



Informatica®

# A 5-Step Blueprint for Master Data Management Success

How to Create a Strategic Plan for Deploying Your MDM Initiative

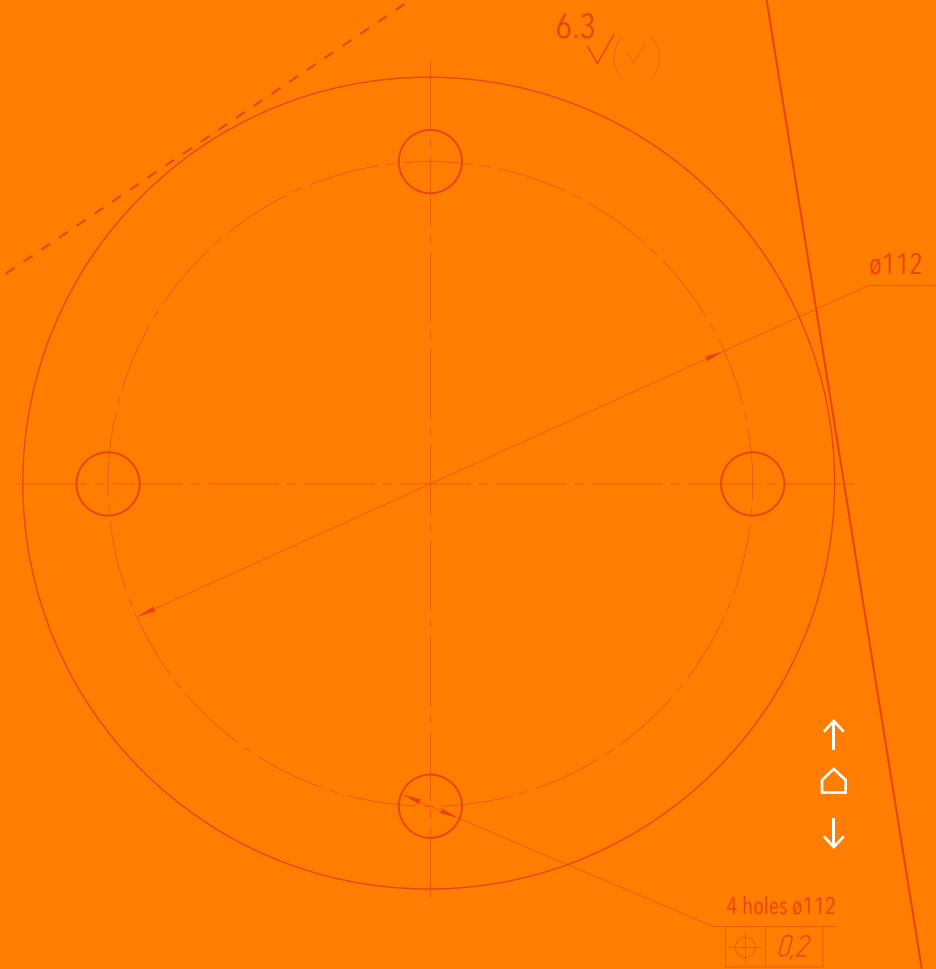
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Introduction:

# Manage Your Strategic Data Assets with MDM



# Manage Your Strategic Data Assets with MDM

**Data is one of the most strategic assets for any business because it fuels digital transformation. The right data enables you to engage effectively with existing and potential customers, deliver a unique brand experience, empower strong business decisions, increase operational efficiency, and much more.**

**Yet organizations struggle with disparate, duplicate, and conflicting information from a wide range of data sources across the enterprise. Growing data volumes, new information sources, and increased velocity of data add to the challenges.**

Master Data Management (MDM) provides a “single source of the truth” to enhance targeting efforts, unleash cost savings, and improve operational returns for your business.

Organizations are adopting MDM for use cases that include:

- **Customer experience:** Having a trusted and enriched view of customers across your organization helps you run marketing campaigns that are more targeted and personalized
- **Product experience:** Providing customers with a comprehensive view of the products they’ve shown interest in and items they’ve already purchased simplifies product information management, increases productivity and cross-team collaboration, and accelerates time to market for new products

- **Advanced analytics:** MDM delivers reliable data you can use to make strategic and tactical decisions to create new business value
- **Operational efficiency:** Creating a 360-degree view of data from multiple transactional systems across your organization allows you to streamline business processes and enhance collaboration

This workbook provides you with a hands-on guide to help you get started with your MDM initiative.

