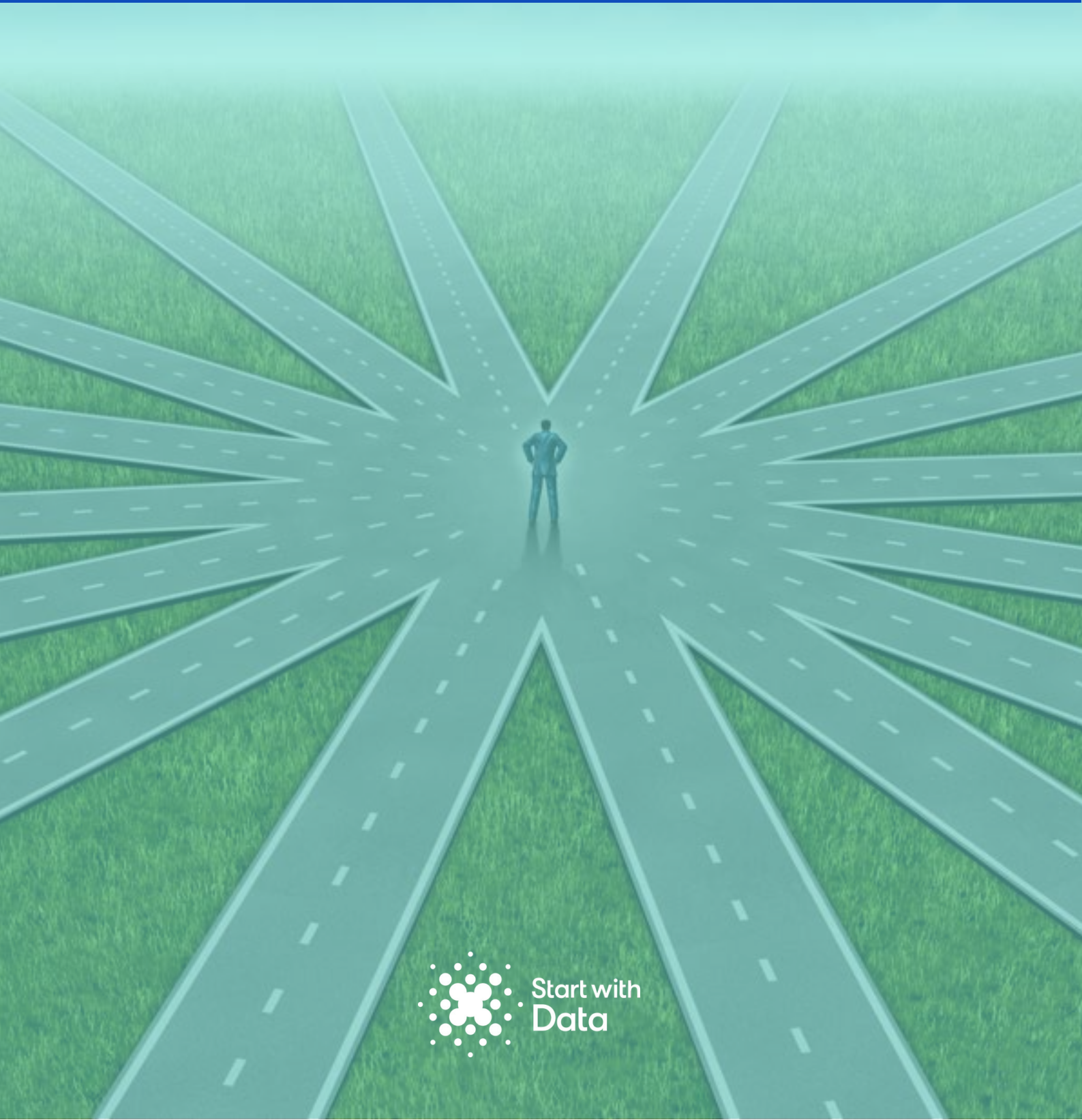# HOW TO CHOOSE AN MDM SOLUTION

MDM BUYERS GUIDE

Start with Data

INTRODUCTION

Business data comes from several sources – business partners, IoT devices, websites, SaaS platforms, suppliers, customers and more. Every department in the organisation uses some or most of that accumulated data, and most software systems share data with various applications.

