

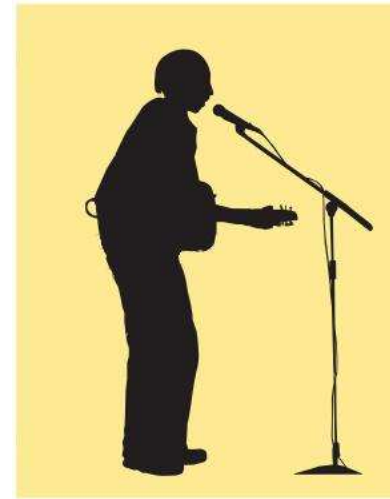
## Data Stewardship

The concept of Master Data Management (MDM) & how to implement it

Presented by: [Ben Fisher, BOC](#)



# Playing or Performing?



# Status Quo

- Many organisations are still ‘playing’ when it comes to MDM
  - While the concept of MDM is not new, the practicalities in implementing it are, making it a new concept to organisations
  - Toolset supporting such, is only just reaching maturity
  - It has been difficult to prove the financial benefits of MDM
- The cost of ‘status-quo’
  - Return Mail



# Benefits of MDM

- The benefits of MDM are far reaching, though those that are of most value change depending on each organisation

- An improved customer experience → resulting in lower churn
- A reduction in rework & waste → improving dso & margin
- Compliance with legislation insurances → preventing fines & lowering
- True Customer Insights effectiveness & sales → increasing marketing
- Simplifying Migration upgrades/acquisitions → reduced costs associated with
- Improved Stock Modelling → reduced inventory
- Data Lifecycle Management for longer → infrastructure remains effective
- Capability to change quickly → speed to market



