Five Things to Focus On for Faster MDM Results

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Image by Tim Evanson
Executive Overview

Getting the “soft stuff” right is – by far – the most important thing in getting faster results in your master data management (MDM) program.

Invest in improving the alignment between business and IT in your organization, and work together towards faster deployments and more rapid cycle times. This will enable a schedule of frequent, business-focused releases.

Remember the “Five Essential Elements of MDM”, which I first wrote about in 2007:

- an MDM hub
- data integration
- data quality
- third party content
- data governance

If your MDM program doesn’t include all five of these essential elements, you’re increasing your risk of failure substantially.

What works in the real world is a business-oriented, balanced, holistic approach that includes:

- **People / corporate culture** (through organization design and change management)
- **Process** (through business process redesign or reengineering)
- **Technology** (by filling gaps in the above “essential elements”)
- **Information** (by including third party content and a robust data quality component)

A great illustration of the need to balance the technology with the people and process is a quote by the entrepreneur and inventor, Dean Kamen:

> “The technology is the easy part. Understanding what drives people – individuals, societies, what makes cultures clash – all of those questions are way, way harder to answer than how to solve any particular technical problem.”

So spend the time and energy on “the people stuff”. Take advantage of the process changes enabled by a single repository of high quality master data. Ensure you’ve got the necessary supporting technology. Understand your business requirements for third party content.

Don’t forget to include a data quality component in your MDM program. The principle of “garbage in, garbage out” applies more than ever in master data management. If you don’t build a “data quality firewall” around your MDM hub, you’ll never achieve the level of trust and confidence in your company’s critical master data that you need, and you won’t achieve the business objectives or return on investment that you’re expecting.

(1) The “People Stuff” – Getting Organized for Success
Whenever an activity crosses so many boundaries within a large organization, there are going to be political issues. Experience shows that to be successful, your MDM strategy needs to take that into account and to embrace it.

A successful MDM initiative needs a politically savvy leader who can

- drive the project,
- keep senior management engaged and supportive,
- allow the business to “own” the initiative but keep IT involved as a supporter and facilitator,
- address the inevitable cultural and political issues and,
- balance the need for securing funding (and quick wins) with maintaining the longer-term architectural integrity to keep MDM from becoming “just another silo”.

Spend some time up front in mapping your supporters and opponents. Classify them as politically strong or weak. You’ll spend most of your time building alliances with your strong supporters, and working on your strong opponents. Check in with the weaker supporters periodically, and communicate your plans and progress to your weak opponents, hoping to win them over gradually as you start to make headway.

Another important aspect is making sure your MDM strategy aligns with your company’s overall corporate strategy. If you don’t know what that is, find a senior executive and ask, visit the “Investor Relations” section of your company’s web site, or research it online.

Then make sure what you’re planning to do for master data management can be explicitly tied to those major corporate objectives. The five typical business drivers for master data management are:

- Revenue increase (CRM effectiveness)
- Cost decrease (process efficiency)
- Regulatory compliance
- Better decision-making
- Improved agility

So spell out in your MDM strategy exactly how better master data will enable what the company as a whole is striving for over the next two to five years.

Finally, you’ll need to explicitly work on better alignment between business and IT. Show people “what’s in it for me” – where their interests align with the program’s. Understand what they need to be successful, and find a way for your MDM program to provide it.

This is not manipulation or a cynical ploy – this is a genuine way to build alliances and better relationships through “good karma”.

If you – as a leader – set a tone of collaboration, partnership, empathy, fact-based decision-making and results orientation, that will help shape your program as it evolves.
(2) The Process Component

Keep in mind that an MDM hub is not a “silver bullet” for your company’s process issues. Having a single repository of high quality master data enables you to improve business processes, but it doesn’t happen automatically.

Someone within the company has to take on the effort of redesigning your processes – gradually, over time, of course. But if you don’t do this, you probably won’t achieve the expected return on investment from the MDM hub.

Think of improving data and improving processes as “yin and yang”. The master data improvements will enable process changes, and process changes will, in turn, yield better master data.

One practical implication of this is that you’ll need to involve experienced process reengineering people in your initiative, as well as people with backgrounds in organizational change and others with experience in data management and enterprise technology.

Start with a manageable set of business processes – ones related to customer relationship management (CRM) like “Lead to Opportunity” or “Opportunity to Order” are good candidates, because an MDM hub containing customer data will, of necessity, be tightly integrated with your firm’s CRM system.

Think ahead of time about how to maintain it all after the hub “goes live”. Who in the business will manage the hub on a day-to-day basis? Who are the IT resources that will support that effort? Who are the responsible data stewards? How will business users across the company report data quality issues to the stewards? How will you track and monitor these data issues to make sure nothing falls through the cracks?

You can see that implementing an MDM hub requires careful thought about the process improvements it will make possible, as well as the business processes involved in the care and feeding of the hub itself, as well as the master data curated within the hub.

