Get in the Game!
Launching Your MDM Program

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TechTarget MDM for the Enterprise Series

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Data Mastered. Value Unleashed.℠

www.baseline-consulting.com

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.

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Why MDM?

SFA Database
- Customer contacts
- Corporate contacts
- Product lists
- Sales revenues
- Payment data
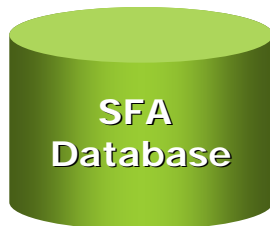
Marketing Database
- Sales revenues
- Customer segments
- Promotion history
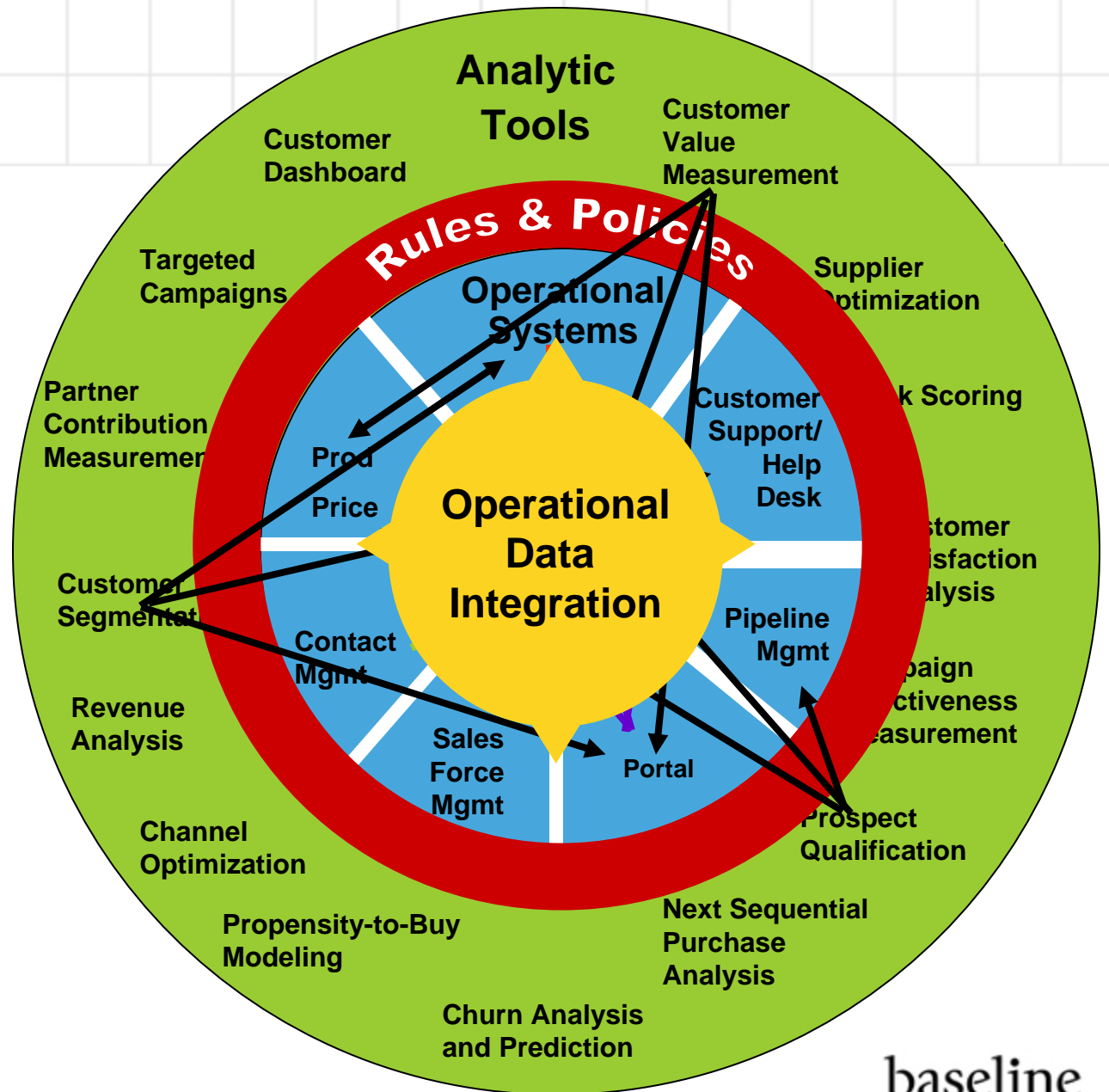- Campaign responses
- Customer value scores

