

Six Steps to MDM Success

Content



Intro

The Six Steps

1. Assess business readiness for MDM
2. Identify Master Data needs of the business
3. Create a strategic MDM vision
4. Assess current MDM capabilities
5. Develop MDM initiatives
6. Produce the MDM roadmap

Summary

Intro

Six Steps to MDM Success

On 25th May 2018, enforcement of the General Data Protection Regulation (GDPR) began. The new regulation seeks to harmonise data privacy laws across Europe - to protect and empower all EU citizens' data privacy, and to reshape the way organisations across the region treat and handle data. GDPR marks a line in the sand, and businesses are now looking at Master Data Management (MDM) with renewed interest.

Yet, while most businesses accept that MDM can be a good foundation on which to manage and govern their data, many shy away from implementation. Fears over costs; benefits; where and how to start and how change will disrupt day-to-day business are all common stumbling blocks.

Before we outline the Six Steps to MDM Success, it would be useful to establish a common understanding of MDM. We like the definition provided by DAMA (Data Management Association) in their DMBOK (Data Management Book Of Knowledge).

'Master Data Management is the control over Master Data value and identifiers that enable consistent use across systems of the most accurate and timely data about essential business entities.'

The fundamental objective of MDM is to enable businesses to see one view of critical data entities such as

- Customers
- Employers
- Suppliers
- Products
- Locations
- Financial

all across the organisation.

When implemented successfully, MDM will widen and improve opportunities for using the organisation's most valuable data assets ensuring

- Data is more easily shared across the organisation with greater accuracy and trust
- Multiple instances of the same data are consistent
- The ability to find the right data more quickly.

The conceptual simplicity of MDM often lulls businesses into a false sense of optimism. MDM is complex in practice and requires investments in governance, technology, culture, people and processes. It is all-pervasive.

The Six Steps

These Six Steps to MDM Success provide a firm foundation and a MDM roadmap linked to business objectives. They have been distilled from our experience implementing multiple MDM projects and enriched by research from the Info-tech research group.



1. Assess business readiness for MDM

The main objective of this step is to determine if the organisation needs Master Data Management. If yes, then is it ready to embark on the MDM journey?

Before initiating an MDM project it is essential to assess organisational readiness before looking at technology solutions. MDM is a holistic concept - it is more than simply deploying an IT solution, so it requires wider organisational buy in, and a clear understanding of existing data architecture, data pain points and data maturity.

Based on MDM projects we have implemented, we have found that a major factor contributing to success is the existence of a mature data governance capability.

As Steve Putman; SAS Data Management consultant correctly states “You can implement data governance without MDM, but you can’t implement MDM without data governance.”

So the first step is to measure and assess the organisation’s data culture and its preparedness for MDM.

1. Measure
2. Access



2. Identify MDM needs of the business

The objective of this step is to understand the data sources present in the organisation and how the business uses this critical data.

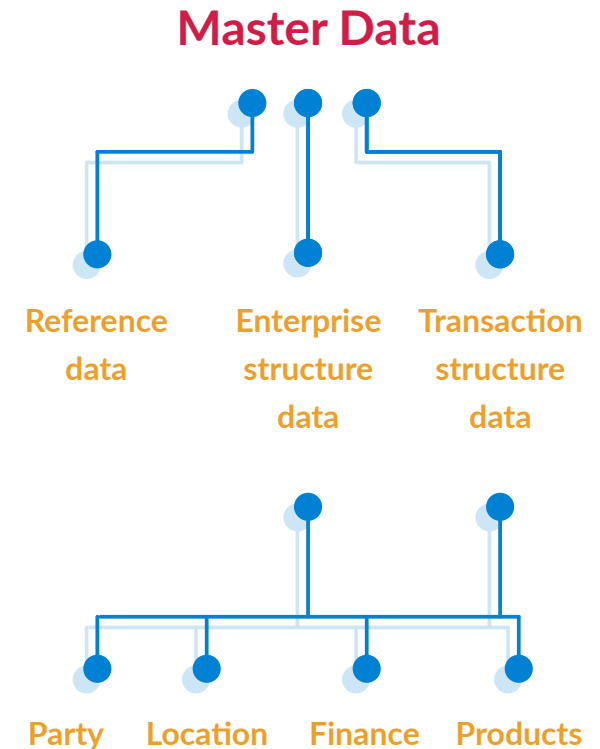
Different types of data play a different role within an organisation and they also have different management requirements. Malcolm Chisholm, Ph.D - a 25 year veteran of data management - proposed a six layer data taxonomy that includes metadata, reference data, enterprise structure data, transaction structure data, transaction activity data and transaction audit data. Within this taxonomy he defines Master Data as a combination of reference data, enterprise structure data and transaction structure data.

