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C O N S U L T I N G
Data Mastered. Value Unleashed.™

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Get in the Game! Launching Your MDM Program

Jill Dyché,
Partner & Co-Founder,
Baseline Consulting

TechTarget MDM for the Enterprise Series





Show of Hands!

Answer all that apply...



- ▣ I'd like to hear how the early-adopter companies have delivered MDM.
- ▣ I need to understand how MDM co-exists with other technologies.
- ▣ I'm here to understand the various components of MDM.
- ▣ Me and my team need to know where to start.
- ▣ My company needs MDM, and I'm looking for ammunition to pitch/position/fund it.
- ▣ I'd like to see example of other companies' MDM journeys.
- ▣ I'm looking for some "how-tos" around MDM.
- ▣ I'm here because one of our executives has just read an airline magazine.



Why MDM?



- ▶ Customer contacts
- ▶ Corporate contacts
- ▶ Product lists
- ▶ Sales revenues
- ▶ Payment data



- ▶ Sales revenues
- ▶ Customer segments
- ▶ Promotion history
- ▶ Campaign responses
- ▶ Customer value scores



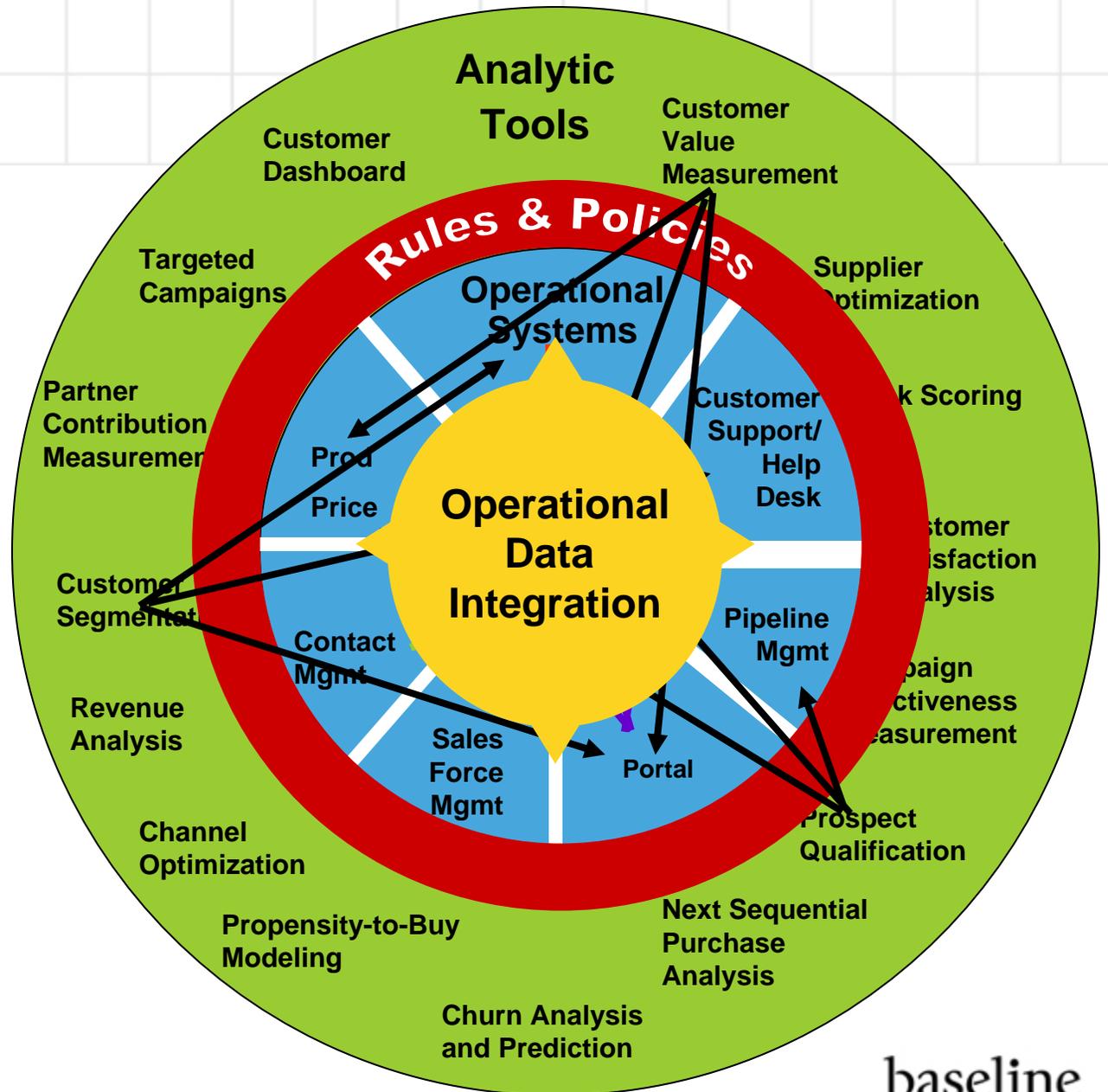
- ▶ Customer contacts
- ▶ Trouble ticket history
- ▶ Survey responses
- ▶ Payment data



When's the last time we contacted John Smith?