Your data is an asset – it can drive tremendous competitive advantages when used in a smart way. If you deploy a master data management program, this optimises the control you have over your data. A single source for standardised master data throughout the company is the way to manage data within an integrated framework.

This eBook gives you a broad introduction to investing in a Master Data Management solution for your business. We examine the potential benefits, the questions you should be asking when you are considering an MDM and give you a profile of two of the best MDM solutions on the market.

WHAT WILL YOU LEARN?

What a MDM solution is and *why* your business needs one.

Key questions you should be asking your business before you select one

Features and capabilities of common MDM solutions

Who are some of the best software vendors in the market

MDM OVERVIEW

What is MDM?

Master data is the unique information to describe a business's core entities. It is the 'golden record' of information - the single source of truth for master data. The data domains covered by an MDM system are parties (customers, others), products, financials, and location concepts. We draw a distinction between Master data, which is data about business entities, and reference data, which is the data used to classify and define other data.

Master Data Management is thus a discipline used to provide that 'golden record' mentioned above, to avoid conflicting and redundant information flowing around an organisation.

It enables organisations to maintain a centralised overview of mission-critical data and users who need this data can carry out their business roles based on guaranteed, high-quality information.

Master data is also uniform, which eliminates the haphazard formatting which hinders effective data sharing. All systems receive master data in the same format and structure.

Why do I need a MDM Solution?

The majority of MDM problems in an organisation arise from the lack of clear ownership of the entire end-to-end lifecycle of master Creation and maintenance of data are often fragmented in different locations within the organisation. For instance: Master data is used by a range of systems and applications, so inaccurate data in one place has a knock-on effect on all connected systems and applications using it.

When there is a wrong postal address in the customer master data, bills, order details, and marketing content go to the wrong address. If an SKU is incorrectly priced, the master data attached to that data item stays incorrect. So, whether it is a labelling, logistics or marketing problem, it has an impact on a potential sale. Last, but certainly not least, it damages the reputation of the business for reliability.

It's not just about technology - it's about organisational culture

The implementation of an MDM solution is built on a foundation of technology and organisational behaviour. Historically, the departmental operations of many organisations have evolved towards having siloed information – a department's own versions, not shared with others. In this case, using an MDM effectively needs a culture shift towards working cross-departmentally, engendering transformed values concerning how to collaborate and to share information.

Even the best MDM solution will fail to solve business problems unless its tools are leveraged by stakeholder-users to work together, maintain accurate and updated master data, and get the information to the right people at the right time.

In a nutshell, the benefits of MDM are not tied to technology alone, as impressive as it may be –organisational Master data management should be a discipline with a laser focus on improving processes and making workflows more agile, leading to improved outcomes.
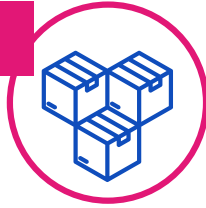
> "
>
> **It's not just about technology - it's about organisational culture**

What data is stored in an MDM platform?

Product

attributes linked to each SKU, the bills of materials, equipment, usage, or digital assets

Customer

individuals and entities which fuel a company. Includes suppliers, partners, employees, and of course, customers
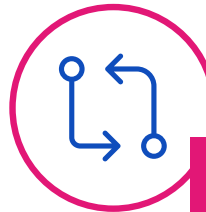
MASTER DATA DOMAINS

Location

focuses on an organisation's physical premises, such as branch offices, warehouse facilities, franchisee outlets or stores

Other

the repository for a business-critical data not covered by the other domains. This could be accounts data, warranties, contracts, financial information, insurance policies, or any other asset

How does the whole organisation benefit from MDM?

Guaranteeing the single source of truth

The single source of truth supports business processes and decision-making. Users access high-quality data whenever they need it to support operations. Accurate, updated, consistent and relevant data makes it trustable and reliable. If teams and individuals reduce the need to go searching in other departments and teams for data.

Demolishing siloed work practices

Demolishing silos means better operational efficiency, enhanced output, and smarter working practices. Digital commerce is fast-moving and diverse teams are involved - gaining a competitive edge means time to market needs to be as short as possible.

