

Good Data Informs Good Decisions — Master Data Management Essentials

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**If Poor Data
Drives Poor Decisions ...**



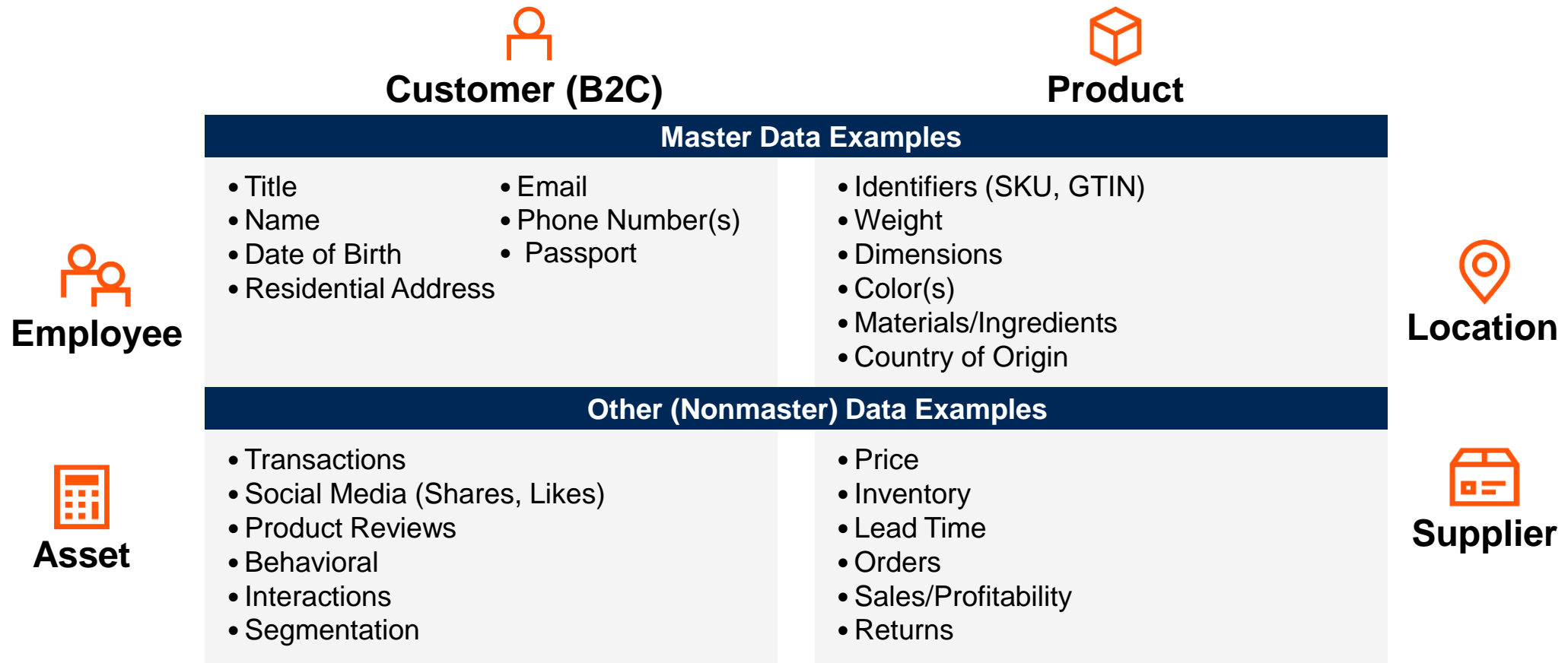
... Poor “Master Data” Is the Ultimate Saboteur

Key Issues

1. What is master data and why is MDM important?
2. What best practices will deliver value?
3. What do I need to know about the MDM landscape?

What Is Master Data?

