



eBook

# Why Specification Data Management is the Future of Supply Chain

BY MATTHEW WRIGHT



## INTRODUCTION

In this whitepaper, we'll dissect the macro trends that led to the need for data management along the supply chain, define what Specification Data Management (SDM) is (and how it's different than existing systems), and discuss how companies are using SDM to reduce costs, create efficiencies, and drive sustainability. We'll also use a fictional Wheat Thins use case throughout so you can follow along.

## The Problem with Packaging & Product Data

After spending 25 years in the packaging industry I never imagined that I would become a technologist. After all, we think of technologists as vest-wearing, scooter-riding people living in Silicon Valley — not the folks working along the supply chain to create, manufacture, package, and transport physical products.

So as you might imagine, I entered the technology space out of necessity after dealing with what I realized were common problems with packaging and product data: the lack of a common language around specifications, the fact that companies usually had incomplete or none of the data critical to making, testing, and shipping products, and that data they did have was hard to share with outside partners and vendors, which made getting work done difficult.

Furthermore, I realized existing systems like ERPs or PLMs didn't address the root of these problems: that companies didn't own or control their specification data.

Sure, companies usually had a Bill of Materials, but they couldn't get down to the DNA-level of their products, packaging, raw materials, or formulas. As a packaging supplier, I was often the owner of a customer's packaging specs and even the conduit of sharing those specs across their business. The strain of this was only getting worse due to trends in retail that were contributing to a proliferation of SKUs — what Kellogg's appropriately named SKUzilla. Let's use the example of Wheat Thins, a popular snack food, to illustrate.



Ten years ago, Wheat Thins as we knew them were one box and one flavor. With the rise of box retailers, changing consumer preferences, and private label, Wheat Thins went from one box to tens of boxes, a single flavor and formula to multiple formulas and flavors (hello Zesty Salsa), and a variety of ways it was packaged and shipped to retailers like Costco or Target.

With the explosion of SKUs, specs along the supply chain became extremely difficult to manage. Marketers never knew if they had the right version of artwork, quality managers couldn't easily track issues associated to products, and packaging engineers and product developers were spending their days managing spreadsheets instead of spending their time building more innovative packaging and products for the eCommerce era.



## Answering Critical Supply Chain Questions

Some of the challenges I just mentioned do more than create headaches for the people working on them — they actually impact the bottom line. When companies aren't able to manage their products and packaging at a spec level, they have a hard time answering the following questions:

- 1 How can we **reduce costs** if we don't own our product or packaging data?
- 2 How can we **become sustainable** if we don't know raw material usage today?
- 3 How can we **ensure compliance with new regulatory requirements**?
- 4 How can we **expedite time-to-market** for new products?
- 5 How can we **reduce the number of SKUs** across our portfolio?

## The problem with packaging & product data

Lack a common language around specifications

Have incomplete data and lack critical components

Not built for sharing beyond the enterprise

## Why is this a big deal?

Number of SKUs is Increasing

Expectation of Knowledge is Increasing

Acceptable Response Time is Declining

Let's think back to our Wheat Thins example to put some of these questions in context. As you read below, think of an example at your company and whether or not you could answer these questions today.



Reduce Costs

How much do our raw materials cost for Wheat Thins and other similar snack products?



Raw Material Usage

What kind of wheat are we using across snack foods?



Allergens & Regulations

How do we make sure we have all the right allergen and regulatory details when entering a new market?



Time to Market

How can we quickly introduce new Wheat Thin flavors to meet changing consumer tastes?



Packaging Consolidation

Is there an opportunity to consolidate the boxes that move Wheat Thins to different retailers?

