

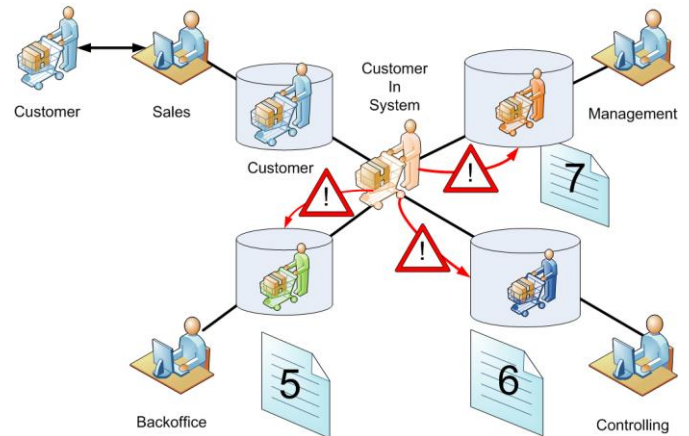
## MDM - A Matter of Good Governance

Inconsistent data and inaccurate statistics and reports are common in many enterprises. Confidence in data has been lost during years working without company-wide definitions and rules.

Data quality can only be achieved through proper data management processes.

Master Data Management (MDM) is the prerequisite for business process integration.

With the t2b Master Data Management (MDM) approach we address these problems. This is a process methodology for achieving quality by good architecture.



## Quality is free – lack of quality costs money

Data and its quality is a key asset and one of the most important capabilities of Enterprise IT.

Even if there is already a data governance program in place MDM concepts leverages this core competency to a level of value creation.

Like any other management program, MDM needs a strategy and well-defined processes to protect the assets and ensure consistent definition, managed quality, reliable security, guided usage and management of data.

### t2b Master Data Management

Master Data is defined as the most stable, non-transactional data in a company. This Master Data is shared among processes, applications, and systems. Typical examples of Master Data are customer, product, account as well as items and bill of materials.

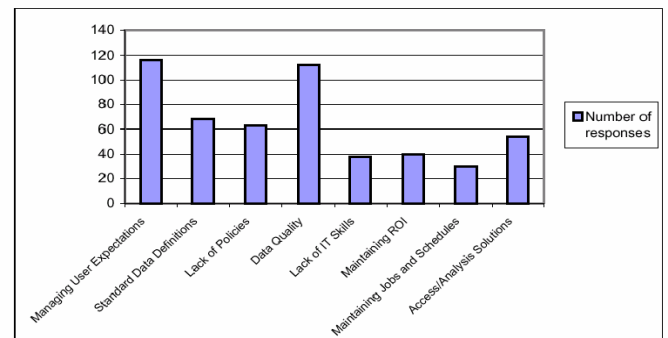
Master Data is structured and non-volatile. Maintaining the quality of Master Data, the structures and the values, is the main goal of Master Data Management (MDM). t2b MDM defines a management process and is built from:

- A process for achieving manageability of data quality
- A data quality program
- A maturity model of the quality process
- A continuous improvement program

t2b MDM has an influence on organisation, processes and governance.

### Proof of Profitability

The quality of master data is crucial for a company and even has direct impact on the bottom line, as different studies have shown:



N = 521 (multiple responses allowed)

Quelle: MetaGroup

- 15-20% of all data values are erroneous in typical customer databases
- Only 18% of all German companies trust their data
- Total cost of poor data quality is about 8-12% of revenue
- 35% of all IT projects fail because of bad data quality

Master data management is a concept to implement processes that continuously support data quality.

### Master Data Management Benefits

Master Data Management has many areas of gain and benefit:

