

A businessman in a dark pinstriped suit and red tie is shown from the chest up. He is holding a glowing blue circular UI element in his right hand. The background is a blurred office or mall setting. Overlaid on the image are various futuristic UI elements, including a bar chart, several circular HUD-like graphics, and a horizontal line with a left-pointing arrow at the bottom.

9 STEPS TO GETTING STARTED WITH MDM



Introduction

Master data management (MDM) continues to gain momentum as more organizations recognize the fundamental need to make sense of an increasingly chaotic and complex enterprise information landscape.

IT and business leaders know they have a master data problem, but struggle to effectively solve it via the right combination of organizational change and technology.

The goal of this eBook is to help you and your organization outline, in short and simple terms, a set of approachable and tangible steps to getting started with MDM.

1 Educate Yourself

MDM is a young but rapidly maturing technology area. Depending on who you ask, the market penetration for MDM is at most 10%, and likely lower. An artifact of this is that few potential stakeholders have direct experience with MDM.

You are not alone.

Begin by educating yourself on the fundamentals of master data management. We recommend you review the following key concepts:

1. **MDM implementation styles:** Registry, centralized, co-existence, and consolidated (as outlined by Gartner, and generally agreed upon).
2. **The common functions an MDM platform should provide:** Modeling, integration (batch and real-time), web services, data quality, business rules, workflow, matching, survivorship, and stewardship; don't forget non-functional capabilities such as scalability and high-availability.
3. **Common MDM domain categories:** People (customers, employees, patients, etc.), Organizations (customers, vendors, partners, etc.), and Things (products, parts, locations, assets, etc.).
4. **The typical master data needs in your industry:** Companies that distribute finished products have different needs than an industrial manufacturer; healthcare and insurance companies share common needs around provider and patient/insured member.

Key Takeaway: The following page provides a good background on MDM, and has stood the test of time very well. <https://www.profisee.com/master-data-management-what-why-how-who>

2 Understand Where You Are

You are already tackling MDM... in some form or fashion.

It is likely that your organization is already managing master data in some way. Some common scenarios we often encounter at our new customers include:

1. **CRM and ERP systems are the system of record** for storing and maintaining the master lists of customers, products, vendors, etc. This is often a benefit used to justify investments in these applications. But MDM isn't their focus. Over time this becomes clear as ongoing MDM needs go unmet.
2. **Master data is managed in Excel, the #1 data management tool.** We've seen very sophisticated Excel-based "MDM solutions," which ultimately fail to meet increasingly complex business needs, but provide valuable input for defining a more permanent solution.
3. **MDM was too expensive, so we built something in-house.** Until recently, MDM software was unaffordable for all but the largest organizations and budgets. Profisee's Master Data Management platform is "breaking the MDM mold," providing small and mid-sized organizations an affordable enterprise MDM solution.

Key Takeaway: Understanding current data management efforts will give insight into existing business problems and provide input for an MDM business case. You may also identify deficiencies in current processes, revealing additional opportunities for improvement. Finally, stakeholders and users of existing solutions are key candidates to collaborate with as you build support for your MDM initiative.



collecting data



data processing



data analysis

put a strategy into action

management's decisions

3 Understand Your Scope

It can sometimes feel like solving “World Peace.”

By department? By application? By region? By domain? Data permeates the enterprise and flows in and out of multiple systems. Structured data and unstructured data all need to be considered when “solving a truly trusted, single view of data.” What is the master data that we need to manage?

We work with customers along a spectrum. One extreme finds organizations that have made a decision at the executive level that MDM is a critical component to supporting the strategy of the company—along with the associated budget, these initiatives carry an edict that everyone fall in line. The other extreme is the lone individual who has a very specific MDM use case to solve with limited budget and support. **Most of our customers are in the middle third of this spectrum.**

Understanding your organizational support for MDM is a key input to outlining MDM’s scope. If support is limited, you’ll likely need to scale up your business case, budget, and governance function to suit. If you have funding as a part of a major initiative, you can focus your business case more on building support, forming a sophisticated governance function, and orchestrating a number of fairly complex business process changes.

