

Effectively Managing Master Data to Help Improve Information Quality



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Would you like to improve the quality of information at your company? If you answered, "yes," you're not alone! Many companies today are caught in a quagmire of poor information quality. Common information quality issues include:

- Inadequate data integration strategy with no enterprise perspective for data management
- A complex data landscape that consists of multiple data integration points and multiple platforms
- Inadequate access to timely, accurate, relevant information about business performance
- A lack of clearly established processes for governing data, or monitoring and maintaining its data quality

Poor information quality can lead to ineffective decision making and poor business performance management. In a 2005 survey conducted by Deloitte Consulting, in conjunction with CFO Research Services, over 80 percent of respondents indicated their financial and operational information quality was insufficient for use in forward-looking management planning and strategy formulation. Nearly 80 percent also reported problems with the accuracy, timeliness, and availability of information for management decision making.

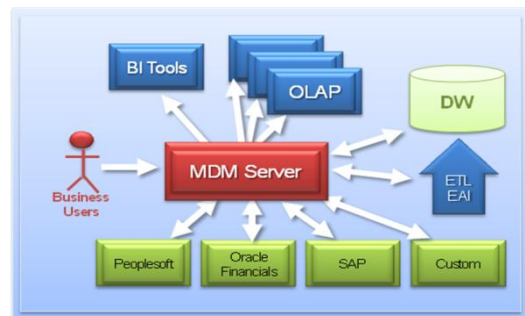
Master Data Management

The root of poor information quality can be traced to Master Data Management. Master Data Management, over a period of time, has become decentralized with lack of central control. Common reasons typically are multi-silo systems due to best of breed approach, mergers and acquisitions creating multiple IT ecologies, regional governance with interface based information exchange etc.

While business continue to exist and grow, what are the key benefits MDM can provide?

1. Reduce overheads associated with multiple sets of data from the same Master.
2. Reduce integration complexity arising out of disparate master data

3. Increases data exploitation when business at all levels looks at data in the same way
4. Essential to reduction of disparate business processes and to provide effective business process re-engineering



Let's take an example:

Sales Data: The data relating to a sale touches on multiple attributes i.e., product category, time span, region and unit of measure. At an accounting level, it touches type of revenue, discount accounting, if any etc. Each of these is a separate dimension in its own way.

Add to this, with transactions happening in a multi system environment, spread over geographies, complexity increases by geographical proportion to get even out the data for single version of truth.

One of the ways companies can improve information quality and business performance management is by implementing a program to standardize, improve, and manage their enterprise master data. But what is Master Data? Master data is defined as a set of core data elements—dimensions, hierarchies, and their associated, attributes, properties, and business rules—such as customer, product, legal entity, chart of accounts, employee, vendor, market channel, geographic location, etc., that span enterprise IT systems and drive the business.

Is Master Data limited to these most visible data? To see business benefits, Master Data must include those elements which help the Users disseminate enterprise data with least effort or better analysis.



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Implement MDM

MDM, by nature, is holistic. A successful MDM implementation eventually leads to a common business process. An organization will need to keep in mind the following

→ Establish clear ROI and identify business benefits:

Return on investment are in the form of reducing complexities in information exchange to easier exploitation of data.

→ Clear buy-in from business and management

MDM is eventually a business process. It is imperative that there is a complete buy-in from business and from management. Remember, MDM touches business continuously.

→ Establish data definition and data governance body
MDM is all about ironing disparities. Establish definitions about data clearly. Definitions which can followed. Establish Data Governance Body which will continuously provides the direction.

→ Clear data integration techniques and methodologies

What are the ways MDM data will flow ?. Clearly establish the techniques and methodologies. Data Integration techniques and methodologies should reduce the flow through time between applications and not increase the complexity

→ Clear road map with one step at a time

Should a company take a big bang approach or one step at a time? A failed MDM Implementation leaves a longer impact on data management. Organizations stand gain by taking a pilot and rolling out the solution. Pilot can be for a region or a set of applications. But it must cover all facets of information exchange and associated business process.

Common Pitfalls:

What are the typical pitfalls to avoid in an implementation?

- Establish ownership of data and its definition.
From a multiple ownership, data is moving to a single ownership. Identify the owner clearly for every master data and arrive at simple but clear definition.
- Phased approach.
Identify masters by their criticality and prioritize for data management. Companies can take advantage when applications are being replaced, migrated etc.
- Show business benefits.
Business should see tangible benefits of MDM implementation rather than seeing a holistic stand or a IT perspective. Master Data is owned and used by business and they should see the benefit of its management.
- Complexity.
MDM at the end should not become another silo in the IT ecology and must end up as a way of life.

Thirdware's MDM services

MDM Implementation

One-time data cleansing – as a service

On-going maintenance of Master data

Thirdware has been helping companies relieved of maintenance of master data through their Meta Data Factory dedicated to Meta Data and Master Data.



ON TIME. WITHIN BUDGET.

Thirdware Hyperion practice

Fast Facts

- » Hyperion Partner since 2001
- » Successful Hyperion projects: 100+
- » 50+ certified Hyperion professionals
- » Best Implementation partner of the year in APAC since last 3 consecutive years

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