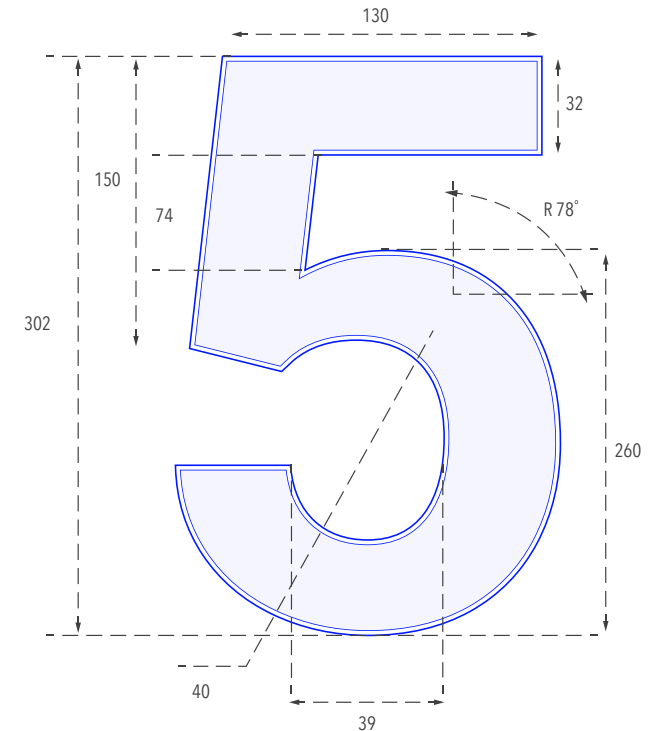
# 5 Steps to MDM Readiness

An MDM solution brings together critical business information that is distributed across multiple systems in your organization into a single, consolidated, authoritative view, often referred to as the “golden record.” Implementing an MDM strategy enables you to improve data quality and provide a single source of truth. You gain access to the trusted data you need to make the right decisions that generate the greatest business impact.

Thousands of organizations across more than 35 industries have implemented Informatica’s MDM solutions. Based on this extensive experience, we’ve come up with five crucial steps to develop the right strategy and implement your MDM solution most effectively:

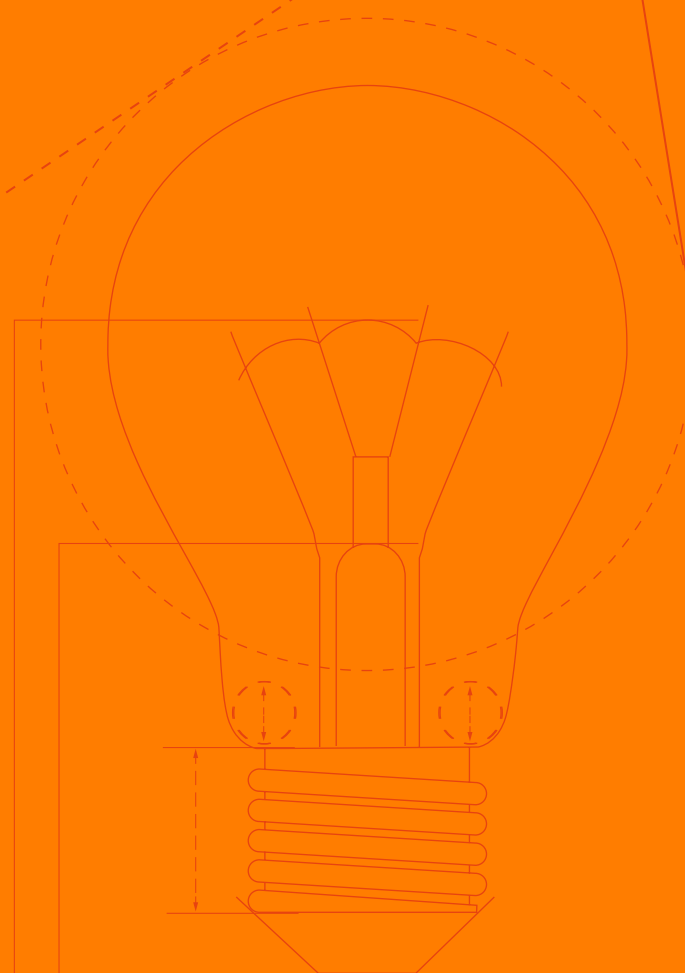
1. Define your business requirements
2. Articulate supporting technical requirements
3. Evaluate your solution options
4. Develop your implementation plan
5. Measure results

Let’s examine each phase and the critical actions you’ll need to take to deliver long-term business value with your MDM solution.

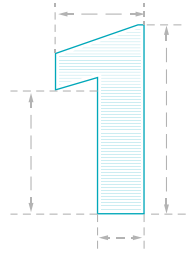


# A 5-Step Blueprint for Master Data Management Success

How to Create a Strategic and Tactical Plan for Deploying Your MDM Initiative



# 1. Define Your Business Requirements



**The key to an effective MDM project is making sure it aligns to your business goals and stakeholder objectives. The only way to uncover these goals and objectives is to involve business leaders from the start and bring in stakeholders over the course of the project.**

## Identify the business opportunities

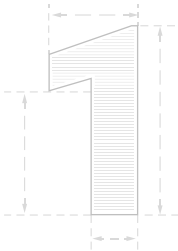
Get input from your business stakeholders and leaders to determine the key business objectives they wish to support, the challenges they face, and the potential opportunities MDM can deliver.