# Agenda

The Concepts & Framework of MDM

Implementing MDM within an Organisation



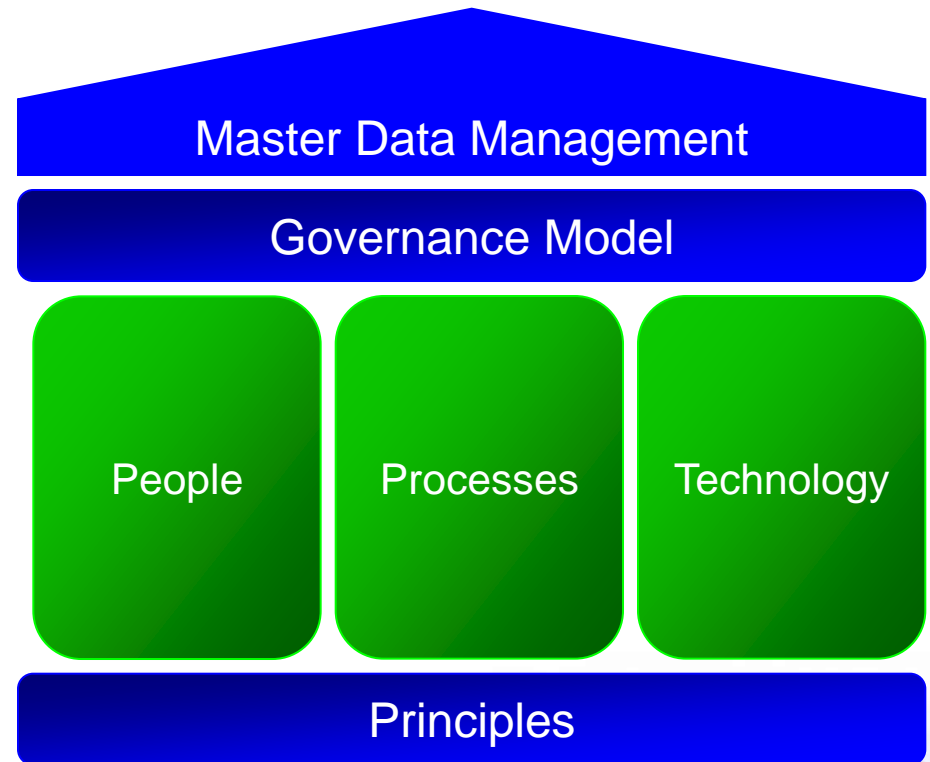
# Key Concepts of MDM

- **Master Data Management**
  - The management of Master Data within, and across, systems in organisations
- **Governance Model**
  - An element of MDM, it is the model used within an organisation to achieve the goals of MDM
- **Master Data**
  - Slowly changing data, which is normally used by more than one process and of importance to more than one department (e.g. customer master data)
- **Transactional Data**
  - A 'time dependent' piece of data generated using multiple pieces of Master Data & a business process (e.g. a sales order)



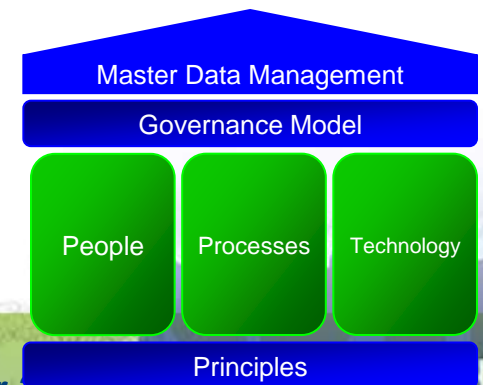
# The MDM Framework

- Principles
  - Serve as a reference point to guide decisions in all aspects of MDM
- People
  - Roles & responsibilities with clear objectives & accountability
  - Executive level Business & IT commitment
- Process
  - Standards & procedural guidelines for how the Governance Model operates
- Technology
  - Toolset & infrastructure
- Governance Model
  - Defines how People, Process & Technology will integrate



# Principles

- Serve as a reference point to guide decisions in all aspects of MDM, for example:
  - Master Data will be managed as a valued strategic asset, not an afterthought
  - Clear ownership & accountability for master data will be defined
  - Personnel with responsibility for MDM functions will be given measurable objectives aligned to the organisations goals for delivering MDM
  - Standards for all master data objects will be established & documented
  - Data Standards should be common across business units and comply with industry standards whenever appropriate
  - Agreed methods for changing standards or processes shall be used
  - Data Quality will be measured & reported regularly against the agreed standards





# People

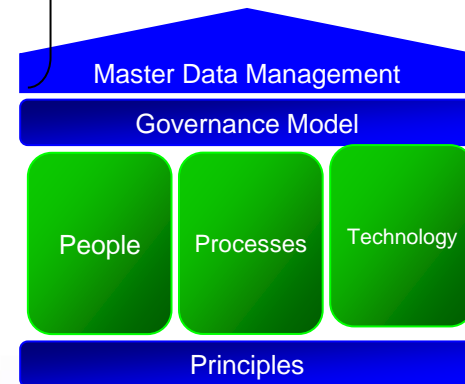
- Roles & responsibilities with clear objectives & accountability, for example:

- Data Executive (s)
  - Executive level, sponsorship and commitment to MDM
- Data Stewards
  - Department Head, responsible for ensuring their department delivers on MDM
- Data Owners
  - Department Head minus 1, accountability for MDM objectives

- MDM Function

- Owns & operates the technology toolset enabling MDM
- Full-time
- Measures & reports data quality against agreed standards
- Establishes & Chairs regular MDM working teams
- Establishes Data Standards in conjunction with Data Stewards/Owners
- Establishes & documents processes

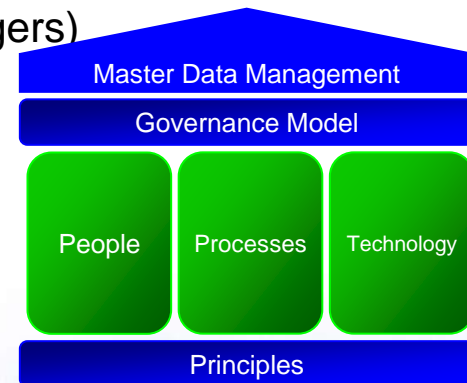
- Involvement at all levels
- Business ownership
- Part-time MDM