Contact Center Database
- Customer contacts
- Trouble ticket history
- Survey responses
- Payment data

When's the last time we contacted John Smith?

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The Need for MDM

What is Master Data?

Transaction data records the data from that event, e.g., "deposit amount."
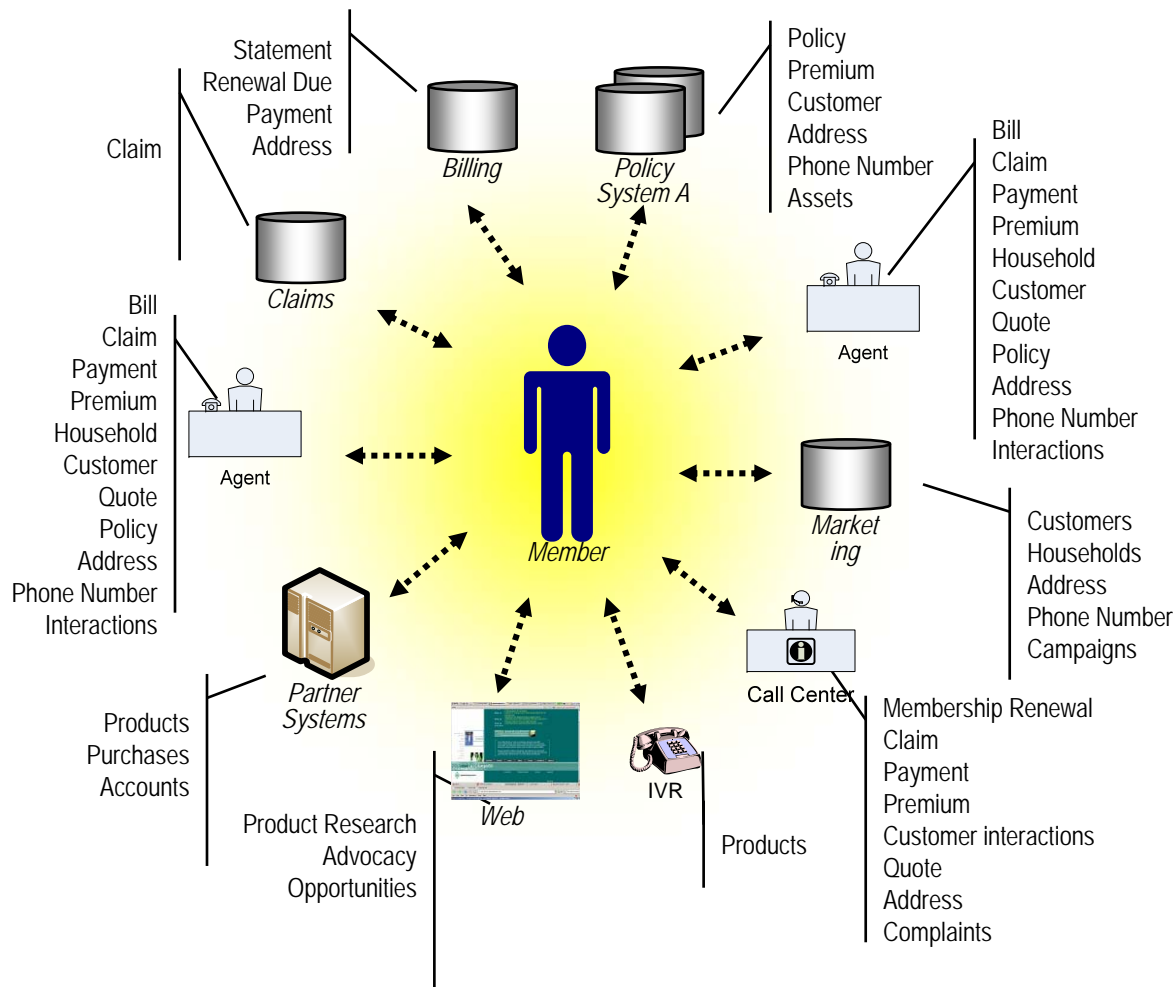
Reference data is the set of facts that describe what was involved in the transaction, e.g., "customer" or "credit card."

