

Fast-track Digital Transformation with Master Data Management

An Alparithm Point of View



●●● *Helping you make Data-driven decisions*

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Introduction

Most enterprises today, have embarked on the Digital Transformation journey. Technology forces are creating new experiences and disrupting businesses and operational models. Many enterprise executives we interviewed confirmed that they have jumped on the Digital and AI bandwagon but are unable to derive value from these investments. Now, Digital Transformation could mean different things to different Organizations. The aim is to improve efficiency, reduce costs, deliver product innovation among others resulting in business transformation using technology. However, across enterprises, increasing customer experience seem to be the hallmark theme of Digital Transformation.

From a Technical standpoint, Digital transformation involves moving from the Legacy state with multiple silos such as Sales, Marketing, Finance systems to an Integrated enterprise where you can deliver Contextual and Relationship centric 360-degree views. This results in building a trusted network with your contacts outside the Organization such as Partners, suppliers, providers and distributors.

In order to achieve this, along the journey you need a Central repository of critical master data assets that delivers Standardized structure, enables Interoperability, provides Unique identification of the Asset, enables single source of truth that is of very good quality, well governed and hence trusted and therefore drives greater value.



Mobile



Social



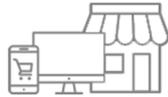
Internet of things



Ecosystem



Cloud



Omnichannel



Experience journey

Laying the Digital Master Foundation

Industry 4.0 and its convergence of megatrends around Customer 360, Big Data, AI, Personalized marketing etc has put enormous pressure on businesses. To survive these unrelenting pressures, it's more critical and strategic than ever, to put your data to work.

Master data is the most important data your company has. Its management is vital to building a strong foundation for integration, analysis, execution, and business value. Master data is the consistent and uniform set of identifiers and extended attributes that describe the core entities of an enterprise, such as Customers, Prospects, Patients, Doctors, Citizens, Suppliers, Location, Legal Hierarchies and the Chart of accounts - representing the core objects of business for analytical and reporting purposes.



Master Data Management (MDM) is a technology-enabled business discipline in which business and IT work together to ensure the uniformity, accuracy, stewardship, governance, semantic consistency and accountability of an enterprise's official shared master data assets.

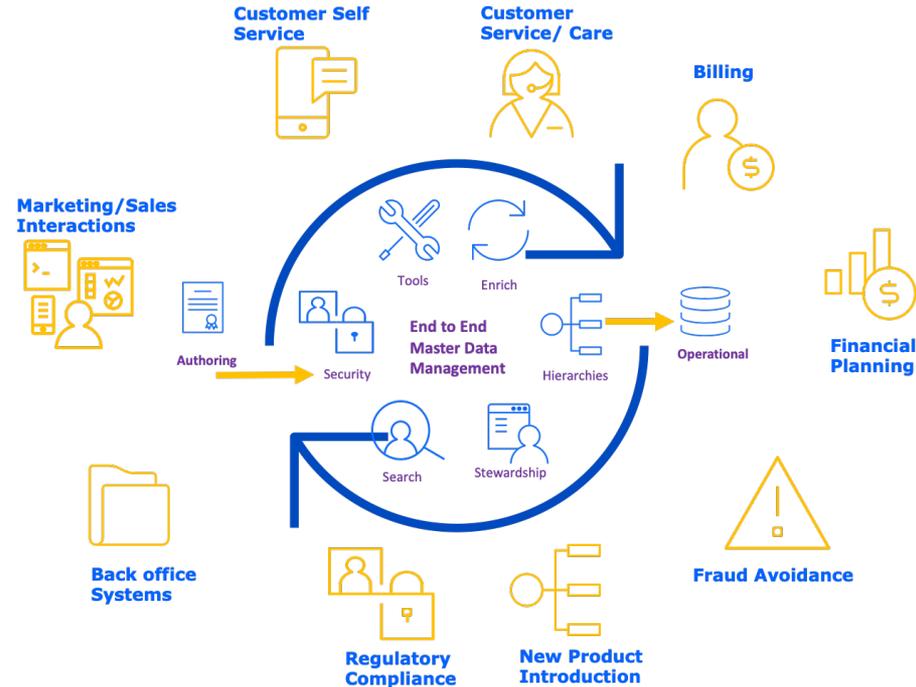
In this paper, we look at how to create a "Digital Master Foundation", that enables an enterprise to deliver business-ready data that is operationally real-time, analytically-powered and directly influences business transactions in a digital world. We also look at some client case studies and best practice steps to deliver tangible outcomes.