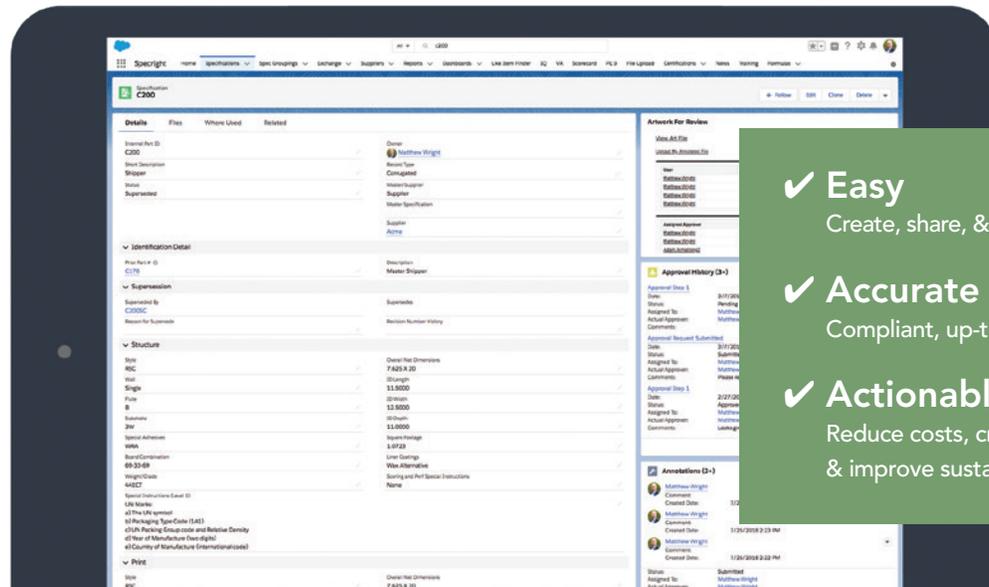


The inability to quickly answer these questions is creating a tremendous amount of waste across the supply chain: in terms of dollars, human time and talent, and environmental waste. So I set out to find a solution — and when I couldn't find one, I decided to build it.

## Specification Data Management: The Future of Supply Chain Data

I realized the solution to these problems was Specification Data Management, a term I coined that reflects the level of detail needed to drive intelligence across the supply chain. There's a spec for everything — if you think about Wheat Thins, there are specs for the box, the nutrition label, the grains, the artwork, how it's shipped, even specs for the machines that make and package them.

We also created templates early on to create a standard language that could be shared across companies, suppliers, and manufacturers to ensure everyone was on the same page.

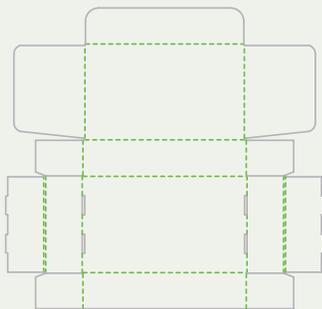


- ✓ **Easy**  
Create, share, & access specs instantly
- ✓ **Accurate**  
Compliant, up-to-date, & connected
- ✓ **Actionable**  
Reduce costs, create efficiencies, & improve sustainability

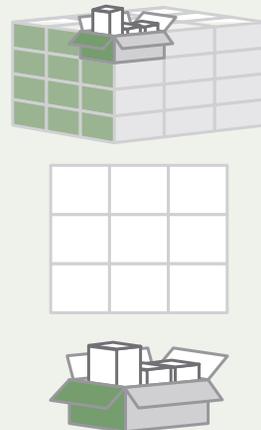
Finished Goods  
(SKU)



Component  
Drawings



Bill of  
Materials



Raw  
Materials



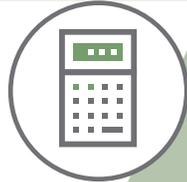
Machinery



**Visualization across enterprise (VIZ)**  
Core Data is necessary in order to drive digital transformation and manage mission-critical business processes.



**Financials (ERP)**



**Product (PLM)**



**Specifications (SDM)**

When you get the details right, every other system and process becomes more efficient.



The best part is, when companies get SDM right, all of their downstream systems become smarter. If we think about a pyramid, SDM becomes the foundation for supply chain data, as it's cloud-based with APIs and integrations that easily transfer data upstream and downstream while maintaining a single source of truth.

For example, the SKU number for Wheat Thins might be generated in an ERP system and then flowed to Specright, where it is then part of a master specification that also includes raw materials, vendor information, nutritional and allergen information, and packaging labels.

