Opinion piece

Is MDM the route to the Holy Grail?

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Master data management (MDM) promises to provide organisations with the ability to integrate, analyse and exploit the value of their key data assets, regardless of where that information was collected: the Holy Grail of a single view of customers, suppliers and products is within grasping distance. But haven't we heard that before?

In the 1990s, customer relationship management (CRM) promised, among other things, to provide us with a single view of customers, but the ideal fragmented into a number of different disciplines, largely dictated by technology vendors. Instead of a single customer view, most organisations now have multiple, often inconsistent views of their customers and prospects delivered through an assortment of sales force automation, analytical CRM and campaign management systems, each propagating their own database.

Rather than being held up as a business approach, CRM has become synonymous with a collection of high-profile software packages and that's where it has failed. Instead of focusing on the business processes and delivering the right information to the right people at the right time, CRM initiatives often limited themselves to the installation and deployment of a software package. Little thought was given to the integration or quality of the data that were needed to support the business process.

We have to be watchful now that we don't repeat the CRM mistakes with MDM and its domain-focused offspring, customer data integration and product information management. If we regard them as IT initiatives rather than business strategies, we assuredly will. It's time that business owners took to the driving seat, rather than being treated as junior partners.

WHY DO WE NEED MDM?

From the outside, customers view a company as a single entity; the internal structure of divisions and departments is purely for the company's convenience, not the customers'. I'm sure we've all had the frustration of being told that the person we're talking to can't help us because 'it's not their department' and then getting passed on to someone else to whom we have to explain the whole story again. Or perhaps you've received the sort of marketing mail that I did this week, when my *current* broadband provider sent me, not one, but *two* invitations to sign up as a new customer. The mailings were generated from two pay-as-you-go mobile phone accounts that I hold for my kids and the offer they promoted was better than my current broadband deal, but is unavailable to me.

MDM enables a company to start thinking and, more importantly, behaving as

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a joined-up organisation. Any MDM initiative should be justified on the business value it delivers, not undertaken purely because it's a strategic IT objective. If you can't build a good business case for doing MDM, *don't do it!*

But consider the real, tangible benefits of having a joined-up view of your business. Think how much better you could target your marketing campaigns and how much you could save in printing and mailing costs if you had a complete and accurate view of your customers and the products they hold. Think also about the cost of doing nothing; how much time and effort (and therefore money) is wasted in your organisation today because data are fragmented, incomplete or inaccurate?

RECENT EXPERIENCE

The key role of MDM can be seen in the way that Brent Council make use of their Client Index. This is a centrally held index of Brent's citizens, which provides a holistic view of individuals by matching data from the back office systems that support the Council's various lines of business.

Tony Ellis, Head of IT for Brent Council, is clear about the importance of this system. He explains that 'Data quality is a critical issue for us not only in terms of compliance with Data Protection requirements but also because good quality data enables better customer service provision'.

Nine of the Council's back office and departmental systems feed into the Client Index, including Housing Benefits, Housing, Revenues and Benefits, Social Care for Children and Adults, Electoral Registration, CRM, Complaints, Schools and the Library system.

Brent have recently taken on Datanomic's *dn:Director* to play an important role in cleansing data for the Brent Client Index. *dn:Director* will be used to automatically cleanse data on a daily basis as change of circumstances information flows

into the Index. Over time, Datanomic will be extended to integrate with up to 20 of the Council's back office systems, which will be feeding the Client Index.

Tony Ellis added: 'One of the biggest costs of managing a Client Index or identity hub is Data Stewards having to manually tidy up data. Using the new software we are able to automatically and efficiently improve the quality of our information and that in turn realises additional value from the investment we've already made in our Client Index by giving us a greater number of automatic data matches and far fewer for the Data Stewards to manually resolve.'

'This not only reduces the cost of running the system, but also provides a consistent means of tracking data quality, improving our overall service, and fulfilling our legal requirements. Datanomic will help us achieve our aim of becoming a "Centre of Excellence" for Data Management. By delivering a more efficient service provision through better data quality, we will be able to reap both cashable and non-cashable savings'.

Clearly, the benefits are still to be realised — but the strategic trajectory is clear, and this project is a model for other MDM projects.

ONE TRUE VIEW TO RULE THEM ALL

Now here's the thing: MDM is all about delivering a single view of key business entities. But before venturing down that route, you'd better be sure that a single view is what your business needs. If your data were perfect, a single view would completely and accurately reflect the real world: but are perfect data achievable and would anything short of that mean that a single view would be good enough to support every business process?

Compare the needs that the marketing department has to those of other operational departments, such as compliance. The marketers want a single

view of customers that maximises the effectiveness of their campaigns; they don't need matches to be certain, just likely. But elsewhere in the business they need matches with a much higher level of certainty — any over-matching (false positives) could place confidential information at risk of being disclosed to the wrong customer.

And is it possible that some business functions would benefit from having more than one view of the data? That's not as potty as it might at first sound. Many marketing activities in the B2C arena benefit from an understanding and ability to target households, not just the individual customers. For B2B businesses, the faculty to recognise hierarchical company and contact relationships is a must.

MDM therefore needs to support more than a single view. An MDM solution should be capable of maintaining multiple consistent views of the organisations' key data to support the varying needs of the enterprise. It should also be able to adapt as those needs change and dynamically reflect developments such as organisational restructuring.

MASTERING MASTER DATA THROUGH DATA GOVERNANCE

There are several different flavours of MDM. For some organisations, the option of consolidating legacy systems to create a single enterprise system exists. But more commonly, MDM requires the coexistence of existing systems and the ability to extend integration to new systems in the future. In these circumstances a hub repository (physical, virtual or a combination) is order of the day.

The most important factor affecting the success of an MDM initiative, though, is not the technical architecture — it's the implementation of appropriate data governance and data stewardship processes. The MDM architecture and IT systems provide the plumbing but it's the business

processes that ensure the right information is available to the right people when it's needed.

AN MDM CHECKLIST

- 1 Remember that MDM is about the implementation of a business strategy — it's not an academic IT exercise.
- 2 Build a business case based on a tangible return on investment that gets support from the executive.
- 3 Think and plan for big MDM, but start small and deliver incremental benefits quickly.
- 4 Implement a data governance and data stewardship regime that is led by people with business experience.
- 5 Don't assume anything about your data — perform a data audit to gain a complete understanding and plan remedial action.
- 6 Identify and compare the business needs of different parts of the enterprise.
- 7 Be alert to data quality issues such as erroneous, missing, default or dummy data. Create business rules to validate and improve the data.
- 8 Deploy real-time data quality and duplicate checks on all data feeds — both batch and real time (via SOA).
- 9 Make use of external reference data and taxonomies to enrich your data and accelerate delivery.
- 10 Monitor key data quality performance indicators on an ongoing basis and publish results internally.

Disclaimer: The above is a useful opinion piece from Steve Tuck, Chief Strategy Officer at Datanomic. As active practitioners in the field of MDM, we believe that what they have to say is of interest. However, the Journal trusts that readers understand that any product endorsement is the view of Datanomic and should not be taken to reflect the views of the Journal in any way.

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