Key Takeaway: You need to understand whether you’re building your MDM program from the bottom up, by starting small and gaining support and momentum over time by demonstrating value quickly, or from the top down, with a more transformative “bigger bang” approach.



A background image showing a man and a woman in business attire looking at a laptop screen. The man is pointing at the screen while the woman looks on. The image is partially obscured by a blue overlay containing text.

4 Build a Business Case

MDM is not a project.

Today, it is a major business initiative and cornerstone of any enterprise information strategy (Gartner). While the funding for MDM may be front-loaded, it will require ongoing funding in future budget cycles for operations and enhancements. If MDM loses funding after year one, it will be, by all measures, a failed initiative.

Building a business case tied to business objectives that impact the bottom line is key. Position MDM to justify both the initial and ongoing funding to support a long-term data management strategy.

Building a winning business case for MDM: Ensure you focus on the business benefits of MDM; not simply the end result/solution statement. Examples of solution statements could be “Create a single view of our customers”, “Improve the quality and consistency of product data”, or “Facilitate the consolidation of multiple legacy applications into a new ERP platform.” These endeavors, while noble, do not inherently deliver value to the business. They must be tied to actual revenue generation or cost saving business objectives.

When building your business case, focus on the business drivers for MDM, and why it matters—like the following...

Here are some real-world examples:



We need to understand our relationship to our customers across all lines of business so we can understand, manage, and forecast our **potential customer value**. We do not have a trusted, single view of our customer today.



With the adoption of the Affordable Care Act, there is a new direct-to-consumer market for health insurance. We have historical information about insured individuals, but need to better organize and manage it to provide input to newly formed insurance plans, and as a resource to **drive revenue** by marketing to known individuals we don't insure.



We need to manage the relationships between entities, including ownership structures and roles as customers and/or vendors to **manage conflict of interest regulations**. By understanding our complete relationship with an entity, we can reduce costs by identifying opportunities to negotiate favorable terms with our suppliers. Revenue can be protected by identifying and avoiding possible conflicts of interest where doing business with one entity would preclude business with another entity with a higher revenue opportunity.

Key Takeaway: As you craft your business case, make sure you tie your MDM strategy to the strategy of the business. Favor business terminology over technical terms. Attach dollar values to the business problems MDM can help solve.



5 Identify Stakeholders Campaign for their Support

Operational MDM done well...

...will require people to change the way they do their jobs. Identify the stakeholders who manage your eventual data stewardship community, and involve them early.

Seek out the operational departments that will be affected by the MDM program and factor their perspectives into your business case. While your business case must justify the capital investment, it is just as important that your business case communicate MDM's benefit to other stakeholders who will be investing their time supporting the program.

Involve potential stakeholders early. Educate them on the concept of MDM and how it will benefit them. Many of our customers begin their MDM journey with a single business stakeholder. Having many stakeholders is ideal, but does mean you'll have more work to do to coordinate and communicate between all parties (see the following Governance step).

Key Takeaway: Sales and marketing are a common benefactor of a successful MDM program. Market the benefits of MDM to sales and marketing and investigate opportunities to partner with these groups. MDM commonly provides a better understanding of your customer base and higher quality product data, both of which benefit sales and marketing. Garnering their support will go a long way toward justifying your MDM program.

6 Don't Ignore Data Governance

Governance vs. stewardship... what's the difference?

There often is confusion around the difference between governance and stewardship. Simply stated: governance defines what needs to be done; stewardship does it. If you start "doing" before defining what needs to be done, you'll likely be working on the wrong things. And, even if you are doing the right things, there's still a higher probability your stakeholders will reject your efforts having been denied the opportunity to participate.

Organizations often aren't sure where to start at the first governance council meeting.

Analysis and solution design should not be performed at these meetings. If you find yourself designing a process or defining what a product or customer is at a governance council meeting—stop immediately. Instead, the governance council should focus on setting roles, responsibilities, broad policies and standards (see MDM Program Charter below). With this foundation, the council then identifies topics, manages priorities, and assigns the highest priority topics to virtual teams or working groups for execution.