Key Business Processes leverage Master Data

Master Data is used by various teams within the organization such as Sales, Marketing, Customer Service/Care, Billing Analysts, Financial Planners, Product Development teams etc. in support of implementing and enabling these business processes. For instance:

- Billing wants to maximize customer satisfaction and identify additional revenue opportunities
- Back Office systems need to understand the choices of various data formats and plan with accurate information that they can provide to support the processes
- Customer Service wants to optimize the business with right-time information
- Fraud avoidance teams want to ensure that all systems have consistent and complete information in real-time

An end-to-end approach to managing these master data can help drive business value within your enterprise.



Master Data Management Use Cases

Master Data Management (MDM) is used in a variety of ways across industries, to derive business value:



Healthcare – Enterprise Master Patient Index (EMPI) to streamline admissions, ensure correct treatment and increase patient satisfaction



Pharmaceuticals – Spend Analytics and Drug cost management to improve business results, IDMP Compliance



Banking – Customer Onboarding, 360-degree view including house-holding, Regulatory compliance (GDPR, KYC, AML)



Insurance – Multi-product discounting to maintain competitiveness. 360-degree view of members for better claims and eligibility management



Retail – Omnichannel personalization at the point of interaction, Customer Loyalty programs, Campaign optimization to provide the most effective offer in real-time



Manufacturing – New Product Introduction, Supply Chain Optimization, 360-degree view of Distributor



Telecommunications – Product bundling, Enhanced customer service to prevent churn



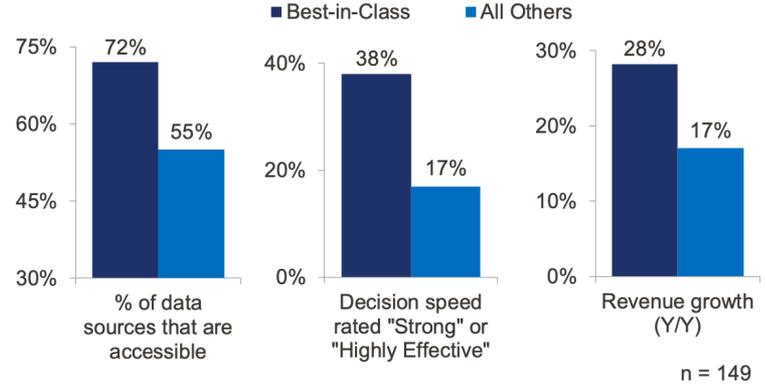
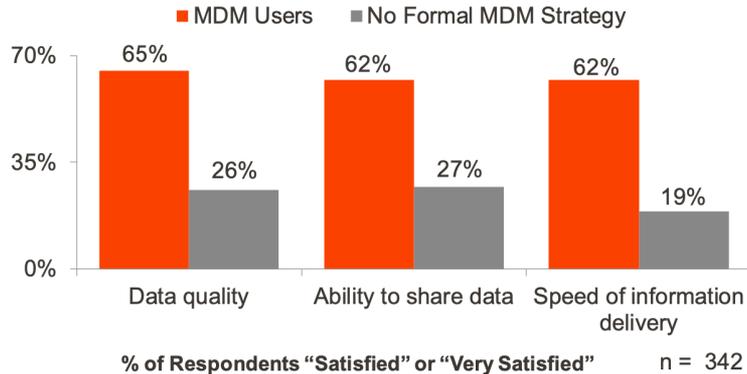
Media – Title, Episodes, Deal, Rights management, Integration with heterogenous media specific applications



Government – Single view of Citizen for Benefits management, Enhance local services, Real-time watch list screening to prevent crime and fraud.

