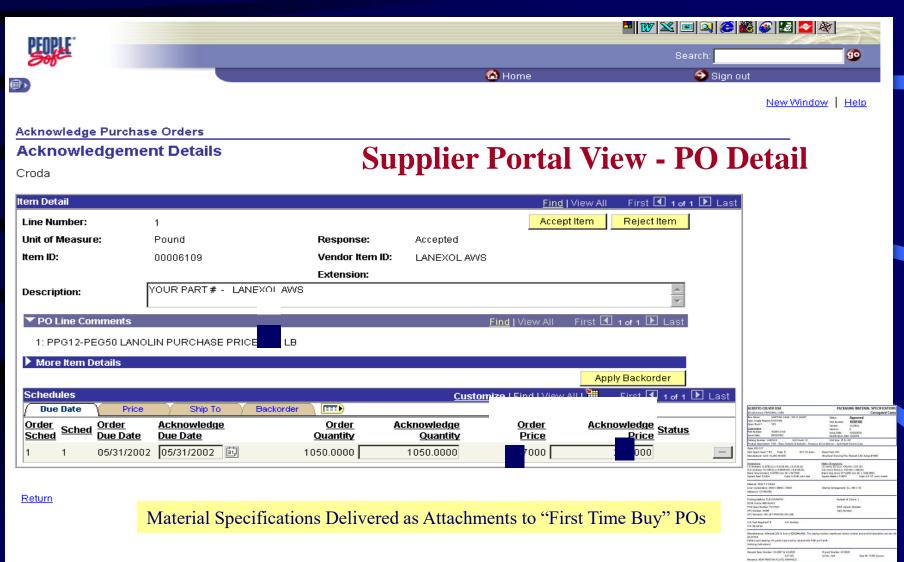
Technical Goals & Challenges with OSI/PDM

- To integrate formula and batching instructions from the PDM system into our ERP systems for uploading.
- To transfer over 25,000 raw material specifications and 5000 BOMs out of our old PDM/LAN system into our new OSI/PDM system with out losing any data, details, history.
- To install the new software and thoroughly test it before going live...without losing productivity in our departments.
- Hardware and networking upgrades were needed to help build the IT infrastructure.
- Improving the speed of product/packaging development with faster/automated workflows and approvals.
- Specifications, data, and line item attributes needed to support e Sourcing and e Procurement with PDF attachments.

e Sourcing tools need electronic Specifications...



E Procurement Delivers New Specifications...

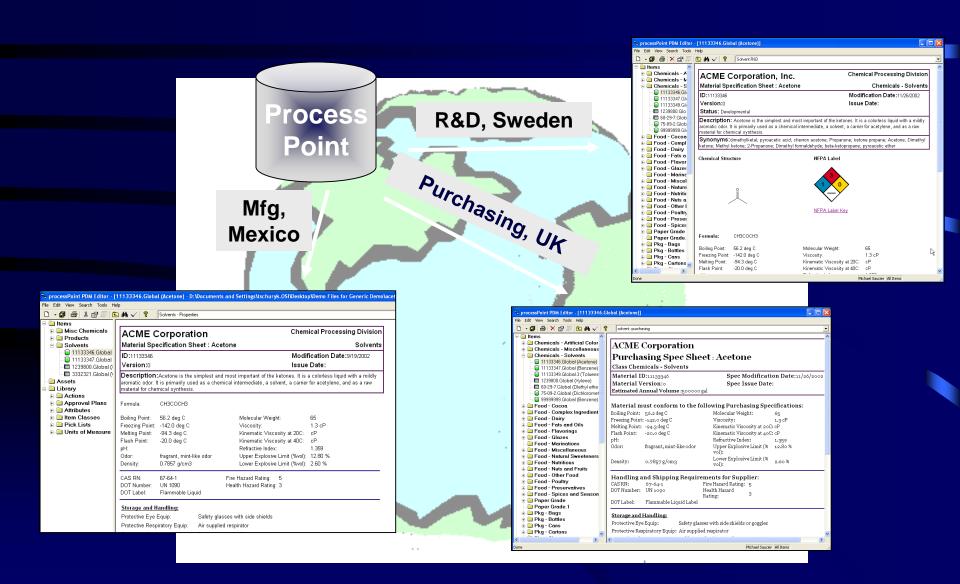


Reducing Cost

- ROI was built on the ability for us to achieve the following...
 - Consolidate part numbers globally and leverage spend on common materials.
 - To automate the uploading of specifications into regional and global bid packages in our Internet based e Sourcing solution. Giving suppliers electronic visibility to all the direct materials we purchase. We expect a 1% reduction in cost of goods that are bid.
 - Reduction of out of specification materials which leads to less rework, scrap losses, and downtime.
 - Fewer errors in production internally and externally at contract fillers.