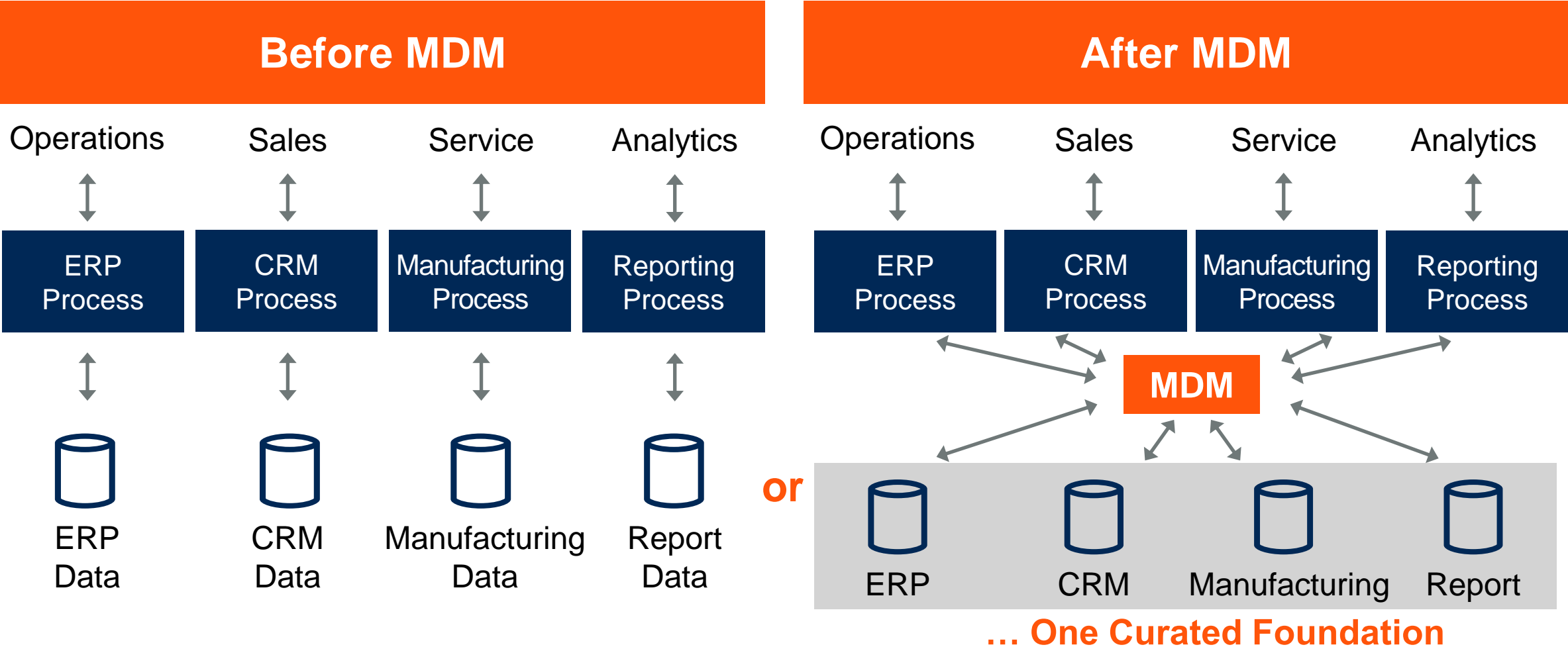
The least number of consistent and uniform set of identifiers and attributes that uniquely describe the core entities of the enterprise and are used across multiple business processes



Master Data Management Defined

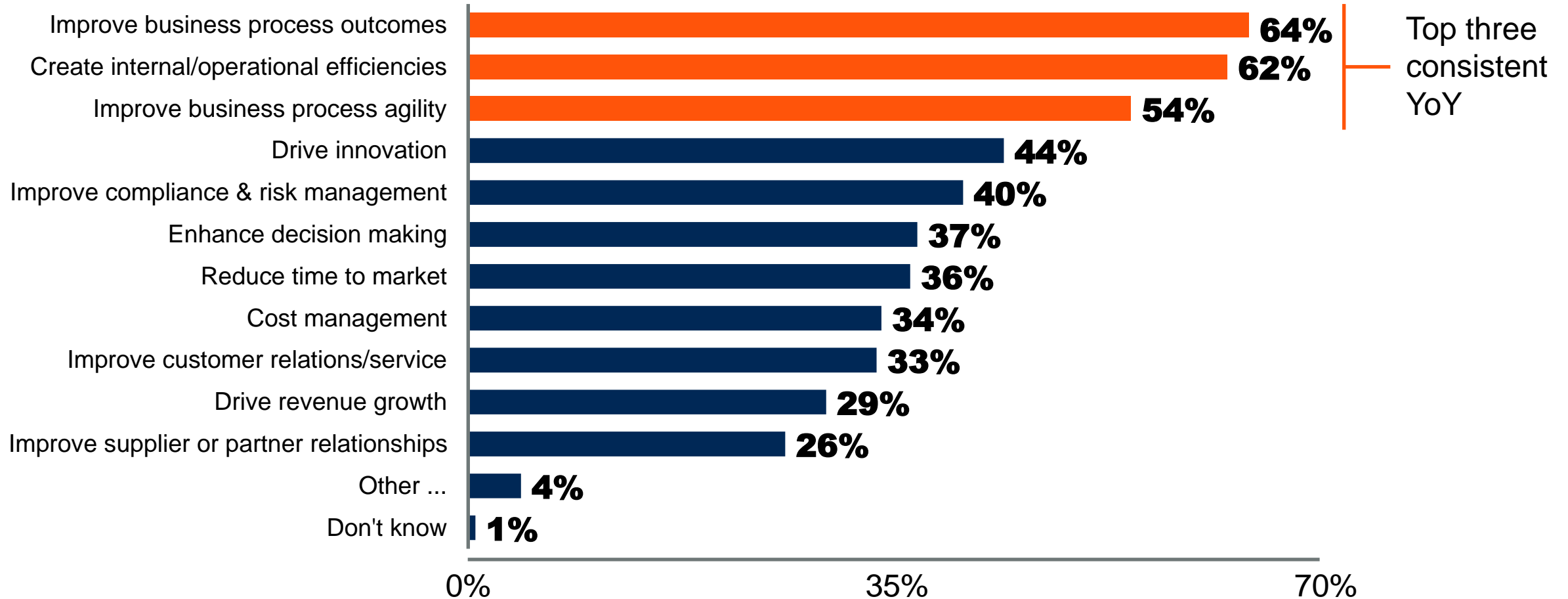
A technology-enabled discipline in which **business and IT work together to ensure** the uniformity, accuracy, stewardship, semantic **consistency and accountability** of the enterprise's official and shared master data assets.