The Need for MDM





What is Master Data?



A **transaction** is a business event that occurs at a point in time.



Transaction data records the data from that event, e.g., "deposit amount."



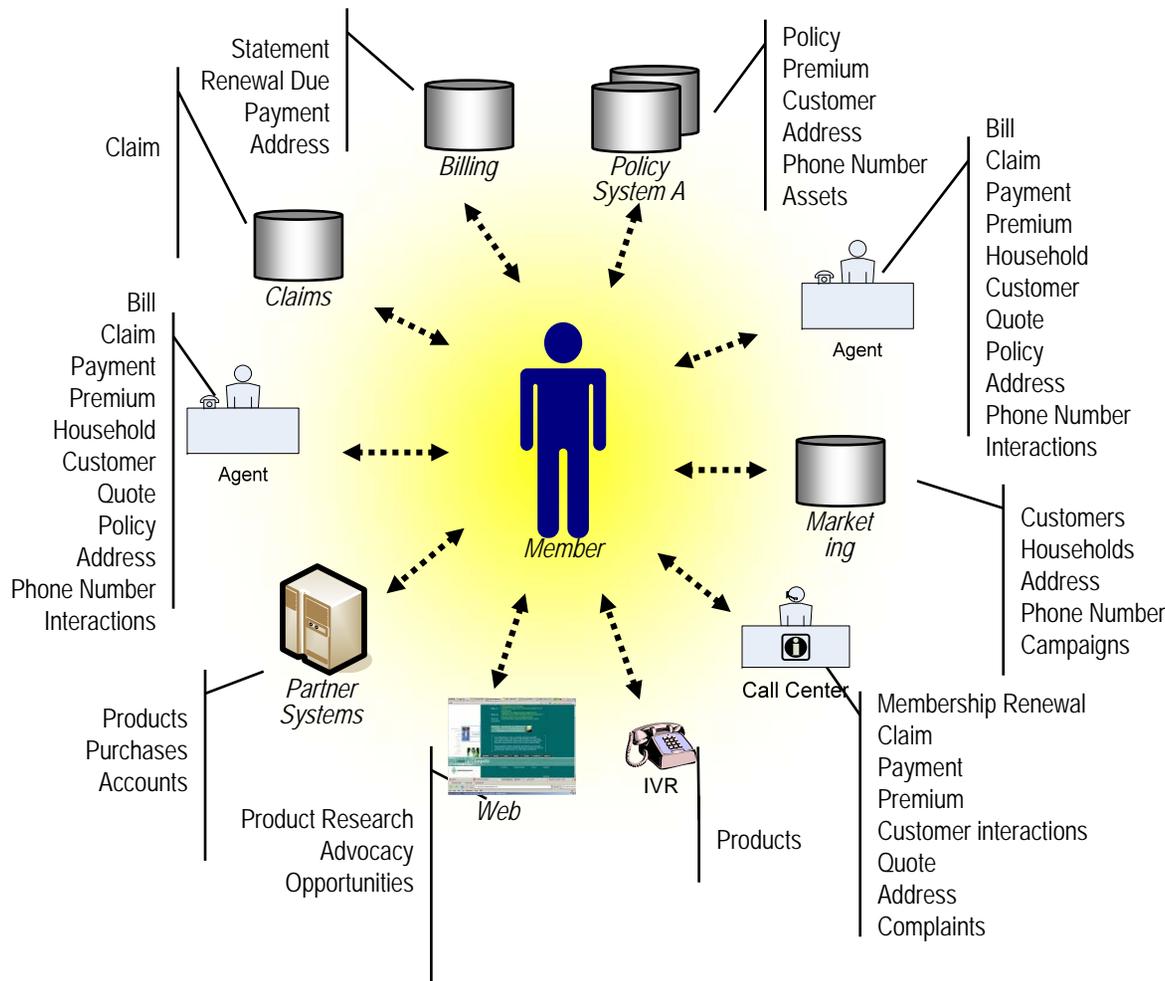
Reference data is the set of facts that describe what was involved in the transaction, e.g., "customer" or "credit card."



