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Global MDM

Sustainable Master Data Management in an Environment of Global SAP Solutions

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Corporate Business Solutions

As we all know, standard business software enables the smoothest possible interaction between integrated business processes and document flows. In turn, this interaction thrives on the uniqueness of the most basic business information, namely company master data. Yet, there is still need for improvement in the area of master data management (MDM) at SAP customers.

Global MDM

As business grows and a company expands, the importance of planning and organizing data management efficiently also increases. In an environment of global SAP solutions, professional master data management (MDM) is a basic requirement for running solutions sustainably and efficiently. Depending on its quality, MDM either unlocks strengths and taps existing potential – or limits and wastes this potential. If used correctly, master data management is a strong standardization lever that can streamline business processes and reduce costs in application management.

Problems and Strategic Impact

Often enough, companies suffer from the consequences of heterogeneous master data, failing to identify its cause and unable to combat it effectively. Poor master data quality causes problems in operational management of business processes. Particularly it terms of managing the entire company from a global perspective, such deficits soon become more than just sand in the works. A lack of transparency, misleading information, and wasted business potential can significantly reduce economic success.

Without a global perspective of their customers, companies may find that customers buy identical products at different prices and discounts from different international subsidiaries, resulting inevitably in a cannibalization of sales prices. With heterogeneous vendor master data, global purchasing potential is left untapped, whereby business units are unaware that they are working with the same vendors. If there is no global perspective on products, this can lead to redundant product development, globally marketable products being sold only regionally, a global supply chain that cannot be optimally planned, and much more. Strategic potential remains unused. The SAP operating costs (TCO) are correspondingly high.

The importance of master data management is also increasing due to the current trend towards company-wide standardization, the harmonization and consolidation of processes and SAP system landscapes, and the pursuit of a global SAP solution based on a company template. Changes to customer and vendor structures and changing product portfolios are part of day-to-day business in a global SAP landscape. This is why, particularly in an SAP solution distributed worldwide and potentially across multiple system lines, global master data management must be established to provide the relevant master data at the right time in the right quality.

Holistic Approach

What approaches help to establish company-wide master data management or to improve an existing concept sustainably?

Technically oriented implementation offerings that focus on deploying the latest MDM software tools fall short of the mark. A holistic view of the organization, processes, system landscape, MDM software, and relevant master data is required. What can really help are specific details on the general conditions under which global MDM needs to be anchored strategically and how it can be coherently designed, speedily introduced, and sustainably maintained.

A strong organizational concept must be created. A key conceptual task on the path to a global SAP solution is the organization and shaping of processes for creating, maintaining, distributing, validating, and consolidating master data. This involves designing cross-system and company-wide master data processes, which first establishes the general conditions needed for sustainable, central, and comprehensive governance in worldwide SAP operations.

Global Concept

Well-functioning master data management is closely related to the corporate strategy and global IT/SAP solution strategy. This is why building or restructuring a standardized, harmonized, and consolidated global SAP solution requires a global master data management concept to be devised as an integral part of the company's SAP standardization strategy. The global master data strategy must be defined in line with this general SAP standardization strategy and derived methodically from the corporate strategy and functional area strategy.

Deriving a Structured Strategy

Establishing sustained global MDM requires an approach where a target concept that is valid and ac-

cepted across the company exists before the master data tools are introduced and before complex data cleansing activities are carried out.

Accordingly, a global MDM initiative comprising three core building blocks needs to be in place:

- Determine target state of master data
- Break down target state at process and organization level
- Implement global MDM

The basis for global master data management is to determine the target state. Central master data typically includes customers, vendors, material masters, bills of material, and accounts. The master data that is relevant for a company is to be derived from the corporate strategy requirements in a structured manner. The derived result is a standardization concept for global master data. It describes which processes and data are to be standardized in which functional areas (sales, purchasing, global finance, plant logistics/SCM, manufacturing, and engineering). For example, globally standardized bills of material are indispensable if development activities on globally available products are also to be carried out at different locations around the world.

Once the target state has been determined, the standardization goals for the individual master data objects are subdivided according to their impact on or requirements for organization and processes within the company. The necessary measures for establishing global MDM are derived based on the target/as-is comparison. This target concept is documented and presented to TOP management for acceptance.

The next step is then to define the scope of global MDM in detail and derive a roadmap for implementing global MDM. The result is an agreed strategic Global MDM Blueprint that documents the results of the core building blocks and serves as a basis for follow-up activities.