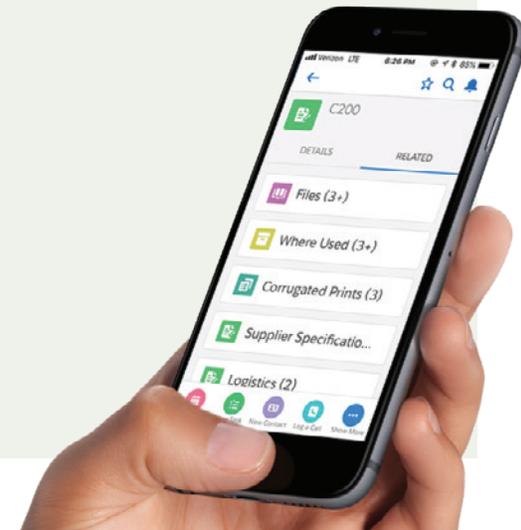
We often get questions about how SDM fits together with other systems like Product Lifecycle Management (PLMs), ERPs (Enterprise Resource Planning), and Visualization tools. The answer is, it's addressing and solving a different problem.

ERPs are financial systems, PLMs are used to build complex products like jet engines, and visualization tools are meant to aggregate data, not structure it. These systems were not built to structure, manage, and share data at the spec level. Some of these systems may have add ons, but it's not a core competency.

At the core of specification data management are three tenants that I follow still today with Specright:

- 1 The system is easy and intuitive**
- 2 Manages accurate, up-to-date data**
- 3 Actionable at the spec level**

We designed Specright with usability in mind. The interface is clean, all important data is easy to access, and it's available across all devices — so you can access your specs anywhere, any time.



## Taking Action with Specification Data

Once you have a standard set of specs and clean data, taking action on them becomes easy. While there are many ways you can use spec data, some of the most common examples we see from customers are: reducing costs and accelerating bids, benchmarking and driving sustainability, and reducing SKUs.

### Reducing Costs and Accelerating Bids

In Specright, customers can not only manage specs for raw materials and products but also quickly send certain specs out to bid and manage procurement and supplier documents in one place.