Metadata further annotates the information that was involved in the event, e.g., "negative balance."
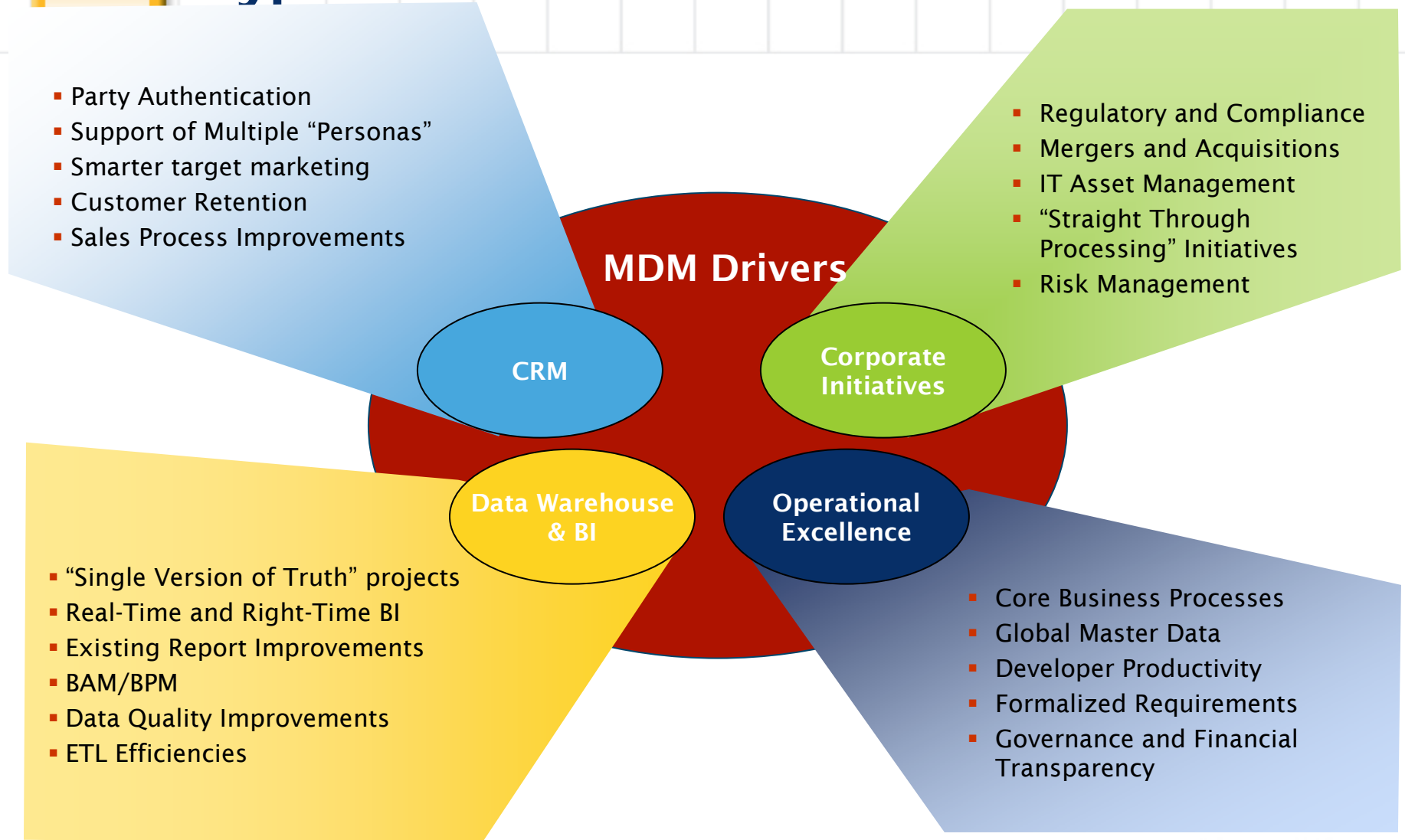
A ***transaction*** is a business event that occurs at a point in time.

