Infosys

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DRIVEN BY VALUES

Win in the flat world

Best Practices for a
Successful MDM Implementation

White Paper

Abstract

With the ever-increasing demand for cost optimization, faster product launches, more efficient compliance with regulations and differentiated business competitiveness, one of the biggest pain areas for enterprises is achieving consistent quality data. Leading to sub-optimal decision making, data misalignment within various systems is putting the brakes on organizations looking to accelerate growth.

This paper outlines the experiential best practices that can help organizations improve the odds and realize business value quickly and predictably while planning and implementing an MDM solution to solve their data issues.

For more information, contact askus@infosys.com

The Data Problem

Quality data is a strategic asset for any organization. It provides a strong and secure foundation to drive business execution and differentiated services. Clean and consistent data leads to better decision making and provides agility in a competitive marketplace. Quality data also leads to improved stakeholder relationships - be it customers, suppliers or channel partners.

Customer is 'owned' by everyone and no one!
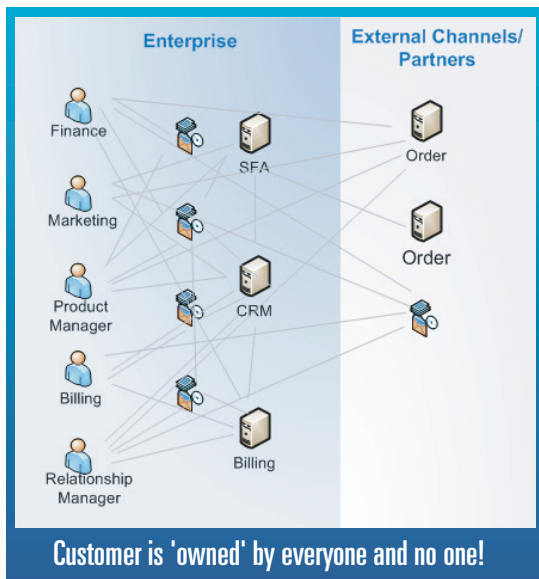
In a traditional organization, critical data about customers, products and partners is fragmented across myriad systems - each independently trying to own and manage the data. As business-critical data passes through the complex enterprise, it may get locked up, duplicated, or worse, misrepresented and misinterpreted, obscuring the facts and compromising performance. The increasing clamor for faster time-to-market for product introductions, incremental revenue growth from the current customer base, cost optimization, and regulatory compliance have all heightened awareness of the risks of using poor quality data.

These important business initiatives offer a compelling business case for improving data quality by delivering access to a single reference that represents the 'golden record' or 'Best Version of Truth' - which can be achieved with an efficient Master Data Management (MDM) system. MDM offers a central repository to manage business-critical data on an ongoing basis. It ensures synchronization with business intelligence and operational systems by integrating data in real time and empowering data stewards with the capabilities to properly govern data across the enterprise. , this MDM enables the organization to gain critical enterprise-wide insight about customers, products, partners and so on, and facilitates more confident decision making, accurate reporting and nimble action.

How Can MDM Help?

MDM is a deliberate initiative comprising of a set of methodologies, strategies, disciplines and technologies that enable organizations to acquire, cleanse, enrich, consolidate, federate, and govern data across many disparate systems.
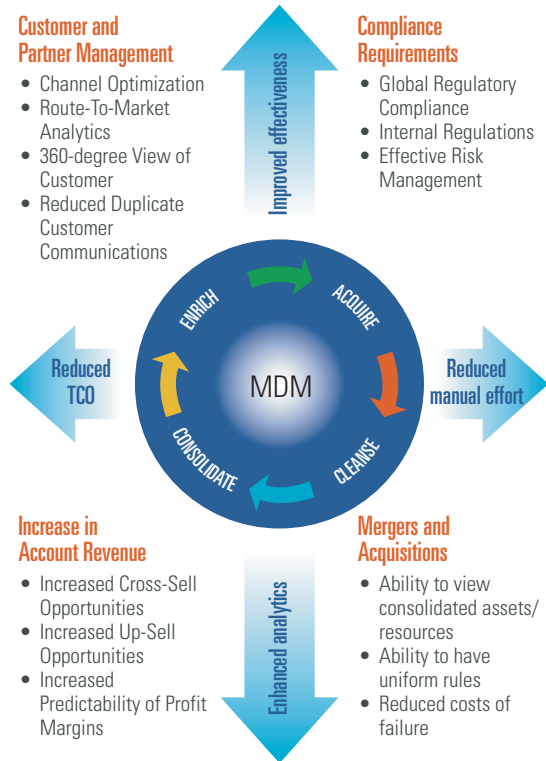
From an analytics perspective, organizations can employ quality data for reporting and compliance purposes, and to optimize and enhance partner and channel engagement.

