



Why InQuera?

Executive Summary



Cost-effective procurement and sales are becoming increasingly difficult and complex missions in a world where products are represented by raw, transactional, non-standardized product data that —

- Appears in different sources
- Exists in various formats
- Is presented in dissimilar layouts
- Materializes at different times
- Undergoes continual changes
- Serves different purposes within an organization

The key factor for optimal, intelligent procurement, as well as lucrative sales, is a centralized repository with rich product content that has been processed to be searchable, comparable, and readily printable in a variety of formats. To eliminate costly procurement errors, organizations require improved visibility of and timely access to such content. Conversely, suppliers can outsell the competition and increase the customer base by delivering content that enjoys a flexible presentation layer, and that is customizable to organizational as well as market requirements.

The cold reality is that non-standardized product data causes much confusion. Unwise procurement decisions often stem from the fact that product comparison is virtually impossible to perform. In addition, corporate acquisition and growth have prompted an increasing upsurge of duplicate products, created inadvertently within a single organization, which may remain unidentified because no method exists to match the appropriate data elements.

Over the years, a large and often unwieldy number of products accumulate, from various supplier sources and in different formats. Inevitably, procurement mistakes due to the mishandling of existing product data create cost-deficient and time-wasting problems that may spiral out of control without careful management.

Using the exclusive APID (Automatic Product Information Detection) process and unique suite of tools (No-Mess), InQuera transforms raw, “Tower-of-Babel” product data, obtained from disparate sources and different media, into concise, industry-neutral, and uniformly-structured product content. Moreover, InQuera enables the customer to identify duplicate items within its procurement and sales system—a task that was absolutely impossible up until now. As a result, a universal sales/procurement product language is now able to form the foundation for a well-organized, effective Product Content Management (PCM) system that cuts costs for organizations and drives revenues for suppliers such as manufacturers, distributors, and retailers.

The Challenges

Organizations spend significant administrative resources on the creation, maintenance, and exchange of reliable product content that serves as the backbone of sound procurement decisions and the core of a well-managed procurement system. Nevertheless, today’s fast-paced business environment dictates that buyers cannot afford to dedicate too many resources to the procurement cycle. Surprisingly, these same organizations seem to accept as normal the currently acceptable, imperfect practices for locating products for procurement.

Accordingly, the highly competitive state of today’s market compels suppliers to realize that product presentation to customers must become more efficient. Lost revenues are the direct result of the inability to improve product data deliverance.

A single consolidated product database, containing rich, normalized product content, would open the door to unrestricted publishing possibilities such as creating on-the-fly catalogs, customer-tailored catalogs, and a virtual storefront with parametric search and product comparison capabilities.

Dynamic markets require dynamic product data. Obviously a procurement support system for buyers and a sophisticated method of supplying product content are long overdue.

The Problems

The obvious reason for product data confusion is that, for the most part, no master catalog exists. Organizations often find themselves sifting through large amounts of chaotic, non-uniform, cross-manufacturer data that is presented on different levels, in various formats, and in different layouts. There is no safe way to ensure that the most suitable product is being procured, and for the most cost-effective price. Common problems that arise include:

- **Duplicate Products:** Identical products may be entered multiple times, often with different information and prices.
- **Product Comparison:** It is virtually impossible to relate to product data that is presented on different information levels and that possibly belongs to duplicate products.
- **Product Accessories, Replacement Parts, and Related Products:** Complex inter-product relationships do not always appear adjacent to products in supplier catalogs and are often difficult and time-consuming to locate. Moreover, there is usually no orderly way to save such information for future or referential use.

These issues all form the basis for an inefficient procurement process that clouds the ability to locate the correct product, generates surplus stock, increases product returns, and creates delays in the production line. In effect, these actions are all translated into an avoidable waste of time and money.

The InQuera Solution

A master catalog is an automated business solution that cuts costs by concurrently being a Decision Support System (DSS) for procurement and a powerful, competitive sales weapon for suppliers. InQuera has designed and constructed a master catalog that contains reusable content. Because no “extra work” is required, expenses are cut by reusing what has already been processed.