Metadata further annotates the information that was involved in the event, e.g., "negative balance."



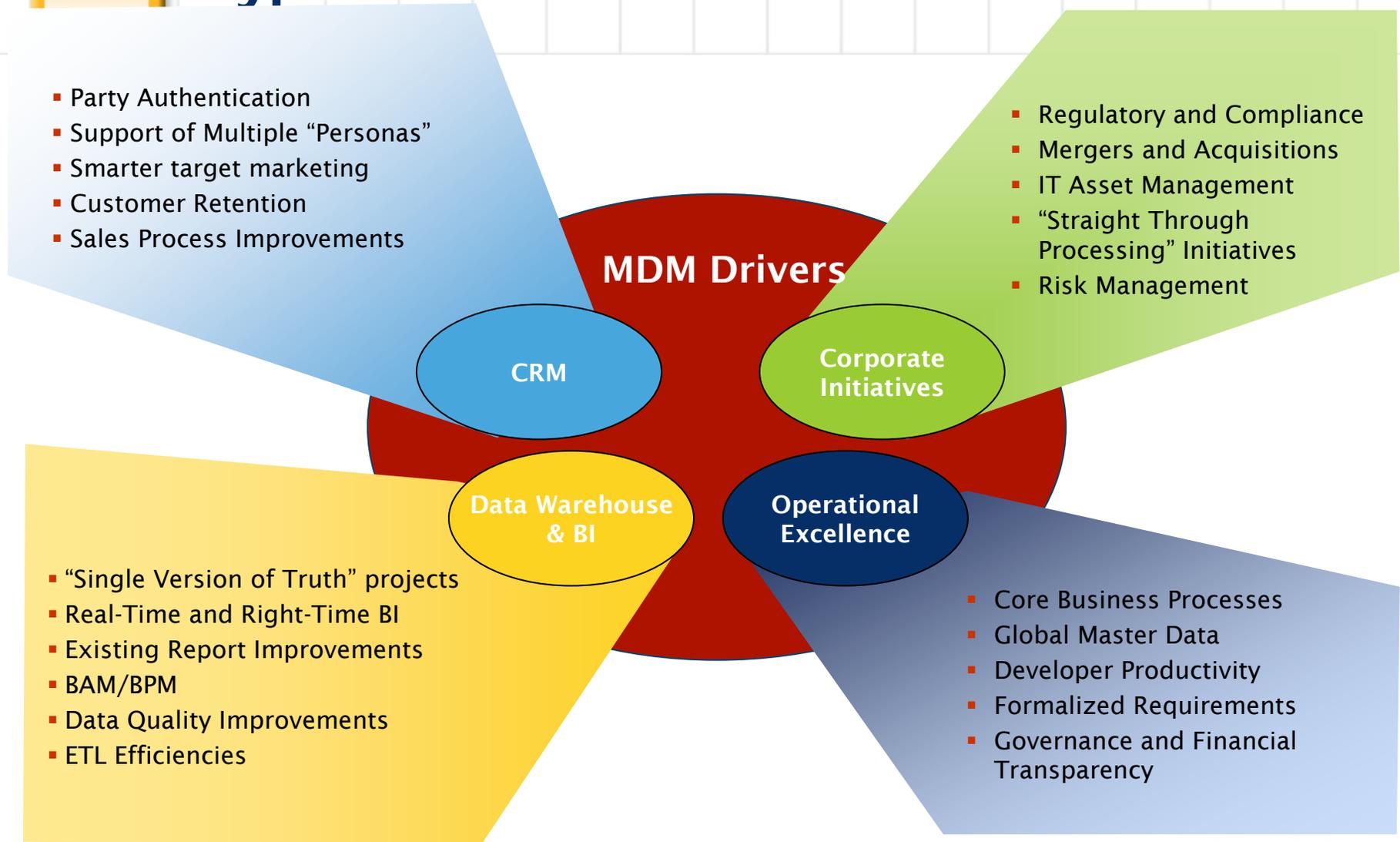
MDM: The Before and After



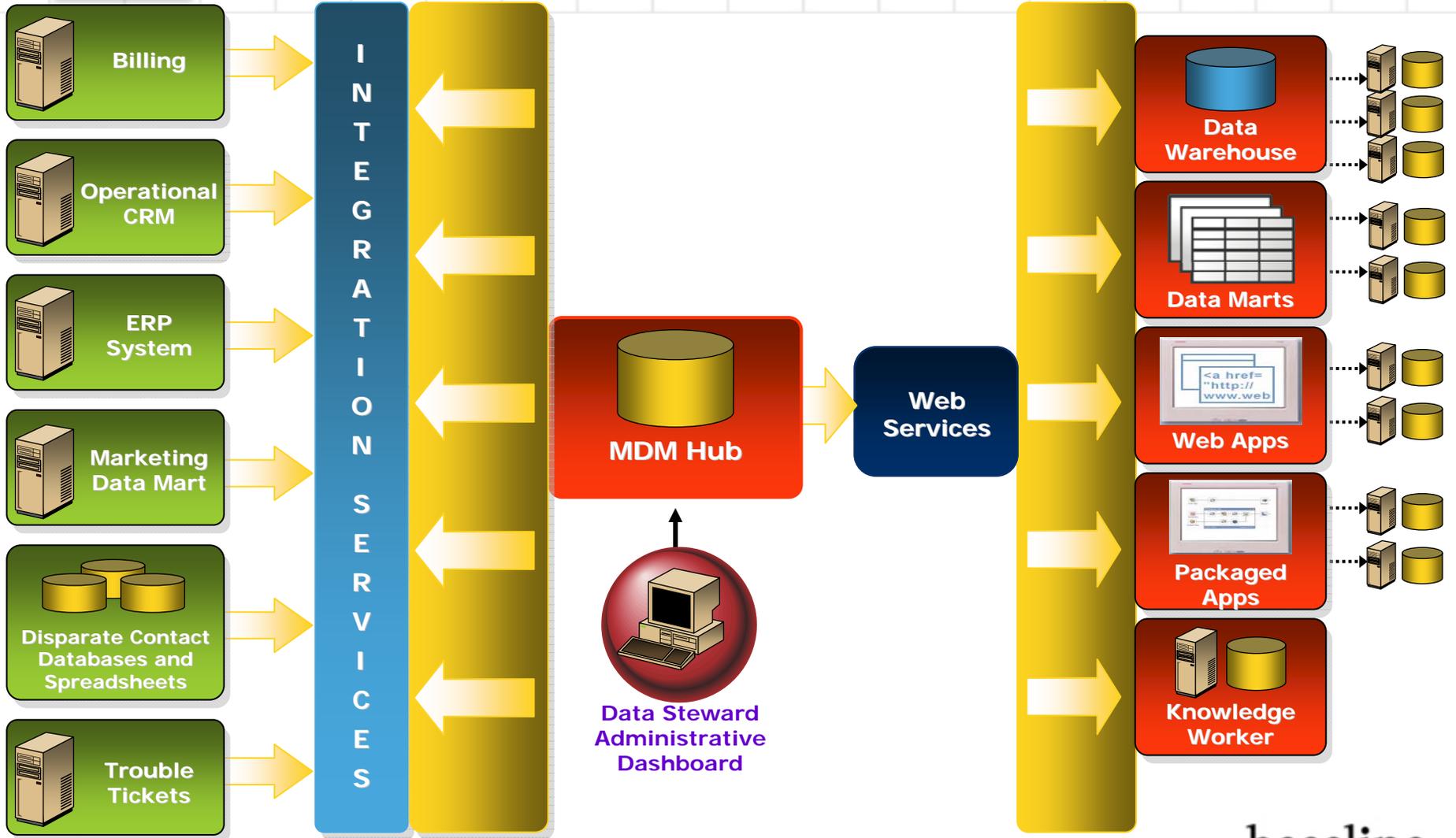
- Member information is duplicated in different product systems
- Product systems hold sparse or unstructured customer data
- Customer Service Reps need Member information about all interactions regardless of channel
- Marketing system uses member demographic and household data; derives campaign and value data from analytical and marketing processes
- The IVR captures member interactions and inquiries
- The member Self-Service application on the Web captures member interactions, inquiries, communication preferences and may create new relationships
- Claims system captures a member's claim history, involved parties (who may also be customers), claim status and payment information

Source: *Customer Data Integration: Reaching a Single Version of the Truth* (Wiley)

Typical Drivers for MDM



Master Data As An Enterprise Service



Different Data Sources



A Simple MDM Use Case

①

A customer logs onto the company's web site and updates their mailing address and opts out of sales contacts



Internet Site



MDM Hub

②

A sales rep wants to contact that customer and needs to retrieve information



CRM System



③

The Billing system sends out the invoice to the customer (at the new address)



Billing System

④

The data warehouse refreshes all changed customer addresses



Data Warehouse



BI Applications

Matching, Merging, and Rules, Baked In!