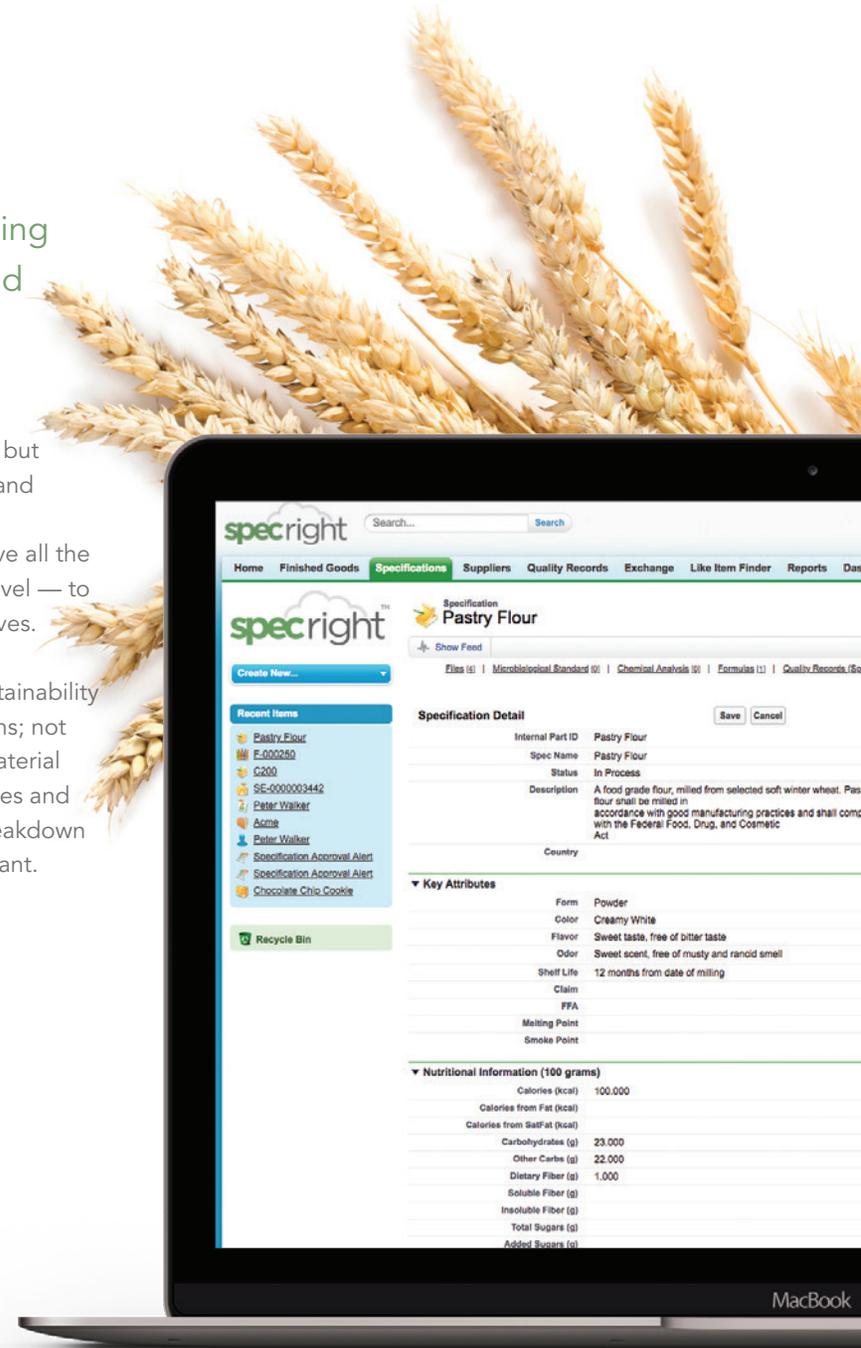
Imagine you're the head of procurement for the Wheat Thins line — with Specification Data Management in place, you could select wheat specs, select suppliers, create a timeframe for the bid, and send it — all within minutes instead of months it might typically take to structure and send out a bid.

Our supplier document management tool also makes it easy to ensure suppliers are compliant and speeds up our customer's ability to expand into new markets with the right regulatory and compliance documentation at their fingertips.

### Benchmarking and Driving Sustainability

Corporate sustainability initiatives abound — but it's often difficult for organizations to understand their current environmental impact at the raw material level. With Specright, companies have all the data they need — at an extremely granular level — to drive both reporting and sustainability initiatives.

For example, imagine you're in charge of sustainability for the parent company that owns Wheat Thins; not only would you be able to understand raw material usage for Wheat Thins, but for all other cookies and snack products and even the raw material breakdown by other dimensions such as geography or plant.



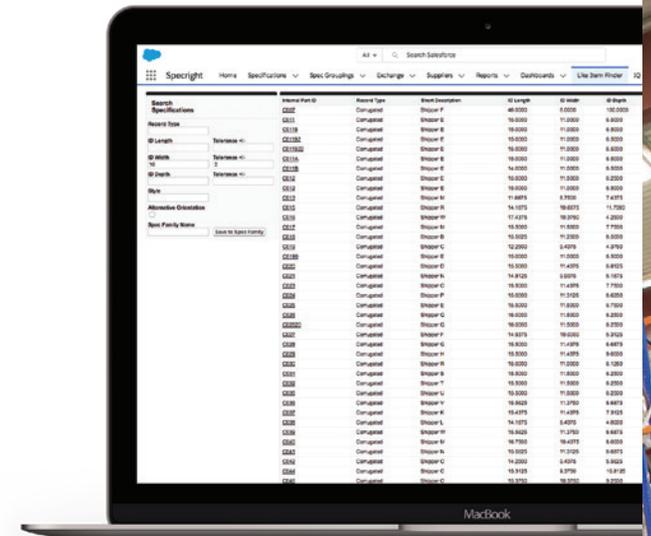
## Reducing SKU Counts

There's an old adage that 20 percent of a company's SKUs drive 80 percent of revenue. If we think about the implications of a new SKU, it's more than just the addition of a new product, it's corresponding labels, packaging, and so on. As a result, things can quickly get out of hand.