Catalogs list products for sale. The term “master catalog” may suggest a massive collection of products. However, volume is not the determining factor of whether a product database is a master product catalog. The lifeline of such a catalog is its rich product content.

What distinguishes raw product data from InQuera’s rich product content? The basic InQuera philosophy is to “atomize” a product’s data into the various elements that describe the product, and to structure those elements.

Once product data becomes structured, it is possible to perform an online search via one or more of those elements, not only by product name or grouping. Accordingly, buyers can search for a product with only partial pre-knowledge. In addition, because buyers select search options from picklists that contain and match existing product data, the search always produces results.

The InQuera System includes:

Master Catalog: Detailed and comprehensive, with over 3.5 million parts with almost 2.5 billion variations, and a monthly growth rate of over 100,000 products. Each product contains rich aggregated data that is structured, cleansed, normalized, and classified. Once in the catalog, product content remains dynamic and can be updated, managed, and manipulated.

Sophisticated Data-Collection and Data-Cleansing Processing System: Unique tools and years of know-how have perfected a streamlined system that allows rapid and accurate collection of raw data that is transformed, validated, enhanced, and harmonized when inserted into the master catalog. Each product contains rich aggregated content that is standardized, normalized, structured, and classified.

Catalog Data Exposed via Best-of-Class Search Software: Allows interactive, real-time, accurate product search. Matches, sorts, and compares results at a single level of presentation. This method is supported by the category structure's rationalized refinement into smaller groups of products, and product content that is meticulously built from the level of individual data elements up to the level of hierarchies, taxonomies, and category-specific data.

Duplicate Product Elimination: Reduces product identification errors by consolidating duplicate products in the master catalog, thus weeding out existing duplicates and preventing the inadvertent creation of new ones.

Expertise and Knowledge: Product content experts, backed by years of experience are well-skilled in rapidly creating a structured, classified master catalog from raw product data, while maintaining outstanding data integrity, accuracy, and precision.

Customized Catalogs: Automated subset creation from the master catalog allows product content sets to be sliced and diced into an unlimited number of custom catalogs tailored to specific business needs on both sides of the buyer/seller cycle.

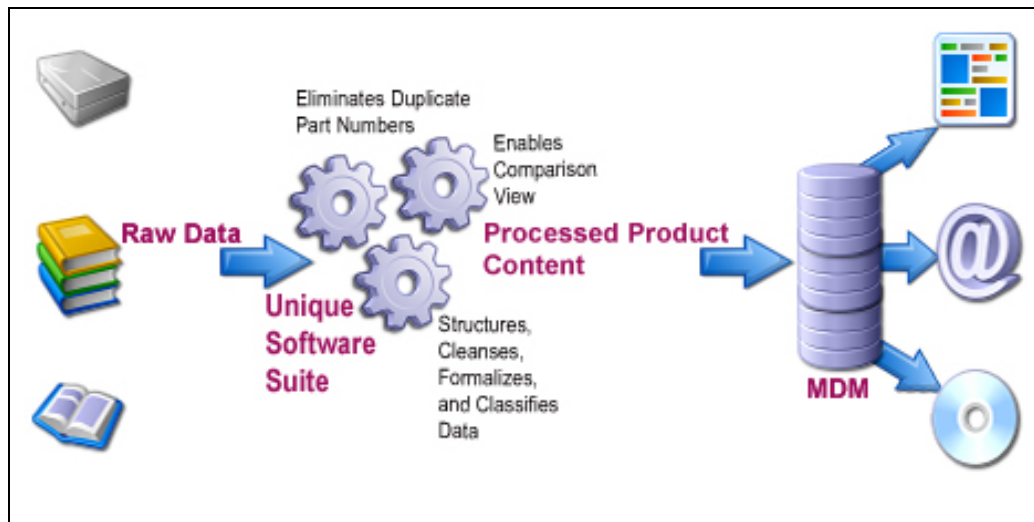
Cross-Media Publishing: Supports both electronic and printed output, including Web, CD-ROM, and paper. Can be used, as is, in an online storefront; customers can browse and compare products efficiently as well as practically.

