SUTHERLAND®

Reimagining Retail Item Operations:
The Blueprint for Digital Agility

The Global Challenge for Retailers in Item Operations

The central challenge for every modern retailer is achieving synchronized, high-velocity digital commerce across a rapidly expanding set of channels. Item Operations (Item Ops) is the cornerstone of this success. However, retailers are currently hindered by market saturation, escalating operating costs, and reduced consumer loyalty, all while relying on rigid, expensive, and inflexible legacy systems. These outdated systems create isolated data silos, making it challenging to keep pace with the continuous product changes and the exponential growth of omnichannel selling. This lack of flexibility directly impedes the ability to launch new products quickly and stunts the shift toward AI-driven personalization that customers demand.

The Size of the Problem: Facts and Figures

Poor item data quality is not just an administrative nuisance; it is a direct financial liability, creating significant revenue leakage, inefficiency, and risk:

- **Lost Sales:** A staggering 70% of shoppers abandon a product page if they encounter insufficient or incomplete information, resulting in substantial missed revenue opportunities.

- **Returns Costs:** Inaccurate product data fuels product returns, which reached an estimated $550 billion annually by 2021. High-quality data, by contrast, enables customers to make informed buying decisions, thereby reducing costly returns and customer complaints.

- **Operational Inefficiency:** Inaccurate inventory information leads to costly overstocking (high holding expenses) or understocking (emergency order costs). Furthermore, poor data quality is cited as the leading factor causing implementation delays in major modernization projects like PIM/MDM rollouts.

- **Wasted Time:** Internal teams waste valuable marketing and sales time hunting down, entering, and reconciling basic product information across fragmented systems.

Areas for Outsourcing (Business Process Outsourcing - BPO)

Sutherland's BPO model is designed to take ownership of complex, high-volume Item Ops tasks, allowing internal teams to pivot toward strategic innovation, customer engagement, and product strategy. Key areas for strategic outsourcing include:

- **Foundational Master Data Management (MDM):** We manage the necessary but lower-ROI foundational work, including initial data cleanup, data validation, and governance audits. This mitigates the single greatest risk factor for project delays (poor data quality) and accelerates the path to high-value AI capabilities.

- **Content Enrichment and Moderation:** Outsourcing the process of content creation, attribute extraction, and real-time compliance review. Sutherland's teams, augmented by AI, handle the scalable classification and tagging required for thousands of SKUs, ensuring content consistency and brand safety across all assets.

- **Vendor Onboarding and Ingestion:** Accelerating the crucial step of converting raw supplier input into digital offers using intelligent document extraction and digital workflow orchestration.

- **PIM and Channel Syndication Services:** Managing the professional adaptation and distribution of content to meet platform-specific requirements (e.g., Amazon, social media APIs, B2B portals) while maintaining messaging quality and consistency without overburdening client teams.

Sutherland's Capability: Domain Expertise, Technologies, and Platform

Sutherland is a global digital transformation partner with deep industry expertise in Retail and Consumer Packaged Goods (CPG). Our differentiated capabilities are built upon a fusion of technology and process excellence:

- **Digital Transformation Expertise:** We drive comprehensive transformation by orchestrating people, processes, and platforms, tailoring proven formulas to the client's unique operational requirements.

- **Advanced Technologies:** We leverage AI, Analytics, Cloud, and Automation to engineer digital outcomes. This includes the use of machine learning for advanced visual intelligence:

  - **Product Image Recognition:** Utilizing deep learning technology to identify objects, analyze images, classify them, and automatically add relevant tags, such as color, pattern, and style, to digital assets.

  - **AI-Powered Moderation:** Deploying machine learning and Natural Language Processing (NLP) for rapid, automated content moderation, flagging non-compliant text, images, or profanity, bolstering both TTM and brand safety.

- **Platform:** The proprietary Sutherland altra® Item Operations Suite delivers a state-of-the-art, future-ready solution. This suite features Master Data Management (MDM) capabilities with automated validation tools to ensure clean, consistent, and intelligent product data across all enterprise systems.