When companies implement Specification Data Management, data is structured in such a way that it becomes easier to query for like items, so if you need a box for a new SKU, you can look at existing boxes to see if one fits your needs instead of creating a new one.

With Specright, we further enable this through a feature we call Like Item Finder. With Like Item Finder, you can literally start typing in specification details like dimensions and material type and specs pop up — in real time — of existing SKUs you can use. For most companies today, this would mean combining and combing through countless spreadsheets with incomplete data.

Another way to reduce SKUs is to visualize and monitor existing SKUs using advanced dashboarding. When data is structured at the spec level, it becomes easy to build dashboards and reports that reveal product areas where SKUs are getting out of hand.

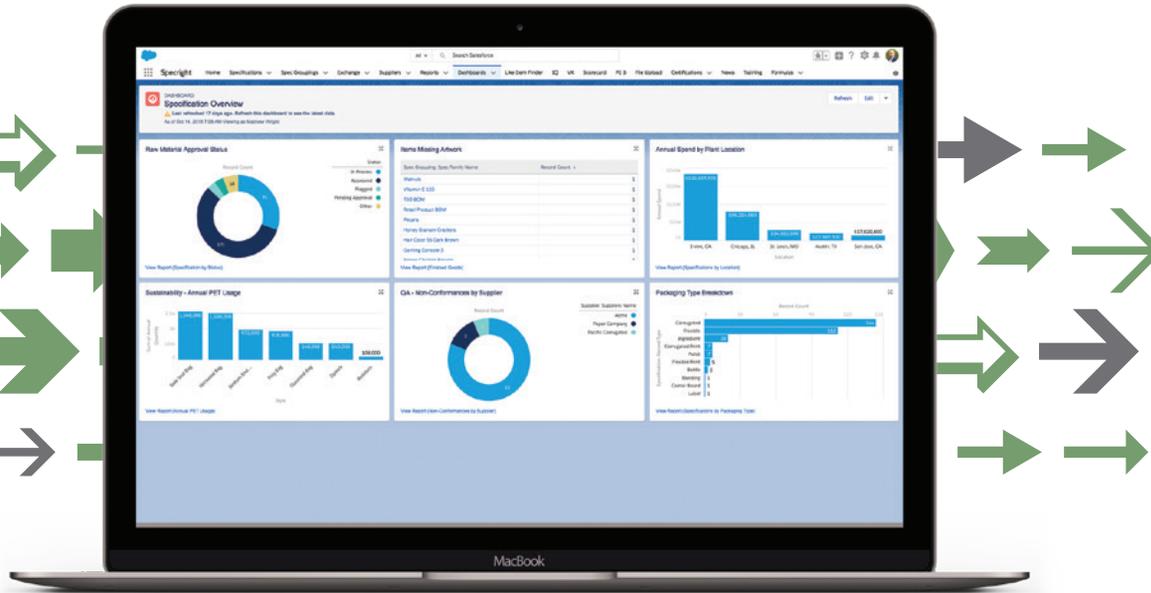


Item Part ID	Item Type	Item Dimension	Item Length	Item Width	Item Depth
G202	Container	Shower P	48.0000	6.0000	100.0000
G211	Container	Shower S	18.0000	11.0000	6.0000
G212	Container	Shower B	18.0000	11.0000	6.0000
G213	Container	Shower B	18.0000	11.0000	6.0000
G214	Container	Shower B	18.0000	11.0000	6.0000
G215	Container	Shower B	18.0000	11.0000	6.0000
G216	Container	Shower B	18.0000	11.0000	6.0000
G217	Container	Shower B	18.0000	11.0000	6.0000
G218	Container	Shower B	18.0000	11.0000	6.0000
G219	Container	Shower B	18.0000	11.0000	6.0000
G220	Container	Shower B	18.0000	11.0000	6.0000
G221	Container	Shower B	18.0000	11.0000	6.0000
G222	Container	Shower B	18.0000	11.0000	6.0000
G223	Container	Shower B	18.0000	11.0000	6.0000
G224	Container	Shower B	18.0000	11.0000	6.0000
G225	Container	Shower B	18.0000	11.0000	6.0000
G226	Container	Shower B	18.0000	11.0000	6.0000
G227	Container	Shower B	18.0000	11.0000	6.0000
G228	Container	Shower B	18.0000	11.0000	6.0000
G229	Container	Shower B	18.0000	11.0000	6.0000
G230	Container	Shower B	18.0000	11.0000	6.0000
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G248	Container	Shower B	18.0000	11.0000	6.0000
G249	Container	Shower B	18.0000	11.0000	6.0000
G250	Container	Shower B	18.0000	11.0000	6.0000