Cust. Id	First Name	Middle	Last Name	DOB	SSN	Address
30391-244	William	James	Sosulski	04/12/39	563-49-1234	123 Oak St., Eves, IL 30319



Cust. Id	First Name	Middle	Last Name	DOB	SSN	Address
30391244	William	J.	Sosulski	4-12-39	563491234	123 Oak St., Eves, IL



Cust. Id	First Name	Middle	Last Name	DOB	SSN	Address
14239	Bubba	J.		April 12		BubbaJ@bubbagroup.com



Cust. Id	First Name	Middle	Last Name	DOB	SSN	Address
3721B	Willaim	James	Corp.	April 12	56349123	3224 Pkwy G, Los Osos



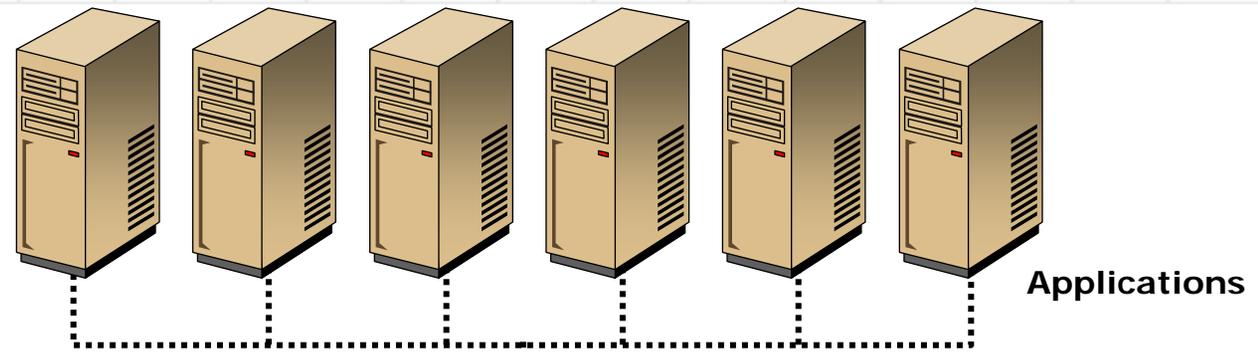
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30391-244	William	James	Sosulski	04/12/1939	563-49-1234	123 Oak St., Eves, IL 30319



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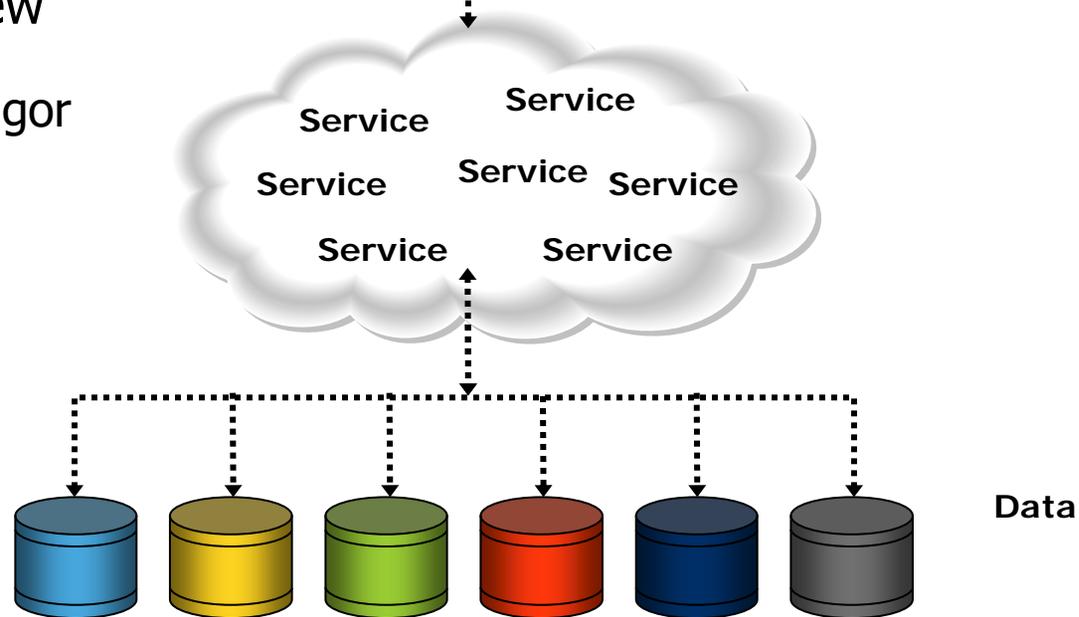


MDM Means Loosely-Coupled



Loosely-coupled applications invite new issues around:

- Data integration rigor
- Data stewardship
- Metadata management
- Business rules management
- Search
- Data governance