Jot down the answers to these questions:

- What are the goals for the business leader?
- What challenges are they experiencing that impede success?

Examples include:

- Reduce procurement costs
- Accelerate financial close
- Increase cross- and up-selling
- Increase ROI from marketing campaigns
- Reduce supply reduction risk
- Accelerate new product introduction
- Increase overall equipment effectiveness



Define the business requirements for success

KPI 1

In order to make progress with your MDM solution, you'll need to define specific, measurable goals and what business processes need to change. Identify what key performance indicators you will need to measure the success of your MDM business initiative. Based on the strategic objectives your business leaders have identified, determine specific, measurable key performance indicators you can use to measure your progress.

KPI 2

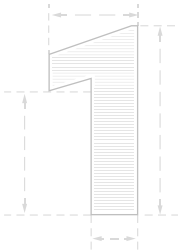
KPI 3

KPI 4

Sample KPIs

- % increase in sales from loyalty customers
- \$XX million savings by reducing customer churn
- XX% boost in sales conversion rates
- \$X million savings in marketing efforts thanks to increased campaign efficiency
- % increase in sales and revenues resulting from the ability to introduce products faster
- X times faster on-boarding of new products/suppliers
- XX% reduction in time to market with new product/service
- XX% increase in customer satisfaction score (or Net Promoter Score)
- \$XX million in savings in supplier costs due to better negotiating power on pricing and payment terms
- XX% reduction in returns from online orders due to high-quality product data
- \$X million annual savings due to efficiency gains in internal and external compliance reporting
- X% reduction in inbound calls leading to lower call center costs and an increase in happier customers





**Assemble the right business subject matter experts**

Assemble the relevant stakeholders whose perspectives you'll need and identify their pain points. For example:

- For projects related to customer experience, include leaders and managers in sales, service, marketing
- For projects related to product data, include representatives of research and development, manufacturing, merchandising, digital commerce, logistics, and finance teams
- For projects related to supply chain, include representatives of supply chain, procurement, and finance teams

List the stakeholders you'll want to include in defining the business requirements for your MDM project and identify their pain points:

**SME:**

**Pain point:**

**SME:**

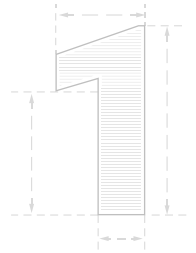
**Pain point:**

**SME:**

**Pain point:**

**SME:**

**Pain point:**



### Educate business leaders about MDM

In order to develop realistic goals, your business leaders need to understand what MDM is and how it can potentially impact your business.

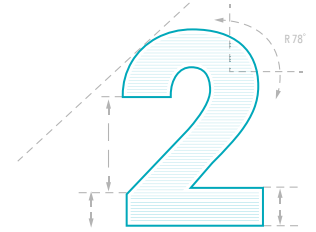
List the training steps you need to take (e.g. find examples of other companies who have completed similar initiatives or list relevant events you wish to attend).

#### Training Steps

Training efforts should include:

- A high-level overview of how MDM can help address your business goals using language your stakeholders can relate to
- Examples showing how MDM has been leveraged by other similar organizations for similar use cases. In many cases, your vendor will be able to provide this information
- Taking stakeholders to industry events that feature organizations that are on a similar journey and have already invested or achieved the benefits from MDM

## 2. Translate Business Requirements into Technical Requirements



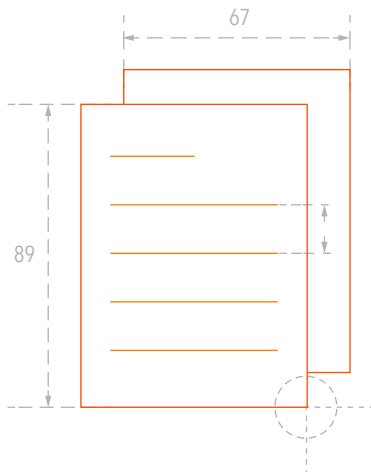
Once you've identified the business issues you want your MDM project to address and the measurable impacts your organization is aiming to achieve, it's time to align these issues with your data-related challenges so you can develop MDM solutions that will drive your desired business results.