Like Item Finder in Specright helps companies quickly identify similar specs.



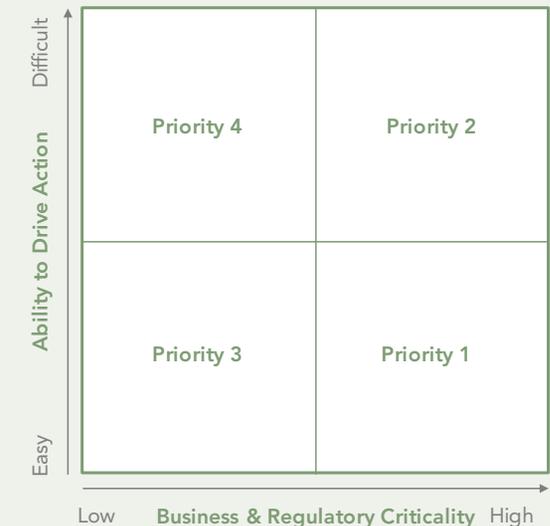
With Specright's reporting and dashboard capabilities you can quickly spot trends across your supply chain.



## Spec Data Prioritization Framework

Let's think back to our Wheat Thins example. Priority data would probably include nutritional and allergen information (regulatory requirements from the FDA) and raw material data by supplier for traceability purposes (in event of a recall, having the ability to track back to the supplier is critical).

At Specright, our team of packaging and product experts guide clients through this exercise as we onboard data and users into Specright.