ProcessPoint Provides the Architecture

for worldwide collaboration on raw materials and formulations



Global Specification System is rolling out...

 We are moving forward with rolling out our Global Specifications (PDM) system from OSI/Sequencia. All locations in North America are already installed.

(Puerto Rico done 4/28, UK, Mexico, Sweden, Argentina, and Australia will be done this year)

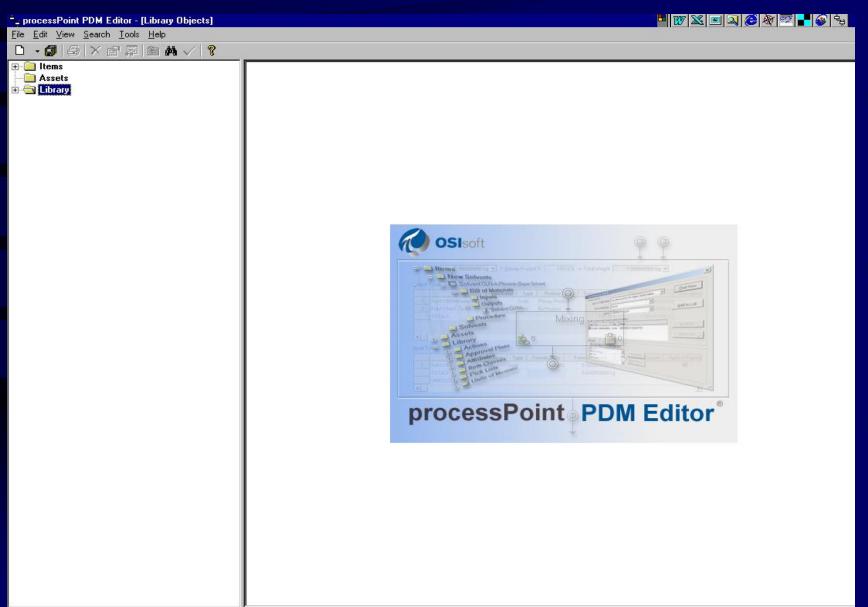
- This system will be integrated into our Global disparate ERP systems to allow our formula and batching instructions to upload automatically.
- This system will be accessed by suppliers in the future to allow suppliers and Alberto personnel to collaborate on design, material selection, and final specifications.

Summary

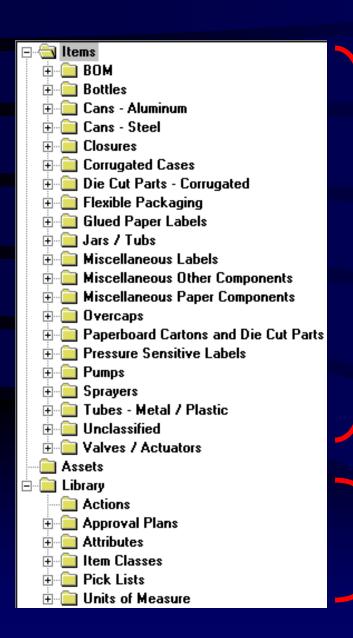
- ProcessPoint is used Enterprise-wide to enable:
 - Global management of product specifications
 - Common system for formula, batching instructions, packaging and ingredient specs., and packaging
 BOMs/palletizing data.
 - Specifications available through the Internet to all sites
 - Raw material/part number consolidation
 - Enabling/automating strategic e Sourcing
 - Automated Approvals and Workflows
 - Automatic transfer of information to various ERP systems.
 - Enables collection of data for other systems and UCCnet.

ProcessPoint - PDM Editor

Ethan Fraley MP Packaging



PDM Hierarchy



Product Data Management (PDM) consists of the following:

Items

-contains all specifications within each Item Class

Library

-contains a standard set of objects used to build specifications.