Enterprise structure and transaction structure data can be grouped into four main domains:

- Party
- Location
- Finance
- Products

Step two helps to understand which critical domain, or entity within a domain, must be mastered first to provide the biggest business benefit.

We usually recommend organisations start with mastering their reference data first. This is because mastering reference data is easy, non-contentious and fast - thus building positive MDM momentum.



3. Create a strategic MDM vision

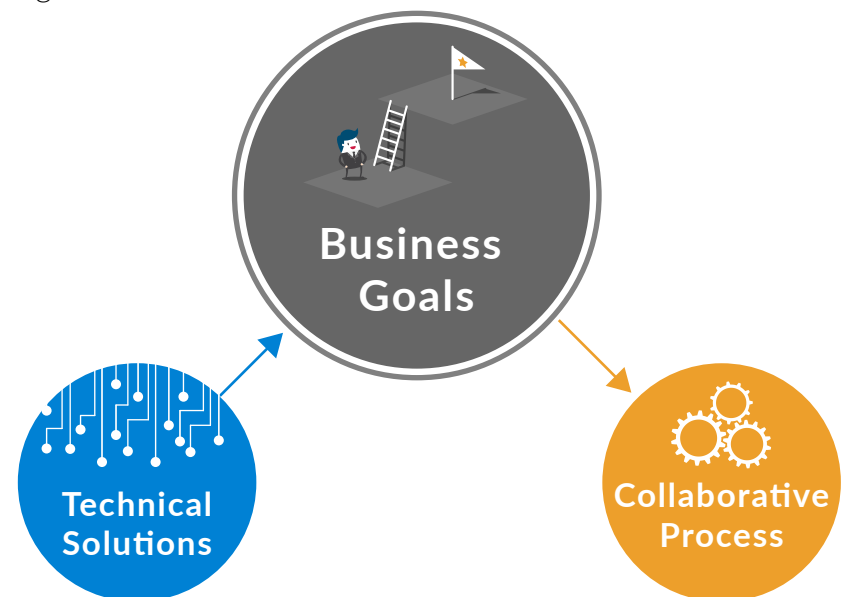
The key objective(s) of this step is to obtain business buy-in and direction for the MDM initiative, and producing foundation plans that will guide the evaluation, planning and implementation of the organisation's MDM goals.

On several occasions we have been called to implement an MDM project only to find it is entirely an IT led initiative with limited business engagement. Such MDM projects are on the road to failure. MDM belongs to the entire organisation. The ownership of Master Data is the responsibility of the business. IT is only responsible for the MDM project's technology, support and infrastructure, the ownership and governance of data rules, standards and quality reside with the business.

So while it is easy to get distracted by the technical aspects of MDM, such as data extraction and complex matching rules, the true goal of MDM is to make sure that the consumers of Master Data (stakeholders all across the business) have access to consistent, relevant, and trusted data.

So in step three, we ensure business buy-in for the MDM project by drafting an MDM vision document which is aligned with the organisation's goals and objectives.

The MDM vision must be written using business language as opposed to technology jargon to outline the value behind its execution. Additionally, the MDM vision document must include business metrics without which it will be difficult to tie the value of implementing MDM back to the reasons for starting the project.



4. Assess current MDM capabilities

The objective here is to assess the maturity of the organisation's current capabilities around MDM enablers, such as data governance and data architecture. This process determines the gaps and priorities for implementing a successful MDM initiative.

A successful MDM initiative depends on three core capabilities: Data Governance, Data Architecture and MDM Technology. It is also important to understand data sources within an organisation and how the business might organise and use data around critical business entities (customers, employees, suppliers, products, locations, financial) within the framework of a Master Data Management initiative.

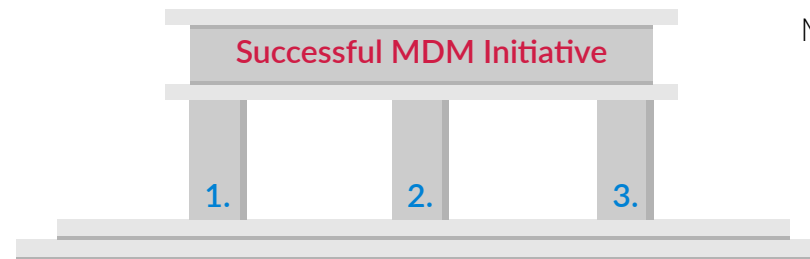
Data Governance defines a structure and rules around how data is used and managed – rules concerning quality and processes to reconcile data errors, data sharing, data changes, and compliance with internal and external regulations.