From a change management perspective, it’s natural for people to resist change, especially when they’re very familiar with how things are done today, and not yet familiar with the way things will be done with the new MDM hub in the picture. MDM can be a very disruptive technology, because it breaks down (or builds bridges across) the business silos that have grown up around your major front office, back office and other critical systems.
But take the time to reengineer your processes, and to do the change management work to ensure adoption of those new or redesigned processes, because that’s where a lot of the benefits of master data management will originate.

(3) Technology

Master Data Management Hub

The MDM hub is a critical part of your data management infrastructure. This is where you bring together all of your source system data and define how you want to build your “golden records” using business rules.

So choosing the right MDM hub is obviously very important to the success of your initiative. Evaluate your options carefully. Make sure to look at how well the MDM platform fulfills your functional requirements and your technical requirements, and how well each software vendor will do at partnering with your company.

Do you have special requirements in your industry? Does the software vendor have good references at companies like yours? Spend the time to get this software evaluation right. It’s very hard to recover from a badly done selection. Make it as objective as possible, and use a weighted vendor scorecard like the one published by New York University.

Look at the typical implementation times provided by the vendors, and talk to some of the recent customers about their projects. Was the software vendor a good partner to them? Did they use a separate system integrator? Would they recommend them and use them again?

Model-driven MDM is a relatively recent adaptation, which seeks to reduce cycle time by allowing models built by business analysts to drive the implementation process.

Some vendors can generate an entire MDM application from the models and metadata captured by business analysts working closely with the end users.

This allows you to get into iterative design, where the end result can be viewed, first as a prototype and getting progressively better over a short time until its ready to be put into production as a Release 1.0 product.

Then over successive releases, you can extend it even further, and take care of use cases you may have deferred in the initial releases.
The net result is faster time to value, with less cryptic and complicated implementations, and easier maintenance after the initial roll-out.

The combination of a faster deployment and a more maintainable hub is a powerful combination.
Data Integration

Data integration is the next hurdle. If you can get source system data into the MDM hub, and can then transform it, model it, generate a working MDM environment, and collapse multiple occurrences of entities, such as customer or product, down into a “golden record”, then you have something of value to publish back out to the rest of the enterprise.

There are many different use cases for integration, but essentially they break down into:

- **Real-time:** when changes have to be synchronized immediately from a source system to MDM, or from MDM to a target system

- **Near real-time or batch:** when changes can be synchronized on a schedule, ranging from every few minutes or hours, to dealing with large volumes of new or changed data which are best handled in batches

- **Point to point:** when there are specific, specialized integration requirements, such as supporting advanced searching with type-ahead lookups

Make sure to look at the business requirements for integrating major source systems and your hub. Does the integration need to be two-way, or will one-way integration suffice? How frequently do updates in the source systems or the hub need to be synchronized? What types of volumes are we talking about? What types of performance requirements do you have? Work closely with IT, as many of these discussions will get technical quickly.

Look for technology capabilities that will allow you to enable Master Data as a Service – making it for other applications around the enterprise to access the golden records in the MDM hub as needed, and making ingestion of new records easy, standard and fast.

Data Quality

The pairing of a data quality tool with your MDM hub is like matching a fine wine with a great dish. Get it right, and you’re a hero. Get it wrong (or forget to do it at all) and you’re a goat.

Some MDM hubs come with pretty strong built-in data quality capabilities. Obviously, it’s simpler to have data quality functionality built-in.

Other hubs don’t have built-in DQ functionality, but the vendor does provide it as a separately licensed product. That can be helpful as well, since the data quality tool and the MDM hub may share metadata and be integrated with each other in useful ways.
Still other MDM platforms don’t provide data quality functionality at all, and leave it to you to integrate MDM with an external vendor’s data quality product.

There are no right or wrong answers here, but here are a few cautionary points:

- Don’t treat data quality capabilities as an optional “add on” – good master data management requires high quality, high integrity data
- When you focus on data quality, prioritize address quality as a high priority
- Be honest about your geographic reach – you don’t want to specify the wrong countries for the address quality component of the DQ solution
- Don’t forget about other aspects of data quality – names, phone numbers, e-mail addresses, etc.
- If you plan on using third party content providers like D&B, plan on using the data quality tool to scrub or ‘pre-process’ data you’ll send them, because that will improve your overall match rate to their database

Think of these three technology areas – MDM hub, data integration, and data quality – as the minimum. You can certainly include others to manage various areas – reference data, metadata management, business rules, policies, etc.

But you should definitely make sure that the ability to move data around, ensure its quality, and build golden records from various sources are covered.

(4) Information (including Third Party Content)

Most CIOs I’ve talked with ask the same question – “external data? Why would we want to do that? We’ve already got terabytes upon terabytes of internal data to deal with.”

But that overlooks a basic point – you don’t know what you don’t know.

If you are missing important data attributes on your customers, like industry codes, revenue, age, number of employees, corporate hierarchies, financial risk, etc., then all of your analysis will be compromised. Either you won’t be able to include those attributes in your analytics at all, or they’ll be missing so much of the time, that you might as well leave them off.