### Define functional requirements

Functional requirements describe what the software should do. For example:

- The MDM should automatically treat two customer records as duplicates if the names, date of birth, address, and phone number match with a 90% confidence level
- Data stewards should be able to update multiple records at once to process them quickly and in a controlled manner
- Business users should be able to capture and visualize the difference between two versions of the same hierarchy in order to perform due diligence and research acquisition target

List your functional requirements here:



**Define technical requirements**

Describe your technical requirements here:

Technical requirements describe how the system will meet the functional requirements. Technical considerations may include:

- Whether to use a single data model or linked data model
- Matching and survivorship rules
- Data stewards should get a response from user interfaces in less than 5 seconds
- MDM design should scale to support increasing workload
- A real-time notification should be sent to the CRM application whenever a customer changes call preferences



Define the scope for your project

The time frame for the project will depend on the numbers of domains, subject areas and data sources.  
The following table gives you an idea of how long different types of projects of different complexities are likely to take:

Domains	Data Sources	Records	Batch interfaces/ loads	Workflow	Web services	Time
1	2-4	1-5M	2-4	Basic	None	1-2 months
2	5-10	2-20M	8	Moderate	Basic	3-6 months
4	10-15	50-100M	12	Advanced	Web Services	6-12 months



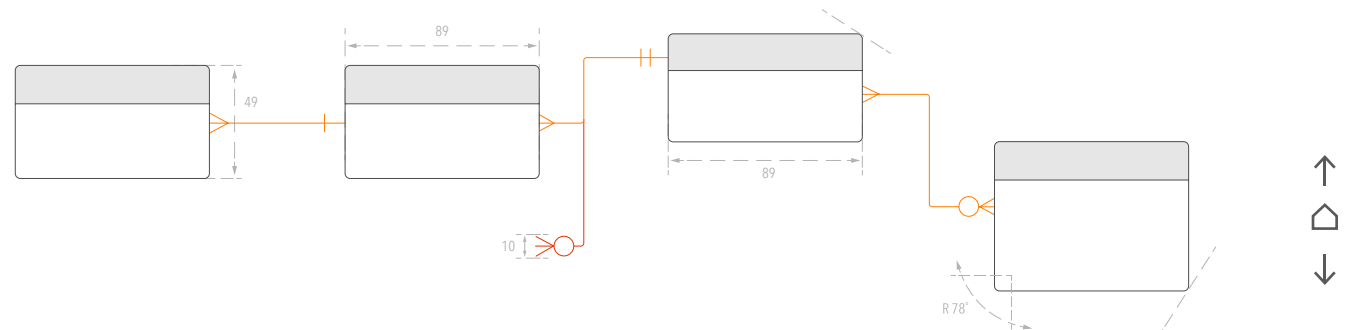
### Build your initial logical data model

The logical data model represents your data architecture in a graphical manner without regard for the physical implementation or the database management system involved in storing the data. It provides all the information about the various entities and the relationships between the entities present in a database, enabling you to understand the details of your data without worrying about how they will actually be implemented.

Describe your data model here:

The logical model includes:

- Entities
- Attributes of entities
- Key groups (primary keys, foreign keys)
- Relationships
- Normalization

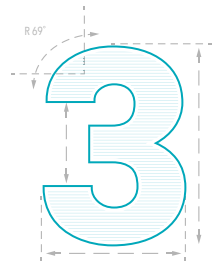




**Develop an initial high-level project plan.** Your project plan should include the following elements:

- 1. Goal:** What is the goal of the project?  
What are the phases?
- 2. Scope:** What parameters are necessary within each phase to achieve the goal? How many data sources? How many domains? Number of records?
- 3. Process:** What is your process for implementing the plan?  
Define: what, who, how, when, and where.
- 4. Deliverables:** Define what will be delivered in each phase to meet stakeholders' expectations.
- 5. Resources:** Identify all the resources necessary to create and deliver the final product, including human resources.
- 6. Limitations and dependencies:** What factors will inhibit your ability to complete the project and each phase? How do we mitigate those factors?
- 7. Deadlines:** Record all deadlines, and determine whether they're hard or soft.
- 8. Stakeholders:** Record how much time the stakeholders may need to review and approve any of the deliverables.

# 3. Select the Right Tools and Vendors



You're looking for your MDM project to provide your organization with trusted, accurate, complete data to fuel your strategic initiatives and support your tactical decisions. To achieve those goals, your MDM solution must be comprehensive and designed with the flexibility to allow you to start with your most pressing data challenges and business needs and then grow as your needs expand.

The following are the capabilities your organization should look for in an intelligent MDM solution:

- **Workflow/BPM**

Look for a solution that offers a range of workflow and business process management capabilities, such as master data flow modeling.

- **Data Quality**

The solution should enable you to create and maintain your "golden record" by profiling, cleansing, matching, linking, identifying, and semantically reconciling master data from different sources.

- **Performance/Scalability/Availability/Security**

High performance, scalability, and availability should be a given. The solution should also ensure security by enabling your organization to establish privacy policies as well as configure and manage visibility rules that provide different views for different roles.

- **Hierarchy Management**

The MDM solution should model and store multiple hierarchies within and across in-scope data domains to classify all instances of master data for various business requirements and for functions such as searching and reporting.

- **Data Stewardship**

A well-designed user interface and a full range of capabilities should enable the data steward to evaluate data policies as well as operate and manage the MDM.

- **Multiple Usage Scenarios**

The MDM solution should support both the operational and analytical use of master data.

- **Multiple Domains**

The MDM solution should address the requirements of an MDM program that spans more than one data domain.

- **Internal Integration within the Product Suite**

The MDM solution should enable you to integrate in-scope data domains, whether the instances are stored together or separately.