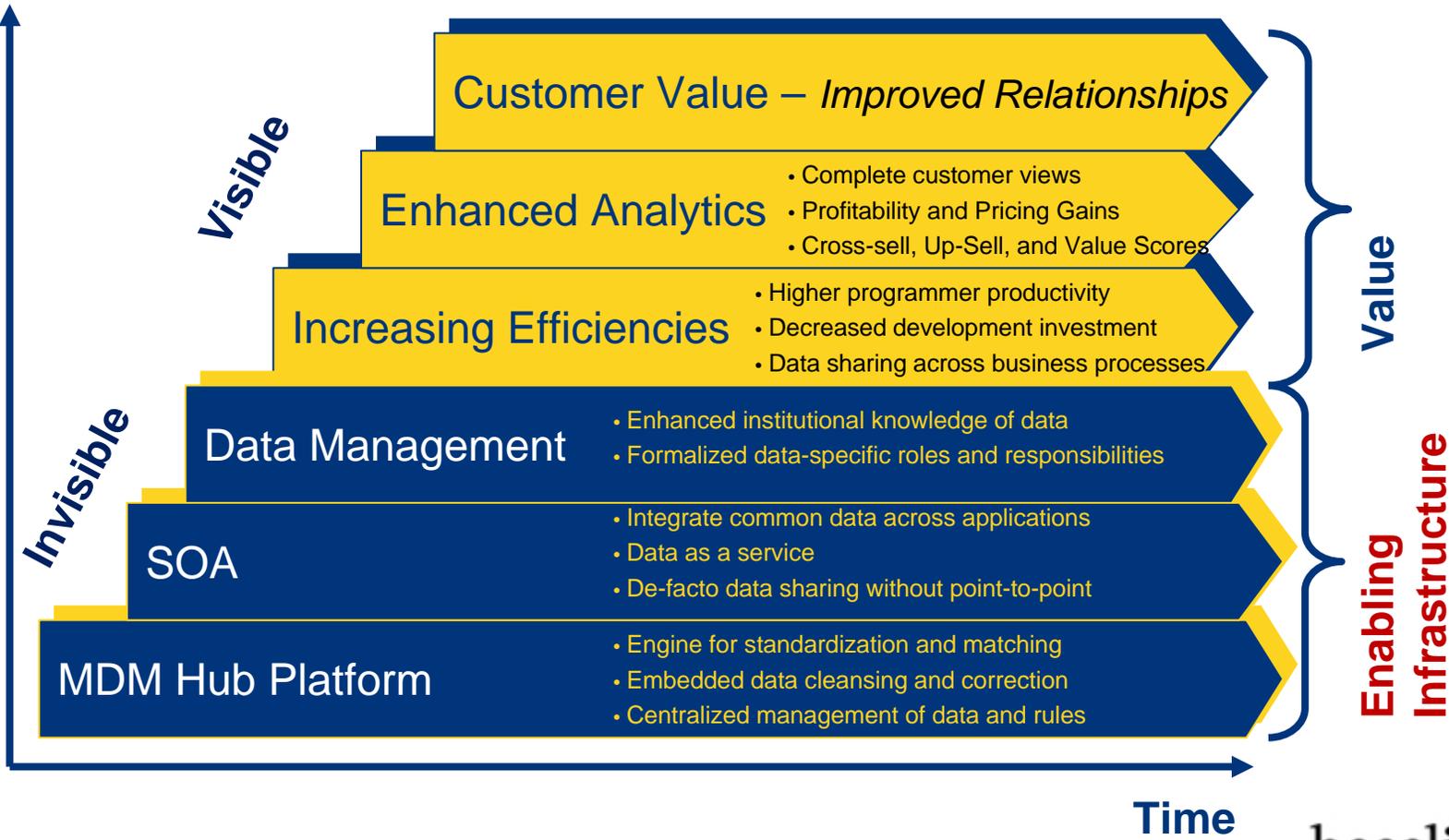


Customers Partners Prospects Leads Suppliers Vendors



MDM: Not Just Infrastructure!