Continuous process improvement is better than muddling through, forever best-guessing corrections to inconsistencies, and will enhance the bottom line. Removing this drag on resources and time is a strong Justification for MDM implementation - the gains are tangible.

Increasing agility

MDM increases organisational responsiveness to market changes. Efficiency makes or breaks a business, so a linear process model simply isn't fast enough anymore. Processes need to be agile, and reliable data makes changes, innovations, and initiatives easier.

Reducing redundant workloads

Multiple departments need to work with the same set of master data. As the MDM is the central repository, teams do not waste time wrangling data in silos. So, the marketing team doesn't need to depend on IT to see an overview of the customer's journey. Therefore, as well as reducing workloads, MDM eliminates redundancies which in turn, eradicates delays and bottlenecks in simultaneous processes.

Leveraging digital innovation

Data from IoT is changing the nature of supply chain management. The proliferation of unstructured data in chats, phone calls and reviews needs managing to keep the business focus on customer-centricity. These trends make it essential to have an MDM solution with the data architecture and modelling which can manage these interactions

Increased business process efficiency

Big Data makes master data management increasingly complex. The growth in unstructured data and external data makes AI capabilities for routine, high-frequency tasks a must. The upfront cost of an MDM solution isn't cheap, but over the longer term it saves you the cost of errors, time, money, associated with manual processing of master data.

Better short- and long-term decision-making

A large dose of instinct should no longer form part of the basis for leadership to make decisions. Data-driven decision-making enables information to be read, assessed, and interpreted, by various stakeholders on a repeated basis. Using verifiably reliable data from more sources makes strategic and operational business decision-making more of a precise science in areas like process enhancement, forecasting and analytics, as well as lowering risk.

The MDM-enabled clean and definitive version of each data entity can identify quantifiable trends and linkages, meaning informed short- and long-term decisions, based not on guesswork, but on correct, consistent, and connected data.
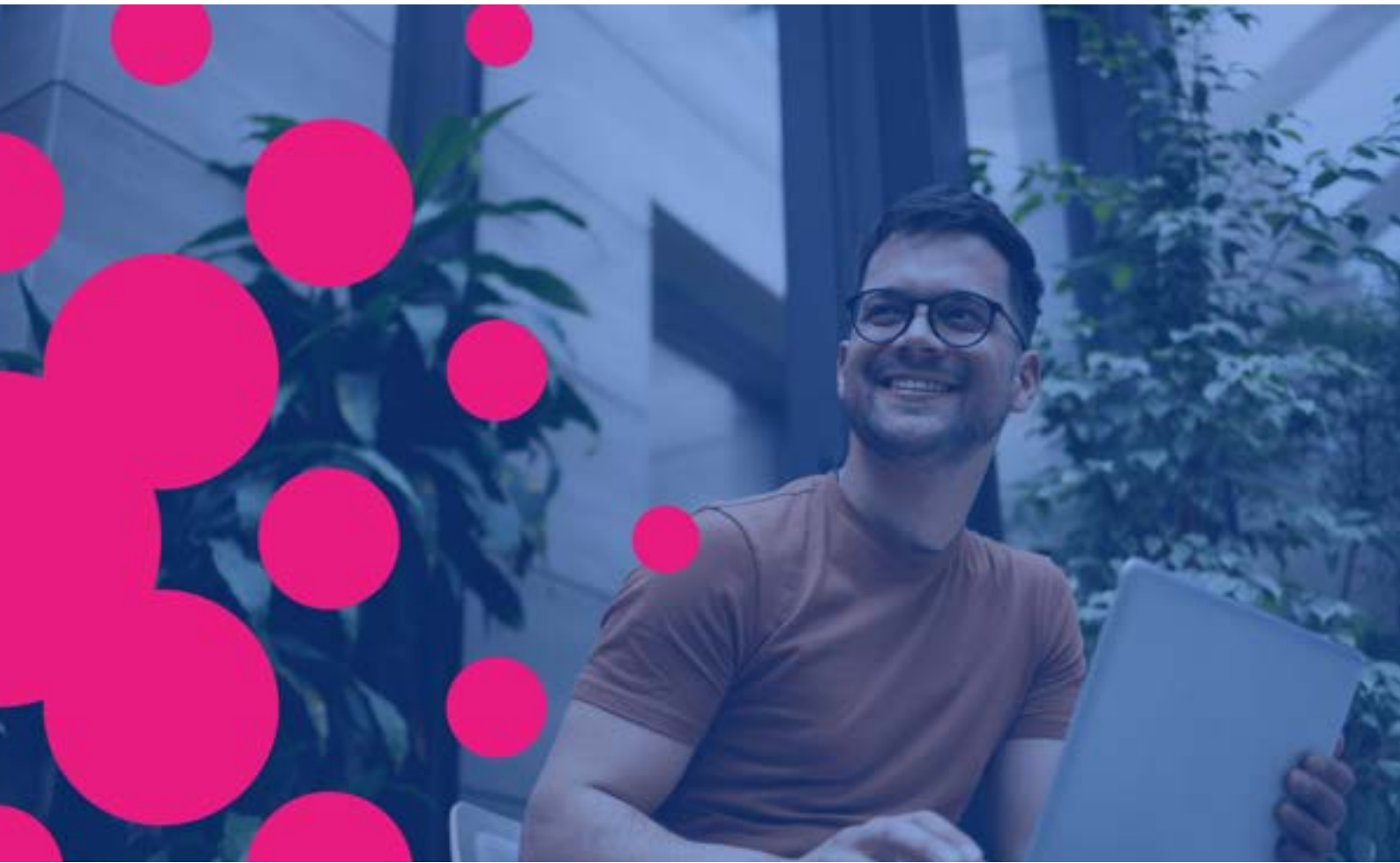
KEY QUESTIONS YOU NEED TO ASK WHEN SELECTING AN MDM SOLUTION