From an operations standpoint, organizations can build a centralized hub representing the best version of the truth, providing an accurate, consistent and secure copy of

Sounds familiar?

- I don't know if or when my loyalty programs and campaigns have been effective
- I'm not sure if I am meeting my regulatory compliance requirements
- I look across my systems and find duplicate customers and dead products
- My reports are never consistent for the same question
- My sales channels have outdated product information
- My new product introductions take forever

My business competitiveness is jeopardized!

Customer and Partner Management

- Channel Optimization
- Route-To-Market Analytics
- 360-degree View of Customer
- Reduced Duplicate Customer Communications

Compliance Requirements

- Global Regulatory Compliance
- Internal Regulations
- Effective Risk Management

Increase in Account Revenue

- Increased Cross-Sell Opportunities
- Increased Up-Sell Opportunities
- Increased Predictability of Profit Margins

Mergers and Acquisitions

- Ability to view consolidated assets/resources
- Ability to have uniform rules
- Reduced costs of failure

Improved effectiveness

Reduced TCO

Reduced manual effort

Enhanced analytics

MDM — ENRICH · ACQUIRE · CLEANSE · CONSOLIDATE

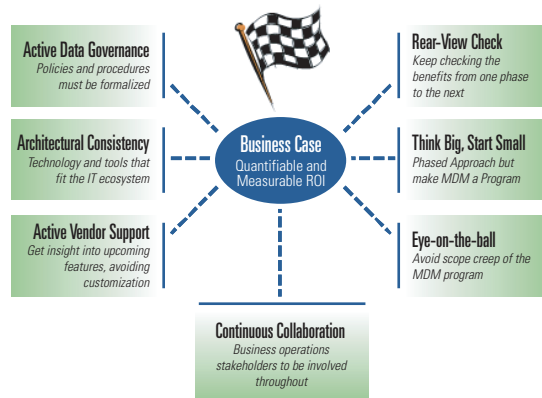master data to all systems and business users across lines of business (LOBs).

Some of the key benefits that organizations can gain by using MDM include:

- Identifying new opportunities to interact with customers and channel partners
- Realizing improved effeciency across business processes
- Enhancing business intelligence, reporting and analytic capabilities
- Optimizing the manual effort required to manage and use data across the enterprise

Putting the Best Foot Forward

With organizations across industry verticals making significant investments in MDM solutions, it is necessary to recognize and act upon the best practices that help organizations manage their MDM engagements effectively.

These best practices are:

Active Data Governance
Policies and procedures must be formalized

Architectural Consistency
Technology and tools that fit the IT ecosystem

Active Vendor Support
Get insight into upcoming features, avoiding customization

Business Case
Quantifiable and Measurable ROI

Rear-View Check
Keep checking the benefits from one phase to the next

Think Big, Start Small
Phased Approach but make MDM a Program

Eye-on-the-ball
Avoid scope creep of the MDM program

Continuous Collaboration
Business operations stakeholders to be involved throughout

Give Wings to Your Vision

Not only must an organization's master data vision align with its business vision, but it must also acknowledge master data as a critical asset. The most crucial questions to answer at kick-off are the 'Whys' of an MDM initiative - functionally, technically and financially. Identification of critical success factors along with clear achievable objectives goes a long way in establishing early success.

