

A woman in a dark blazer and white shirt is standing in a server room, looking at a laptop. The background shows server racks and a blue-tinted environment.

Starting Your Master Data Management Program

A Step-by-Step Guide

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Starting Your Master Data Management Program: A Step-by-Step Guide

Today's organizations are often faced with multiple systems and applications spanning different departments or business units. You're part of a global proliferation of data, contributing to an estimated 97 zettabytes generated annually.

The problem is that when spread across disparate applications and systems, your data can become fragmented, duplicated, or outdated. Data silos can put critical information out of reach from people who need it, and contribute to a less-than optimal environment for decision-making.

This is where Master Data Management (MDM) has become an increasingly critical solution for organizations battling to manage their data well. This guide is a starting point for individuals or organizations who are beginning their journey toward better data management, or looking for ways to improve their data management program.

You will learn:

- What is Master Data Management (MDM)
- The benefits of MDM
- Key steps for creating your MDM program
- Best practices for data governance and data quality
- How to overcome common challenges with MDM implementation
- How Semarchy can help





1. Introduction to Master Data Management

Master Data Management (MDM) is a relatively young information management discipline that can help organizations to better manage data quality and the overall effectiveness of how data is used.

If you're struggling with data silos or poor quality data, MDM can be a sustainable solution for your organization.

What is Master Data Management (MDM)?

Master Data Management (MDM) is a set of processes and technologies that seek to ensure that your data is accurate, timely, complete, and consistent across the organization. Data quality can be improved across the organization by creating a master set of identifiers (or reference data) that describe core entities in the business in a uniform way. This makes it easier to merge data from different sources because it creates a common language. For example, some typical core entities might include:

- Customers.
- Vendors
- Employees
- Locations
- Products
- Parts
- Suppliers
- Contracts
- Policies

A common challenge among organizations is that these data identifiers are scattered across different departments and systems. Additionally, each business unit may be using different definitions or concepts for the same data point based on what they prioritize.

Your customers may have information recorded differently by each department they interact with, yet they're still one person or entity. Consider how that might impact your ability to deliver great customer service, especially if the customer notices inconsistencies or that they're having to repeat information to different departments.

There are often variations in how MDM is defined. Some other common components of MDM include:

- A goal of continuous data improvement
- A business-centered approach where real problems in the business are targeted for improvement
- A robust data quality strategy
- Technology solutions for data management
- A "hub" infrastructure that distributes master data and provides a single source of truth
- A data governance framework

A robust MDM strategy implements some or all of these elements.

Benefits of Master Data Management

There are several benefits to starting a Master Data Management program for your organization. First of all, it's about addressing issues within the business that can occur due to poor quality data. In fact, bad data is extremely costly to businesses, with an estimated impact in the US alone of \$3 trillion off GDP.

How do you end up with poor quality data? It's often an amalgamation of issues, such as disparate systems across the business; hidden data; and lack of sufficient controls to prevent obsolete, extraneous, or duplicate data. A goal of MDM is to bring all of that data into one centralized system, while running quality control on the data along the way. The overarching benefit is that you know that decisions can be made based on the most reliable data available, helping to claw back some of that lost revenue.

Another business benefit comes from the technology side of MDM. How do you process large volumes of data accurately and efficiently? It's almost impossible to do so manually, yet many organizations running legacy systems still have some highly manual processes in place. MDM software streamlines business processes and saves considerable time, while improving the accuracy of data outputs.

Improved data quality and accuracy can lead to another important benefit for businesses - the ability to operate with more agility. Real-time data can offer insights in a much more timely fashion than many legacy systems, meaning that organizations get the chance to be more proactive. This can offer them a competitive advantage, especially if it leads to early adoption of new trends, better compliance, or being the first to offer a new necessity to customers.



2. Key Steps in Creating an MDM Program

One important thing to remember for any new Master Data Management program is that it must be designed to work for the real issues within your business. You'll find plenty of advice out there about the best way to roll out MDM, but it's important to plan with your organization's unique needs in mind.

With that said, there are some fairly universal steps that any business should follow.

Define business goals and objectives

Successful MDM is based on solving business challenges. This means MDM should be driven by the business and should start with a defined set of goals and objectives. The most impactful goals should be SMART: specific, measurable, attainable, relevant, and time-bound. It should be clear how you will measure success.

If there are many goals, you may need to create a list of priorities. This will also help you to determine which data solutions you need to prioritize. What needs to be done, and in what sequence?



Assess current data management capabilities

It's important to know where you're starting from so that you can assess overall organizational readiness for MDM. Here are some key questions you should answer:

- Which systems, processes, and applications are we currently using to manage data?
- Who has responsibility for that data?
- What are our business challenges with managing data?
- What are our data management capabilities?
- Do we have the right expertise in the organization?
- Do we have the organizational bandwidth to implement an MDM program?
- Do we have executive support for implementing MDM?
- Do we have the right culture within the organization to adopt enterprise MDM?