# Processes

- Standards & procedural guidelines for how the Governance Model operates, for example:

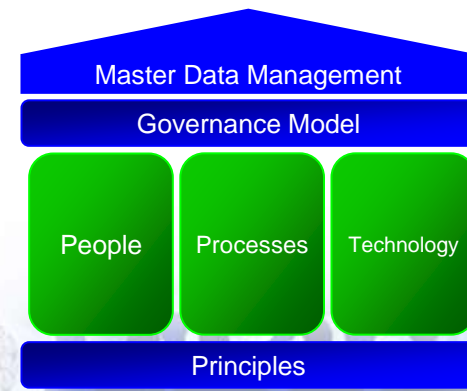
- Processes for interaction between MDM Function and Data Stewards/Owners
- Processes for interaction between MDM Function and IS/IT
- Processes for defining & changing Data Standards
- Lifecycle management of data
- Processes for measuring & publishing results
- Processes for integrating new data systems (acquisitions/mergers)
- Processes for standardising data across systems
- Processes for ensuring Data Standards are understood within business units
- Processes for escalating unresolved issues
- Processes for claiming financial benefits



# Technology

- Toolset & infrastructure, for example:
  - Tools for extracting data from multiple databases/sources
  - Tools for manipulating & transforming extracted data
  - Tools for analysing data quality
  - Tools for reporting data quality results
  - Tools for cleansing data to agreed business rules
  - Tools for uploading cleansed data back into source systems

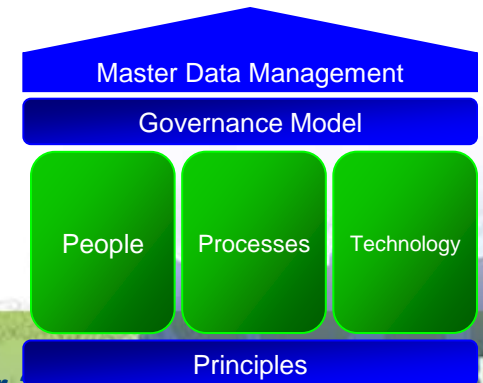
*The increasing maturity & integration of this toolset in recent years has resulted in MDM moving from concept.... to reality*



# Governance Model

- Defines how People, Process & Technology will integrate, for example:

- Regional Boundary or Global
- Data Split by Business Function (e.g. Order to Cash) or Subject Area (e.g. Customer Data)
- MDM located within Business or Finance or IT
- Size of MDM Organisation
- Mix of Part-time & Full-time
- etc



# Agenda

The Concepts & Framework of MDM

Implementing MDM within an Organisation



# Implementing MDM

1. Executive Sponsorship
2. Preliminary Investigation
3. Building the Business Case
4. Executive Team Sponsorship
5. MDM Development Stage
6. MDM Implementation



# Executive Sponsorship

- Executive Sponsorship
  - MDM crosses all boundaries of an organisation
  - In the first instance, as a minimum, a director is required
- Build support for MDM by linking it to the key strategic intents of your business:
  - Margin growth
  - Customer retention
  - Process excellence & Lean Six Sigma
  - Upcoming IT System migration
- Managing Director / CEO Sponsorship
  - Build support & endorsement with your MD/CEO with the aid of your Executive Sponsor
- Gain endorsement to conduct a preliminary investigation



# Preliminary Investigation

- Preliminary Investigation

- Gather knowledge on the systems used within your organisation
- Identify some key sets of Master Data to analyse
- Identify 'Business Rules' on the priority fields within these master data sets
- Commence discussions with Vendors that supply relevant toolsets
- Trial a Preliminary Data Quality Assessment (PDQA)
  - Ideally with two different likely vendors
  - On your own real data, which gives real insights (data extraction, data quality, performance)
  - 10 to 20 days each
  - Work in partnership at this stage (insight as to the complexity, skill level req'd)
  - Identify what various tools do
- Determine the technology toolset you require (now, & in future)