MDM architecture is built around data sources and how they contribute to the MDM system - how data is entered, updated and stored, whether it runs in real time; if it is based in the cloud or on-site, and how it syncs up with wider business operations and analytics. All organisations are different and the defined architecture must align with the specific needs of one organisation.

MDM technology focuses on exactly that: choosing an MDM platform for the organisation's needs. An MDM platform must include certain core capabilities such as Master Data hub, workflow management, data profiling and quality. It must also be secure, scalable and easy to use.

We have found that those core capabilities - as outlined above - are influenced by wider pillars of data management, such as Data Strategy Planning, Data Quality Management, Data Risk Management, and Data Operations Management.

So in step four, we assess current capabilities in order to understand what MDM initiatives are needed.



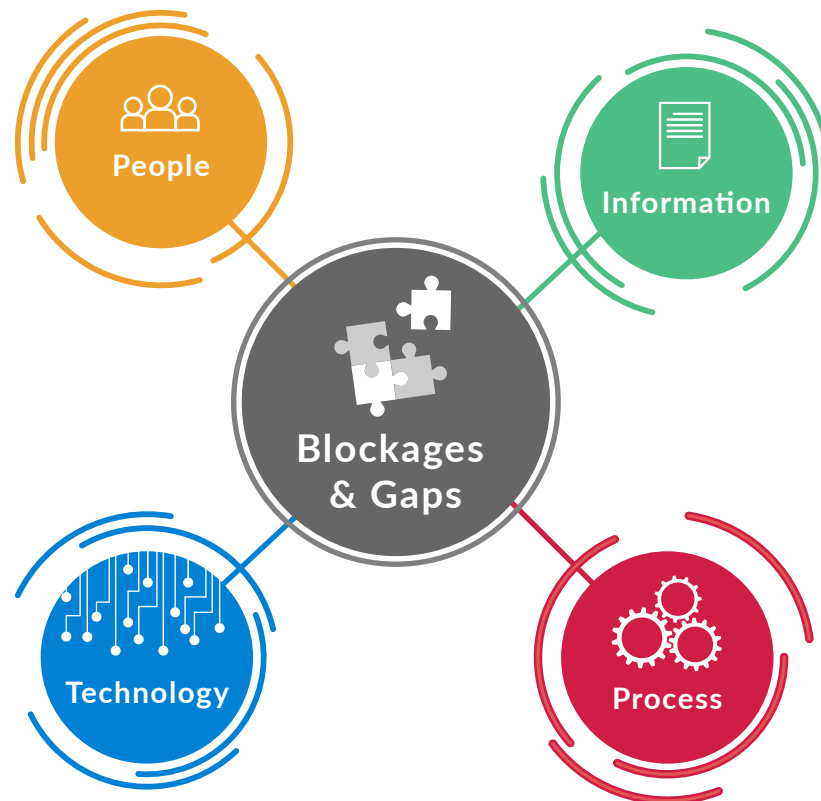
5. Develop MDM initiatives

The objective here is to identify and prioritise those MDM initiatives which will help the organisation to achieve their target state, and ensure that the MDM strategy is successful.

To develop a prioritised set of MDM initiatives we use the capability assessment from step four and identify gaps and blockages. For each gap, we identify one or more activities/ tasks that will overcome the issue. Initiatives can be in the form of people, information, technology and/ or process. Finally, we group related activities and tasks into cohesive initiatives.

These initiatives must be prioritised so that they can be effectively sequenced. We use a 2 x 2 quadrant of Effort vs. Business Value to determine the correct priority order of initiatives and then stage them on a timeline that aligns with business goals.

In summary step five focuses on identifying and sequencing initiatives to bridge gaps and achieve the MDM target state.