The business case needs to outline the 'Whys', 'Hows' and 'Whos' of the MDM exercise clearly. A quantifiable and measurable return on investment (ROI) is the cornerstone of a successful initiative. Business pain points and data

Stage	Program Definition	Program Socialization	Overall Strategy	Requirement Assessment	Product Evaluation

Activities	• Defining Engagement Parameters
	• Identifying Critical Success Factors
	• Identifying Program Candidates and Sponsors
	• Organizational MDM Objective
		• Calculating Program ROI over 3-5 years – This is the most critical for MDM Governance programs
		• Sponsor Approvals of Business Case
			• MDM and Data Governance Structure Formulation
			• Drivers/ Levers Identification and Timelines
			• Establishing Baseline Processes and Metrics
				• To-be Conceptual Architecture
				• MDM Style – Transactional, Registry or Operational
				• Roadmap Strategy
				  ✓ Guiding Principles
				  ✓ High-level Release Planning
				  ✓ Transition Architecture
					• Requirement Documentation and RFP Creation
					• Vendor Scenario Formulation and CRP Demo
					• Vendor Negotiation and Selection

issues must be identified and prioritized in the business case. It is also important to gain the buy-in and approval of all key stakeholders to endorse the business case.

The strategy must be solidified and plans drawn keeping in mind the 'To-be' conceptual architecture and the MDM style that best fits the organization's need. Data Governance policy discussions must be set in motion within the organization to get an enterprise-wide consensus. While doing all this, it is essential to keep sufficient lead time for product evaluations and vendor negotiations.

Think Big. Start Small. Keep Your Eye on the Ball

Master Data Assets (such as Customer, Product/ Item, Partner, Organization, Supplier, etc.) do not exist in isolation within an organization. Hence, the potential to use

quality data for all master data assets is tempting for many organizations. However, it is imperative to focus only on one sub-set of master data asset at a time. Thus, an MDM initiative works best if it adopts a multi-phase approach tackling 1-2 entities per phase with the design and model being scalable for the next phases. If you ignore the scalability and future design considerations while building MDM solutions for different entities, it can lead to isolated master data silos - recreating the problem that the MDM envisioned to solve. When it comes to MDM, it's important to think ahead and think big, but take baby steps to achieve quick wins and gain the buy in for next steps.

Check Your Rear-View Mirror

The business case must articulate broadly the parameters and metrics needed to measure progress in quantifiable terms. After each phase of the MDM program, the organization needs to measure the ROI. Since MDM stakeholders belong to multiple departments within the organization having diverse objectives, it is essential to have a pre-defined and objective MDM success criterion to establish confidence in the initiative. For example, after implementing the customer domain MDM, ROI needs to be checked in terms of increase in cross-sell, up-sell and the benefits that have accrued due to the quality of reporting available. If the MDM initiative involved the phasing out of legacy systems, the cost of change management must also be captured while calculating the ROI.

Don't Forget, It's a Collaborative Exercise

MDM is a data governance, quality-oriented and business-driven initiative for master data assets, which usually involves the adoption of new technology. Hence, MDM initiatives usually span various units across the organization. The success of the initiative depends on the level of collaboration among the units coming together to provide input and designing the end-solution. This also provides the stakeholders a sense of continuous involvement with the MDM program. It is also a good idea to have a change management anchor identified for the MDM program who can socialize the developments and happenings of the program to the stakeholders and champion the cause of data awareness within the organization.

Look at Architectural Consistency and Product Fit

Organizations need to do thorough due diligence of the target architecture and the MDM-enabling technology or

package. The architecture style needs to be discussed and firmed up while working on the business case.

The various styles of architecture are Registry, Transaction Hub and Co-Existence. Each style has its own set of pros and cons along with cost impact (both in terms of investment and performance). Most organizations tend to opt for Co-existence as it gives them the edge to meet all their business objectives at an optimal cost. The MDM technology solution supports both analytical and operational processes in real-time/ batch in both the Co-existence and Transaction architecture style. Hence, it is important that the technology blends with the organization's overall IT architecture and ecosystem.