How does raw data metamorphose into rich product content that qualifies for admission into the master catalog? The initial step is to gather full or partial product data, from any type of source, in any format or layout, and at any time. This data, which may include attributes, text, images, drawings, and/or PDF (Portable Document Format) documents, is cleansed, structured, normalized, and classified by product content experts, according to InQuera standards, via InQuera's unique software suite.

At this stage of the process, several things occur. For instance, all duplicate products are weeded out of the catalog. Raw product data is “atomized” into various types of information fields, which is structured within a logical hierarchy. After information has been inserted, the product-comparison view can create a comparison matrix that is cross-product as well as cross-manufacturer.

Once processed, the product data is transformed into rich product content that remains dynamic and self-integrates within the master catalog that holds ROI profits for:

- **Organizations:** Serving as the centralized product content source used to procure products.
- **Suppliers:** Generating increased revenue via infinite publishing possibilities of unsurpassed market advantages, the most important being a virtual storefront with organized product content that is on the shelf, all the time.



Buyer/Supplier Benefits

Buyers and suppliers are at opposite ends of the supply chain. The connecting link is the product content with which the suppliers provide the buyers. Immediate customer satisfaction and successful business transactions are the end results of easy and accurate product location and selection. A dramatic reduction in procurement errors for both customers and suppliers alike results in a large cutback of expenses. The key beneficial points of the InQuera solution include:

Buyers

- Precise decisive identification of the product via various parametric attributes allows clear universal communication within the procurement process, and prevents many expenses due to fewer errors resulting from incorrect and unnecessary procurement.
- Fixed content for locating products in the market, with comparison ability, allows intelligent and efficient product procurement via product information as well as the procurement source and its cost.
- Improved supplier selection.
- At the bottom line, a savings of even a small percentage of procurement costs, which as a rule comprise the larger chunk of an organization's expenditures, are immediately translated into increased income and expressed as enormous sums.

Suppliers

- Location, identification, and presentation of all products manufactured for sale, without incurring duplicate, obsolete, or out-dated products.
- Instant global reach and visibility with the creation of an efficient and intelligent virtual storefront that allows the potential customer effortless, stress-free, and unrestrained procurement.
- Increased competitiveness through unlimited, ad hoc publishing possibilities.
- Efficient and fast catalog update via information synchronization with manufacturers about products for sale.
- Improved sales forecasting and planning, and product-demand tracking.
- Research performed on suppliers within the field of industry proves that the use of an electronic catalog considerably improves profitability (net income of sales turnover) as follows:
 - **Distributors**
Without Catalog: 1.9%.
With Catalog: 2.8%.
 - **Manufacturers**
Without Catalog: 4.9%.
With Catalog: 6.0%.

Conclusion

In an ideal procurement cycle, an organization should be able to quickly and efficiently sift through updated, structured, robust product content gathered from suppliers, and come to a decision. In reality, however, the pathway to ideal procurement is strewn with stumbling blocks due to incongruous product data. What should be a simple select-and-buy process turns into an involved, lengthy, and complex task that too often results in costly, avoidable procurement errors.

Unique search features with guaranteed product matches, together with the product comparison view, allow suppliers to present rich, structured, practical product content to buyers. The results are informed selections made from the most cost-effective product match, in as economical and brief a time as possible.

By automating data content management within a master catalog, much of the manual and administrative effort is eliminated. As a result, procurement errors decrease along with the related costs. In addition, the existence of a single centralized catalog within an organization means clear, smooth, communication channels via a universal procurement language, allowing the location of any product for procurement, at any time.

InQuera's system consists of a single, standardized, product-database for deployment in the world of procurement, and created and manipulated by a unique software suite. These components work in concert to generate cost effective and resourceful improvements over current practices of organizational procurement cycles, as well as to drive supplier revenues, by promoting manufacturer data to the higher standard currently required to meet today's market.