Details of the MDM scope are defined based on the following dimensions:

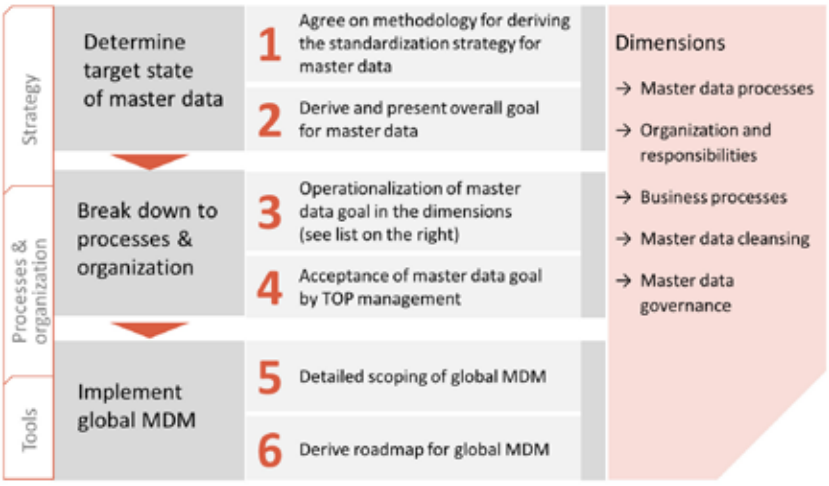
- Master data processes: Modification of existing master data processes and introduction of new processes. Specification of tools and systems for supporting the master data processes.
- Organization and responsibilities: Description of final master data organization. Adjustment of existing master data organization and responsibilities.
- Business processes: Detailed analysis of impact on existing business processes. Assessment of whether additional business processes are needed.
- Master data cleansing: Detailed analysis of existing master data and comparison with target state. Derivation of data cleansing strategy (evolutionary approach, brownfield approach) for global master data objects.
- Master data governance: Definition of procedure and tools for assuring quality of master data permanently.

Efficient Implementation with M-cbs

When it comes to implementing MDM concepts company wide, the wheat is again separated from the chaff. All too often, invested time and money fails to create added value. A methodical approach that enables both targeted and holistic optimization is the key to efficient implementation. In existing system environments, the process of creating the target state for global MDM at data level can be highly accelerated and automated with minimally invasive methods and specific transformation software. Choosing and implementing a suitable software solution for managing master data according to the global MDM concept determines the sustainability and efficiency in ongoing operations.

Selective and Scalable

The implementation of a global MDM concept should be geared towards adding value. M-cbs allows a structured global master data management concept to be derived and implemented company wide in a way that creates value for the company.



Global Master Data Management: six steps to global MDM

"Selective but holistic" is the rule of thumb: Regardless of whether for single master data elements and objects such as purchasing info records of all C-vendors in EMEA; or the material masters for all components manufactured for product group "Special Machine A" in the APAC region; or for all vendor master data in global purchasing. With M-cbs, MDM concepts can be developed and introduced specifically for customers and their requirements, selectively, and for specific master data objects. But what is decisive for success is also to examine a selective scope of master data holistically and incorporate dimensions such as organization, processes, and administrative tools, which go beyond the data level, into the solution adequately. The methodical focus not only accelerates the use of new structures. It also provides the lever for step-by-step, scalable reengineering of processes, individual functional areas, through to the rollout of new MDM standards across the entire company.

Minimally Invasive Data Transformation

A target state at data level does not have to be created from scratch. Data can be modified at different times, independently of process migration, as well as during, before, or even after it. With innovative technical transformation tools, it is possible to convert individual master data objects and elements, as well as dependent objects and documents in the process flow, automatically and thus simultaneously, in one step. The transformation software cbs ET Enterprise Transformer enables alternative project approaches for cross-system optimization of the dataset in existing environments: Individual data objects, segments, and attributes, for example, for product ranges, divisions, etc., can be converted in a minimally invasive manner during ongoing SAP operations, at high speed and in compliance with auditing requirements. The solution harmonizes not only the master data itself, but also replaces the master data in the corresponding documents. It makes no difference whether these documents are open, closed, or archived. This is also possible beyond system boundaries, for example, across multiple ERP systems, SAP BW, SAP CRM, and so on.

SAP MDM and SAP MDG

SAP offers a range of tools that support the requirements of global MDM. Besides proven SAP NetWeaver-based tools such as SAP Workflow, SAP Records Management, SAP Folder Management, or SAP Interactive Forms by Adobe, a dedicated solution with various components for SAP master data management is available, namely SAP Enterprise MDM.

It includes SAP Master Data Governance (SAP MDG), a more recent data management tool, which is integrated for the purpose of maintaining, validating, approving, and distributing master data. SAP MDG can be used for master data that is to be maintained and managed centrally in the SAP Suite. The implementation experience that cbs has gained at diverse customers confirms the benefits of using SAP MDG in a global, regional, and local solution environment.

MDM Maturity Check

A maturity check for global MDM is the best way to get started and find a suitable project approach for optimizing master data management. For this purpose, cbs has put together a compact sequence of workshops in which the core parts of a global MDM business concept are examined for a defined scope of master data, assessed in terms of level of maturity, and any potential for improvement is identified. The offering is rounded off by recommended optimization measures and an implementation roadmap.

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