MDM: A Technology Perspective



Why Is MDM Important?

Why did you purchase the software or service?



n = 510; All respondents, excluding blanks, multiple responses allowed

Percentages of respondents may not add to 100% due to rounding

Source: [Magic Quadrant for Master Data Management Solutions](#), 06 December 2021 (G00745059)

Key Issue Take-Away:

MDM is a necessary business initiative.
Treated as a technology initiative in
isolation invariably leads to failure.

Key Issues

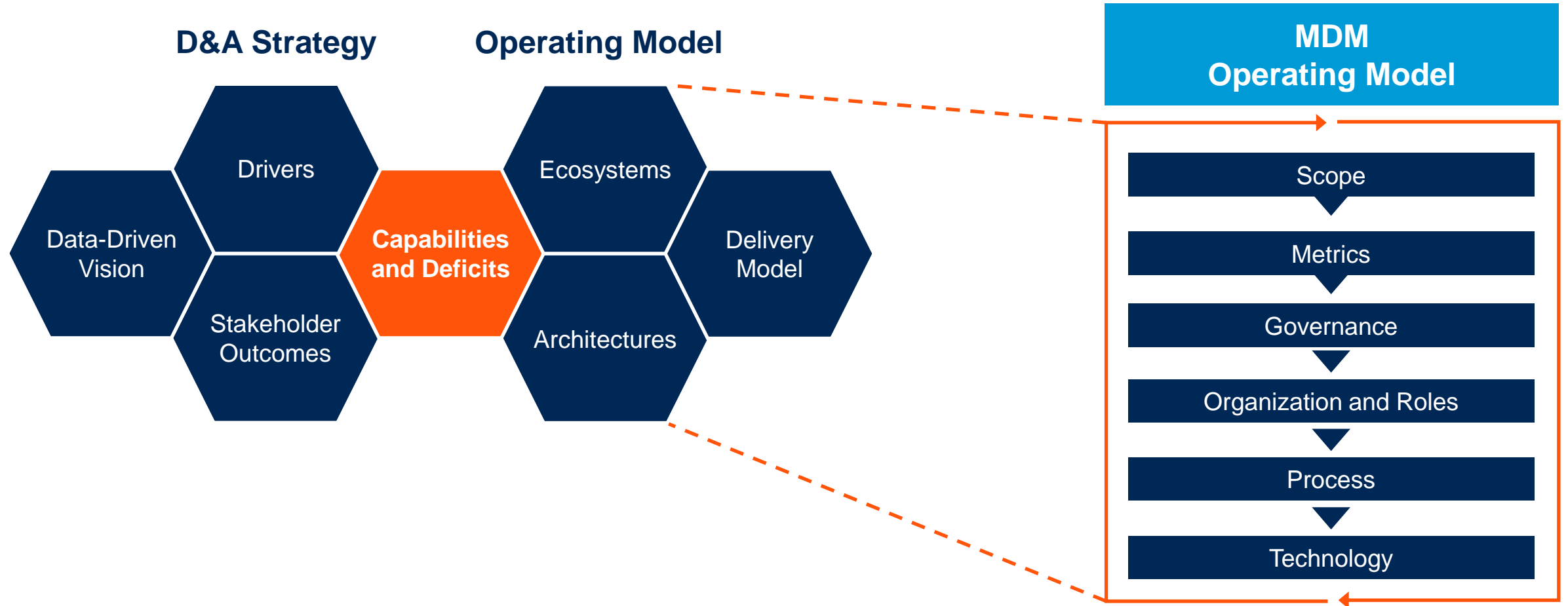
1. What is master data and why is MDM important?
- 2. What best practices will deliver value?**
3. What do I need to know about the MDM landscape?