Sutherland's Data Management Practice:

Illustrating Sutherland's comprehensive data management capabilities, segmented into Data Management and Strategy, Data Technology, and Data Operations. Expertise across the data lifecycle, from strategic architecture and modern data engineering to extensive data entry, cleansing, and master data management services.

Data Technology

Services: Data technology architecture, Data gathering cleansing and ingestion, Data ops - ETL, Snowflake ecosystem, ML flow for dedups Modern data engineering stack (dbt cloud, fivetran)

Scale: 40+ HC

Data Management and Strategy

Services: Data Architecture, Data Management Strategy Assessment, Data Management Business Case Metadata Management, Data Warehousing, Reporting & Analytics, Data Quality Stewardship & Integrity

Scale: 30+ HC

Data Operations

Platforms: Master & Reference Data Management, Data Types - Customer, Vendor, CofA, SKUs and Items, BofM
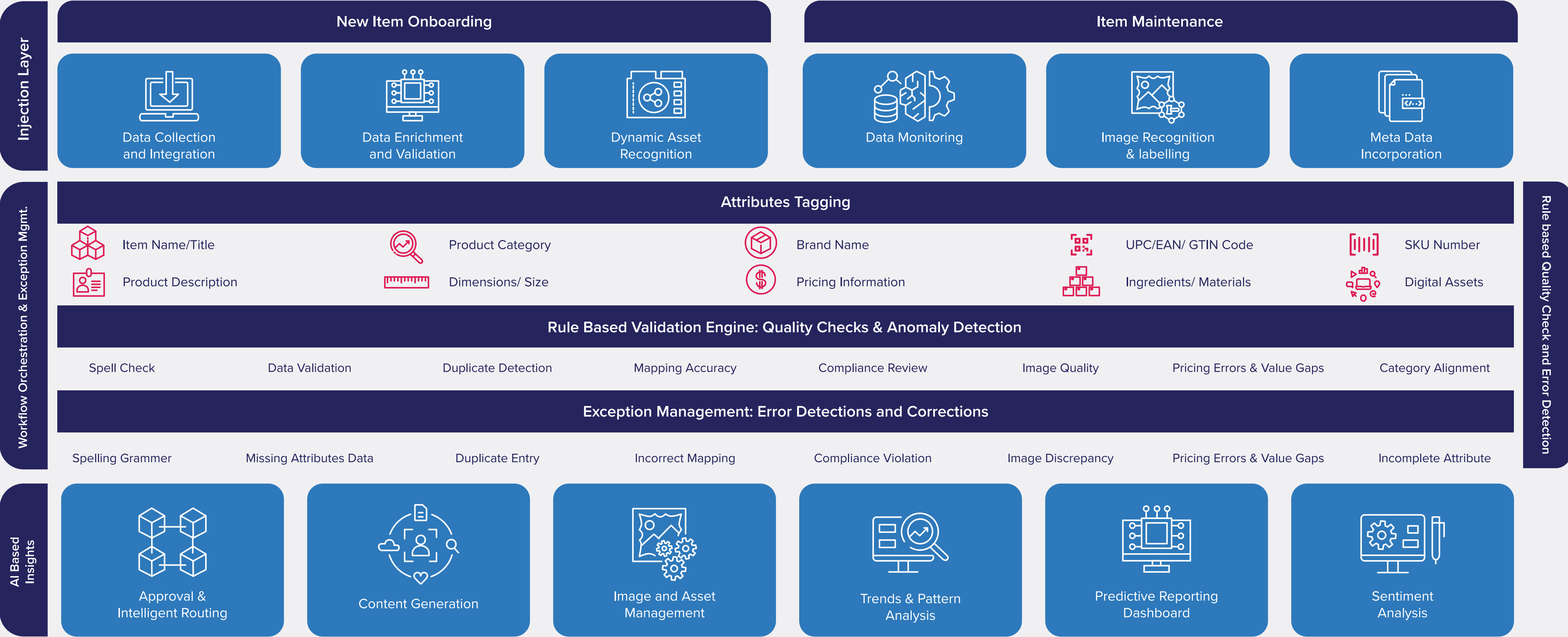
Services: Data entry, updates, cleansing, retirement, consolidations etc.