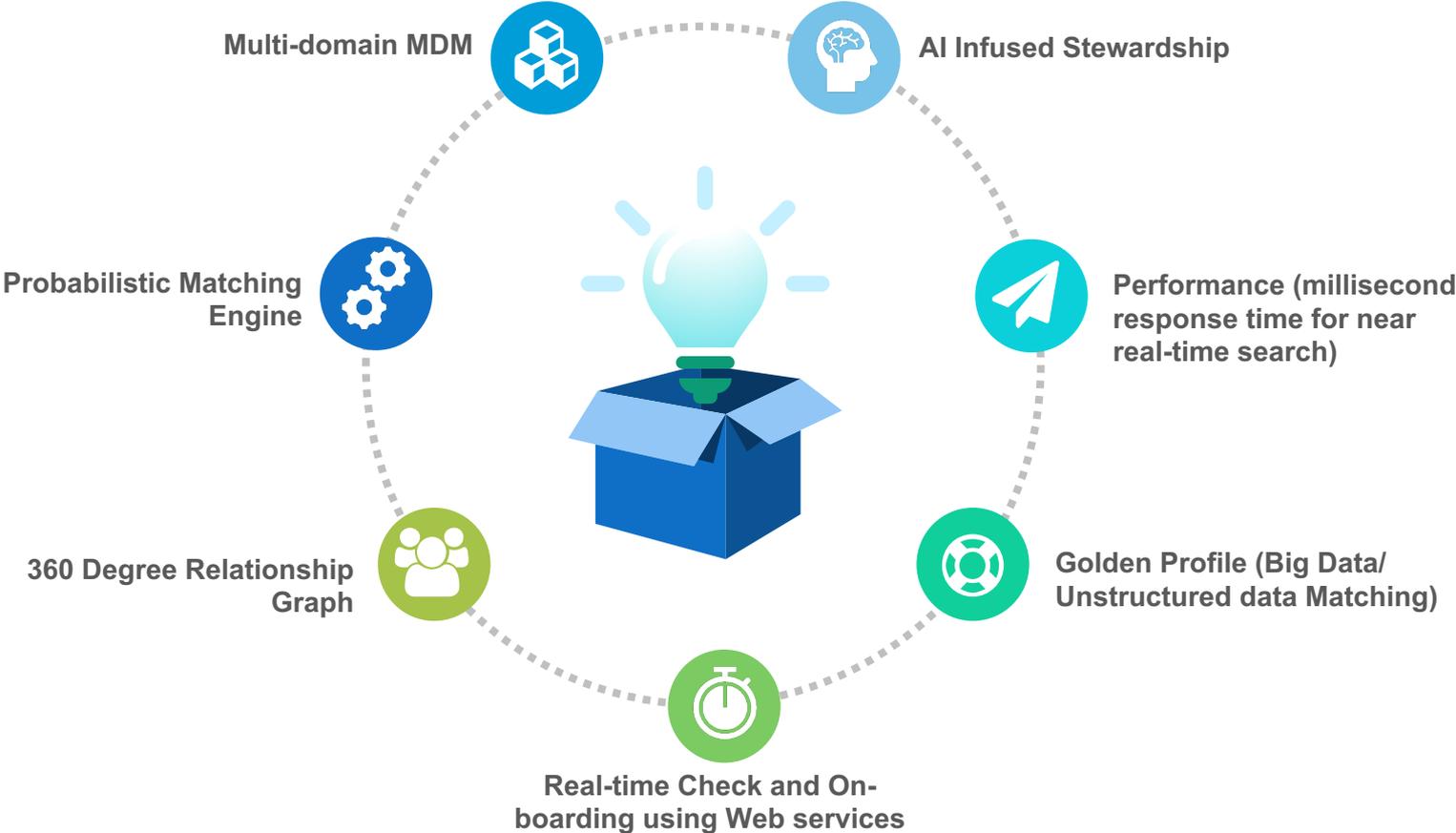
The ever-growing need for MDM

While the need for MDM is arguably stronger than ever before, plenty of organizations are still slow to adopt, even those with a user base thirsty for data. The recent Aberdeen research demonstrates that the presence of a formal MDM strategy can have a demonstrable impact on user satisfaction.