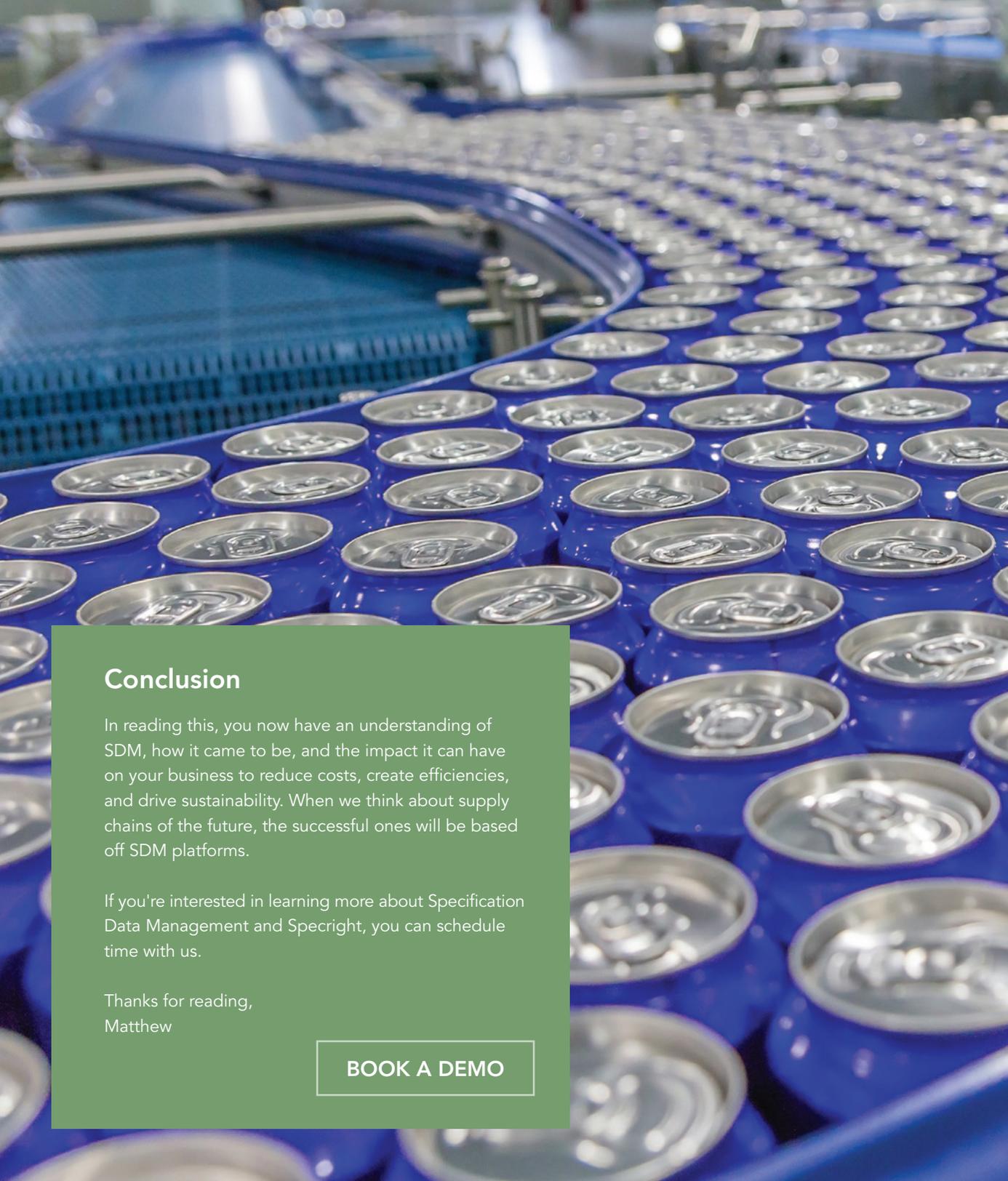
### Preparing to Take Action

We all know that change can be daunting, but with the pace of technology and innovation not changing is no longer an option. The good news is, many of the technologies we've adopted as consumers ease the transition to Specification Data Management.

For example, as consumers we've transitioned from landlines to flip phones to smartphones. Can you imagine going back to the days when you had to go home just to call someone? With Specification Data Management, once your specs are in the cloud, which means you can access them from any smartphone, tablet, or computer anywhere, anytime, it's hard to go back to the old way of doing things.

At Specright, we've transitioned hundreds of thousands of specs to Specright through our data and document migration offerings, which means our customers are up to speed faster and can start using the tool long before legacy systems, which typically took years to build, configure, and deploy.

As you think about moving to Specification Data Management, you can use Specright's Spec Data Prioritization framework to prioritize the data you might want to include and consider a phased approach to make sure you're bringing in the most actionable and business critical data in first.



### About Matthew

Matthew Wright has been in the packaging industry for over 25 years. Prior to founding Specright, he held leadership positions at International Paper, Temple Inland, and rightPAQ — a packaging company he co-founded. He has also been involved in leading multiple M&A deals in the packaging industry. He sits on the Packaging Advisory Board at Cal-Poly San Luis Obispo and is the founder & CEO of Specright.

### About Specright

Specright is a cloud-based SaaS platform for Specification Data Management for goods producing companies with complex needs. Whether it's packaging, raw materials, formulas, products, or machines, Specright helps companies reduce costs, create efficiencies, and drive sustainability by structuring, sharing and, analyzing specifications along the supply chain.



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## Conclusion

In reading this, you now have an understanding of SDM, how it came to be, and the impact it can have on your business to reduce costs, create efficiencies, and drive sustainability. When we think about supply chains of the future, the successful ones will be based off SDM platforms.

If you're interested in learning more about Specification Data Management and Specright, you can schedule time with us.

Thanks for reading,  
Matthew

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