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Information Management software

IBM Master Data Management strategy

*Leveraging critical data to accomplish strategic
business objectives*

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To meet fundamental strategic objectives such as growth, revenue generation and cost reduction, organizations need to gain control over data that is often locked within silos across the business. The most valuable of this information—business-critical data about customers, products and accounts—is commonly known as master data. Despite its importance, master data is often replicated and scattered across business processes, systems and applications throughout the enterprise. Organizations are now recognizing the strategic value of master data and are developing long-term master data management (MDM) action plans to harness this information and use it to drive corporate success.

While MDM is strategic in nature, current business and IT best practices dictate a phased approach to implementing MDM processes and technology to demonstrate incremental value achieved through focused, tactical projects. IBM has developed a Multiform MDM strategy supported by a product portfolio that allows organizations to meet short-term tactical MDM needs, while providing a roadmap for growth in future phases of implementation.

The IBM MDM portfolio is anchored by two primary products: IBM® InfoSphere™ Master Data Management Server and IBM InfoSphere Master Data Management Server for Product Information Management (formerly known as WebSphere® Product Center). Both can deliver on MDM requirements across a number of tactical needs, including two of the most common MDM projects: Customer Data Integration (CDI) and Product Information Management (PIM).

CDI projects revolve around customer data and usually focus on enabling real-time access to this information in support of business applications or processes. PIM projects generally include the technology, people and processes required to create and define a single view of product information

across the enterprise. As organizations move to the latter phases of MDM, these technologies can be deployed together to fulfill long-term strategic requirements and generate even greater value for the business.

This paper describes the concept of Multiform MDM and discusses how the IBM product portfolio can be used to accelerate all types of MDM projects.

The IBM Master Data Management strategy

Forward-thinking organizations realize that data-related problems previously defined as CDI or PIM can have a much broader scope and impact. Today, these organizations are investigating holistic MDM solutions that extend beyond product-only or customer-only information, provide functionality for different uses of that information and provide reliable roadmaps for phased implementations that deliver value to the business incrementally. The primary driver for this paradigm shift is the recognition that while tactical MDM projects can solve immediate business needs, MDM can also support long-term strategic business initiatives.

Each organization must determine the most effective starting point for its MDM projects and ensure that those projects have the ability to grow over time. Multiform MDM, the IBM MDM strategy, is a crisp reflection of IBM clients' varied organizational requirements. Multiform MDM enables organizations to start with CDI, PIM or other tactically focused master data projects while simultaneously accounting for future data management needs.

There are two specific dimensions to IBM Multiform MDM: domain and usage. These are the most important considerations when determining the scope of an MDM project and evaluating MDM technology. Domain is the category of information, such as customer, product or account; usage defines

the way that information can be used by the business. The usage dimension can range from real-time access to information, known as “operational usage,” to the creation and definition of master data through a process, which is known as “collaborative usage.” Even within the same industry, organizations can differ greatly in their initial domain and usage requirements.

Starting points and subsequent phases for MDM initiatives vary significantly in terms of domain and usage, and are driven by business need. For example, some companies struggle to introduce new products to market efficiently; they require workflows that involve a large number of stakeholders throughout the enterprise to define and approve product information. Other organizations may need a clear understanding of the product across all customer touchpoints, ensuring that internal and external users have a common view of product information. In this case, product information and real-time access become the most important domain and usage needs.

The IBM Multiform MDM strategy and the current IBM MDM product portfolio support organizational requirements for a wide range of project starting points and provide the roadmap for success in subsequent implementation phases. Multiple domain and usage support ensures that organizations can start solving an acute business problem and grow into a pervasive MDM strategy over time. These enterprise-level MDM strategies have proven instrumental for organizations seeking to create new revenue opportunities, help reduce redundancies and costs associated with inefficient processes and legacy systems and facilitate company growth. Both InfoSphere MDM Server and InfoSphere MDM Server for PIM directly and independently support Multiform MDM; they can also be combined in the same environment to create even greater business value (see Figure 1).