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MDM: The Before and After

Statement
Renewal Due
Payment
Address

Claim

Billing

Policy System A

Policy
Premium
Customer
Address
Phone Number
Assets

Bill
Claim
Payment
Premium
Household
Customer
Quote
Policy
Address
Phone Number
Interactions

Agent

Claims

Bill
Claim
Payment
Premium
Household
Customer
Quote
Policy
Address
Phone Number
Interactions

Agent

Member

Marketing

Customers
Households
Address
Phone Number
Campaigns

Call Center

Membership Renewal
Claim
Payment
Premium
Customer interactions
Quote
Address
Complaints

Partner Systems

Products
Purchases
Accounts

Product Research
Advocacy
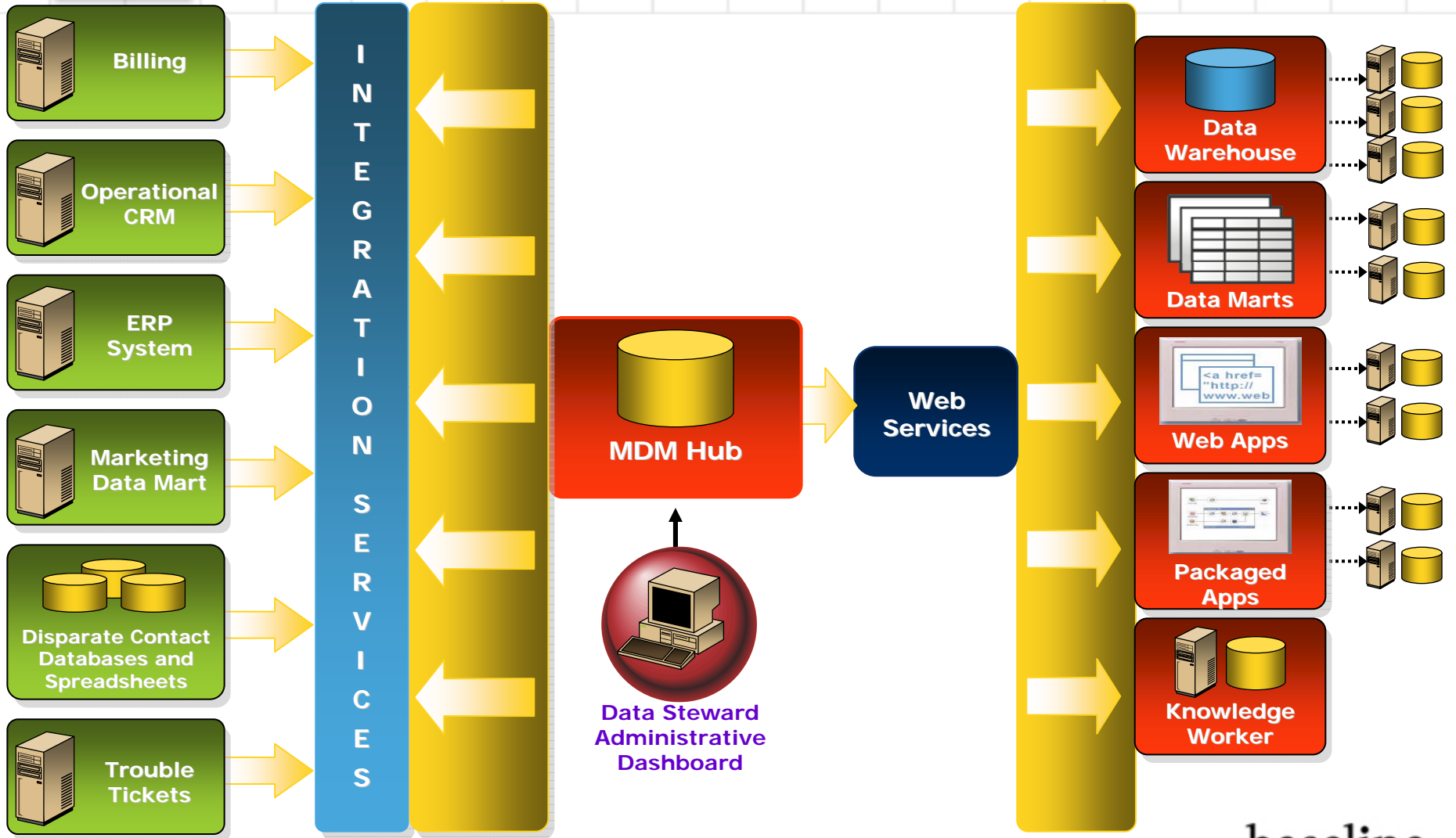Opportunities

Web

IVR

Products

- **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)*

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Typical Drivers for MDM

- Party Authentication
- Support of Multiple "Personas"
- Smarter target marketing
- Customer Retention
- Sales Process Improvements

- Regulatory and Compliance
- Mergers and Acquisitions
- IT Asset Management
- "Straight Through Processing" Initiatives
- Risk Management

MDM Drivers

CRM

Corporate Initiatives

Data Warehouse & BI

Operational Excellence

- "Single Version of Truth" projects
- Real-Time and Right-Time BI
- Existing Report Improvements
- BAM/BPM
- Data Quality Improvements
- ETL Efficiencies

- Core Business Processes
- Global Master Data
- Developer Productivity
- Formalized Requirements
- Governance and Financial Transparency

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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

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

CRM System

MDM Hub

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

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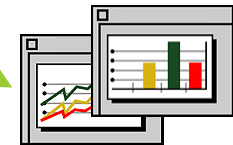
Matching, Merging, and Rules, Baked In!

Legacy

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

CRM

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

Online

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

ERP

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

Data Warehouse

Cust. Id	First Name	Middle	Last Name	DOB	SSN	Address
30391-244	William	James	Sosulski	04/12/1939	563-49-1234	123 Oak St., Eves, IL 30319

| 1001 | 30391-244 | 30391244 | 14239 | 3721B | 30391-244 | William | James | Sosulski | 04/12/1939 | 563491234 | 123 Oak Street | Eves | CA | 91403 |