PDM Nomenclature

- Specifications must be assigned the following:
- ID (part number)
 - any alpha-numeric combination
- Variant
 - Distinguishes between items that differ only slightly (ex. Global vs site specific component)
- Version
 - Distinguishes between modifications of the same specification (ex - correct typo's)



Each ID. Variant. Version is unique.

What is a Bill Of Material (BOM)?

- Same As Finished Goods
 - defines packaging components
 - package/product dimensions
 - palletization/distribution info

BOM Hierarchy

Normal Shampoo 15 oz Pallet Pallet

- 100 -12 count cases 15 oz V05 Normal Shampoo
- Shrink Wrap

Normal Shampoo 15 oz

- Clear plastic 15 oz bottle
- 15 oz snap bead dispensing closure
- V05 Normal Shampoo front label 15 oz
- V05 Normal Shampoo back label 15 oz
- Corrugated shipping case



BOM EXAMPLE

ALBERTO-CULVER USA

IBU(Division): PERSONAL CARE

PACKAGING COMPONENT LISTING BILL OF MATERIALS

Packaging Objective:Comm. Announcement

Project Number: VOV-207

Implementation: PHASE IN Ship Date:

Package Type: OPEN STOCK

Pallet Data: EXIST DATA/PATTERN

Status: Approved

Catalog No. (+Whs Ver): VS11 07

Variant: GLOBAL

Version: 31 Effective Date: 10/28/02

Supersedes Date: 02/06/2001

Product Name: VO5 Shampoo -- Normal

Size & Package: 15 FL OZ Plastic Btl

Case Pack: 12 Bottles Shelf Pack: Split-Apart 6

OTC?: NO

WIP Catalog Number:

Item UPC Number: 0-22400-00030-5

Case UPC Number: 1-00-22400-00030-2

Explanation: Formula change; New front/back labels; Whs Ver; New Shipping Case

<u>Part Number</u> 12131150 12131120	<u>Variant</u> GLOBAL GLOBAL	<u>Status</u> Approved Approved	<u>Packaging Material Description</u> PLASTIC BOTTLE UNDECORTD PLASTIC BOTTLE UNDECORTD	<u>Comments</u> AC - Snap bead neck Alternate Outside	<u>Quantity</u> 12
12132301	GLOBAL	Approved	DISPENSING CLOSURE	Seaquist, Platinum	12
15403002 15403102	GLOBAL GLOBAL	Approved Approved	PS FILM LABEL-FRONT PS FILM LABEL-BACK	2 3/8" × 4 5/8" 2 1/8" × 4 5/8"	12 * 12 *
10305102 10305101	GLOBAL GLOBAL	Approved Approved	SHIPPING CASE - SPLIT APART SHIPPING CASE	Phase IN - Generic Phase OUT - Generic	1 * *

PALLETIZING DATA

CASE PACK INFORMATION

Length Width Height 12.88 5.31 9.31

Case ID (in.): 12.88 5.31 9.31 Case OD (in.): 13.13 5.56 9.81 Pallet Type: 48 × 40
Cases / Tier: 25.00

04363 / Hel. 20.00

Tiers / Pallet: 4.00

Cases / Pallet: 100.00

UNIT LOAD SUMMARY

Pallet Height: 44.75

Pallet Graphic File: See Related Documents Tab

0.41

14.00 lb

1450.00

VS11-04

Footprint (L × W): 46.50 in. × 39.38 in.

Packing Instructions File:

CAPE Solution Number: SPECIAL INSTRUCTIONS

SECURELY STRETCH WRAP ENTIRE PALLET.

APPROVALS:

Case Cube:

Gross Case Weight:

Total Load Weight:

CAPE Filename:

321 - Packaging Engineer
320 - Packaging Manager

Nickie Cipicchio Bob Novy 10/28/02 10/28/02

What is a Packaging Component?