6. Produce the MDM roadmap

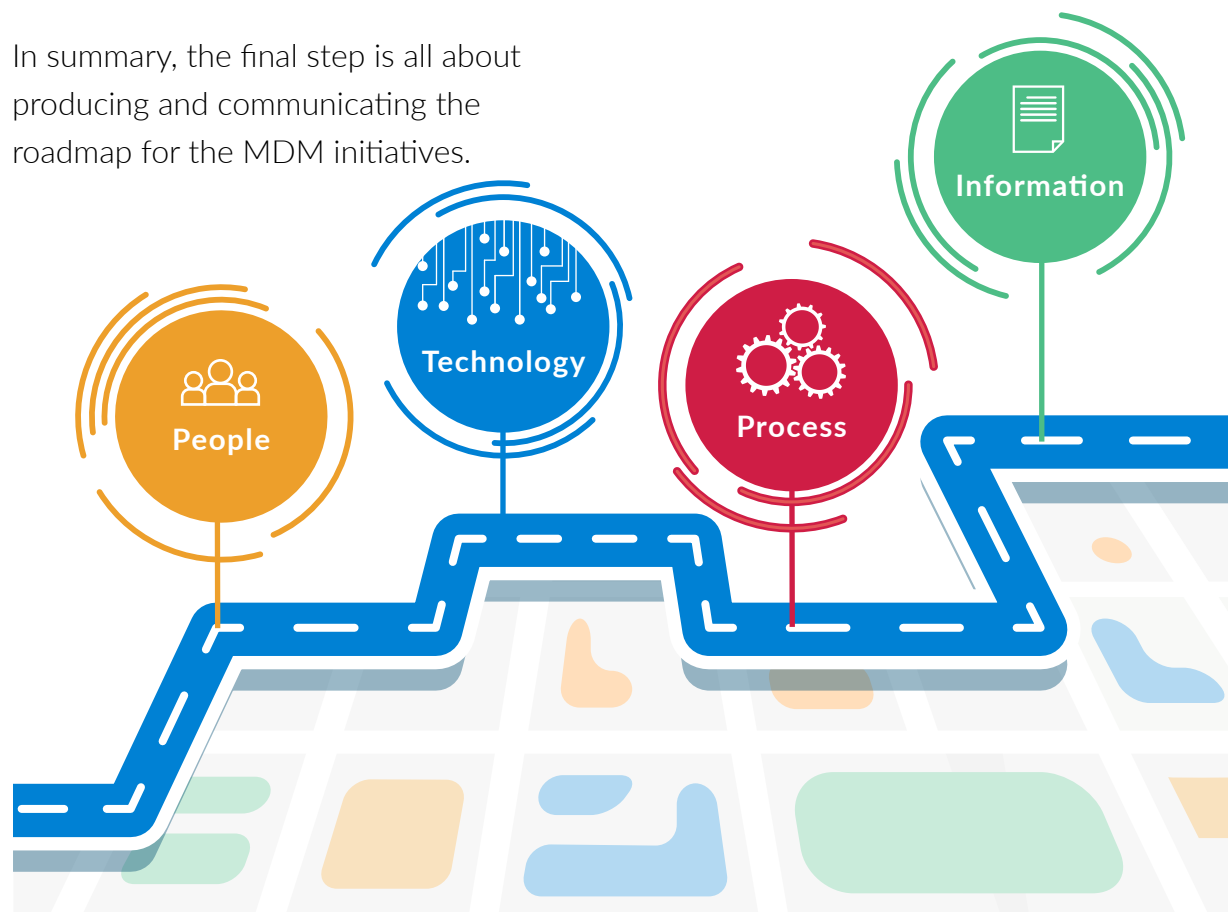
The objective of this final step is to produce and communicate a roadmap for the initiatives identified in step five that aligns with the organisation's needs and priorities.

An iterative approach to implement the MDM strategy - as opposed to big bang implementation - is highly recommended. Organisations we have worked with usually commence their MDM implementation by first implementing an MDM for reference data followed by MDM either for the Product or Customer domain.

It is vital to prepare a communication plan to communicate the roadmap and the progress of the MDM strategy. The need for communication is aptly summarised by Rafael Villadiego, P.Eng., MBA, University Health Network: 'Make sure you have constant communication with the sponsors of the plan.'

Keep them informed; let them know all of the roadblocks you are finding and how you can solve them. Show them the end of the road. It's going to be a bumpy road, but make sure you can show them how it will look in the end'

In summary, the final step is all about producing and communicating the roadmap for the MDM initiatives.



Summary

The steps outlined in this document are a framework, but within that framework - and within each step - there will be specific peculiarities for each and every project. The key is to treat each stage of an MDM implementation project with care.

Master Data is a valuable asset as it represents the most critical data of your organisation. As such it should be treated with diligence and viewed in a holistic way - one that speaks to the goals of a business and its every unit, department, function and corner.

Given data's potential and impact to the bottom line, Master Data must be managed and organised, and processes must be put in place to convert insights into advantages.

Through these six logical, iterative steps organisations can retain oversight and control of the process, responsibly implementing changes on which they can base not only the data strategy but the technology and business strategies - and the bottom line for years to come.



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