Common MDM Pitfalls

- Treated as a technology project
- No business goal alignment or sponsor
- Cultural readiness
- No metrics for success
- Overambitious scope
- Lack of expertise



Adopt a Programmatic Approach to MDM

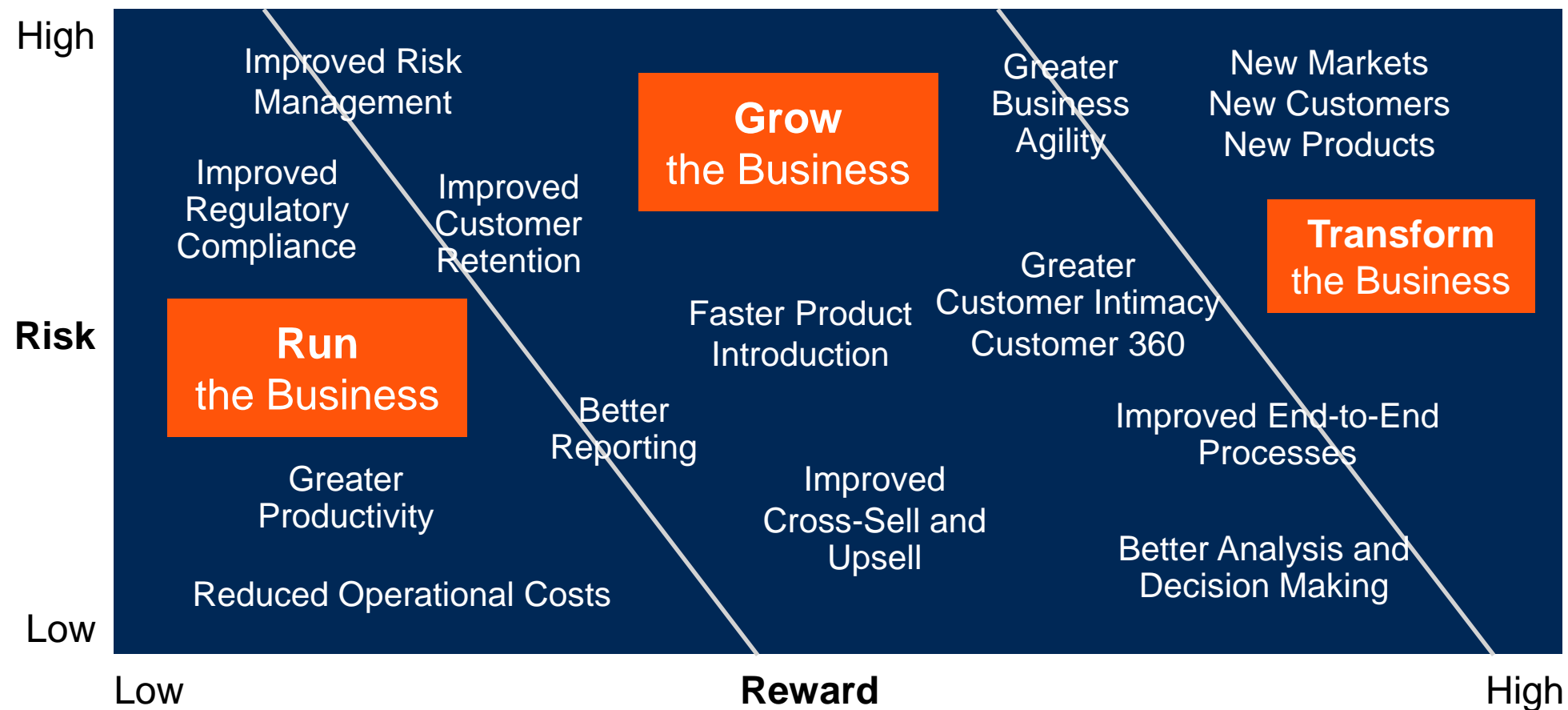


Source: [3 Essentials for Starting and Supporting Master Data Management](#) (G00764706)

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Start With Business Goals and Prioritize