What business problems are you trying to solve and what goals are you looking to achieve by investing in an MDM solution?

Make an effort to build a deep understanding of your business pain points. Then build a clear business case on how the MDM solution will help deliver business goals and strategy. Some examples of common pain points are:

Poorly defined data governance: data is ungoverned and lacks ownership, and MDM is spread over multiple functions.

Diverse ways of working: the definition of data differs across product groups or markets, leading to inconsistency and duplicate master data records.

Lack of visibility: without a dedicated MDM framework, nobody in the organisation has a clear view of the availability and correctness of master data records. The new master record is created and is correct, but when it is not reviewed and updated during its lifecycle, the result is inaccurate and inconsistent data.

Ill-defined roles and accountability: an MDM solution requires a clear delineation of roles - owners, stewards, creators, and users – so that the MDM programme has fit-for-purpose accountability.

There is no one-size-fits-all solution for this – defining and implementing a master data governance framework first needs a forensic assessment of current master data in terms of people, processes, and technology. Only then can the organisation to establish a realistic aim regarding the requirements, resources and timescale. By addressing these pain points, you link your business case to solutions to specific issues and demonstrate how such a solution will deliver on business goals and strategy.

How will I measure the success of our MDM solution?

Measuring added value and benefits to the business is essential. You should monitor, measure, and quantify progress towards your goals.

Firstly, identify KPIs which you can track before and after implementation, as well as identifying benchmarks for each of your KPIs. These should be based on businesses operating in similar industries and markets.

With clear and transparent milestones, once you reach the end of the project, it's easier to measure the extent to which the objective was achieved. Before and after tracking must be embedded in the project's lifecycle.

Examples of metrics:

Percentage rise/fall
increase/decrease in revenue, traffic or conversions

Time
saved by automation, or NPI's to reach market

Volume and productivity
products launched or up-sells achieved

Should I go for a full-scale implementation, or a more incremental strategy?

With a project which has an impact across your business, starting small and incrementally building the solutions is advisable. It enables you to test data quality, processes and expected outcomes before you commit to full implementation. Conversely, with a 'big bang' approach, the risks of problems impacting parts of the business increase, with the resulting need for costly and time-consuming remedial action.