• Defined by:

- material of construction
- dimensions
- structural drawings
- performance (product protection)
- graphics, text
- quality standards

Packaging Component Specification Example

ALBERTO-CULVER USA PACKAGING MATERIAL SPECIFICATIONS Corrugated Cases IBU (Division): PERSONAL CARE SHIPPING CASE - SPLIT APART ltem Name: Status: Approved Spec Create Reason: EXISTING 10305102 Part Number: Open Stock? YES Variant: GLOBAL Su<u>persedes</u> Version: Part Number: 103051-02_V0 Issue Date: 2/20/03 Issue Date: 12/20/02 Modification Date: 2/20/03 Catalog Number: VARIOUS Unit Count: 12 Unit Size: 15 FL OZ Product Description: VO5 -- Base, Herbals, & Naturals -- Shampoo & Conditioner -- Split Apart Generic Case Style: DIE-CUT Split Apart Case? YES Flute: B ECT: 32 lbs/in. Board Test: 200 Manufacturer Joint: GLUED INSIDE Structural Drawing File: Wabash CAD design #1889 Metric Dimensions Dimensions I.D. (inches): 12.8750 (L) × 5.3125 (W): × 9.3125 (D) I.D. (mm): 327 (L) × 135 (W): × 237 (D) O.D. (inches): 13.1250 (L) × 5.5625 (W): × 9.8125 (D) O.D. (mm): 333 (L) \times 141 (W): \times 249 (D) Blank Size (inches): 14.8750 Corr Dir $\times 50.7500$ Blank Size (mm): 377.8250 Corr Dir x 1289.0502 Square Feet: 5.2424 Cube: 0.4146 cubic feet Square Meters: 0.4870 Cube: 0.0117 cubic meters Material: KRAFT 2 SIDES Liner Combination: 35HR / 26#SC / 35HR Internal Arrangement: 3L × 4W X 1D Adhesive: STANDARD Printing Method: FLEXOGRAPHY Number of Colors: 1 GCMI Colors: #90 BLACK Print Spec Number: PS11521 WHS Version Number: UPC Number: NONE Sally Number: UPC Remarks: INK JET PRINTED ON LINE U.N. Test Required? N U.N. Number: U.N. Remarks: Miscellaneous: Alternate 200 lb liner is 42k/26#sc/42k. The catalog number, warehouse version number and product description are also ink jet printed. Pallet Load Labeling: All pallet loads must be labeled with PO# and Part#. Unitizing Instructions: General Spec Number: GS-0007 & GS-0020 Project Number: EC0020 ILS? NO ILS No.: N/A Tare Wt: 10.60 Ounces Remarks: NEW PRINTING PLATE GRAPHICS, ATTACHED PRINT SPEC

 APPROVALS:
 Approved Vendors:

 320 - Packaging Manager
 Bob Novy
 2/20/03
 254150

Creating Specifications

- Specifications can be created two ways
 - Create New

- Duplicate by copy
 - Create new version
 - Add a CAD drawing
 - Create new copy by ID and Variant.

Specification Status

• Levels:

- Developmental (default for newly created specifications)
- Awaiting approval
- Approved
- Obsolete

How are Specifications Approved?

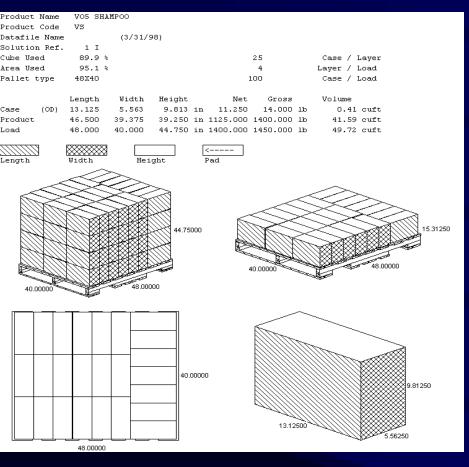
- Users configure a set of parallel and/or serial steps for assigned approvers.
 - Parallel: Users can approve at same time
 - Series: Users must approve in a certain order
- Changing spec status to "Awaiting Approval" begins the electronic approval process.

• When all the approvals have been granted, the spec automatically transitions from "Awaiting Approval" to "Approved"

Related Documents

- Used to attach relevant files to a specification.
- Related Documents help to more fully define an object, for example:
 - CAD, PDF files
 - Pallet Pattern
 - MSDS
 - QA documentation
- All files types are supported as attachments i.e. (.xls, .pdf, .doc). However, each computer must have the appropriate program to open the file.