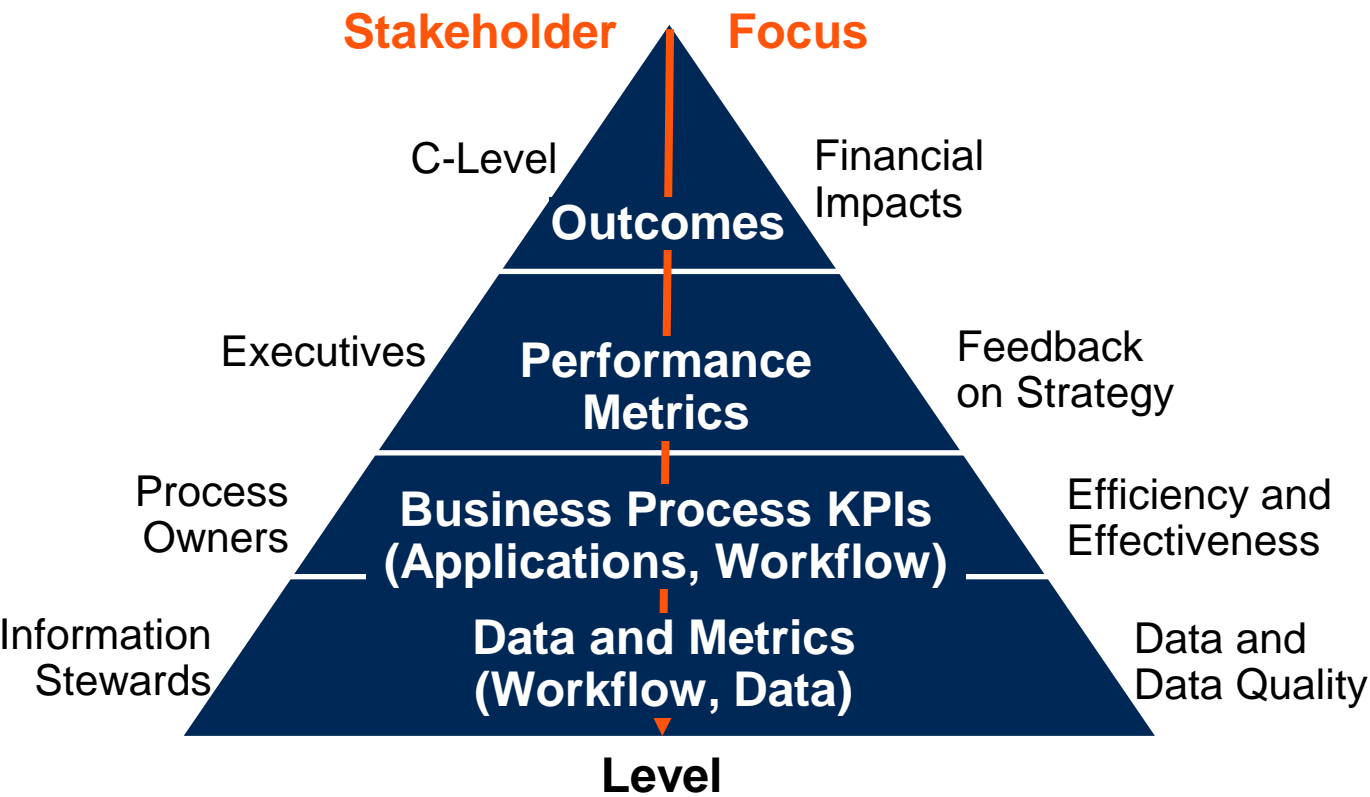
- 1. Scope
- 2. Metrics
- 3. Governance
- 4. Org & Roles
- 5. Process
- 6. Technology



Source: [Data and Analytics Essentials: Master Data Management – Presentation Materials](#) (G00756206)

Directly Connect MDM Activity With Measurable Business Outcomes

| |
|----------------|
| 1. Scope |
| 2. Metrics |
| 3. Governance |
| 4. Org & Roles |
| 5. Process |
| 6. Technology |