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MDM Means Loosely-Coupled
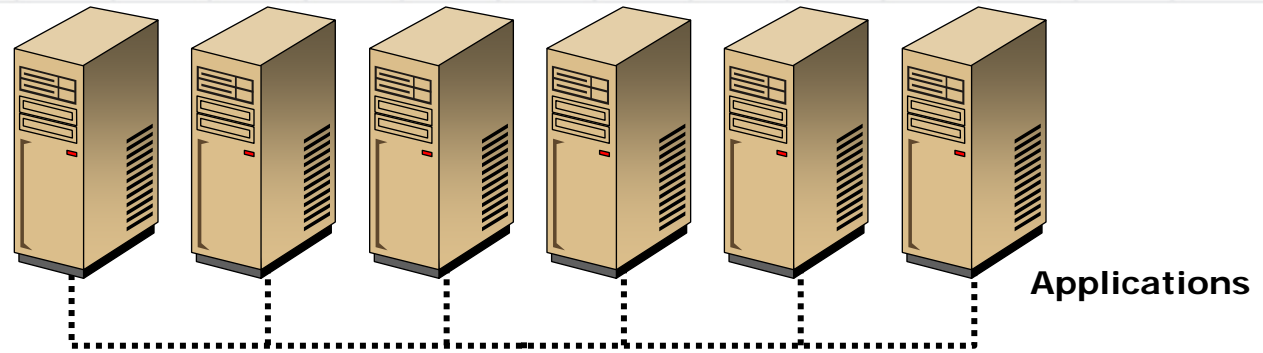
Applications
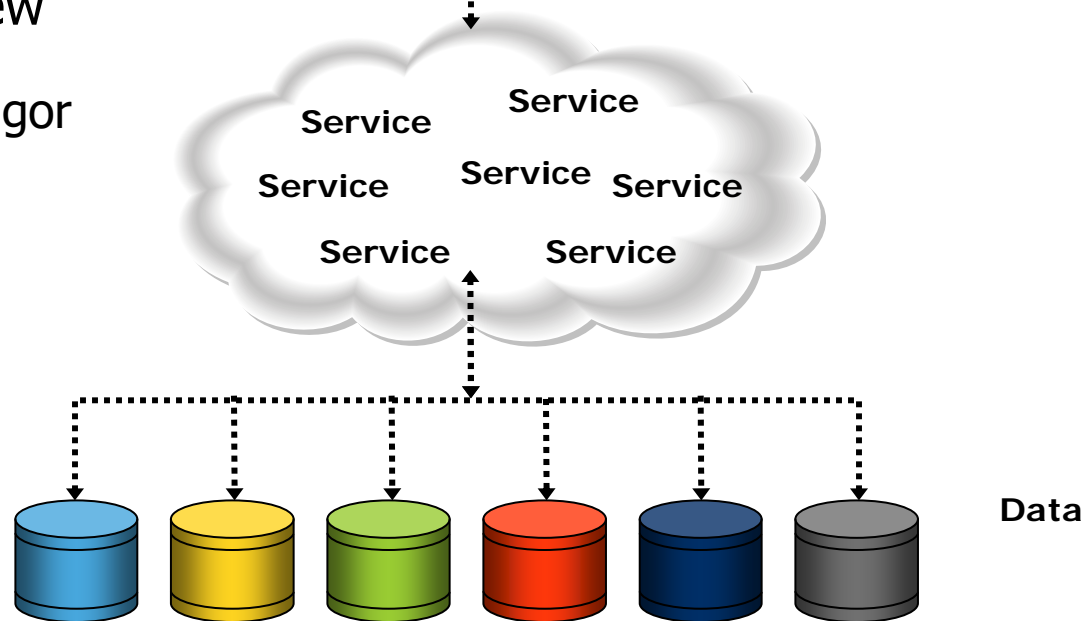
Loosely-coupled applications invite new issues around:

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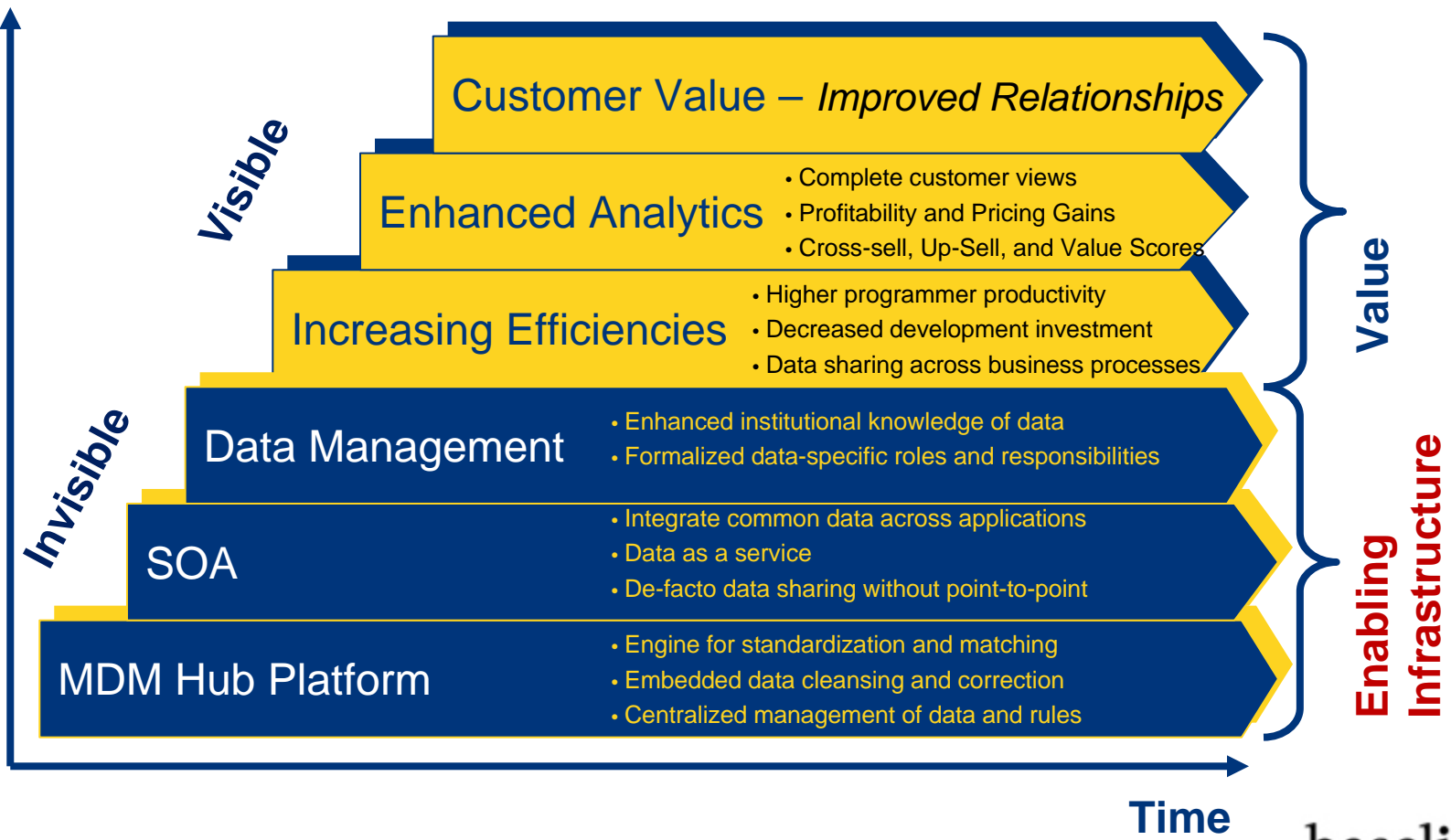- Business rules management
- Search
- Data governance

Service
Service
Service
Service
Service
Service
Service
Service

Data

Customers **Partners** **Prospects** **Leads** **Suppliers** **Vendors**

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MDM: Not Just Infrastructure!