• Information gathered in this step will be applied in the Business Case





# Building the Business Case

(1 of 3)

- **Barriers to Overcome**

- Many organisations have learned to 'put-up' with poor quality data
- Many organisations don't treat their data like a strategic asset
- In many cases, it can be difficult to quantify the cost to the organisation of poor quality data
- The cost of the tools is high (>\$300k)
- The MDM Team, even in the early stages, must have at least 3 full-time people
  - (although the end-state full-time team is not much larger than this)
- The business will take a few iterations to learn how to define Data Quality Rules
- For success, a committed Executive Team is required

- **The Aims of the Business Case**

- Justify the costs
- Build commitment from the Executive Team toward MDM
- Create a vision for what MDM within your organisation will look like



# Building the Business Case

(2 of 3)

- A financial business case is required
  - Ideally, taking the position that treating your data as a strategic asset, should be enough
  - In reality, you will also need to build a story for the costs of inaccurate data
    - Using real data from your PDQA
    - Using Lean Six Sigma techniques to identify cause & effect
  - You need to justify the cost
    - Toolset, head count and extra responsibilities for business personnel
- Examples of the costs of inaccurate data
  - Return Mail (postage, DSO, Write-off)
  - Distribution Charges (incorrect delivery charges,)
  - Pricing Combinations (missing combinations)
  - Hazardous Goods (incorrect labelling)



# Building the Business Case

(3 of 3)

- The Contents

- The Burning Platform
- The Cost/Benefit
- The MDM Framework
- Recommended Toolset
- Likely Governance Models (operational models)
- Level of Commitment Required
- Project Time-Line (to reach a sustainable model)
  - MDM Development Stage
  - Final Model Recommendation
  - Implementation