[Click here](#) for more details about these capabilities.







See how well your MDM vendors compare in terms of functionality. Use this table to compare the solutions that you’re considering:

Capabilities	Vendor 1	Vendor 2	Vendor 3
Available workflows			
Data quality features			
Performance, scalability, availability, security features			
Hierarchy management			
Data stewardship			
Ability to support operational and analytical use cases			
Support for multiple domains			
Integrated product suite			

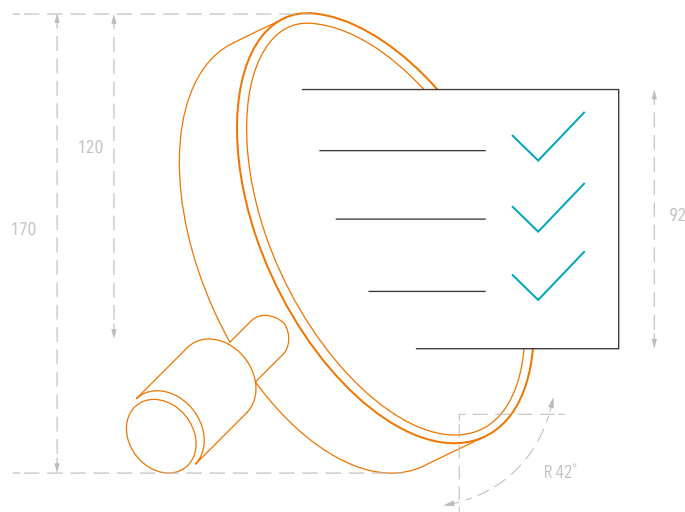




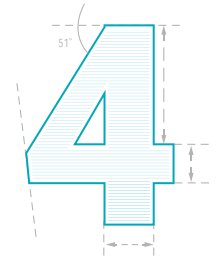
### Evaluate Vendors

In addition to MDM features, it's also important to consider the capabilities of the MDM vendor. Some things to consider when evaluating MDM vendors:

- Can the vendor provide world-class support and service across time zones and geographies, 24/7?
- What is the vendor's expertise and professional services, subject matter expertise, and industry experience?
- Does the vendor offer the on-site, e-learning based training and enablement required for ongoing maintenance and management of MDM systems?
- Does the vendor have enough technical experts available in the market across partners and system integrators?
- What functionality does the vendor provide out of the box? What functionality is not provided by the vendor? What functionality requires customizations (including integration with third-party tools and solutions)?
- What are the statistics for Total Cost of Ownership and Return on Investment, based on existing customer implementations?
- What is the product roadmap for the next 12-24 months?
- What proof points can the vendor provide? Have any independent research organizations benchmarked the MDM solution?
- Does the vendor offer high availability and disaster recovery out recovery out of the box?



## 4. Execute the Project



**Now's the time to begin implementing your MDM. In the project execution phase, you'll develop and complete deliverables. Tasks include:**

### Assemble your project team

Every MDM project requires the right mix of skill sets. Roles needed for any MDM project team include:

#### Management Team

- **Project Manager:** manages the day-to-day activities for the project team
- **Solution Delivery Manager:** manages the technical resources dedicated to MDM as well as the relationship with the IT vendor

#### Subject Matter Experts

- **Requirements Analyst:** interviews future users to understand what the MDM solution should do to ensure that proper functionality is developed

- **Business Analyst:** Provides a deep understanding of business requirements.

#### Architecture Team

- **Data Architect/Modeler:** acts as a conduit between IT and the business to help design the data models and processes that will be implemented using the MDM platform
- **Project and Solution Architect:** coordinates the development of the MDM architecture by managing project design, development of plans, and the work of outside experts.

#### Configuration and Development

- **Data Quality Analyst/Developer:** examines complex data and turns it into information and insight to inform business decisions
- **Data Integration Specialist:** ensures accuracy and integrity of data and oversees provisioning strategy and best practices related to data integration

- **SOA/Real-Time Integration Specialist:** plans, coordinates, and supervises activities related to the integration of enterprise information systems

- **Workflow Analyst/Developer:** revises all processes in the organization to identify inefficiencies and recommend improvements

- **MDM Designer/Developer(s):** develops web-based interfaces that business users can use to create and consume MDM data more effectively

- **MDM Administrator:** designs and administers the MDM hub, which manages the master data stored in the database and keeps it synchronized with the transactional systems that use the master data