Build a business case for MDM

Building a business case for MDM is a key part of getting buy-in across the organization. Executives, department heads, and the various other stakeholders need to see the value of MDM and a clear throughline to achieving business goals.

How do you get buy-in? The best way is to highlight real challenges that impact the day-to-day lives of people in the business and show how MDM will help to solve those issues. Implementation of MDM is a large and ongoing project, and a typical cause of failure is lack of support within the business. When you show the links between MDM and business success, it helps you to get necessary sponsorship from key stakeholders. It also helps to ensure that needed funding gets approved on an ongoing basis.

Create an MDM roadmap

An MDM roadmap is your plan for implementing Master Data Management initiatives. It typically ties together the information you've identified through defining goals, assessing readiness, and building a business case.

Essentially, it's a project plan with the goal of taking your organization from its current state to the desired goal state through MDM implementation. Roadmaps may vary depending upon your needs, but some typical components include:

- An explanation of your overall approach to MDM
- The high-level scope of your program
- An expected timeline
- Identification of key stakeholders
- Risks
- Support activities involved in the project
- Costs

Establish a data governance framework

A data governance framework is pivotal to the success of MDM. Your governance framework sets out the rules, responsibilities, and processes for keeping your organization's data practices in compliance.

Your organization has its own set of unique business drivers which are critical for overall business success. Data governance should address those business drivers, from regulatory compliance to control of sensitive data. For example, HIPAA is critical to US healthcare organizations, while compliance with the GDPR is essential to organizations operating in the EU.

[Download our guide to building a successful data governance program here](#)





3. Best Practices for Data Governance, Data Quality, and Data Integration

Data governance, data quality, and data integration are key linchpins for Master Data Management. Here are some general best practices that organizations should know about.

Develop data governance policies and procedures

Data governance involves a number of tasks to ensure that your organization gets high-quality data and complies with rules and regulations. As mentioned in the previous section, compliance also involves key business drivers that are critical for the success of your organization.

Your data governance policies and procedures should exist to serve the following goals:

- To gather consistent, high-quality data
- To manage large volumes of data in a methodical, consistent way
- To promote the correct use of data, including who can access it, from where, and when
- To have consistent standards about how data is interpreted and applied
- To comply with any regulatory requirements that apply to your organization
- To help solve real business problems
- To run quality checks on data and ensure that you continue to meet high standards

Establish data quality metrics and controls

Data quality metrics and controls are a key tenet of good data governance. Data quality is established through standardized practices, including having the right metrics and controls in place.

A best practice is to ensure that your metrics are meaningful and that the data gathered is clearly useful for your business needs. Organizations gather such large volumes of data that it's easy to get caught in the weeds of trying to manage it all. More to the point, you should be managing the right data - that which helps to inform and solve problems in your business.

Data quality assurance audits are another best practice and a key part of a robust data governance program.

Ensure data integrity through data integration

MDM involves integrating data from multiple sources, and for that to be successful, data integrity must be a priority. There are some typical issues that can impact data integrity, including human errors, migration errors, and security errors. These can all result in bad data being accumulated.

Some best practices to ensure data integrity include:

- Implement a data cleaning process.
- Use data profiling to understand source data in-depth.
- Establish data quality rules to determine which data is trustworthy.



4. Overcoming Common Challenges in MDM Implementation

Implementing a Master Data Management Program is a big task, so it's not uncommon for there to be some associated challenges.

Addressing organizational resistance to change

Resistance to change is often a major challenge. In fact, Gartner states that internal resistance to change is one of the most common hurdles encountered during any kind of digital transformation. It's little wonder that only 7% of companies have fully implemented their digital transformation programs.

The big question is, how should you address resistance to change in your organization? One beneficial thing you can do is take a step back and examine the roots of any resistance to change. Once you understand why the resistance is, or may be there, you can take steps to counter it.

For example, one common reason is that people naturally are resistant to change. "If it ain't broke, don't fix it" is a common refrain and can lead to reluctance among team members. The obvious response to that is to be clear about where, how, and why the current system is broken, and how the MDM program will help them meet business goals and better do their jobs.

According to Gartner, there's also a lot of "change fatigue" among employees, with just 38% saying they're willing to support organizational change. A common theme is that team members want to be seen as individual people, not just employees. Gartner suggests that involving employees in planning and decision making, supporting them through change, and keeping open communication throughout the process can help to combat any resistance.





Aligning business and IT goals

Master Data Management involves technology solutions which fall under the domain of IT. One common challenge that organizations face is when they focus too heavily on treating their MDM program as a technical problem and fail to directly address associated business-critical challenges.

The most successful MDM programs ensure that business and IT priorities work together to drive progress for key organizational goals. For example, a basic challenge could be that you need a system that is user-friendly for your team members, therefore increasing the likelihood that they'll actually use it for data management purposes. IT's goal may just be a system that works, and there can be a huge leap between a system that works and one that is user-friendly.