Best-in-Class companies leverage MDM as a springboard toward more effective analytical activity and enhanced business performance. The recent Aberdeen research shows that top companies are successful in producing data and decision efficiency, leading to superior business results.

Common Capabilities of Modern MDM



MDM and Data Governance

Most organisations think that these two topics are mutually exclusive but they are not.

A solid Master Data Management strategy needs to work hand in hand with a Data Governance strategy, given MDM is as much about Change management as managing key master data assets. Many MDM projects have failed because they were purely IT driven and IT was unable to engage with business leaders and in general lacked the authority to drive business process changes. A successful data governance program will have senior business stakeholders working alongside the IT department and will assign other business resources, often called Data stewards – to ensure the governance rules are created and enforced.

A good program will have dispute resolution and escalation mechanisms to address the inevitable disagreements between teams and LOB in making simple yet key decisions – such as what is the definition of a Customer, who owns the Customer data, how to treat social media data, how to classify PII and so on.

Successful Data Governance programs have a number of common traits. Some of them are:

- a clear and well documented process for resolving disputes
- process for continuous monitoring of Data Quality
- enterprise data catalogue
- security and data privacy policies and rules

According to Experian's 2019 Global Data Management Research report, 89% of businesses report that they struggle with managing data. These struggles include delays in insight and a lack of trust in underlying data.

89%

of businesses struggle with managing data.¹ Understanding an organization's business goals is critical to developing an effective data strategy for analytics and AI.



IBM MDM Differentiators

Next Gen MDM Capabilities



Introducing SiNGL

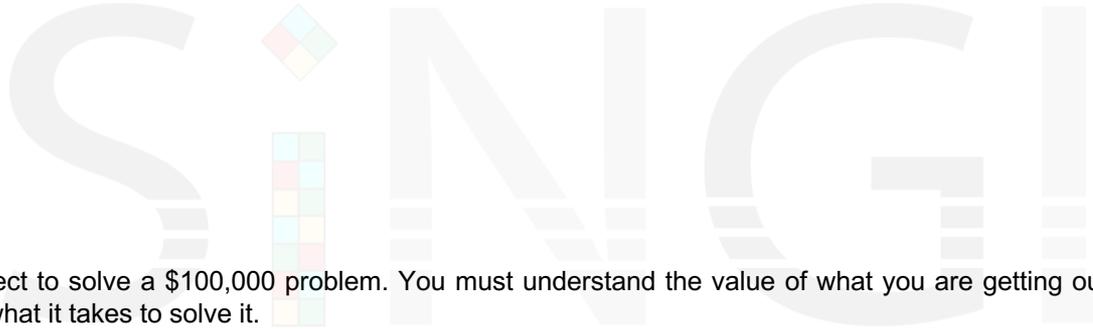
Vision and Mindshare: We are seeing that Companies are looking to get started with MDM and seeking an easy-to-use, cost-effective and rapidly deployed MDM solution at a consumable price point — a need also reflected in Gartner client inquiries. In support of this vision, Alparithm has designed a Starter solution - that can be later upgraded to an enhanced enterprise solution.

Cost and speed of deployment: Customers are demanding an easy-to-understand yet flexible pricing model, an economically priced offering and favorable Total Cost of Ownership (TCO). All this, combined with shorter implementation time frames, makes for a solid proposition in support of Alparithm's vision to service the unpenetrated MDM market.

At Alparithm, using all the experience from implementing traditional Business 360 solutions, we have created assets and accelerators that increases the speed to market and reduce the costs. This solution is called SiNGL and runs on the IBM Master Data Management Platform. Typical MDM solution would take 12 to 18 months to implement. However with SiNGL, we are able to deliver a business ready system within 3 to 6 months.