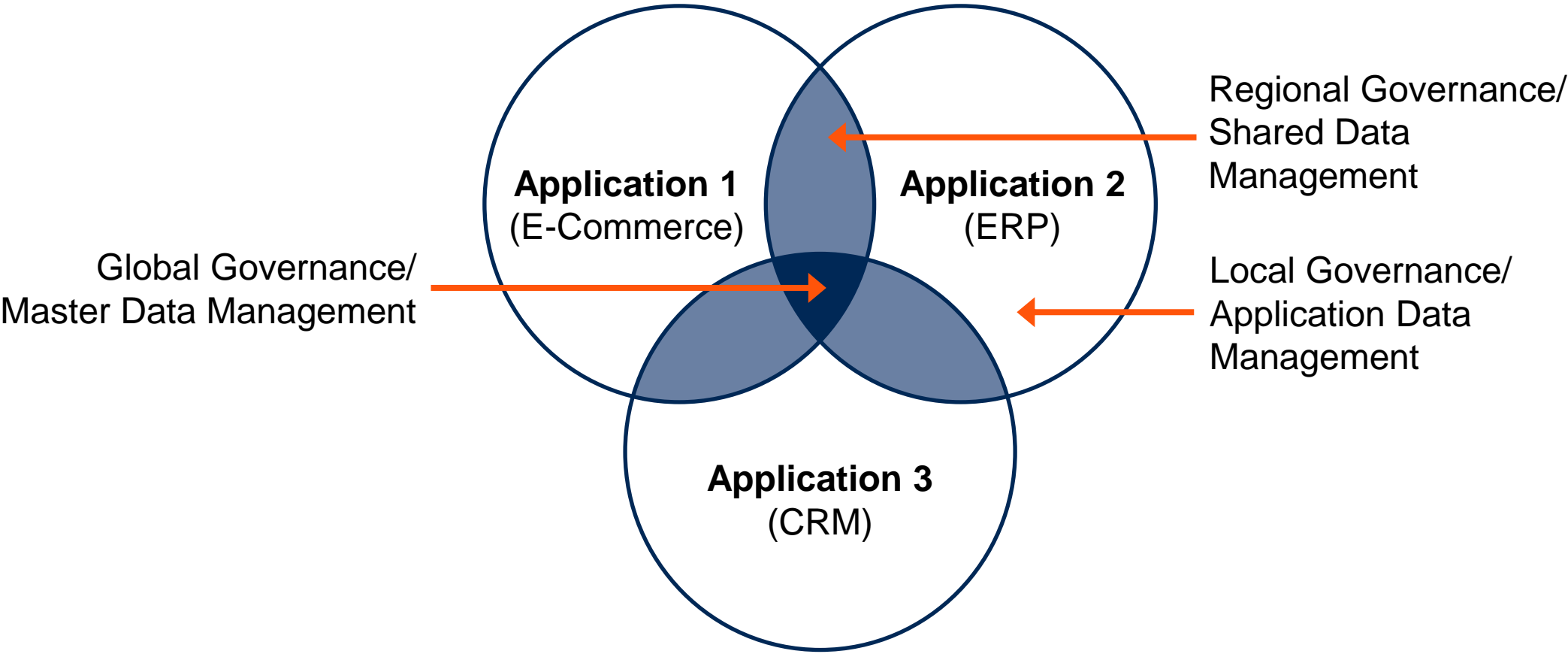


- **Enterprise:** Increase revenue by 5% via customer service and leverage in referencing prospects
- **Supply Management:** Customer responsiveness target: *Improve from current 93% to 98%*
- **Order Fill Rate =**
Total number of orders filled correctly
Total number of orders
- **Master Data:** Customer, Products/Services
Application Data: Customer, Product/Service, Order Quantity ...
- **Transaction Data:** Date, Actual Quantity Shipped, Product/Services, Warehouse