One facet of MDM is that it democratizes how data is managed and shared among those who need it. Whereas IT has often been a "middleman," an MDM program ideally removes the need for a go-between. It's important that IT sees the value in this for themselves, as well as the value to the business.

Overcoming data quality issues

Bad data is the consequence of data quality issues. During MDM implementation, a major challenge is that you're pulling together data from multiple sources and that data is often in different formats and treated differently between sources. Sometimes it may even be obsolete, or human error may have crept in.

There's no one cure-all solution to data quality issues. You'll need to implement quality controls based on your business needs. One important thing to do is to have a data governance program in place alongside MDM implementation. This process should help you to identify, measure, and rectify data quality issues at the source system.

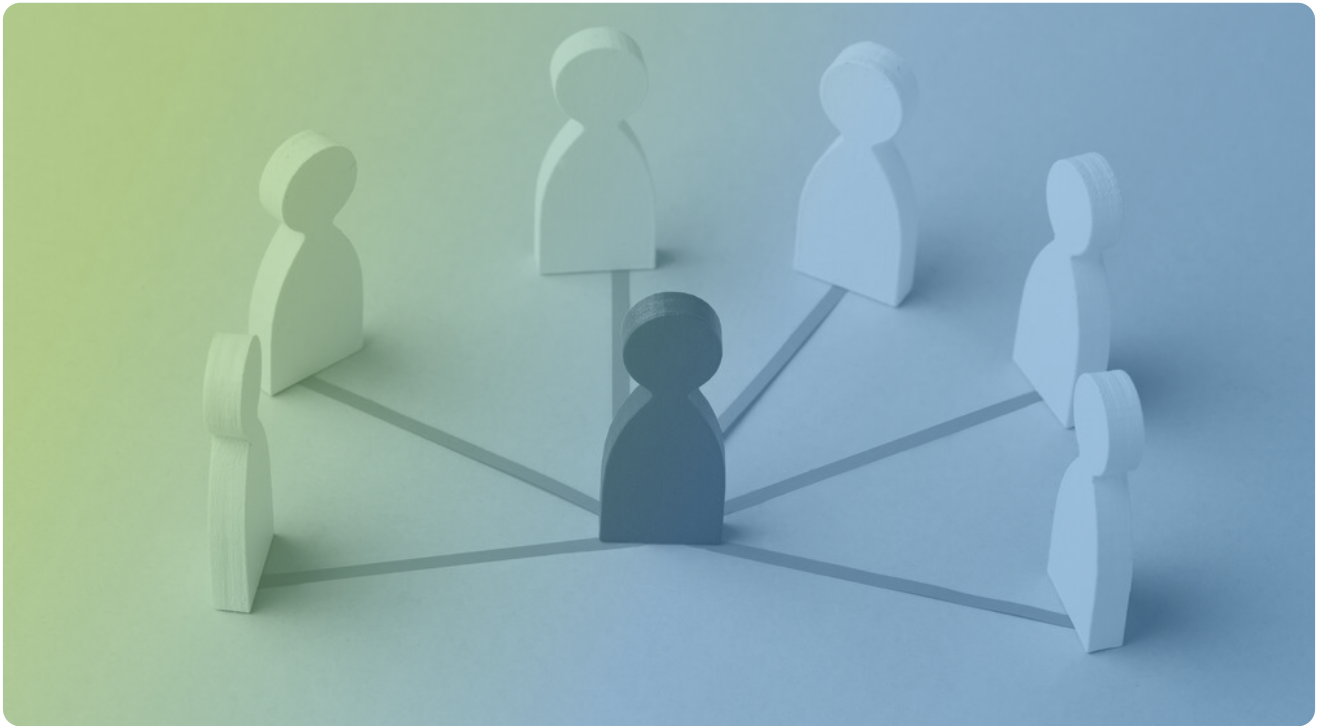
5. Real-Life Examples and Case Studies

Here are some examples of organizations that have successfully implemented a Master Data Management program:

Chantelle Group - Chantelle Lingerie wanted to implement a digital transformation, bringing data together from multiple brands, channels, and information systems. They operate in both B2B and B2C environments, and needed a solution to meet the needs of both. Semarchy xDI provided them with a flexible solution and better business insights.

Elsevier - Elsevier, a global information management company, partners with some of the world's top science organizations to support actionable insights. They needed a reliable, 360-degree view of their customers and products, and to meet the needs of a changing marketplace. They took an agile approach to MDM deployment with Semarchy xDM, which has given them a competitive edge.





6. How Semarchy Helps Organizations Realize Rapid ROI Through MDM

Semarchy's xDM Master Data Management software is capable of being deployed within days, allowing organizations to realize ROI from MDM within weeks. The powerful automations and zero code development create an intuitive environment that is flexible for the user.

Our data leaders help you to define your scope, assess your readiness, and identify your goals for MDM. xDM's agile data modeling delivers a full working app in fast sprints, allowing you to quickly start to solve your business needs.

**Ready to try Semarchy for your business?
The first step is to contact us here.**