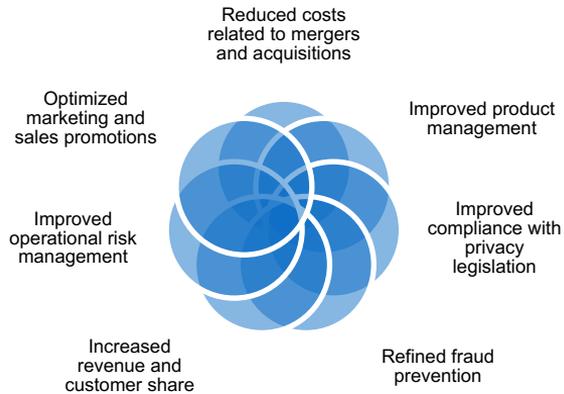
SiNGL Benefits



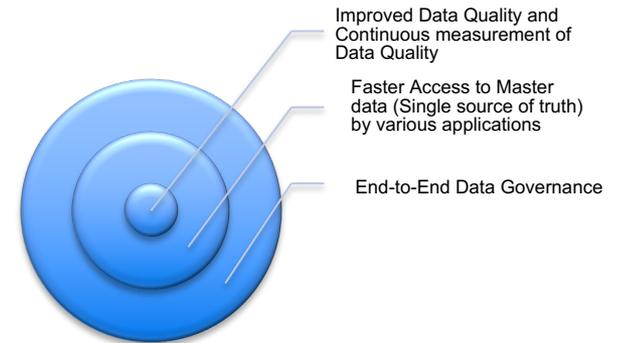
You don't want to spend a million dollars on a project to solve a \$100,000 problem. You must understand the value of what you are getting out of the project, comprehend the scale of the problem, and what it takes to solve it.

MDM contributes to achieving the business goal, but it alone does not guarantee the business benefit. Increased visibility into customer data helps staff members evaluate the various customer interaction touch points and analyse process effectiveness. The combination of visibility into customer information, behaviour profiling, predictive analytics, and most importantly, the business processes for operational integration of the above, will enable your organization to forestall attrition, improve customer retention or increase up-selling and cross-selling. A structurally and semantically consistent view of master data can produce other benefits, including:

Tangible Benefits



Intangible Benefits



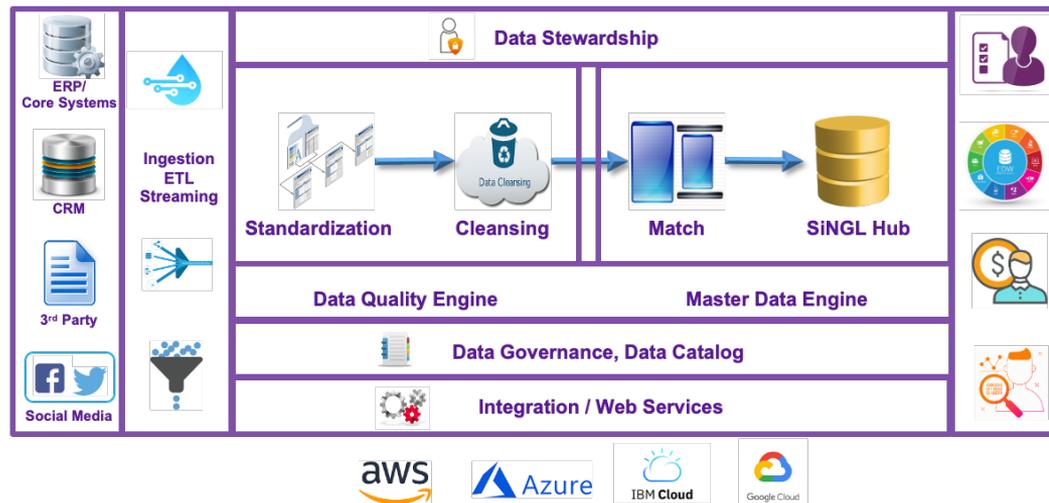
SiNGL Platform



We at Alparithm, believe that introducing an end to end data pipeline is fundamental to delivering the Digital Master Foundation.