Not All Data Is Created Equal

| |
|----------------|
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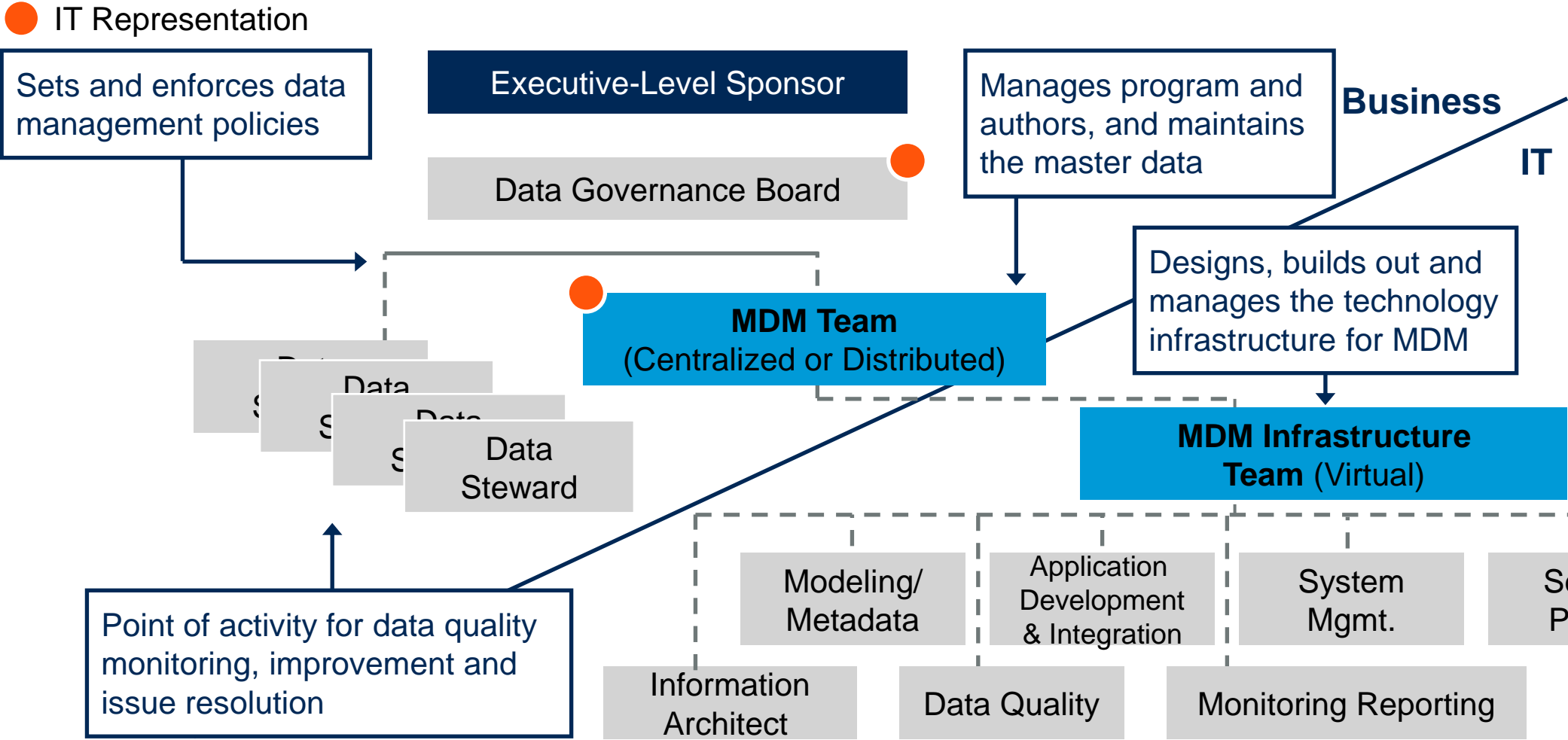
MDM Is the Core of Broader Data Governance



Source: [Design an Effective Information Governance Strategy](#) (G00338329)

Who Does What and Where

- 1. Scope
- 2. Metrics
- 3. Governance
- 4. Org & Roles
- 5. Process
- 6. Technology

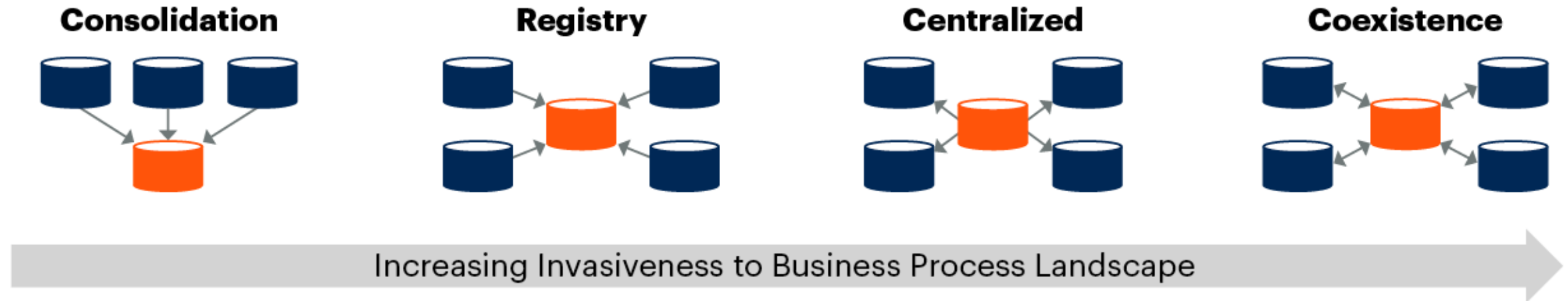


Source: [3 Essentials for Starting and Supporting Master Data Management](#) (G00764706)