Small wins at definite phases help increase MDM adoption

One of the key architectural points to note is the Service Oriented Architecture (SOA) support by the MDM package. While evaluating MDM products and technologies, it is essential to pick one that closely supports the universe of use cases from all master data assets to avoid custom development in implementation.

Embrace Data Governance

MDM is not a one-time technology implementation or a one-time data cleansing exercise. Its primary purpose is to enable a 'Be-Clean-and-Stay-Clean' data asset across the organization. The business owners within various departments and units must own the data along with the business processes. The data governance process needs to identify, measure, capture, and rectify data quality issues in the source system itself. To keep the wheels of the MDM initiative well-oiled and turning, a formal model to manage data as a strategic resource - comprising of well-defined business rules, data stewardship, and data control and compliance mechanisms - needs to be in place.

The technology provides the tools to manage master data assets. However, the data governance model must be built to support analytical and operational processes. The governance aspects of data need to be treated as part
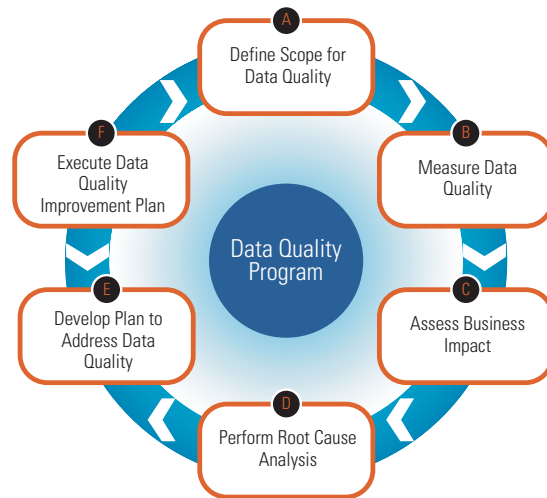
and parcel of the daily job responsibilities of the users, rather than a one-off initiative. For any MDM initiative to succeed, it is imperative that effective data governance is supported by senior management.

Ensure Active MDM Vendor Support

MDM is a rapidly growing area in terms of technology. There are numerous product vendors who offer best-in class MDM products with broad features such as Match, Merge, Trust, Survivorship, Front-End Data Governance Graphical User Interface (GUI) and Integration with third-party information agencies such as Experian. Once your organization selects an MDM product that fits your IT

Continuous Improvement is the key to an effective MDM implementation

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architecture and ecosystem, it is important to involve the product vendor throughout the MDM program in an oversight role and have regular requirements discussion sessions. Each business has its own nuances and a way to optimally meet its requirements. A regular session with the product vendor can lead to mutually beneficial action points or product enhancements, minimizing custom development. Organizations benefit immensely from partnering with vendors who have demonstrated prior MDM expertise.

C CONCLUSION

Organizations need to take a holistic data management perspective. The right data management model helps the business immensely across a range of activities - from reporting, cross-selling and up-selling to decision making and compliance. The chances of an MDM initiative being successful increase significantly if organizations:
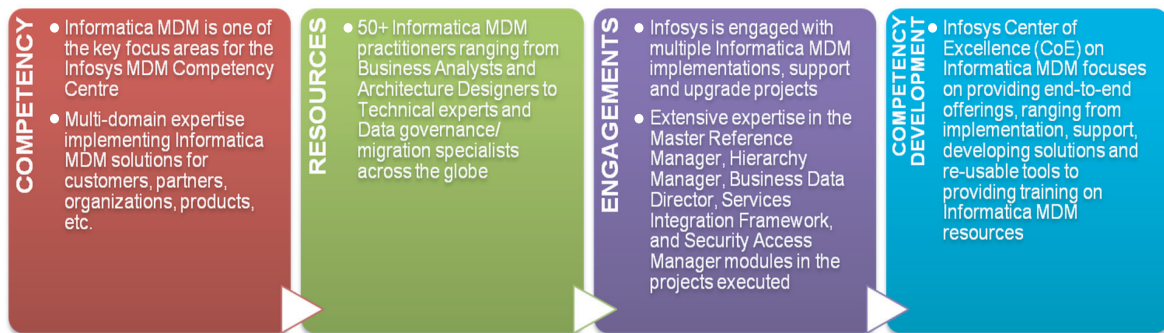
- Consider MDM as a program within their foundational structure rather than a one-time project