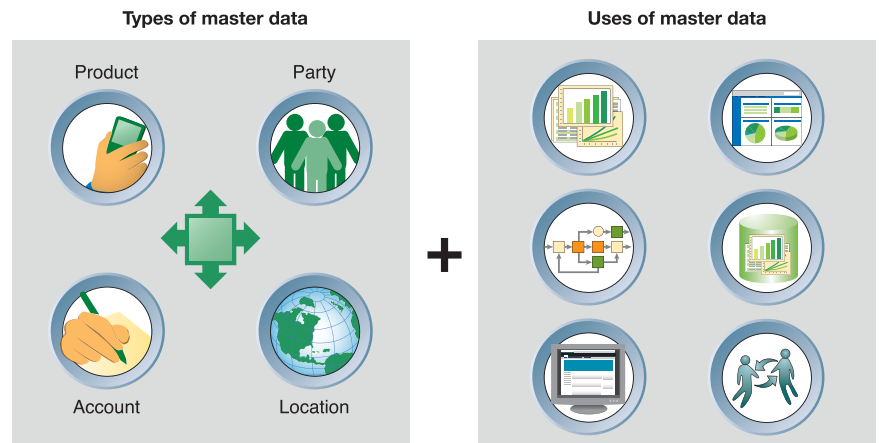


Figure 1: IBM Multiform MDM can help you establish a single view of critical types of master data for use throughout an organization.

IBM InfoSphere MDM Server

Designed to provide flexibility in its deployments, InfoSphere MDM Server cuts through the barriers imposed by separate lines of business (LOBs), applications and product-centric silos, helping to deliver on the promise of multidomain operational MDM. InfoSphere MDM Server is particularly effective in helping organizations gain real-time access to the trusted customer information needed for CDI projects, while also supporting real-time system access to master product and account data for other initiatives. Using a real-time MDM technology such as InfoSphere MDM Server can help organizations produce business value in areas such as:

- **Customer insight for retention and revenue generation:** Organizations leverage InfoSphere MDM Server to gain a complete customer view across previously disconnected and siloed LOB and product systems. Additions and updates to customer profile information throughout the enterprise can be captured and distributed to all necessary systems. With a full, up-to-date understanding of the customer, channels can then differentiate and track high-value customers and provide heightened levels of customer service, helping to ensure retention.

This type of functionality generates significant value for a number of industries. In telecommunications, an understanding of the customer's lifetime value can impact queue waiting times for call center support. Customer profile information inclusive of product and account data can also be used by customer touchpoints (such as call centers, ATMs and Web self-service systems) to identify cross-selling or up-selling potential, resulting in new revenue generation opportunities.

- ***Deliver new offerings to differentiate in the marketplace (bundling):*** *Leading companies in many industries are attempting to differentiate themselves by offering account and product bundles. However, many struggle to support such business requirements within existing processes and applications. InfoSphere MDM Server captures product and account information and manages the relationships between these entities as they are assembled into bundles or value packages.*

InfoSphere MDM Server can also enforce associated terms and conditions. In the financial services industry, for example, an organization has the ability to manage a bundle of checking, retirement and college savings plan accounts, and then offer customers preferred interest rates based on the ownership of these accounts. InfoSphere MDM Server helps eliminate the manual intervention often involved in the setup and enforcement of bundles and their terms and conditions, helping to reduce errors in customer treatment.

IBM InfoSphere MDM Server for PIM

InfoSphere MDM Server for PIM addresses an organization's need to meet PIM requirements. This technology offers the ability to take a collaborative approach to creating and defining master product information. It provides a flexible data model, tooling, user interfaces, security and workflows to allow an

organization to create and define product information—without the traditional barriers imposed by business function or existing processes. InfoSphere MDM Server for PIM can deliver value to the business in the following areas:

- ***Accelerate time to market to lower costs and improve service:*** *Time to market for new product introduction (NPI) is crucial to the success of many organizations. However, current processes can be time-consuming and error-prone, and inefficiency can arise from manual efforts to consolidate product information from throughout the enterprise, ineffective communication between stakeholders responsible for enhancing this information and lack of a common repository to store and share this information.*

InfoSphere MDM Server for PIM provides business users with the workflows required to bring a new product to market and create a common repository designed for the organization's particular needs. Retailers and consumer electronics represent two industries that have leveraged this technology to help ensure that the newest products are available in stores in the shortest possible time. InfoSphere MDM Server for PIM enables the organization to streamline the NPI process and can help significantly reduce the time required to reach the marketplace and get products into the hands of customers.

- ***Streamline processes to create effective e-commerce:*** *Creating effective processes to ensure accurate and complete product information is perpetually available to be published to Web channels is a task beyond the scope of the e-commerce applications themselves. Companies struggle to consistently consolidate product information scattered throughout the enterprise, maintain additional product information (such as hierarchies that may be specific to the Web presence) and eliminate process bottlenecks that threaten timely changes to this data.*

InfoSphere MDM Server for PIM can help provide this critical information, enhance and enrich the data and consistently publish it out to external-facing applications that support e-commerce initiatives. The distribution sector, for example, has leveraged InfoSphere MDM Server for PIM to help ensure that stakeholders in the supply chain can populate product information directly into the system and make it readily available to internal users and external Web channels. As a result, organizations gain confidence that only correct information is delivered to all sales channels, helping to improve Web user experiences and streamline e-commerce processes.