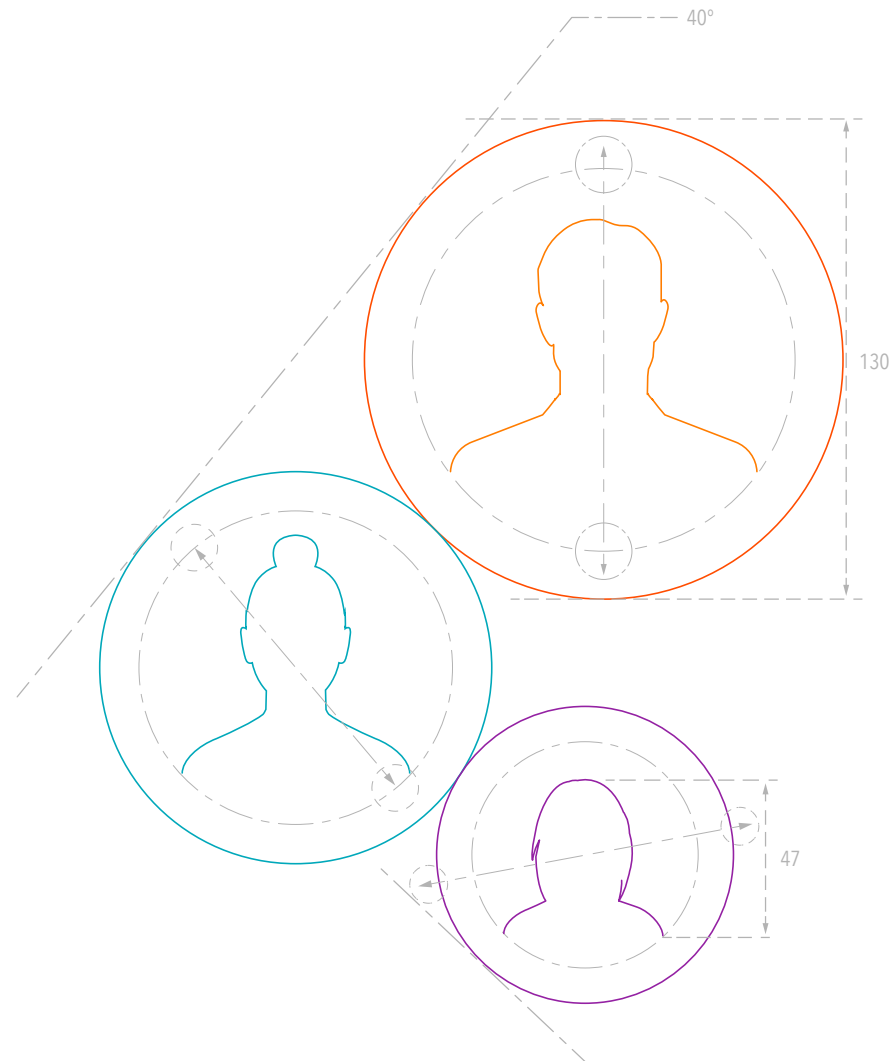


### Testing

- **Testing Team:** creates test plans and protocols that adhere to industry regulations and company standards. Finds weaknesses in the MDM solution that could result in a malfunction and suggests improvements or modifications throughout test, quality analysis, and regression testing phases

### Infrastructure and Network

- **Infrastructure and Network Team:** designs, implements, and ensures optimal operation of information systems to support the organization's enterprise infrastructure. This team also provides failover, high availability, and performance monitoring capabilities





### Assess your risk

A thorough understanding of related risks is critical to managing trust with your MDM data. In order to evaluate data risks, answer the following questions:

What sensitive data is involved?

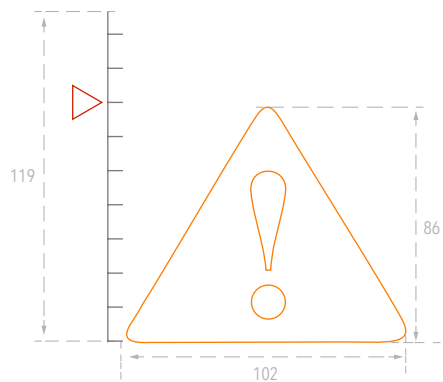
Have you mapped consent attributes?

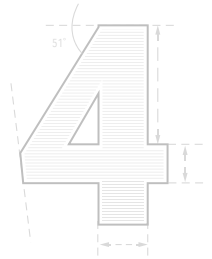
How does the data move across your ecosystem?

How do you perform user authentication?

How do you manage user privileges and data rights?

Do you need masking and encryption?