In the formative phase of your MDM program, the items addressed by virtual teams typically include source system analysis, data model definition, and data process design. As you progress, attention turns toward topics such as data quality rules, KPIs, and metrics.

Key Takeaway: If the scope of your MDM program is on a smaller scale, scale your governance function to suit. You don't need a multi-faceted governance council with multiple virtual teams. A governance council can be as simple as yourself and a single stakeholder. There is no one-size-fits-all model for governance.



7 The MDM Program Charter Your First Governance Deliverable

Where do I start?

Participants of the first governance meeting are often a bit unsure about exactly where to start. Assuming you're the chair of this new governance function, don't show up empty handed. Set a clear expectation that the goal of the first meeting is an MDM program charter, based on a draft you provide. This presents a concrete deliverable and allows you to set the tone of the program.

Similar to governance itself, the charter should be scaled to the relative scope of your MDM program. If it is just you and a single stakeholder, the charter can be shorter and less formal. If the governance council has multiple members spanning business functions, your charter will be more detailed and formal.

Key Takeaway: To help you get started, here is a superset of the various sections we've observed to be included in many governance charters:

- **Background:** An overview of MDM and data governance, including scope and scale of the effort, and any industry or corporate nuances of interest.
- **Data Governance Purpose/Mission/Principles/Vision/Goals:** Some combination of these as appropriate to justify the creation of the program and what it aims to achieve.
- **Governance Structure/Roles/Membership/Responsibilities:** Outline the structure of the governance organization, the roles within that structure, the participating members, and their respective mappings to roles.
- **Meeting Logistics:** Meeting frequency, locations, attendance, and other general logistics.
- **Communications:** How governance outcomes will be communicated to members and interested parties (email, website, wiki, etc.).
- **Process:** Outline the process to capture, prioritize, assign, and resolve topics in the data governance backlog.
- **Glossary:** Define the common terms used in the context of MDM and data governance.



8 Select Your MDM Platform

You may be surprised that as an MDM vendor, we defer this until step 8.

Master data management is a multifaceted problem, and technology is part of the solution. Unfortunately, premature platform purchase and implementation encourages you to shortcut planning and simply start “doing.”

Key Takeaway: It is in nobody’s best interest to fast-track planning and implement technology prematurely. Therefore, we spend significant time working with customers and prospects on the formative steps listed above. When it comes time to implement a technology solution, adoption is the ultimate measure of success. The above steps will increase your odds of delivering a widely adopted and accepted MDM solution.

[Deliver Your Phase 1 MDM Solution]

With your MDM software selected, the implementation of your Phase I solution begins. This eBook, by design, focuses on the 9 steps crucial to successfully planning and getting started with your MDM initiative. **Therefore, we are intentionally omitting best practices and guidance on MDM project implementation and delivery from this guide.**

Please visit profisee.com/services or [schedule a call](#) with one of our experts for guidance on the fundamentals of implementing MDM as a cornerstone of an enterprise information management strategy.

9 Measure Your Success

KPIs are critical.

At this point, you've built a business case, received funding, gotten the right parties involved, delivered the first phase of your project to production, and have an active and growing data stewardship community.

Don't stop there. As our own customers successfully deliver their solutions into production, we often look to understand the *actual* value being delivered to their business stakeholders. More often than not, this analysis hasn't been performed.

Once the first phase solution is in use, measure the business value it's actually delivering relative to your business case. Ideally the results support your original business case and perhaps deliver value in ways not originally anticipated. If for some reason you fell short in some areas, there's value in understanding that as well.

Final Takeaway: Remember, your MDM program will require ongoing funding. While you may feel it is a justified investment, it might not be clear to others. Proactively measuring and communicating your performance against MDM KPIs will help secure ongoing investments for MDM, and serve as the foundation for your enterprise information transformation in a chaotic and complex world of digital data.



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insights you never knew you had.



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