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Setting Your Data in Motion

Why Fluidity is the Goal to Master Data



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INTRODUCTION

When the Greek philosopher Heraclitus of Ephesus stated that “everything flows” it was inconceivable for him to realize the digital-age significance of his observation, especially as it relates to master data. It is becoming increasingly obvious that for data to have any real value, it must be in motion. It must flow. “All entities move” Heraclitus added, “and nothing remains still.” These ancient musings have startling relevance to the modern challenges and benefits of Master Data for global enterprises. The entities he referred to were more philosophical in nature, yet it is no coincidence that the entities of our commercial world – customers, vendors, prospects, partners and the relationship between them – are in a constant state of movement and change.

The ubiquitous notion of getting the right data to the right place at the right time succeeds or fails almost entirely on how well that data can flow. Data itself must flow across systems, within processes, and in between trading partners. The faster that flow, the quicker one can react, predict and anticipate in business. Does it stop dead in a printed report that is rejected by a customer? Are there differing definitions misaligning sales and marketing constituencies? Do business partners challenge an analysis because that isn’t “how they see it”?

Master data and its management (commonly referred to as MDM) is a constant challenge across multiple industries and ecosystems. The bigger the enterprise the more inputs and variables must be managed. Master data enables the movement of information, insight, analytics and knowledge seamlessly across your enterprise. It can literally carry other data from system to system allowing it to be transferred in a consistent manner. Without it, all of those independent activities become and remain siloed; separated by incongruent definitions and incompatible structures.

If Master Data isn’t thought of as a strategic initiative in your organization, many practitioners recommend looking for specific tactical use cases. Important? Yes. Holistic? No! The primary business case, we would submit, is usually the very business you are in. In this paper, we will help you find and make those connections between your company’s strategic vision and the operational realities you face on a daily basis.

ENTERPRISE SYSTEMS EXIST TO MANAGE ENTERPRISE DATA

While workflows and processes may be designed for optimal efficiency, the success of those implementations is predicated on the structure and quality of the data that is within them. Simply put – dirty data clogs process pipes. No matter how good the software is, resources are wasted if the data in those systems is inconsistent and doesn’t connect. Although tourists may marvel at the majesty of the Golden Gate Bridge, rarely are they thinking, “Gosh look at those nuts and bolts!” Similarly, C-Level executives may focus on big

enterprise systems without recognizing the data is the nuts and bolts; it’s what’s holding everything together. What is needed to keep that infrastructure from crumbling is clean, unified, well-governed, expertly-structured master data content. When trying to span the chasm between sales and marketing, or finance and operations, or enterprises across a value chain – there is only one thing that can truly bridge them all in an integrated way: master data.

As you look at any Master Data program, your data content is what makes your enterprise software effective. Master data is what mobilizes your data to flow from system to system, old to new, marketing to sales, ops to finance, headquarters to field-level, local to global.

When data is structured around a shared understanding of each business entity you engage with, it can more freely circulate throughout the enterprise. The entire organization becomes equipped with the information needed to assess risk and seize opportunity - and to make the best data-inspired business decisions.

Consider master data as the trusted view of entities and relationships that can flow across platforms, and systems within your organization that cannot otherwise be seen in individual silos.

STRATEGIC VISION BLURRED BY OPERATIONAL REALITY

Many global enterprises will publish strategic objectives for their shareholders and their partners. Look at most Investor Day presentations or shareholder letters and you will find visionary goals, from the lofty to the pragmatic, that drive and align company behavior. Why we exist, where we are going, and how we will get there are the planks of any enterprise strategy. While the language and positioning may differ, the essence of most strategies include:

- Building and growing customer relationships
- Becoming a preferred partner of choice
- Providing greater value
- Improving efficiency
- Maintaining compliance

One layer down in departmental and divisional initiatives you will no doubt find:

- Improving and implementing enterprise platforms (CRM / ERP / Marketing Automation, etc.)
- Providing better more actionable insight to the sales force (Both direct and channel partners)
- Understanding of your customer base more deeply and strategically
- Leveraging core suppliers and vendors better
- Delivering an exceptional customer experience
- Meeting compliance requirements

How will these objectives be achieved? At the core of any of these initiatives is need for a reliable and trusted view of your customers and vendors and partners.

Now dig deep into the master data that populates your systems and you'll find an abundance of challenges. Many of these issues are key inhibitors to your company achieving those goals: Duplicate records, inconsistent spellings and naming conventions, low fill rates of basic firmographics, incomplete hierarchy structures and spotty category definitions. A common solution is to employ teams of admins to fix data by simply making it all look the same. Consistency can often masquerade inaccuracy. Clerical help has limited domain expertise. Episodic activity around researching customer M&A status, subsidiaries and parent/child relationships adds less value than it seems. Expecting salespeople to suddenly become data stewards leads to the classic field-level conundrum: those who do spend the most time getting their account data right, have the least time to actually sell. If any of this is happening within your organization, you are not alone. The pervasive, yet unspoken, reality is that most enterprises are growing bad data everyday.

IT'S ABOUT ROWS & COLUMNS

A typical global enterprise will have multiple routes to market and varying use cases for their data. Departments create silos because they tend to act independently, thinking about the data they individually need to capture on customers, prospects, partners and vendors to support their departments' needs. Departments tend to be very good at vertical processes – ones that work for their area or maintain their point of view. Some companies, however, are starting to change, and are taking an enterprise view which means they look at data needs across the organization, versus department by department. In other words, horizontally or “rows” versus vertically in “columns”. They are shifting to strategic centralization with a coordinated emphasis on local execution. That global aggregate versus the granular local requires tight synchronization and alignment, and better and more consistent data that integrates at the horizontal level. Insights, attributes, scores, KPIs, and other metrics need to align at both local and global levels; for both sales and marketing; concurrently with financial and operations. The goal should be a consistent and concurrent flow of standardized data both vertically and horizontally. This is hard. As with any data issue, people are very good at columns, but not good at rows.