- Focus on ROI right from business case formulation through to post implementation

- Ensure the continuous involvement of senior management

- Provide an organizational structure to address governance issues at regular intervals

The Infosys Informatica MDM Advantage

Are you looking for:

- Effective partner relationship management?
- Increasing account revenue?
- Reducing operational cost?
- Managing consolidated resources post mergers and acquisitions?
- Reducing duplicate customer communications?
- Complying with regulations?

The Informatica MDM Competency Centre at Infosys has been incubated with a vision to deliver technology-enabled business solutions around the Informatica MDM suite of products. The scope includes business process streamlining, master data governance, MDM package service, data quality, and business process outsourcing amongst others.

COMPETENCY
- Informatica MDM is one of the key focus areas for the Infosys MDM Competency Centre
- Multi-domain expertise implementing Informatica MDM solutions for customers, partners, organizations, products, etc.

RESOURCES
- 50+ Informatica MDM practitioners ranging from Business Analysts and Architecture Designers to Technical experts and Data governance/ migration specialists across the globe

ENGAGEMENTS
- Infosys is engaged with multiple Informatica MDM implementations, support and upgrade projects
- Extensive expertise in the Master Reference Manager, Hierarchy Manager, Business Data Director, Services Integration Framework, and Security Access Manager modules in the projects executed

COMPETENCY DEVELOPMENT
- Infosys Center of Excellence (CoE) on Informatica MDM focuses on providing end-to-end offerings, ranging from implementation, support, developing solutions and re-usable tools to providing training on Informatica MDM resources

Our end-to-end service offerings for successful delivery of MDM initiatives
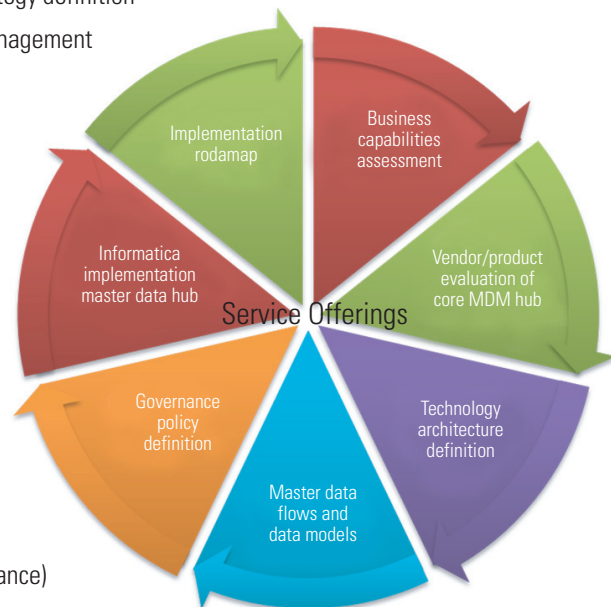
MDM VISION AND STRATEGY

- Support strategic business initiatives
- Business case, roadmap and data governance strategy definition
- Program effectiveness assessment and change management

