Case Study

Carhartt, Inc.

Creating a data governance program on a foundation of standards, as sturdy and resilient as the products themselves

Challenge

As a family-owned and operated business recognized for rugged workwear, Carhartt is truly passionate about serving its loyal consumers. The company protects its reputation through its actions: providing high-quality products at a fair price. This ethos extends to the company's practice of keeping current with marketplace trends and efficiencies with the aim of benefitting its worldwide trading partners, including several thousand retailers as well as its own direct-to-consumer channels. Carhartt wanted to create a product data management system that would effectively enhance product data quality and governance to better serve its multiple channels.

Solution

Carhartt adopted a product information management (PIM) solution comprised of master data management (MDM) best practices, integrated data systems, and GS1 Standards. With proper governance of product data—every bit as sturdy as its apparel, Carhartt's consumers can interact directly with the brand, retailers and wholesalers can have confidence in offering Carhartt products through their own channels, and the company can continue to be known for its trademark quality. Combining its MDM with product lifecycle management (PLM) and PIM systems, Carhartt is building product data that is one source of truth—accurate, complete, consistent, and easily shared, internally and externally.

Benefits

Consumer confidence and satisfaction. Carhartt's robust product data helps online shoppers make better purchasing decisions, thereby minimizing returns. With its PIM solution, Carhartt has improved data quality—making a significant contribution to the company's continued strong year-over-year growth.

Improved data governance. With trustworthy data management, Carhartt can be sure it has the most accurate product data possible to better serve the customer, whether that customer is the worker, the wholesale distributor, or the retail store. As a result of its MDM solution, Carhartt has increased consumer data accuracy to 90%.

Improved productivity. Using standards-based PIM and PLM solutions, data syndication processing time has been reduced by 66% and product master data completeness has grown to 95%.

Brand protection. With high expectations to fulfill, Carhartt's care of its product data reinforces its solid standing as a manufacturer—with both consumers and retailers.

A Commitment to Quality

Ask any person looking for rugged work clothes and the name Carhartt is likely to arise. A 130-year-old family owned and operated company, Carhartt's roots in the late 19th century mirror the expansion of the transcontinental railway system. Since then, the Carhartt brand has spread throughout the world, serving dozens of trades and even managing to generate a cult following, on and off the job.

Carhartt sells its products direct-to-consumer in its 31 company-owned retail stores and Carhartt.com. The company's wholesale operation has several thousand smaller regional accounts along with many larger strategic accounts. And its business-to-business (B2B) operations are expanding.

Carhartt prides itself on being a best-in-class company and invests in improvements that will "wear well" and "work well" in the marketplace.

Carhartt wanted to improve the quality of its product data to satisfy the demands of its various retail and wholesale channels. With robust data governance standards and processes, Carhartt would be better able to provide timely, accurate, and complete data—and better satisfy its disparate customer base. A data-based system for product governance and analysis would help accurately provide for customer and consumer needs, regardless of the channel from which those consumer needs originated.

"The company has always been very customer-focused, and I think the evidence of that is manifest in the fact that we've been around for 130 years," says Bob Demetter, manager of Master Data Management for Carhartt. "We have very loyal customers that come back season after season, year after year. Customer focus comes naturally to our data governance mission."

Taking a multi-phased and multi-disciplinary approach, the company adopted a master data management strategy to create a product information management solution.

Each of the data solutions are supported by the foundation of GS1 Standards—specifically the Global Trade Item Number® (GTIN®). GS1 Standards are designed to help apparel manufacturers, like Carhartt, keep pace and grow, providing a common language for key processes in industry and for tens of thousands of businesses.

Once a PIM program is adopted, the front-end work of making sure everything is organized and governed by data management rules is complete. While e-commerce's appetite for accurate product data has placed a laser focus on MDM, it becomes swiftly apparent that accurate data in the retail and wholesale arenas is equally vital.

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Bob Demetter
Manager of Master Data Management, Carhartt

Overhauls for Overalls

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Maintaining consistent product data quality and governance for its thousands of channel partners at the same time it is experiencing exponentially higher growth in its direct-to-consumer e-commerce orders, presents unique challenges for Carhartt. "Nothing is more frustrating to an online buyer than if the actual product does not live up to the information describing the product, resulting in a return," Demetter says. "Or, if the purchase is not available due to a lack of inventory."

Emphasis on data governance and data rules—improved data management—can make sure that the consumer has as much information as possible, short of touching the product. "If they can't physically feel a product, they can come as close as possible through the data that's provided to them."

