Manager's Guide to MDM tools

By SearchCIO.in

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An emerging concept in India, master data management has generated interest amongst companies from all sectors, from banking and financial services to telecom to manufacturing to retail.

This Manager's Guide to master data management tools covers the following topics:

- **Master data management tools: The basics**
- **The competitive landscape**
- **MDM deployment challenges**
- **Benefits of master data management tools**
- **Master data management: 5 best practices**
- **Vendor offerings**
- **Further reading**

Master data management tools: The basics

Master data is a loose term for the data critical to an organization's activities. Master data typically includes information about employees, customers, products, vendors, etc., the information critical to everyday activities.

Master data can be distinguished from transactional data and analytical data, the other important kinds of data found in an organization. Master data is typically used across the organization by many different departments and personnel.

Master data management tools refer to the computing tools and techniques created for handling master data. The importance of master data management (MDM) comes from the critical role master data plays in an organization's operations. It is desired that master data be accurate, free of redundancies, up-to-date, and available throughout the organization, wherever and whenever needed, to support operations.

Master data management tools typically provide solutions for collecting and standardizing data, storing and sharing data across the organization, and for searching, analyzing, and presenting this data. Master data management tools allow the organization's different applications and users to share a common resource.

The competitive landscape

Among the big software vendors, SAP, Oracle, IBM, and Microsoft provide master data management tools. The MDM tools by these vendors are SAP NetWeaver MDM, Oracle Data Management Suite, IBM InfoSphere Master Data Management Server, and Microsoft Master Data Services, respectively.

Microsoft offers master data management as value addition to the customers of SQL Server 2008 R2. The vendor ships its Master Data Services as part of its SQL server. SAP and IBM offer master data management tools also in the form of services in India. (See the Vendor offerings table for details).

Note that it may not be possible to be successful with master data management simply by buying software tools alone. It may be necessary to engage a consultant to study your needs and advise on specific master data management tools suitable to your organization's needs.

The Indian domestic companies in the MDM space include Tata Consultancy Services, itEANz, Ixsight, and Ramco. These companies offer consultancy and deployment services for master data management tools projects.

MDM deployment challenges

The following things must be kept in mind before undertaking the implementation of master data management tools.

- MDM is an on-going, long-term activity, not a one-off project to execute and complete.
- MDM tools introduce a new way of working with data. Employees and management will need to adapt to new methods and practices.
- There may be delays in getting permissions and clearance, and existing data security policies may need to be revised.
- Users may need to be trained in the use of MDM tools and methods.
- Legacy applications which do not support today's master data management tools may need to be eliminated from use.
- In the event of mergers and takeovers, consolidating the master data will be a challenge, particularly in de-duplicating the data and resolving dependencies.

Benefits of master data management tools

- Data from different parts of the organization can be accessed through a single interface with master data management tools. For instance, CRM data and accounts data for the same client can be viewed side-by-side using MDM tools.

- Master data management tools ensure that data can be shared in common between applications and users without reformatting or duplication, unlike previously.

- Updates are easier to implement since MDM tools keep master data synchronized across the organization.

- With accuracy and accessibility boosted in this way, MDM tools enable better data analysis and governance.

- Master data management tools are especially useful to larger organizations with heavy inter-departmental data dependencies.

Master data management: 5 best practices

1. **Secure organization-wide participation**, involving employees, management, customers, and suppliers, in the MDM process. Good master data management can't be achieved by the IT department alone, unlike other IT solutions.

2. **Create standard models** for each of the data types required by the organization. The details of each field in the data types will need to be worked out before deploying master data management tools.

3. **Implement and test** the master data generated at the end of the process.

4. **Older applications** may need to be **upgrade**d or **replace**d, and users will need to be trained in the use of master data management tools and techniques.

5. **Create** a **dedicated team** of data stewards to monitor and maintain the master data.

Vendor offerings

Vendor	Master data management tool	Description
IBM	InfoSphere Master Data Management Server	IBM InfoSphere MDM Server is a physical master repository that delivers a single version of an organization's critical data entities—customer, product, supplier, etc. SOA architecture
Microsoft	Master Data Services	Microsoft's Master Data Services come with SQL Server 2008 R2. They help companies standardize and streamline their data spread across divisions and locations to make business decisions.
Oracle	Master Data Management Suite	Oracle's enterprise master data management suite consolidates and maintains master data across the enterprise and distributes this master information to all operational and analytical applications as a shared service.
SAP	NetWeaver Master Data Management tool	SAP NetWeaver Master Data Management is a generic multi-domain infrastructure supporting all domains and use cases in the enterprise. It enables data migration, reduces data maintenance costs, and ensures cross-system data consistency.

Further reading

Definition from Whatis.com
What is master data management?

Key terms: Top 13 MDM buzzwords

Buyer's Guide:
Focus on business benefits to sell to executives

News:
Gartner Magic Quadrant reveals SAP MDM soft spots

Tip: MDM evaluation process and vendor selection

Tip: How to calculate MDM ROI using business problems

Tip: Should we buy data quality tools or focus on policies?

Q&A: Getting the lowdown on MDS for SQL Server