Customer Impact

Visible

Invisible

Customer Value – *Improved Relationships*

Enhanced Analytics
- Complete customer views
- Profitability and Pricing Gains
- Cross-sell, Up-Sell, and Value Scores

Increasing Efficiencies
- Higher programmer productivity
- Decreased development investment
- Data sharing across business processes

Data Management
- Enhanced institutional knowledge of data
- Formalized data-specific roles and responsibilities

SOA
- Integrate common data across applications
- Data as a service
- De-facto data sharing without point-to-point

MDM Hub Platform
- Engine for standardization and matching
- Embedded data cleansing and correction
- Centralized management of data and rules

Value

Enabling Infrastructure

Time

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MDM: Who's Buying?

Enterprise

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

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

Line of Business

Sponsors	**Architects**
" I've seen other high ... and I won't make that same mistake."	...more nimble through MDM."

They have the money

Problem-Solvers	**Data Owners**
...competitive advantage."	...analytics and we can enable it more broadly."

They have the skills

Business | IT

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

- 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

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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

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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

- Customer Intimacy
- Product Innovation
- Operational Excellence
- Revenue Growth
- Cost Control
- Productivity
- Regulatory and Legal Compliance
- Staff Support

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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
Sales	**Q1** CRM: B2B Contacts			**Q3** CRM: Employee Data (2)
Product		**Q2** SCM: Product Catalogue		**Q2** Order Entry: Product Catalogue (2)
Supplier	**Q4** SCM: Supplier Data			**Q4** Contracts: Contract Data
Call Center		**Q1** CIF: Consumer Contacts	**Q1** Call Center: B2B Contacts (2)	
Finance	**Q3** Billing: Consumer Contacts		**Q4** HR System: Employee Data	**Q1** Financials Packae: Chart of Accounts
Marketing		**Q4** Marketing Automation: Consumer Contacts (2)	**Q3** D&B: B2B Contacts (3	

Data Governance Policy and Prioritization

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MDM: Top Down or Bottom Up?

Our information management practices are characterized by...

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

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?"

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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*
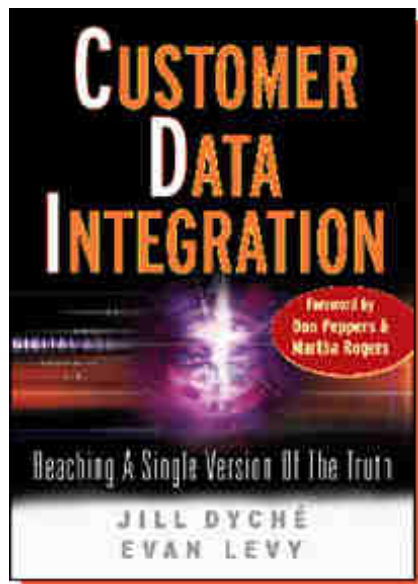
Analytic Data

Operational Data

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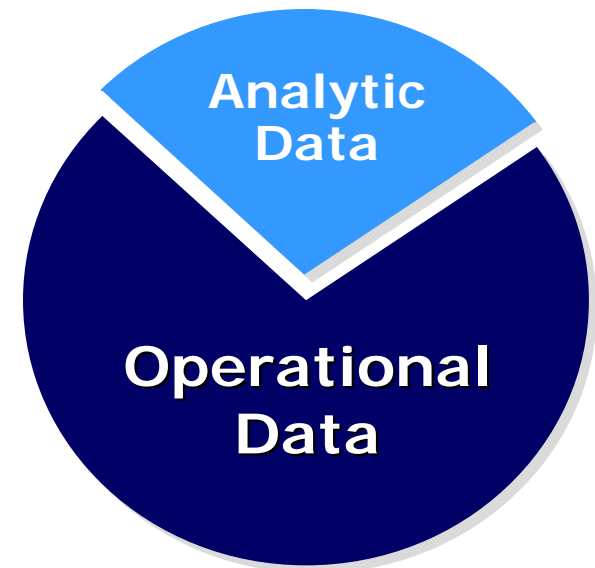
Thank You!

For more on MDM, see Baseline's website!

See our latest MDM white papers

on SearchDataManagement.com

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