Case Study:
Implementing Data Governance to Support Growth and Expansion

Overview

Keurig Green Mountain, headquartered in Waterbury, VT, is the dominant player in personal beverage systems. Keurig is made up of 80 brands which, combined with its partner brands, make up nearly 600 product varieties. These include hot and cold coffees, teas, cocoas, dairy- based beverages, lemonades, cider and fruit-based drinks. In 2018, Keurig Green Mountain completed a merger with Dr Pepper Snapple Group to create Keurig Dr Pepper, a new challenger company in the beverage industry.

> With better data quality comes more informed business decisions because data consumers will have more trust in the data that is driving the business process.

Business challenge

Keurig Green Mountain has experienced meteoric growth, both from a rapid surge in sales, as well as an increase of partnerships with a multitude of vendors such as Dunkin' Donuts, Starbucks and Newman's Own to package and sell their brands in K-cup pods.

With fast and consistent growth throughout the last decade— fueled in large part by Green Mountain Coffee Roasters's 2006 acquisition of Keurig— the company outgrew its legacy ERP system and opted to migrate to SAP ERP in 2013. The company set up a master data management (MDM) organization and implemented well- defined processes and standards for the maintenance of data across the organization. By doing so, Keurig Green Mountain could ensure the data cleansing efforts undertaken as part of the SAP ERP data migration would not be wasted moving forward as it continued to gain more partners—and thus more data.

"We were growing at such a dramatic rate, we needed to build a solid foundation and develop business process discipline to allow for continued growth, as well as global expansion," says Eileen Hanafin, Director of Master Data Management Business Process for Keurig Green Mountain. "The move to SAP ERP aligned with our strategic direction, and centralizing the management of master data was part of that."

Before Keurig Green Mountain ramped up its partner agreements, it relied on, what it called the "hero culture" for data governance processes. Essentially, disparate groups of data providers would set up data they were responsible for, whether customer records vendor records, or material master, and the department receiving it—such as shipping or manufacturing—would correct any inaccuracies to make sure the right orders were being placed, items shipped or product produced. The "heroes" were so named because of their extraordinary value to the company for owning a particular business process.

At a time when the business was primarily focused on pursuing growth opportunities, this was more than adequate to ensure smooth operations. However, because downstream data fixes didn't always make it back to the data providers, it wasn't a repeatable process. "Having different groups of people with that hero culture expertise going in and fixing the data for their specific business process also meant there was limited data governance," says Hanafin.

How Precisely Helped

For data governance support during its SAP ERP rollout, Keurig Green Mountain turned to Precisely for help with aligning new business processes within a data governance framework. This was important, according to Hanafin, to ensure that as the volume of SAP data increased, the company wouldn't revert to disparate data management and thus lose its newfound efficiency and gains from its SAP ERP rollout.

"Precisely helped confirm our strategic direction around governance and validated our vision of where we were heading," says Hanafin. "We leveraged their Data360 Govern to tie the governance project to the actual migration. Aligning the two pieces is important because you can cleanse and migrate all of your data, but if you don't have the processes in place to keep it clean, you'll eventually question whether it was worth it; you'll wind up in the same place."

Setting strict data governance rules and processes in parallel with the migration ensured continually trustworthy data and a quicker path to value.

By setting up an MDM organization, Keurig Green Mountain could ensure a centralized team had visibility into all master data, and then build processes, document rules and develop standards. "We transitioned from a data maintenance to a data governance organization," says Hanafin. "We still have data providers and data consumers, but now that we have centralized management of our master data in one team, we can develop quality scorecards to rate data quality and better adhere to GS1 global standards."

Results and Future Plans

"The MDM organization doesn't own the data, we govern the data," Hanafin says. "Part of our responsibility is to educate our data providers so they know exactly what to provide and when to provide it. Automated workflows will help drive better data quality."

And, with master data centralized, the company can count on repeatable processes. Improved trust and visibility aid the shift toward an active data governance model because reducing one-off data fixes means a similar reduction in repeated errors.

Claire Doyon, Technical Director of Keurig Green Mountain's MDM organization says, "We now have a lot more visibility into data issues because, in the past, fixes may not have been communicated back, so the same mistake was repeated. But now, the governance organization can drive to the root cause of how mistakes happen and make sure they don't happen again, which translates to fewer data issues."

Keurig Green Mountain brought its order- to-cash process live on SAP ERP Financials at the start of a phased process rollout for its hot beverage business. Since then, they have brought all of KOLD live on SAP ERP.

The company is now fully immersed in its data governance initiative for fully automated and completely proactive data governance that aligns the entire company culture around consistent data strategy and standards.

"That timeline is to achieve optimal business value," Hanafin says. "We have a consistent approach to business processes and consistency across systems. So while it's absolutely been successful across various business functions, our future state will move toward more standardization and automation capabilities with a focus on continuous improvement."

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