Demetter continues, "The better the product data is structured and organized—its structure, organization, accuracy, and completeness—the easier it will be for potential buyers to make informed decisions."

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Mining for Gold

Comparing initial efforts to consolidate data roles and responsibilities to "herding cats," Demetter recognized the need to create what he calls "golden sources" of data. Carhartt's gold standard, as it were, would populate the PIM solution and serve as the foundation for greatly enhanced master product management for customers—including consumers, retail stores, and wholesalers.

"It was vital for me to interview the end-users of the data to truly understand what they needed from the data," explains Demetter. "Working with the owners of the data, we could then make sure that we built a system that would provide it all. We had to address multiple issues, including a major challenge: 'How can we combine all of these various sources into one source of truth?' Making sure our efforts were satisfying the needs of our business partners was ultimately what guided our strategy."

"The needs of retailers are important for me to remember in delivering accurate data. I'm representing our customers and their reputations. It's not just our reputation," Demetter says. "If our customers have been provided inaccurate data to post on their website, I'm doing them a disservice."

To manage the MDM program, Demetter is aided by a team of data stewards who focus on individual pieces of data governance: two for product data, two for consumer data, and five for customer data. "Together we develop strategies along with our leadership to make sure that we are governing those different sets of data as well as we can," Demetter says.

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The Right Stuff

Each member of Demetter's team came from the internal ranks of Carhartt. One of the qualifications he looked for was an individual's ability to "sell."

"What I believe is important is the ability to sell the vision or a strategy of quality data to our business partners. If people on my team are not able to sell the importance of these solutions, ultimately, the solutions are not going to stick; they're not going to be adopted," Demetter says. "We have been fortunate to have continued executive support and sponsorship. And the team's ability to sell these intangibles has contributed to the 'stickiness' throughout the company."

"Structure and governance are key to improving data quality. Stressing quality data at the start is vital—the "garbage-in/garbage-out" mentality," advises Demetter. "Part of structure is identifying who has responsibility and ownership of the data."

The Right Results

Demetter believes it can be more difficult to change data than it is to create it in the first place: "You can either spend the time upfront or you will be forced to spend the time cleaning up on the back end. I would rather be more efficient in the process and spend the time upfront than mopping up at the end."
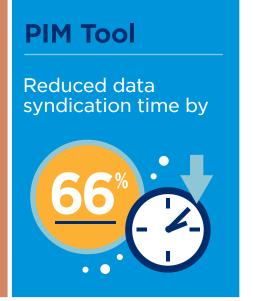
Therefore, creating business rules and definitions is key to solid data governance. "If there is no strategy and vision, there is no consistency. Without consistency, then data is just characters on a page—not usable at all," Demetter says.

"Adherence to data governance rules is the key to realizing increased efficiencies in the organization," continues Demetter. "It delivers increased accuracy in supply chain and retail operations. It ultimately results in an improved and enhanced customer experience, which is the goal of any data management effort."

Carhartt MDM, PLM, & PIM Solutions

MDM Solution

Increased consumer data accuracy to

90%

PLM Solution

Populate master product data at completion rate of

95%

PIM Tool

Reduced data syndication time by

66%

"Successful data management and stewardship incorporates the timely delivery of accurate data and the ability to detect errors in data before business partners do. That is the goal of my team and the goal of our data governance effort."

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As a result of its MDM solution, Demetter and his team have increased consumer data accuracy to 90 percent. The PLM solution has enabled the team to populate master product data at a completion rate of 95 percent. And the PIM tool has reduced data syndication time by 66 percent, when Carhartt publishes its data for exchange with its wholesale and retail partners.

As further proof of the success of Carhartt's data management and governance efforts, Demetter points to return-on-investment: continued year-over-year sales increases in the double digits. "As we track consumer habits, customers returning and spending more is a good gauge that their experiences have been good ones," he says.

Advice and Content

At the outset of a comprehensive product data endeavor, it's easy to become overwhelmed or get discouraged. Demetter recommends spending more time in the strategizing and organizing phases of the forthcoming project, resulting in a thorough project plan, including deliverables, timelines, and accountabilities.

"The mapping and organizing of the data was challenging," Demetter admits. "Every PIM entry should contain product data that is as consistent as possible in naming conventions and definitions between all data sources. The effort on the front-end is worth the time."

Carhartt's product data is created in the PLM solution and stored in its enterprise resource planning (ERP) system. It is then transferred to the PIM solution. One of the most important reasons for adopting a PIM solution was to facilitate the syndication of Carhartt data from its ERP to its customers.