BUSINESS PROCESS DEFINITION AND ALIGNMENT

- As-is and To-be business processes mapping and definition
- Customer value analysis and customer lifecycle process maps
- Business process harmonization and process automation
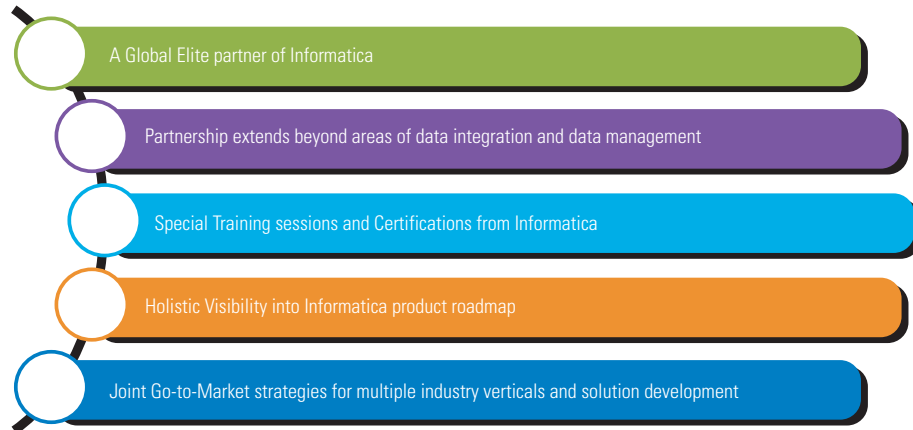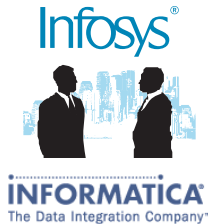
TECHNOLOGY SOLUTION AND IMPLEMENTATION

- Product configuration and custom development
- User experience design and development
- Integration with back-end and legacy systems
- Solution testing (system, performance, user acceptance)
- Continual support and business process outsourcing

Service Offerings

- Implementation rodamap
- Business capabilities assessment
- Vendor/product evaluation of core MDM hub
- Technology architecture definition
- Master data flows and data models
- Governance policy definition
- Informatica implementation master data hub

The Infosys-Informatica Alliance

Infosys and Informatica have been in a productive alliance since 2003.

- A Global Elite partner of Informatica
- Partnership extends beyond areas of data integration and data management
- Special Training sessions and Certifications from Informatica
- Holistic Visibility into Informatica product roadmap
- Joint Go-to-Market strategies for multiple industry verticals and solution development

Success Stories

About the Client	Business Situation	Solution	Benefits
$40+ billion USD company that designs, manufactures and sells personal computers, portable digital music players, mobile communication devices and related software.	• Lack of global customer visibility and capabilities to create flexible hierarchies • Multiple sources of truth • Poor data quality & reliability	• Informatica MDM Solution - Single source of truth for B2B customers • Easily customizable hierarchies • Unified solution to aggregate, cleanse, match, merge & federate data	• Improved effectiveness of sales, marketing and services operations globally • Reduced manual effort needed to model and maintain sales channels • Ability to build next gen analytics
A Global legal publishing arm of an Anglo-Dutch world-leading publisher and information provider.	• 3.2 million+ subscriber base was managed through legacy back office applications and standalone applications of the recent business acquisitions. • Front office applications did not have a unified view of customers	• ETL strategy for customer to interface with Informatica MDM Solution • MDM support & enhancements for evolving needs of customer • Merge rules configured to reduce duplicates by over 30%	• Enabled 360 Degree view of customer • Best Version of Truth of customer data for Back Office and front Office applications • Deliver better sales campaign support
USD $2+ billion company that is a leader in the virtualization software industry. It designs, develops and sells virtualization software and solutions worldwide.	• Lack of partner visibility • Absence of authoritative source for partners • No objective metrics to evaluate partner performance and measure Route-To-Market effectiveness	• Partner data hub for single source of truth • Program Management and driving Terms and Benefits • Define a globally consistent process through a Governance model	• 360 degree view of its partners both internally and externally enabling it to derive efficiencies in channel operations, • Provide abilities for business to create flexible master data hierarchies

Infosys Technologies Ltd. (NASDAQ: INFY) defines, designs and delivers IT-enabled business solutions that help Global 2000 companies win in a flat world. These solutions focus on providing strategic differentiation and operational superiority to clients. Infosys creates these solutions for its clients by leveraging its domain and business expertise along with a complete range of services.

With Infosys, clients are assured of a transparent business partner, world-class processes, speed of execution and the power to stretch their IT budget by leveraging the Global Delivery Model that Infosys pioneered.

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