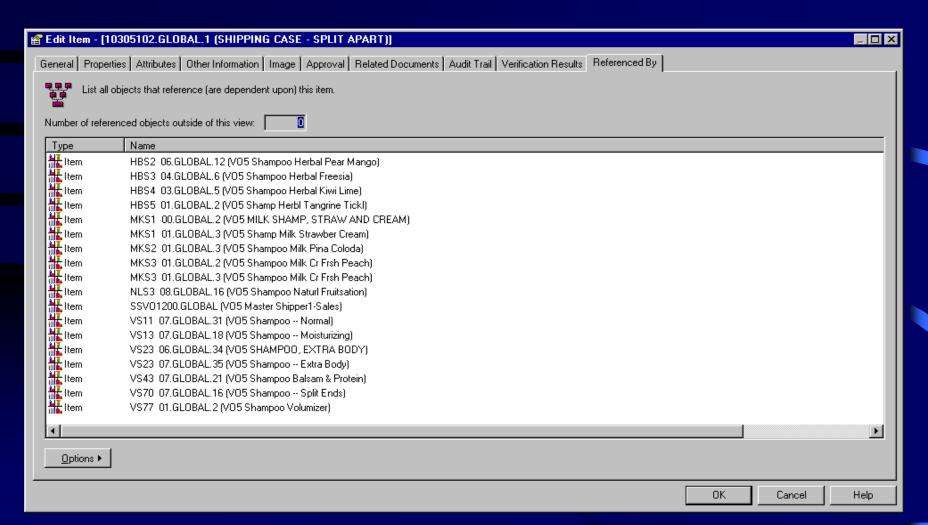
Related Documents Example





Referenced By ("Where Used")

Displays a list of all Components and/or BOM's that reference the specification.



Search Capabilities

- Quick Search
 - basic query for part numbers, catalog numbers, etc
 based on limited search criteria.

- Smart Search (Parametric Search)
 - advanced query based on specific criteria such as attributes, related documents, common sku names (ex. VO5), spec status, spec creation date, etc.

Document Inbasket

• Displays a current list of all specifications to be approved by an assigned user.

View Object Approve / Reject Clear Notification Refresh Close										
Town object Shear Library Signal Figure 1.										
Туре	Name	Status	Date / Time	Approval Type	Approving Group	Approval Role	Assigne 🛧			
₩ Item	CFHS2N02.GL0BAL.4	Waiting for Response	10/14/02 1:37:44 PM		320 - Packaging Manager		Bob No			
₩ Item	12963101.GLOBAL.0	Waiting for Response	10/21/02 1:39:45 PM		320 - Packaging Manager		Bob No			
₩ Item	12963001.GL0BAL.0	Waiting for Response	10/21/02 1:39:01 PM		320 - Packaging Manager		Bob No			
₩ Item	15473102.GL0BAL.0	Waiting for Response	10/21/02 1:37:49 PM		320 - Packaging Manager		Bob No			
₩ Item	15473002.GL0BAL.0	Waiting for Response	10/21/02 1:37:11 PM		320 - Packaging Manager		Bob No			
₩ Item	15463102.GL0BAL.0	Waiting for Response	10/21/02 1:36:19 PM		320 - Packaging Manager		Bob No			
₩ Item	15463002.GL0BAL.0	Waiting for Response	10/21/02 1:35:44 PM		320 - Packaging Manager		Bob No			

PDM Security

- User rights are configured for individuals who are placed into a security group.
- Security Views control the access of a group to "data silos". Each silo can store information regarding a specific manufacturing plant, technical center, etc.
- Each security view has established permissions to various or specific silo's. Permission options are view only, write, administrate, delete or none.
- Example
 - CLA facility is a contract filling operation for personal care/cosmetic industry. PDM has the ability to secure CLA's "data silo" from non-CLA users.

Security Permission Levels (User Rights)

- Delete
- **♦** Administrate
- Write (Author)
- Read (View)
- None

- Delete specifications
- Assign spec routing & approval
- Create, modify, and approve specs.

- View Only

more secure

Other Functions of PDM

- Maintaining the library
 - Units of Measure
 - Approval plans
 - Data model design for materials and products
- Maintaining security
 - Adding and removing users
- Work offline
- Extensive audit history
- Units of measure conversions
- Vendor/Supplier access
- CAPE palletization data

Use scenario: create a general specification

for a new or existing product

- To Create or Duplicate a Specification.....
 - Search database for one with similar characteristics
 - Duplicate existing to a new version, or new name
 - Change specification
 - Change the bill of material
 - Route the new specification for approval