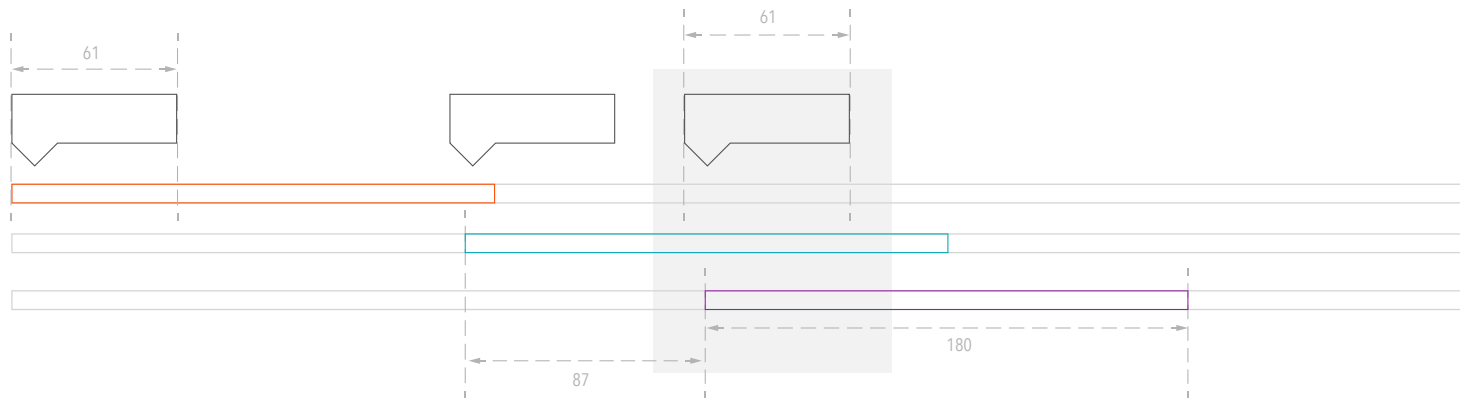


### Develop a phased implementation plan

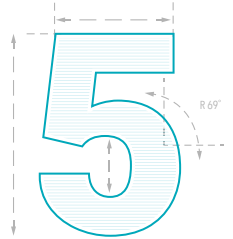
Beginning with a limited pilot project will enable you to quickly demonstrate change and share results. When users see the value, they're more likely to adopt the MDM solution. Therefore, it's important to create a project management plan with a phased implementation that delivers value in short intervals.

Start by assigning a project manager to direct and manage project execution. This project manager should:

- Assign tasks to the right individuals
- Set up tracking systems for deliverables
- Ensure that tasks are executed on time and with highest quality



# 5. Evaluate Your Results



**The success of your MDM project depends on the business impact it is able to deliver. Maximizing the business impact of your MDM implementation is an ongoing process. But MDM is a journey, not a destination and you'll need to review your results on an ongoing basis.**

List the KPIs you defined at the beginning of your project and the results you achieved here:

**KPIs**

**Results**

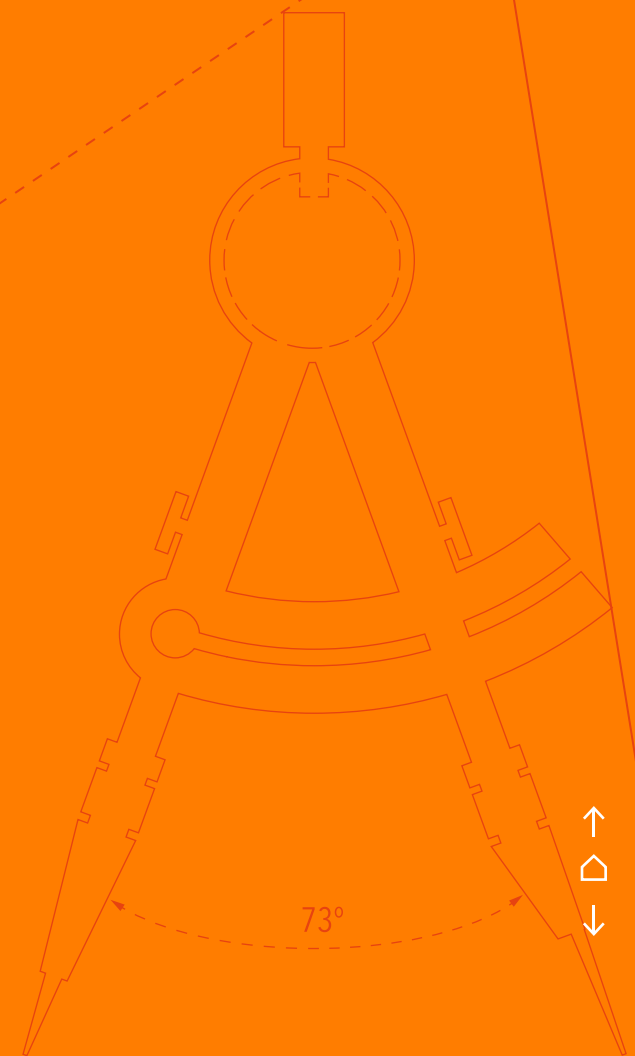
## Track your results over time

- When you start the project, create a baseline of the metrics you defined in Step 1
- As you go live, continually monitor, measure, and report
- Share your results with anyone who doubts the MDM program, as well as with supporters so they can articulate why the project matters.
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- As you go live, continually monitor, measure, and report
- Share your results with anyone who doubts the MDM program, as well as with supporters so they can articulate why the project matters.