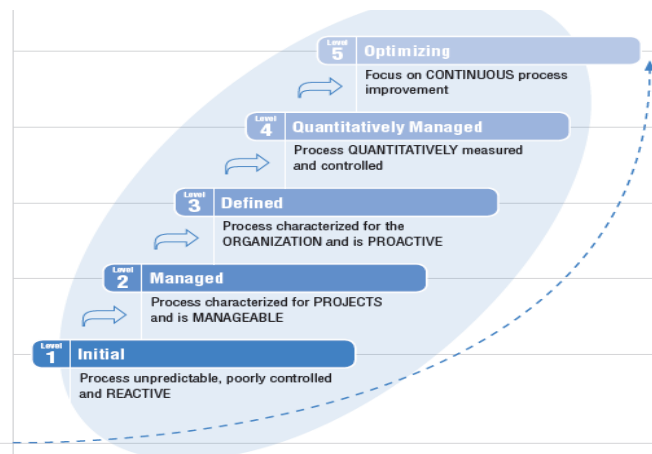
- Internal control and governance
- Compliance (SOX/Basel2/etc)
- Business operations (corporate standards and minimizes operational risk)
- Management decisions, planning, decision making
- IT applications, services, and user acceptance
- Costs of interfaces, data error corrections and migrations

### MDM-Maturity Model

The maturity model helps to assess the current level of MDM maturity of an enterprise and identifies the areas of improvement and business benefits. According to the CMMI, the maturity model uses five levels of increasing maturity. Each step increasing the enterprise's MDM maturity must deliver business value.

This added value is mostly created by aligning business and IT. Technology is not a panacea for these problems. Rather focussing on governance, organisation, processes and metrics will effect change.

In early 2008 most organisations have reached a level which corresponds approximately to level 1 (Initial) and level 2 (Managed).

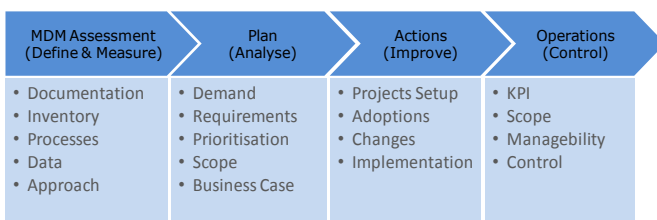


Source: IBM

### t2b MDM Approach

Our approach to MDM is shown in the phase model below. The initial assessment identifies the status and current maturity across all organization units and data domains.

Based on this the scope for the planned MDM project and the priorities are clearly defined.



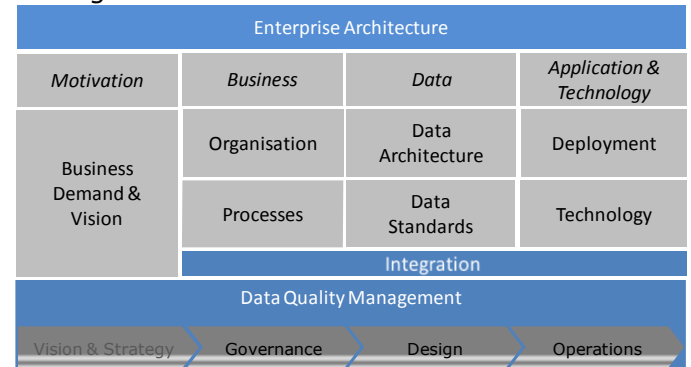
t2b MDM supported by DMAIC cycle

This helps to select the right template project plans and deliverables from the t2b architecture artefact database. For the most common requirements we have step-by-step guides that can be adapted to the specific customer needs. The t2b MDM approach is integrated into an overall Enterprise Architecture approach, to

support the alignment of IT to the business vision and strategy of the company.

As a strategic initiative, the MDM approach impacts the way the company works and therefore we recommend intensive and long-term executive sponsorship.

We use a DMAIC-like concept of service improvement - a proven concept to reach process quality - as base for data quality management.



Architecture support in t2b MDM

A proven data management strategy like the t2b MDM approach is a prerequisite for successful implementations of enterprise wide initiatives like integrated Supply Chain Management, Enterprise Data Warehouses, Service Oriented Architectures and building a Value Chain Network with your suppliers.

### t2b Contribution

t2b offers a process for implementing an MDM program and experienced consultants and project managers to make this program a success within your enterprise.

We also support the implementation of the data cleaning and specific MDM tools that might be required to implement the process.

We will help you to increase your enterprise's MDM maturity to the desired level. And we will be there when you want to start another project to take the next maturity level.

### Ask t2b!

For further details please contact

[info@t2b.ch](mailto:info@t2b.ch)

CMMI: Capability Maturity Model Integration

DMAIC: Define, Measure, Analyse, Improve, Control