Ultimately, the decision on whether to go for a full-scale implementation or an incremental strategy depends on your organization's specific needs, resources, and risk tolerance. It's important to carefully consider these factors and consult with stakeholders before making a decision.

Which is better? On-site or cloud-native?

There are three broad deployment models:

On-site
The customer implements and maintains the applications and data on their own servers.

Cloud-based (PaaS)
These platforms use high performance APIs and share common architecture components across tenants.

Software-as-a-Service (SaaS)
This model provides a 'wrap-around' service where everything (application and infrastructure) is vendor-managed.

Maximum flexibility and control but is IT resource intensive.

Easy to upgrade quickly, and while the customer organises the system, the vendor supports the infrastructure.

Economical, 'easy' option, but less flexible and customisable than a PaaS.

What types of support packages should I purchase with the PIM platform?

Support levels range from Wiki-type knowledge bases to help lines and live support. Even larger companies can be relative novices when it comes to MDM practices and the support they are likely to need during implementation, go live and maintenance. Getting the right advice to make those decisions is crucial.

Other support offered by vendors to varying degrees (and varying pricing) are:
- 24/7/365 phone or email support
- Support team populated by experts (and, paid, specific to your MDM needs)
- System version upgrades
- Managed services like system health checks user training,and other discrete issues
- Partner network (usually business solution-oriented or tech-specific)
- Vendor-specific courses – many vendors offer training programs

How will an MDM platform improve our processes and workflow management?

An MDM solution deploys a powerful range of workflow management tools. Users can automate, implement best practices in data and content integration, and gain oversight of how data sets flow across multiple sources, applications, and stakeholder groups.

An MDM enables organisations to develop a collaborative approach to master data management. Standardisation and validation of data streamlines workflows and provides ongoing governed insights into completeness and quality.

✓ Setting data governance rules

✓ Implementing protocols for accountability and compliance with established policies

✓ Creating multiple routings and alerts

✓ Auditing quality by deploying attribute management tools to monitor, analyse, and enhance product data

✓ Applying rules-based permissions for user accessibility and activity

Who should be involved in the MDM implementation?

Depending on the size and complexity of the business, some if not all of the following people, internal and external, will need to be involved at various stages in the project.

The **project sponsor**, who owns the data strategy, budget and the platform

The **project manager**, responsible for deliverables, progress updates and risk management

The **business analyst**, whose remit involves oversight of the organisation's business processes and an in-depth knowledge of the functionalities needed to implement enhancements

The **data architect** (modeller), who oversees the logical, conceptual and physical data models which will conform to predefined standards and protocols

The **solution architect**, who develops the overarching technical strategy for specific solutions to the business problems identified. Their role involves designing, describing, and managing the solution build. As with several external experts, this role provides a link between the business and technology dimensions of the project

The **business users**: those who will directly interact with master data – among these are data owners and stewards

Data migration experts, to manage the transfer of data from legacy systems

The **Master Data governance committee/body/council** carries out periodic reviews assuring the policies and master data quality standards are being fulfilled, and that data owners and stewards are maintaining, developing and providing suitable master data for other users to access.

Business leadership needs to commit to the process by allocating the appropriate amount of their time, as well as the time and sponsorship of their operational leadership team.

What Features Does the MDM Solution Offer?

You should expect any MDM solution to contain the following features:

- A single view of all data in your organisation
- Master data linking and matching
- Integration of third-party apps for tasks like enrichment, syndication, or analytics
- Machine learning capabilities for high-frequency functions
- Security, privacy, and protection measures determined by a governance framework
- Cleansing and Correction tools for anomalous data
- Quality monitoring and reporting to alert on data quality Issues
- Taxonomy and Hierarchy Management
- Concept Standardisation (e.g. addresses)
- Graphics-based UX for relationship & network analysis
- Flexibility and scalability
- Full integration with workflows and business processes
- Customised data security solutions

These are just some of the features that MDM solutions typically offer, and the specific features will depend on the vendor and the particular solution being used.

What is the cost of an MDM solution?

The cost of a MDM platform can vary greatly depending on several factors such as the vendor, deployment model, features, and level of customisation required. Some vendors offer cloud-based subscription models that start at a few thousand dollars per month, while others offer on-premises solutions that require significant upfront investment in hardware and software licenses.