"The hardest lesson I have learned is not to rush vendor selection or solution implementation. You either spend the time upfront or you spend time cleaning up on the backend. That would be the advice I would share with other businesses looking to take the next steps in their data improvement journey."

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Manager of Master Data Management, Carhartt

One Golden Source of Truth

ERP System

PIM

1 Product data is created in PLM Solution
- Identify data needed from customer
- Map request to data set
- Share data in a digestible format

2 Product data is transferred to ERP System

3 Product data is transferred to PIM System

"One golden source of truth or record makes it easy to share the data with customers in one effort—from one source. The first step is identifying what data is needed from a customer, then map the request to the dataset and share the data in a digestible format."

"Don't be hasty: make sure you have the right partner to work with; do your due diligence to make sure that the solution is a quality product right from the start." Demetter also recommends solution partners with industry-specific experience. "This will help in adopting best practices and to consider outside-the-box options," he says.

What makes for an effective data management effort? "Successful data management and stewardship incorporates the timely delivery of accurate data and the ability to detect errors in data before business partners do. That is the goal of my team and the goal of our data governance effort."

"I am proud of Carhartt's willingness to adapt to change—to embrace new technology and business practices. Retail and wholesale commerce patterns are changing so rapidly that if a company does not keep up and adapt, it will be left behind. Carhartt's adoption of PLM, MDM and PIM solutions has been a game-changer for us."

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A Little Help from Your Friends

Demetter also points to the GS1 US ecosystem as important support in developing data infrastructure. He includes attendance at GS1 Connect® conference as a valuable use of time: "What I really enjoyed about GS1 Connect is the siloed nature of the different courses: it felt like a university. 'I'm going to major in retail this semester.' I got the most out of my experience because it's tailored exactly to my needs. I found that very beneficial."

"It is always interesting to see how the other side does something. You can learn best practices from like-minded individuals, but where you can really stand apart and grow is when you adopt best practices from other industries because no pursuit of data governance excellence is tied to one specific industry. You need to be open-minded and willing to think outside of the box and GS1 Connect really enabled me to do that. I appreciate that."

Demetter's assessment of the program's success is borne out by customer service feedback. Time savings is one of the most often cited benefits that customers mention.

Demetter sums up a major lesson learned during the company's data quality journey. "If you don't have quality data—if you just have quality of product, it's going to be difficult to replicate your successes or continue to grow. A great product is only going to get you so far; you need good data to support it and help you to make sound business decisions."

About the Organizations

About Carhartt, Inc.
Established in 1889, Carhartt is a global premium workwear brand with a rich heritage of developing rugged products for workers on-and-off the job. Headquartered in Dearborn, Michigan, with more than 5,500 employees worldwide, Carhartt is family-owned and managed by the descendants of the company's founder, Hamilton Carhartt. www.carhartt.com

About the GS1 US Apparel and General Merchandise Initiative
The GS1 US Apparel and General Merchandise Initiative is a retail industry group that is committed to defining business challenges and opportunities and organizing members to explore solutions and create adoption plans. More than 100 suppliers, distributors, retailers and logistics providers are participating members in Initiative activities, focused on improving inventory accuracy, exchanging standardized product data and achieving traceability with GS1 Standards. More information about the GS1 US Apparel and General Merchandise Initiative is available at www.gs1us.org/ApparelGM.

About GS1 US National Data Quality Program
The GS1 US National Data Quality Program provides organizations with a comprehensive approach to data quality that encompasses validating a Data Governance Process exists within an organization to support the creation and maintenance of product data based on GS1 Standards; confirming that proper Education and Training protocols on GS1 Standards are present within an organization for creating and maintaining accurate product data; and conducting regular Attribute Audits that audit, verify and compare product attributes to most recently shared data to enable trading partners to have confidence that the data shared is accurate, complete and timely. www.gs1us.org/dataquality

About GS1 US
GS1 US®, a member of GS1® global, is a not-for-profit information standards organization that facilitates industry collaboration to help improve supply chain visibility and efficiency through the use of GS1 Standards, the most widely-used supply chain standards system in the world. Nearly 300,000 businesses in 25 industries rely on GS1 US for trading partner collaboration that optimizes their supply chains, drives cost performance and revenue growth while also enabling regulatory compliance. They achieve these benefits through solutions based on GS1 global unique numbering and identification systems, barcodes, Electronic Product Code-based RFID, data synchronization, and electronic information exchange. GS1 US also manages the United Nations Standard Products and Services Code® (UNSPSC®). www.gs1us.org

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