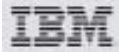


Where to Start in Master Data Management



Software Group



This podcast entitled „Go after something that matters: where to start in master data management“ is presented by Martin Mosley, Chief Technology Officer at Initiate Systems. Here, Martin will discuss important factors to be considered when deciding where to start your MDM initiative.

"I started working in enterprise architecture and customer data integration back in the late 80s. That was before we even called it CDI! It was even before we had data warehouses or were working on business intelligence. I have been doing this for so long, that I should have learned better by now I guess.

One of the most troubling things that we always run into in enterprise architecture, and which we continue to encounter in MDM is "where do we start?".

Within an organization there are a myriad of data quality problems. Ask anybody in a leadership position and they can point you to four or five issues that need fixing.

So the question is, how do you decide where to start to make the most impact or get the highest return on investment? I have learned to start this process by focusing on the pains, risks and inefficiencies in a business that are significant enough to be noticed company-wide, but are also sufficiently self-contained, so that if you fix them, you can see the value in a relatively short period of time. It is critical not to be seen to be boiling the ocean, and I know because I have tried it.

When we first started with enterprise architecture way back, we wanted to architect the entire company, and that's just not necessary. Not boiling the ocean means that you have to define areas of pain or risk quickly, determine the impact or the cost to the organization and assess the efforts required to repair the problem areas. And all this needs to be done fairly fast. Not everything in the business needs to be fixed but everything, if fixed, would have a material ROI to the enterprise.

The value may be isolated in one small part of the business, so you need to evaluate if it is worth doing as there will be no material return affecting the entire enterprise.

Some of the problems are so huge that they would require the redefinition of significant parts of your business operations, or it may mean the consolidation of major systems such as ERP or CRM. It may not be worthwhile to do this. At the opposite end of the spectrum, there are those problem areas which are certainly painful, and it would be nice to address them, but the results would be isolated in one part of the business, so maybe the impact is not what you really want. And then there are those problem areas in the middle, which cause noticeable business pain, but are fairly well bounded. And although they may be pervasive in an enterprise or an ecosystem, they are still sufficiently well understood for solutions to be produced for these problems in an incremental fashion. Generally, business executives can quickly tell you the most important issues for their business, and the areas in which they have the most concerns with regard to data quality or reliability, or where they think there is room for improvement.

One of the companies I was working with recently had some significant doubts about the numbers they were reporting to the market with regard to the number of their customers. They were very concerned about this, and ended up spending a lot of time and energy massaging the numbers and making sure that they had accurate customer counts. So that might have been an area they could have focused on straightaway. Here are some cases that I've seen. A regulatory example that we see all of the time is in the privacy area. Generally, if you sell to, observe the needs of, individuals, i.e. household consumers, then customer privacy is what matters most to your business, and the risk of not managing their privacy can be quite high. The regulatory pressures and guidelines are there, whether it's HIPA, or privacy regulations and guidelines, and they are important, especially if you wind up with a customer, a patient or an individual who feels you have mishandled their privacy information. For instance, saying the wrong thing on the wrong blog at the wrong time in the quarter can really impact your company. Perhaps you

operate in a highly regulated industry, such as any one of several financial markets. Here, knowing your customer or your KYC initiatives might bring the highest ROI for you. Or perhaps tuning your financial instruments and your product data would make the biggest impact. If you are in a manufacturing industry with a small number of customers but a huge number of dynamic products and components, understanding your sales pipeline and your supply chain is critical, and yet you always seem to be behind the eight ball and proactively managing your business. Your company might be a "B to B" company, and understanding complex business hierarchies and your contacts in those organizations are critical. Those might be global corporate hierarchies that cross country boundaries which constantly seem to change, and where you need insight into the individuals who buy or use your products. One of our customers had significant risk and was over paying commissions to sales reps who were selling to the same corporation, and yet they didn't know this because they didn't understand the hierarchy. You might be at a company that spends significant resources on marketing campaigns, and improving your data on prospective and leading customers would save significant amounts of time and money for your company. Or you might be able to understand campaign effectiveness data better if you have higher quality customer data. Each of these examples exposes opportunities in different lines of business. It is critical to put systems and processes in place in a short period of time in areas where you can see results. It is easy to find huge problems that take hundreds of people to fix, but these are not what we are talking about; we are talking about areas that are fairly well contained and make a big difference when you put improvements in place.

In our experience of doing this over many years and for hundreds of customers, we've learned that if you focus on the areas that give the greatest return for your investment and iterate through measures delivering value every 6 -9 months, then you will dramatically improve your results."

Thank you for listening



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