Customer Impact

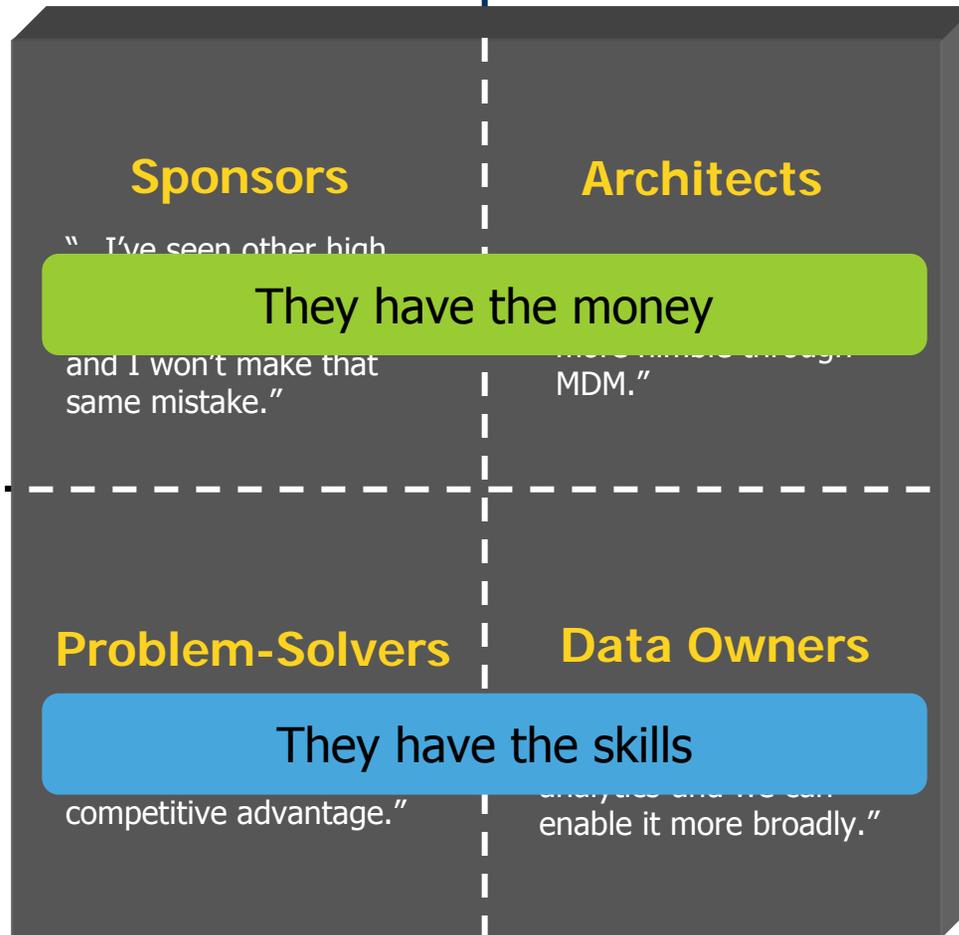




MDM: Who's Buying?

Enterprise

- Executives charged with making a strategy-enabling initiative happen
- Example: "Voice of the Customer" Program



- VPs or Directors who have funding for system enhancements and modernization
- Example: "Integration Center of Excellence"

- Managers who see how integrated data can help drive cost efficiencies or revenues
- Example: "Single Version of the Truth"

- Mid-level managers or practitioners who are already data experts who see the benefits of MDM
- Example: A Product Hub to consolidate disparate item masters

Line of Business

Business

IT



The Challenges of MDM Adoption

- ❏ MDM means centralized management, not centralized data
 - Data management rigor allows for location flexibility
 - Master (Data Management) ≠ (Master Data) Management
- ❏ MDM implementation is different
 - System on-boarding means prioritization
 - Functional requirements are back
- ❏ Good MDM projects plan against long term goals; deliver against short term needs
- ❏ Data governance, data stewardship, and data management are still confusing terms—but each improves MDM (and vice versa)
- ❏ Executives need to get off the dime
 - Everyone agrees that “data is an asset”
 - No one knows what that looks like in their organization
 - Roles and measurements must change before behaviors do





The Challenges of MDM Adoption: Data “Ownership”



“You have no idea how political this place is.”



Opportunity Costs of NOT Doing MDM

Lack of Data-Driven Decisions Impacts Business

- ❑ Inability to respond to changing business needs
- ❑ Unclear decision-making processes
- ❑ Lack of “trusted authorities” of information
- ❑ Business and IT conflicts
- ❑ Disaffected or disengaged business users
- ❑ Conflicting or suspect reports
- ❑ Data not accurate, meaningful, or accessible
- ❑ High development costs (dollars, resources, & time)
- ❑ Overinvestment in technology
- ❑ Overworked subject matter experts
- ❑ System performance and scalability problems
- ❑ Projects delayed & over budget
- ❑ Time-to-market for products and strategic decisions perceived as too long
- ❑ “What have you done lately?” syndrome

Impacts





MDM Best Practices

- Map MDM functionality to business problems
- Don't bog the business down in architecture conversations
- Understand how the MDM development process is different (see Evan's presentation!)
- Know how MDM applies to your industry
- Deliver the "quick wins:"

"We did a lot of work quickly, which meant not soliciting a lot of business input up front. We followed more of an iterative prototyping approach to data deployment. We delivered some information, then got feedback, then did it again. This helped our salespeople figure out what they wanted..."