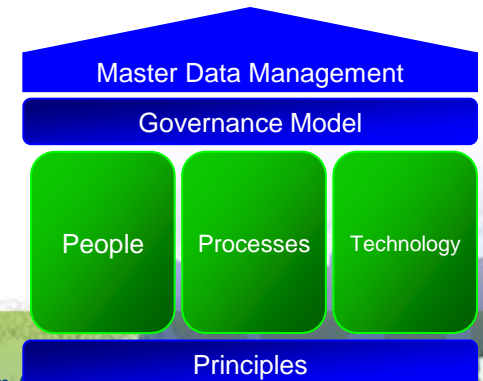
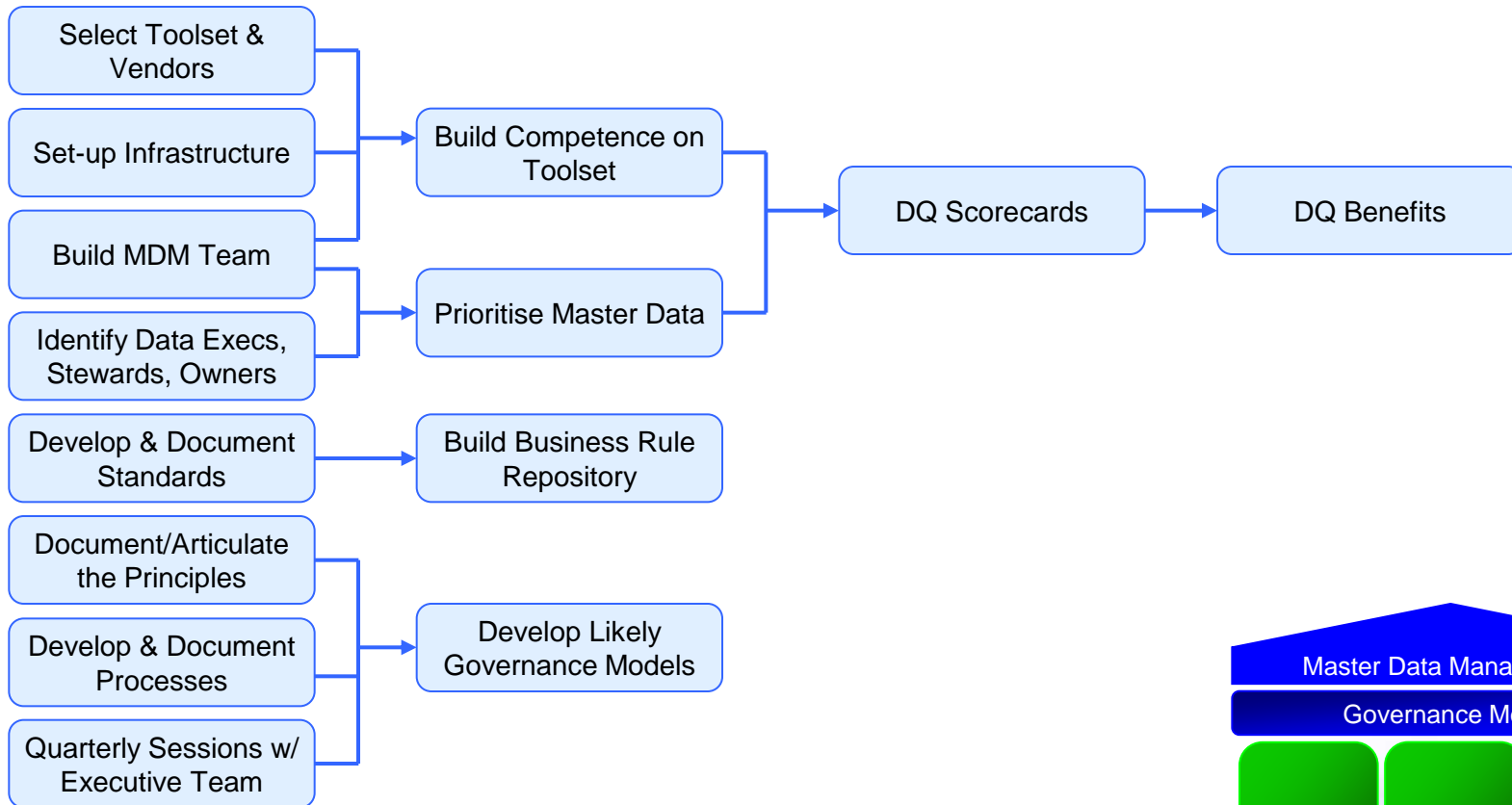
# Executive Team Sponsorship

- MDM crosses all boundaries
  - Requires full sponsorship of the Executive Team
- Clearly articulate what their commitment means
  - Hours per month for Data Executives, Data Stewards, Data Owners
  - Incorporation of analysis/reports into normal departmental communication
  - Requirement to incorporate MDM KPI's within Performance Contracts
  - Prioritise attendance at MDM Working Teams
- If commitment is not forthcoming....stop



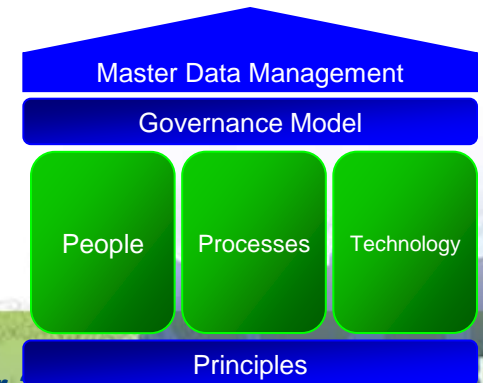
# MDM Development Stage

(~12 months)



# MDM Implementation (~6 months)

- The pieces are already in place...
- Executive Endorsement of the recommended MDM Framework
  - The Principles
  - Recommended Governance Model
    - Organisational reporting lines
    - Size & Mix of MDM Team
    - Data Executive(s), Data Stewards, Data Owners
    - Time commitment of business
    - Data Responsibility
  - High Level Processes
  - Implementation Timeline



# Questions



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# Thank you!

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