Additionally, the cost of implementation, customisation, training, and ongoing maintenance and support should also be factored in. These costs can range from a few thousand to several hundred thousand dollars, depending on the complexity of the project and the size of the organization.

Its difficult to provide a precise cost without knowing the organization's specific needs. Get quotes from vendors and collaborate with them to determine the best solution and pricing for your situation..

Comparing the best MDM vendors

There are plenty of MDM providers to choose from. Generally, the longer a MDM vendor has operated, the more credible evidence they can offer for past successes.

What really matters is selecting the right fit for your needs. As a leading data management consultancy, we work alongside several partners specialising in developing PIM & MDM solutions for all kinds of manufacturers, distributors and retailers.

Contact us for a **FREE** demo of MDM vendor solutions

Description

Precisely EnterWorks is the singular data hub that enables your business to curate product stories that converts shoppers into buyers. With EnterWorks, organisations can tell compelling, complete, correct, consistent, and contextual product stories that engage shoppers and convert cart additions to a purchase.

Orientative Cost

Licensing is available in perpetual and subscription models and costs are provided based on client needs and requirements.

Ideal Customer

Precisely EnterWorks is empowering businesses in a litany of industries and verticals and new customers are finding that their use cases have potential to be supported by other Precisely product offerings as well.

Qualities

The EnterWorks platform includes all the capabilities expected of a PIM and MDM platform out of the box. Business users can configure platform functionality to meet their business needs—no technical skills required. In addition, there are some capabilities that differentiate from other PIM / MDM solutions:

- ETL (Extract, transform, and load data)
- Match and merge
- Member PIM
- Shared content catalogs
- Change management
- Business rules and validation engine

Description

Stibo Systems is the trusted enabler of data transparency. Their solutions are the driving force behind forward-thinking companies that have unlocked the strategic value of their master data. With their data management and commerce solutions they empower better customer experiences, drive innovation and growth and create a foundation for digital transformation.

Orientative Cost

Stibo Systems solutions are configured and priced according to the specific needs and requirements of the customer and offered as software as a service.

Ideal Customer

Stibo Systems operates worldwide. Their solutions are targeted at large and sophisticated organisations with complex data management needs and requirements. They maintain a core focus in supporting Retail, Distribution, Manufacturing and CPG industries.

Qualities

A cloud-based single multidomain master data management platform underpins our solutions which enable companies to create better data through improved governance processes that result in better business, with improved operational efficiency and accelerated growth. Through data transparency, Stibo Systems enables businesses to deliver on the promise of a better world.

FINAL WORDS

In this eBook, we have given you a number of key pointers regarding why an MDM solution is the intelligent choice for managing your multi-domain data. We looked closely at:

- What a strong and multi-faceted master data management strategy looks like

- How an MDM offers a guarantee of high quality as well as driving better business performance and customer experience

- How ROI for brands, manufacturers, retailers, and distributors generates a healthier bottom line, measurable savings in money, time, and resources, and opportunities for growth

Above all, do your research. Know what you need. Prepare a business case. Make sure you have done due diligence, so you can make an informed and considered decision.

About Start with Data

Start with Data is a consultancy focused on enabling retailers, brand manufacturers, and distributors to get their data and processes into tip-top shape and keep them there—so they can compete and thrive in today's competitive digital economy.

The expert guidance you need to find the right technology.

Save time and resources and de-risk your selection process by turning to our business and technology experts. We always keep your business goals front and centre and draw on our years of experience implementing and running these platforms to help you find the right solution for the long term—without bias towards any vendor and without taxing your already busy team.

Whether you engage with us to select the right PIM or MDM platform or take advantage of our end-to-end services, our strategic approach underpins everything we do. We understand that to meet your business goals; we need to keep an eye on the big picture, which means your people, processes, and the technology that enables them.

Explore our comprehensive range of services and discover how we can help you transform your data management challenges into business benefits. So, you can fuel revenue growth, free up your team, and reduce costs and risk.

Ready to start your journey to data management greatness?

Learn more about the services Start with Data provide at startwithdata.co.uk