Align MDM Architecture With Maturity

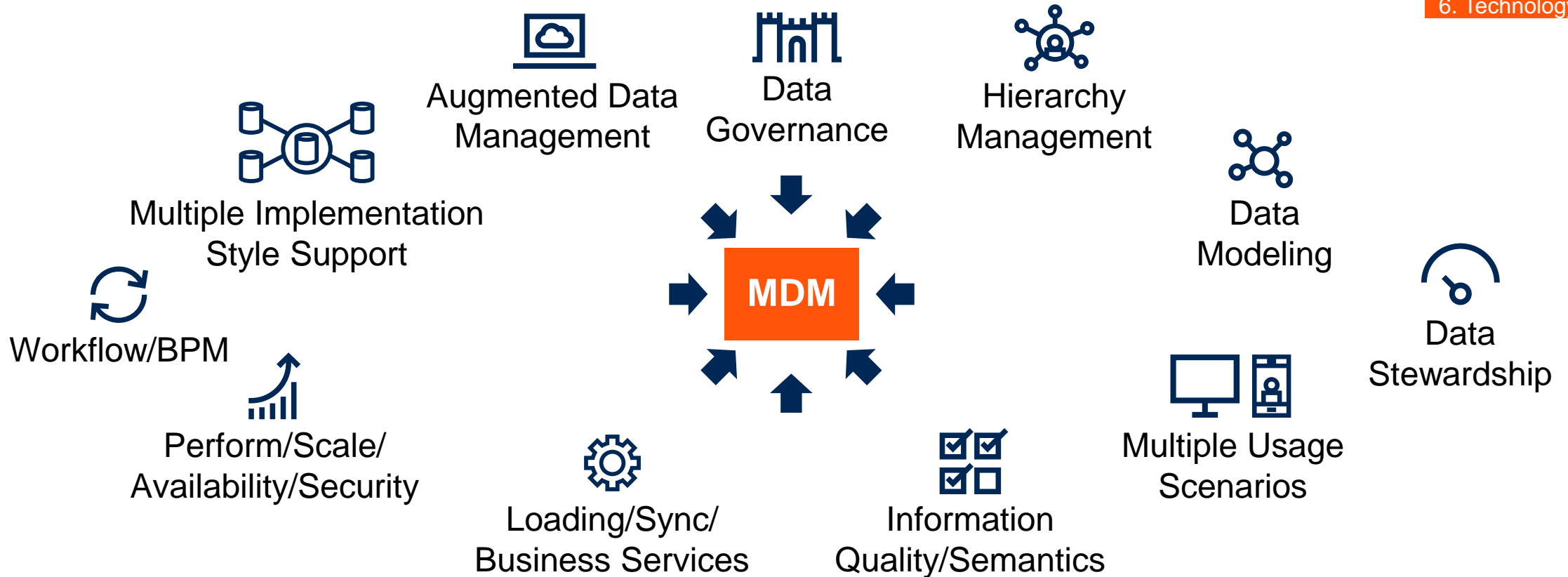
| |
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Difficulty of Implementation for Each Style



A Mature MDM Market Offers Extensive Functionality

1. Scope
2. Metrics
3. Governance
4. Org & Roles
5. Process
6. Technology



Packaged MDM Solutions Are Expected to Address These Requirements



Imperative:

Adopt a programmatic approach that addresses people, process and technology

Key Issues

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Market Observations

- Strong growth in MDM software and services continues.
- Vendor consolidation tempered by the emergence of new competitors.
- Solutions expanding into adjacent data management areas create vendor opportunity and confusion.
- Lower barrier to entry as cloud- and subscription-based solutions become the norm.
- Deployment times continue to shorten but the need for third-party assistance persists.
- Business-user centricity and augmented capabilities remain key competitive differentiators.
- Technology-led initiatives lacking alignment with prioritized business outcomes are fewer but still exist.

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Client inquiries to Gartner on MDM grew by 52% in 2021



**MDM continues to shift from reluctant
to indispensable business capability.**
Are you ready?

Good Master Data Is a Gift That Keeps on Giving ...



Recommendations

- ④ Don't start with technology — start with the business outcome(s) MDM will support.
- ④ Prioritize scope, identify and engage stakeholders early, agree upon metrics for success.
- ④ Think big, start small and deliver incremental value.
- ④ Focus on few attributes for most important outcomes — not all data.
- ④ Leverage third parties to fast-track your time to value.
- ④ Align all MDM activities with a business goal, always.

Recommended Gartner Research

- 🔍 [Quick Answer: Which Data Is Master Data?](#)
Sally Parker, Helen Grimster and Simon Walker
- 🔍 [3 Essentials for Starting and Supporting Master Data Management](#)
Sally Parker and Simon Walker
- 🔍 [Create a Master Data Roadmap With Gartner's MDM Maturity Model](#)
Sally Parker and Simon Walker
- 🔍 [Understanding Modern MDM](#)
Sally Parker and Simon Walker
- 🔍 [Data and Analytics Essentials: Master Data Management — Presentation Materials](#)
Sally Parker
- 🔍 [Improve CRM and Customer Data With Master Data Management](#)
Regina Weisel and Lyn Robison