Scale: 200+ HC

Item Management Lifecycle in Retail

The picture below illustrates Sutherland's robust capabilities in item onboarding and maintenance, leveraging an advanced injection layer, sophisticated workflow orchestration, and AI-based insights. With the capability to provide end-to-end solutions from data collection and dynamic asset recognition, through detailed attribute tagging and rule-based quality checks, to AI-driven approvals, predictive reporting, and sentiment analysis.

Injection Layer

New Item Onboarding

- Data Collection and Integration
- Data Enrichment and Validation
- Dynamic Asset Recognition

Item Maintenance

- Data Monitoring
- Image Recognition & labelling
- Meta Data Incorporation

Workflow Orchestration & Exception Mgmt.

Rule based Quality Check and Error Detection

Attributes Tagging

Item Name/Title	Product Category	Brand Name	UPC/EAN/ GTIN Code	SKU Number
Product Description	Dimensions/ Size	Pricing Information	Ingredients/ Materials	Digital Assets

Rule Based Validation Engine: Quality Checks & Anomaly Detection

Spell Check	Data Validation	Duplicate Detection	Mapping Accuracy	Compliance Review	Image Quality	Pricing Errors & Value Gaps	Category Alignment

Exception Management: Error Detections and Corrections

Spelling Grammer	Missing Attributes Data	Duplicate Entry	Incorrect Mapping	Compliance Violation	Image Discrepancy	Pricing Errors & Value Gaps	Incomplete Attribute

AI Based Insights

- Approval & Intelligent Routing
- Content Generation
- Image and Asset Management
- Trends & Pattern Analysis
- Predictive Reporting Dashboard
- Sentiment Analysis

Measurable Benefits for Retailers Outsourcing to Sutherland

By partnering with Sutherland, retailers secure the digital agility necessary for modern commerce, realizing concrete, measurable financial and operational outcomes:

Financial Performance:

$300+ million
In savings through optimized returns management

10%
Increase in sales conversions

30%
Optimization in technology spend

65%
Reduction in total cost of ownership

Operational Excellence:

- **Faster Time-to-Market (TTM)** and accelerated new product introduction by automating enrichment and content readiness workflows.

- **Improved Team Efficiency** by freeing creative and sales teams from manual data entry and reconciliation, allowing them to focus on strategy and innovation.

- **High Data Accuracy:** Achieving substantial improvements in inventory accuracy (up to 95% via item-level tagging) and ensuring core data consistency across all systems.

Customer Experience: Reduced product returns and complaints by providing customers with richer, more accurate information, fostering greater trust and loyalty.

Sutherland's Item Operations Credentials by Service Line

Merch ops	Activities
Pricing & Promotions	Campaign effectiveness, campaign administriton, promotion governance
Master Data Management	Item Master
Merch Analytics & Insights	Pricing and promotion effectiveness
Product content and digital merchandising	Product data enrichment, catalog updates, e-com merchandising
Supplier and vendor coordination	Vendor setup, scorecarding

Artificial Intelligence. Automation. Cloud Engineering. Advanced Analytics. For Enterprises, these are key factors of success. For us, they're our core expertise.

We work with global iconic brands. We bring them a unique value proposition through market-leading technologies and business process excellence. At the heart of it all is Digital Engineering — the foundation that powers rapid innovation and scalable business transformation.

We've created over 200 unique inventions under several patents across AI and other emerging technologies. Leveraging our advanced products and platforms, we drive digital transformation at scale, optimize critical business operations, reinvent experiences and pioneer new solutions, all provided through a seamless "as-a-service" model.

For each company, we provide new keys for their businesses, the people they work with, and the customers they serve. With proven strategies and agile execution, we don't just enable change — we engineer digital outcomes.

SUTHERLAND®
digital outcomes.

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