When enterprises expand to new markets and add operational levels within those geographies, the need grows for enterprise-to-enterprise relationship management. With a trusted view of your customers and suppliers in a more holistic manner, decisions around sales coverage, pricing

strategies, and cross-sell become better aligned with your enterprise's strategic direction.

The trusted view is also critically important across the lowest entity levels (local office, outlet, SKU, item) or local groupings (division, franchise, banner and brand) and the need for a global ultimate parent is increasingly important. Sales reporting across divisions or countries may be requested ad-hoc and spontaneously. Consider the typical fire-drill request of a C-level exec who has a meeting with an important client or partner and their first question is “what is our revenue/spend with the other party?” The less-than-elegant process to fulfill this ask may take dozens of emails, manual calculations, cutting and pasting of spreadsheets and a rabbit's foot methodology that hopes to conclude you aren't missing anything. The all-market, total-customer report will emerge as a necessary operational aggregate for the on-going management of these global relationships. Again, how can you aspire to become a premier partner in your largest relationships if the data that inspires you is dirty, disjointed, incomplete, mistrusted, or stagnant?

SUMMARY

Master data, we would submit, is the most important data you have. It is about the customers you sell to, it is the vendors you buy from, the parties you partner with. It is about the products you make and services you provide. It is the basis of your business and commercial relationships. A primary focus area should be your ability to define your foundational master data elements, (entities, hierarchies and segments) and then the data that is needed (both to be mastered and to be accessible) to meet your business objective.

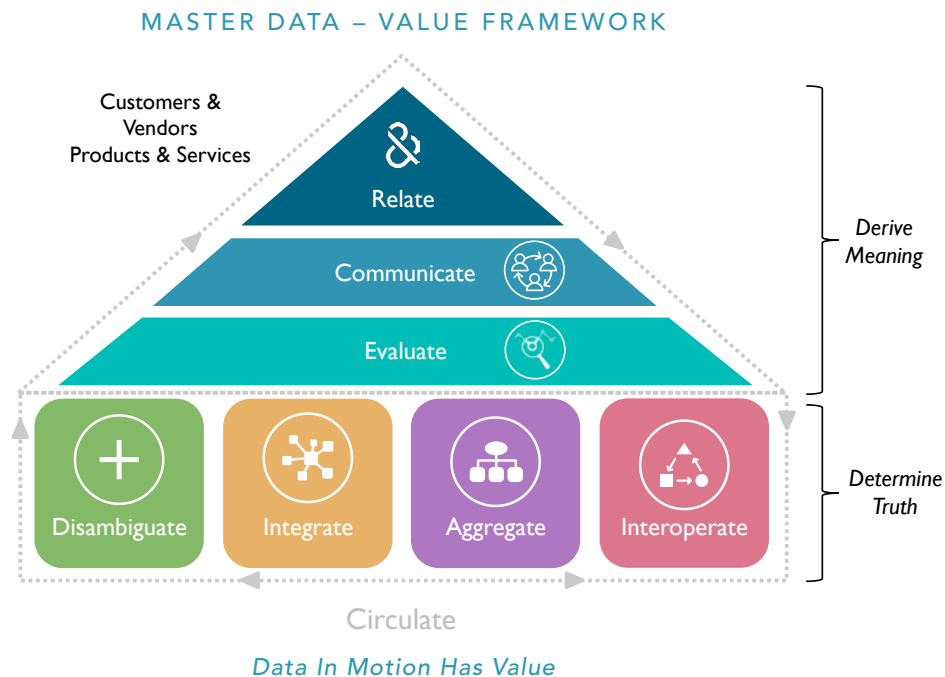
Data, to have value, must be in motion, it must be current, agile and available, integrated as close to the point of decision as possible. You must identify the pinch points and blockages that keep data from moving. Misidentified entities, differing taxonomies, and inconsistent nomenclature all keep data separate. Once you become a master of your data, however, it will flow. Let it flow.

“Let it flow, let it flow.”

Elvin Bishop, Rock and Roll Hall of Famer

8 FOUNDATIONAL STAGES TO KEEP YOUR DATA FLUID

Master data must flow between processes throughout your enterprise. As you think about your master data objectives identify how your use cases can be bucketed into one of these foundational stages.



	STAGE	USE CASE	COMMON QUESTIONS
DETERMINE TRUTH	Disambiguate	Determine Uniqueness	<ul style="list-style-type: none"> - Is this entity unique? - Can I validate its identity?
	Integrate	Data Enrichment	<ul style="list-style-type: none"> - What else do I know about it? - Do I have everything I need to know from all available sources?
	Aggregate	Standardized Reporting	<ul style="list-style-type: none"> - Can I roll it up? - Can I report across multiple dimensions (geography, hierarchy, category?) - Alone and in combination?
	Interoperate	Seamless Connections	<ul style="list-style-type: none"> - Will it connect to other systems? - Can I use it in automated processes?
DERIVE MEANING	Evaluate	Create Understanding	<ul style="list-style-type: none"> - What does it mean? - Can I analyze it?
	Communicate	Common Language	<ul style="list-style-type: none"> - Are we on the same page? - Do I trust what I am hearing?
	Relate	Grow relationships	<ul style="list-style-type: none"> - How does it enhance my relationships with customers, vendors and partners?
	Circulate	Data in motion	<ul style="list-style-type: none"> - Internally between processes, workflows, systems? - Externally across the value chain?

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