



# Getting Organizations to effectively Manage their master data

**M**aster data management goes a long way to enable organizations to manage their core business entities, reduce costs and improve business processes through accurate information distribution, as **ETM's David Tran** speaks to **InforData Consulting's Ike Ononogbu**.



**David: Tell us a bit about yourself and your role at InforData Consulting.**

**Ike:** The gathering of data and the information that comes from it is vital to the success of an organization. Ensuring the deliverance and capabilities of software in organizations is what created InforData Consulting in 2007. We are a data management consulting firm, we implement solutions for many data-related business challenges organizations face and effectively improve their business processes. The core capabilities of master data management (MDM), data integration and data migration help organizations improve efficiency, reduce costs and make informed decisions. I currently oversee the data integration of MDM practices at InforData Consulting. Prior to forming InforData Consulting in 2007 I worked at various multi-nationals and consulting firms as an independent consultant within the data management space. At InforData Consulting, we have assembled a team that has invaluable experience in the data management space, operating in the UK and mainland Europe.

**David: Gartner recently published a research report saying that organizations are citing improved business processes and better performance management as two of the top reasons to invest in MDM. Can you discuss the instant effects of MDM deployment and the benefits that can be achieved by an organization as a result of MDM?**

**Ike:** According to Gartner, by 2013 MDM will reduce data redundancy in organizations and as a result will save 80 percent of the costs associated with managing this redundant data. This is a significant statement from Gartner and it highlights the importance of MDM. Master data management is a set of processes that enable organizations to have a 360° view of their core business entities, providing an easier task for organizations to outline their strategies on customers, products, locations and vendors. To achieve this there are four key steps that have to be implemented – data profiling, data quality, data integration and last, but certainly not least, data governance are the key pillars organizations have to observe. Data

profiling is about the structure of data held in your IT systems, where you need to understand what format your data exist. Next is data quality, which deals with cleansing your data to reflect the true meaning of your data and accurately represent your data as it should be in your MDM system.

Data integration is another factor to consider, which addresses the consistency in the unified data sets that have been pulled from different repositories. An over-arching pillar, data governance, is about data ownership, rules governing the use of data, who accesses data and how they access this data. Eventually, after implementation what you get is a single view of the core business entities with a greater understanding of who your customers are, and a complete view of your products and who your vendors are.

**David: What have you found to be the most common MDM pitfalls and challenges companies get exposed to?**

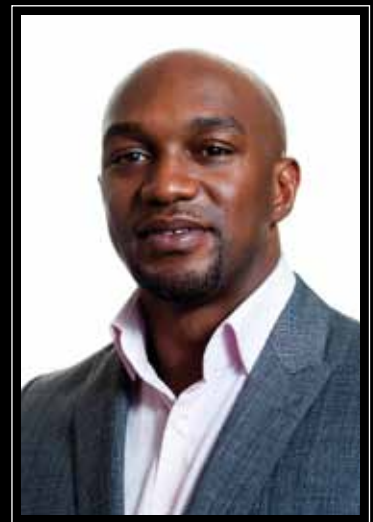
**Ike:** From my experience the key challenge is not recognizing that MDM is a business challenge that has required IT required to be called in to help solve. Another misleading impression is that MDM is an IT project - it is not. Organizations need to understand an MDM project is a business/IT collaboration. The pitfalls we have noticed is not having clear cut objectives, going halfway and decide “oh why not add this or why not do this?” An MDM project should have firmly stated objectives.

Another element is very poor data quality. You would not believe how inconsistent data storage is in some organizations. There are clear weaknesses where the data structures and formats are not aligned and have semantic inconsistencies. Because of the poor data quality, a lot of resources are spent trying to cleanse the data. This poses a great big challenge in itself.

**David: So what advice would you give a company in the process of seeking a MDM solution and options for the technological implementation of the solution?**

**Ike:** Before taking on an MDM project,

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**Ike Ononogbu |  
Managing Partner  
InforData Consulting**

Ike Ononogbu is a Managing Partner at InforData Consulting. Prior to forming InforData Consulting in 2007 he worked at various multinationals and consulting firms as an independent consultant within the data management space. Since starting InforData Consulting, together with his partner and team of consultants, they have successfully implemented solutions in global organizations around UK and Europe.

of investment in delivering business value. What will it achieve, what are the efficiencies that it will create and costs? This is the first step that has to be executed before backing a MDM project because there is no point going into an MDM project without outlining how the business or what the business will gain from an implementation. The next step will be to define the business entities or master data by understanding who the customer and vendor is, and what the product is. You also determine your hierarchies and how to resolve duplicates because when you are at the implementation stage you will encounter hierarchies and duplicates, and wonder how I will resolve this. When I see two similar company names or addresses, I will have to decide which one is right and which one is a duplicate. The fourth point that I think is very important, based from experience, is the acknowledgement that business and IT must work together. Someone has to take ownership of the data, which is owned by the business. You also touched on the technology aspect. There are so many software companies offering MDM applications. A well-defined set of processes is more important where the tool simply does what you tell it to do. Being able to define your objectives, define your master data, make sure the business and IT work together, from experience, and you stand a good chance of having a successful MDM solution.

**David:** With an increase in number of operational and analytical systems being deployed in a cloud based environment what do you see are the emerging challenges of managing master data on the cloud?

**Ike:** The main challenge is security. The person needs to be able to understand how safe my data is. The data center could be in Alaska, so you need to decipher who is responsible if something goes wrong. Yes, there can be legal implementations, so when you take responsibility of data storage from those responsible for its governance you can see the risk actually increases. Having said that I believe the benefits are quite compelling. Organizations would relinquish with hardware and software maintenance, and drastically reduce operational costs. It is

a practice I think is going to grow, but of course the security aspect is something that has to be addressed. Companies that offer cloud based services must be able to assure the client their data is safe.

**David:** And talking about the trends to come, can you see any key developments that might shape MDM in the future.

“The future of MDM and data management as a whole lies in Information-as-a-Service and this will come in the form of data virtualization.”

**Ike:** The future of master data management and data management as a whole lies in Information-as-a-Service and this I believe will come in the form of data virtualization. Data virtualization is a process of obstructing, transforming and delivering data contained within a variety of information sources so that they may be accessed by consuming applications or users when requested without regard to their physical storage or structure. One may ask how is it beneficial and how does it differ from current practices. There is flexibility, agility of integration due to the use of virtual data stores, improved data quality due to the reduction in physical copies, and an improved usage through the creation of subject related business value data objects. This is a topic that is gaining traction and will most likely play a key role in the future of data management practices. So I strongly believe that Information-as-a-Service in conjunction with the cloud will play a very big role in the future. **ETM**