Leverage the entire IBM MDM portfolio to meet strategic objectives

InfoSphere MDM Server and InfoSphere MDM Server for PIM provide proven, market-leading functionality for even narrowly scoped MDM projects, enabling organizations to deliver business value and meet initial tactical needs associated with CDI, PIM and other domain-centric initiatives. Companies can derive widespread business value from the successful implementation of each technology, including customer service and sales improvements, product and service differentiation, regulatory compliance, speed to market and elimination of costs by streamlining processes.

However, in later phases of implementation, MDM initiatives stretch beyond requirements for CDI-only or PIM-only deliverables, both in terms of the domains of master information and the ways in which the business will use and manage that information. IBM's ability to meet the requirements of Multiform MDM through the combination of InfoSphere MDM Server and InfoSphere MDM Server for PIM has led to unprecedented success for several organizations seeking solutions to fulfill enterprise-level initiatives:

- ***Strengthening the corporate brand:*** *The executive leadership of a major retailer set an organizational goal to become an industry leader by repositioning and strengthening the corporate brand. To achieve this, the company determined that a strong customer focus with a high level of product availability was essential to brand preference in the marketplace. When analyzed against current practices and abilities, management found*

that meeting their goal would require new infrastructure to support greater levels of customer service and attentiveness to membership subscribers, while also delivering the newest products to market more quickly than competitors and minimizing product stock outage time.

The business stakeholders, along with their IT counterparts, evaluated a number of solutions, measuring each one's ability to meet these aggressive objectives. The team also recognized that large-scale success would require a series of interrelated IT projects, each delivering incremental value to the business over time. From a customer service perspective, the organization needed to quickly recognize the customer, their preferences and membership level within stores at the point of sale, on a self-service Web channel and during call center interactions. Yet finding a solution for the customer information challenges met only half of the long-term requirements, as the company also needed an effective method of managing master product information and quickly bringing new products to market.

The retailer selected the IBM Multiform MDM portfolio, including both InfoSphere MDM Server and InfoSphere MDM Server for PIM, as the strategic solution to gain this customer focus and manage product processes to strengthen the corporate brand.

- **Supporting rapid organizational growth:** *The full IBM Multiform MDM portfolio supports companies with a mandate for rapid organizational growth. One such organization in the telecommunications sector set corporate objectives to greatly exceed the industry growth rate through acquisition as well as organic growth strategies. To enable both types of growth, the company needed a common source of master customer information that could overcome the LOB barriers that had developed over time between landline, data services and mobile businesses. The master information source also needed to provide a process to create and supply multiple customer touchpoints, such as the Web, retail stores and call centers, with accurate and timely master product information.*

The customer chose InfoSphere MDM Server for PIM to provide common processes for collaborating and publishing master product information and a common master product repository to persist this information over time. InfoSphere MDM Server enabled real-time access to master customer data, including account and product information; delivered the master data in context to all users when requested; and provided an integration point for new customer systems as the company made more acquisitions.

The organization has even more aggressive plans to fulfill their MDM strategy through the integration of both IBM products. This future state would allow the organization to create and define product information using InfoSphere MDM Server for PIM, then gain real-time access to this information by publishing the data to InfoSphere MDM Server.

Conclusion

Master data management is often referred to in the context of market requirements defined by either CDI or PIM. These market requirements and the accompanying technology are often well-suited to the initial tactical needs of the organization and provide the basis for the first phases of MDM deployment.

However, organizations are recognizing the broad and strategic implications of MDM. Rather than isolating their focus to a particular tactical MDM project, they are quickly determining that the most capable MDM vendors and technologies can manage multiple types of information or domains, such as product, customer and account data, as well as multiple usages of this information, such as real-time or enterprise-wide collaboration.

The IBM MDM portfolio, including InfoSphere MDM Server and InfoSphere MDM Server for PIM, and its Multiform MDM strategy meet today's tactical MDM needs with single domains and usages, yet offer a roadmap to expand the scope of MDM projects over time by domain or by usage. InfoSphere MDM Server provides all the functionality required to gain real-time access to customer, product and account information, while InfoSphere MDM Server for PIM provides collaborative functionality for master product information. With years of experience working with progressive MDM customers across a wide spectrum of industries, IBM is uniquely positioned to deliver on the requirements for multiple domains and multiple usage types.



For more information

To learn more about InfoSphere MDM Server and InfoSphere MDM Server for PIM, please contact your IBM marketing representative or IBM Business Partner, or visit

ibm.com/software/data/ips/products/masterdata/overview

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