

UNDERSTANDING THE MDM LIFECYCLE



To cope with the volume of information, companies are spending more every year on data management solutions. Gartner reported that in 2016, IT spending in Australia had reached \$80 billion with the majority being spent on big data analysis.

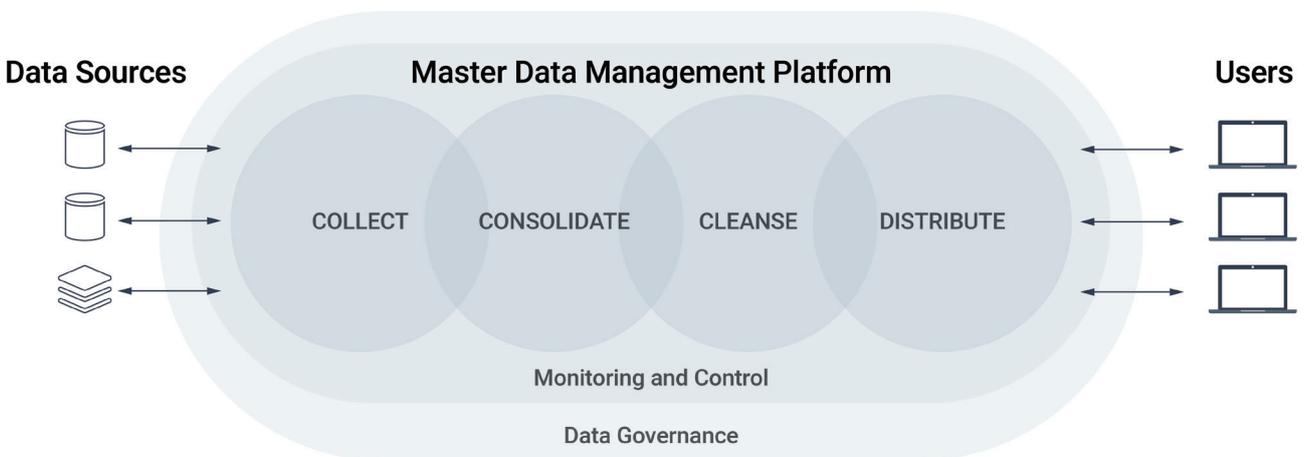
To understand how Master Data Management (MDM) applies to your business Ascention has produced this short guide on the typical lifecycle of MDM within an organisation and the data management process.

In terms of how MDM itself works, we can break the system down into three different phases.

1. COLLECTION/CONSOLIDATION

The first step of the MDM journey is collection - bringing all of the data together into either a single database, or a series of individual application

databases. These two approaches repository and registry - each has its own particular uses and appropriate situations. Repository is a more straightforward approach, where the complete collection of master data for an enterprise is stored in a single database. Registry, on the other hand, takes the opposite tactic, storing none of the master data records in a single MDM hub. Instead, data remains in application databases, with the MDM hub containing lists of keys that can be used to find all the related records for a particular master data item. However, we need to not only collect all the data, but also look at consolidation - determining which systems to retrieve data from, whether they be internal or external. We also need to examine which systems are considered critical, and include those as systems to collect from if we're going to be syncing back to them.





2. CLEANSING

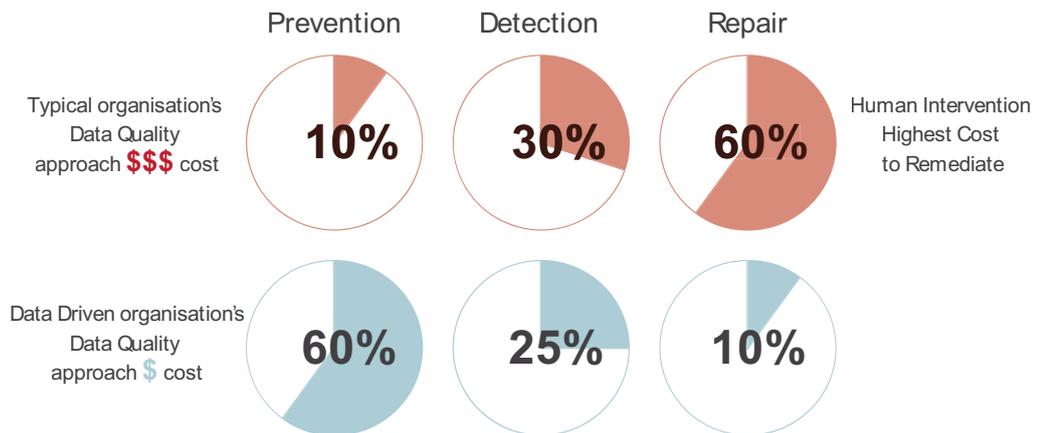
Once we have suitable solutions in place for collection and consolidation - either repository, registry or a hybrid system encompassing both - we can then move onto the next phase. Data quality is one of the biggest challenges facing organisations, with industry expert Jack E. Olson noting that poor data quality can negatively affect operational profits by as much as 20 per cent.

Like the overall MDM process itself, cleansing can be divided into three key areas:

- Prevention: Keeping the bad data out of your organisation’s databases
- Detection: Taking a proactive approach to finding bad data already in your system
- Repair: Fixing or expunging the bad data.

Due to the complexities of the data revolution, and the challenges involved with handling emerging and existing data, the resource allocation in the business community has usually been 10 per cent prevention, 30 per cent detection and 60 per cent repair. Currently, most of our effort is in repairing, but the optimal division should be somewhere around 45/30/25.

Achieving those levels may be challenging, but with enough time investment and the right MDM tools, evening out the resources devoted to prevention and repair can begin to happen.





3. SYNCHRONISING/SHARING

The third stage of the MDM process involves gathering data from legacy systems - sources of some incredibly useful information - and disseminating it across the business more easily. By applying master data dimensions to historical transactions from existing data warehouses, companies can better understand their important data and obtain a clearer historical picture and more importantly use it for better predictability and forecasting future markets and trends.

Those legacy applications aren't necessarily outdated - indeed, a company is likely to be still using them at the time they implement their MDM solution. Incorporating data from currently live systems into a repository, registry or hybrid format is the key to achieving data synchronisation.

Finally, when all sources of data have been brought under control, and stewardship over those databases assigned, the sharing of that information can begin throughout all relevant areas of the enterprise.

GETTING HELP FROM THE EXPERTS

Each phase of the MDM journey is critical to a successful implementation, so it's vital that organisations know precisely the best platform to meet their goals. It can help to start out in a practical, small sense, before graduating to a full MDM solution. Whichever path you choose to take when it's time to gain control of your data, working with experienced partners is always advisable. Speak to Ascention today, and learn how you can achieve effective management over your master data.

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