Conclusion

# Using MDM as a Catalyst for Digital Transformation



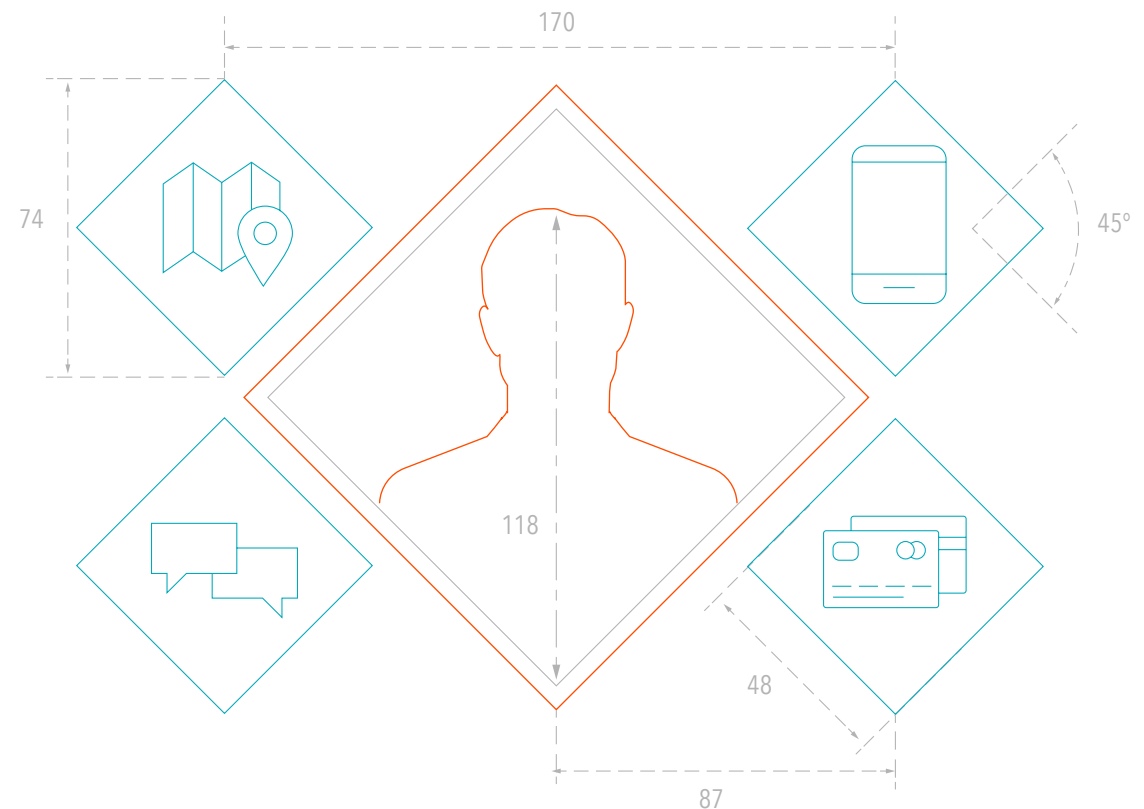


# Using MDM as a Catalyst for Digital Transformation

Organizations today are looking for ways to transform their business to improve their operations, build better products, and enhance the experience they provide to their customers. Data is the backbone of these efforts. Having the right data allows your business to make the right decisions to propel your business forward. But when data is stored in multiple systems, you end up with duplicate and conflicting information that clouds the issues.

MDM solutions enable you to consolidate all your data about your customers, products, suppliers, operations, and more into a single, accurate record that you can rely on to provide accurate insights.

Following a professional MDM implementation process—a process developed based on thousands of customers in nearly three dozen industries—can ensure that your MDM meets the needs of your business and successfully drives results.



# Further Reading

## Ready to get started?

Our MDM solution is the only true end-to-end MDM solution in the industry. It incorporates data integration, data quality, data governance, business process management, and master data management in a single vendor-agnostic platform.

For a full breakdown of our key features and benefits, download your copy of the Informatica Master Data Management brochure.

[READ MORE](#)

If you'd like a step-by-step guide to planning a master data management strategy and winning executive sponsorship, download your copy of our white paper, "How to Get C-Level Buy-In for Your MDM Initiatives"

[READ MORE](#)

# About Informatica

Digital transformation changes expectations: better service, faster delivery, with less cost. Businesses must transform to stay relevant and data holds the answers.

As the world's leader in Enterprise Cloud Data Management, we're prepared to help you intelligently lead—in any sector, category or niche. Informatica provides you with the foresight to become more agile, realize new growth opportunities or create new inventions. With 100% focus on everything data, we offer the versatility needed to succeed.

We invite you to explore all that Informatica has to offer—and unleash the power of data to drive your next intelligent disruption.

## Worldwide Headquarters

2100 Seaport Blvd, Redwood City, CA 94063, USA

Phone: 650.385.5000

Fax: 650.385.5500

Toll-free in the US: 1.800.653.3871

[informatica.com](https://informatica.com)

[linkedin.com/company/informatica](https://linkedin.com/company/informatica)

[twitter.com/Informatica](https://twitter.com/Informatica)

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