So your customer segmentation analysis will be flawed, or your risk assessment will be incomplete, or your sales roll-up by corporate family will be wrong. Give some thought to the reporting and analysis you want to do on your prospects and customers.

Think through all of the attributes you’ll need to support those analytics. Experience has showed me over the past twelve years that it will take a mixture of internal and external data
to give you the complete picture on your prospects and customers, and to provide the complete set of customer attributes you’ll need for your reporting and analytic needs.

(5) Data Governance Foundation

Although I’ve left it to last in this list of “Five Things to Focus On for Faster MDM Results”, a strong data governance foundation is actually the most important of the five.

Start on designing and building your data governance foundation right away. You’ll be able to use the people you assemble for data governance in all of the rest of your MDM efforts. They’ll help guide the processes you design and the technologies that you employ, as well as the third party content you use to round out the information picture.

If you take time up front to design data governance into your initiative, your chances of success go up, because you’ll be drawing on the expertise of a larger set of people in your company.

I’ve seen companies that haven’t worried about data governance until quite late – some working on it only a few weeks before going live, and some not building a working governance organization until several years after going live.

What’s common to all of those experiences is that those companies reported that their data management journey was much harder, because they didn’t have a team explicitly charged with governing the data, and the acceptance of their hub languished until they made a separate data governance organization with explicit executive sponsorship and strong business engagement a focus.

Summary

In this white paper, I’ve suggested you focus on five areas to maintain focus and momentum, and to help you achieve a balanced approach to master data management that will yield faster results from your MDM program:

- **People / corporate culture** (organization design and change management)
- **Process** (business process redesign or reengineering)
- **Technology** (MDM hub, data integration and data quality)
- **Information** (third party content)
- **Data governance foundation**
Neglecting any of these areas will hurt your overall program. Successful MDM, where you evolve your initiative further each year, building a more and more mature organization in terms of managing data and governing critical information, isn’t easy. But it’s much harder without a plan and strategy that is business-oriented, balanced, and holistic. Learn from history here – don’t repeat it.
How Information Builders Can Help Your MDM Initiative

Information Builders provides products and services to help organizations transform data into business value. Our software solutions for business intelligence and analytics, integration, and data integrity empower people to make smarter decisions, strengthen customer relationships, and drive growth.

Our Omni-Gen data governance platform is the technology portion of your MDM solution – and it provides built-in best practices to help organizations manage the people and process aspects of their MDM implementations as well. It aligns businesspeople with IT to generate applications that combine data integration, data quality, master data management, and data governance – in a fraction of the time such projects used to require. The benefits are huge – typical project times can be reduced from a year-and-a-half to six months or less.

With Omni-Gen, organizations can:

- Drive best practices that enable businesspeople to own and manage the data, while enabling IT to facilitate with appropriate data-oriented processes
- Produce assets automatically with model-driven development
- Obtain a browser-based, 360-degree view of master data across all functional domains
- Assess and visualize data through dashboards, open presentation interfaces, user-driven/interactive execution, or scheduled/batch execution
- Identify related data entities by leveraging deterministic, linguistic, cross-language, and weighting techniques for the execution of rules and schemes
- Facilitate data governance using an integrated Remediation Portal with customizable workflows for insight and remediation
- Implement real-time data quality rules that support standardization, validation, cleansing, custom business requirements, and integration with external data sources
- Automatically obtain built-in data history, lineage, and auditing

Omni-Gen provides enhanced productivity and operational performance by improving information accuracy and data exchange within and beyond a company.

Information Builders’ data quality assessments help organizations get started with MDM and data quality. Our professionals analyze an organization’s information, discover where problems lie, and determine how extensive those issues are. We help improve information’s value with experts who are available to help implement, guide, and design data integrity initiatives across any organization.
About Hub Designs

Hub Designs is a global leader in the development and delivery of high impact data governance and master data management (MDM) strategies. The company publishes Hub Designs Magazine, one of the first online publications dedicated to information governance. The firm’s Thought Leadership practice produces white papers and webinars, and Hub Designs’ President, Dan Power, is a frequent presenter at conferences and trade shows. For more information, please visit hubdesigns.com, or follow us at facebook.com/hubdesigns and twitter.com/hubdesigns.

About Information Builders

Information Builders helps organizations transform data into business value. Our software solutions for business intelligence and analytics, integration, and data integrity empower people to make smarter decisions, strengthen customer relationships, and drive growth. Our dedication to customer success is unmatched in the industry. That’s why tens of thousands of leading organizations rely on Information Builders to be their trusted partner. Founded in 1975, Information Builders is headquartered in New York, NY, with offices around the world, and remains one of the largest independent, privately held companies in the industry. Visit us at informationbuilders.com, follow us on Twitter at @infobldrs, like us on Facebook, and visit our LinkedIn page.