- Scott Sullivan, CIO and CFO, Pitt Ohio Express



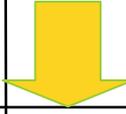
MDM: Incremental and Evolutionary

	FY 2007	FY 2008	FY 2009	FY 2010
<i>Sales</i>	Q1 CRM: B2B Contacts			Q3 CRM: Employee Data (2)
<i>Product</i>		Q2 SCM: Product Catalogue		Q2 Order Entry: Product Catalogue (2)
<i>Supplier</i>		Q4 SCM: Supplier Data		Q4 Contracts: Contract Data
<i>Call Center</i>		Q1 CIF: Consumer Contacts	Q1 Call Center: B2B Contacts (2)	
<i>Finance</i>	Q3 Billing: Consumer Contacts		Q4 HR System: Employee Data	Q1 Financials Package: Chart of Accounts
<i>Marketing</i>		Q4 Marketing Automation: Consumer Contacts (2)	Q3 D&B: B2B Contacts (3)	

Data Governance Policy and Prioritization

MDM: Top Down or Bottom Up?

Our information management practices are characterized by...

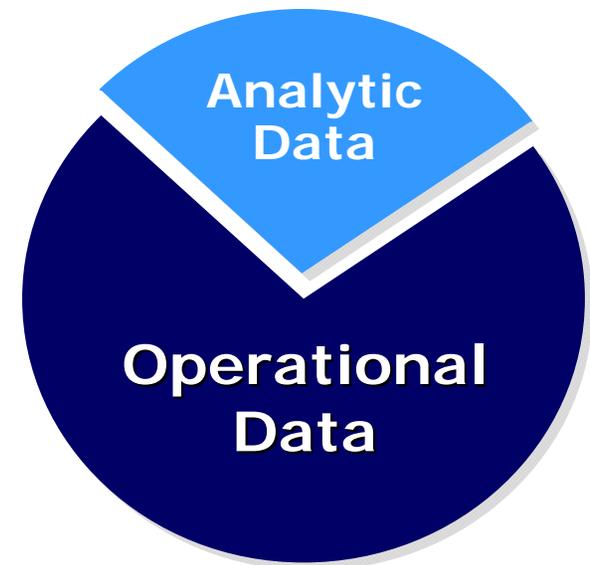
<i>"Nothing gets funded around here without executive approval."</i>			<i>"There's a high-profile project that's perfect as a 'beta' for data governance."</i>
<i>"Consensus is an important component of our culture."</i>			<i>"An idea has to be proven before it's accepted."</i>
<i>"Business requirements are critical, and we have a rigorous and sanctioned requirements process."</i>			<i>"We're all too familiar with 'shadow IT' around here."</i>
<i>"We have a fairly mature enterprise data model."</i>			<i>"Our environment is still very silo-ed."</i>
<i>"Our company understands and practices change management."</i>			<i>"Change management concepts are considered too "soft" for us."</i>
<i>"We have universal success measures that map back to core philosophies."</i>			<i>"Our measurements are only as good as the organization that's defined them."</i>

**The essential question for Top-Down versus Bottom-Up is:
"To what extent do you initially plan on enlisting the business for MDM support, funding, or approval?"**



What We're Telling Our Clients

- Assess and pitch the *business benefits* of MDM
- Leverage the *data management* skills and practices you've established in your BI team
- Start a *data governance initiative* (whether or not you can get business support initially)
- Plan on providing *training and education* to your MDM developers
- Identify *a small, controlled project* on which to test MDM—but design it to support long-term master data
- Strengthen MDM before you begin via *clear roles* and a *solid development framework*

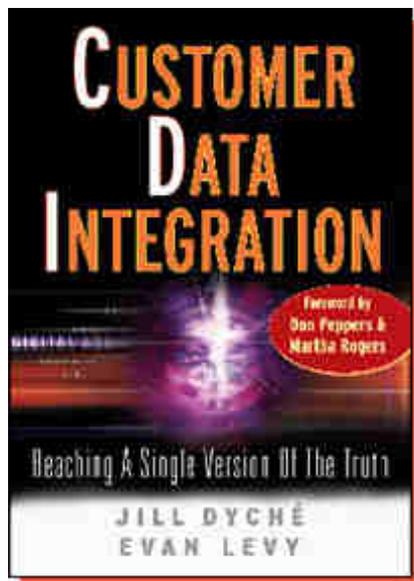




Thank You!

*For more on MDM, see
Baseline's website!*

See our latest MDM white papers
on SearchDataManagement.com



JillDyche@baseline-consulting.com