Accordingly, SiNGL provides the following Key capabilities:

- Data Ingestion and Staging
- Data Cleansing, Standardization, Validation
- Data Catalog and metadata management
- Deduplication algorithm with Probabilistic matching
- Unique ID / Golden Record / Golden Profile creation
- Householding and Relationships
- Hierarchies and Categories
- Work-flow for maker-checker approvals
- Real-time integration with source systems and consuming applications via Web Services



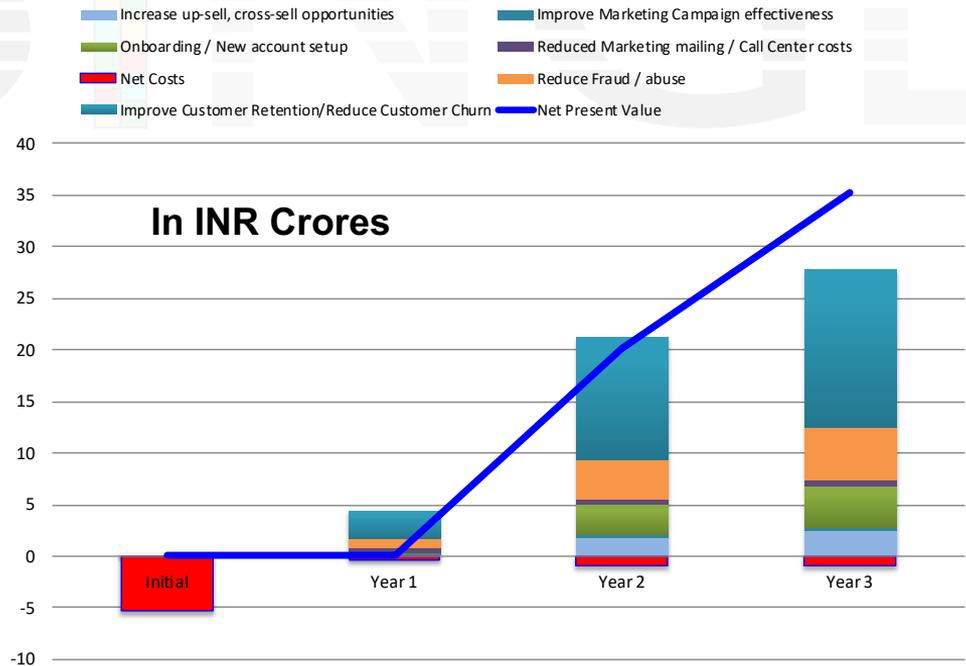
SiNGL Return On Investment (ROI)

Total Economic Impact of SiNGL

Within your enterprise, you should prioritize the “low-hanging fruit” that provides quantifiable value while incrementally contributing to meeting strategic objectives. Of course, by simplifying and standardizing semantics, focusing on metadata management, and improving data quality alone, your data teams can address fundamental needs that will best add value while preparing your organization to build an effective master data capability that is the cornerstone of your enterprise data management programme.

The chart shows the projected ROI we derived, working with a mid-sized Life Insurance company in India. We had considered some key metrics from a Marketing and Claims department perspective - where SiNGL aids in rapid ROI by Increasing Revenue, Reducing costs and Reducing Fraud.

ROI: 711%
Payback: 13 months



Projected Cost-Benefit Analysis for a Life Insurance company - represents a strong 3 year NPV and a fast payback.

IBM MDM Case Studies

There are a number of successful case studies across industries. We have highlighted a few to show the variety of use cases that can be deployed to demonstrate the ART of the possible with a well governed Digital Master.



DHFL - Implemented MDM on cloud, to create SiNGL view of Customer before migrating from legacy systems to modern applications for Lending and Deposits and CRM. DHFL improved Data Quality by 40%, improved the campaign effectiveness and response rates by 23% and were able to target specific, personalized products to their customer base.



Sanofi Pharmaceuticals - Delivered SiNGL View of Doctor with MDM, in order to meet the Compliance requirements of the Transparency Act. Data from Legacy and CRM systems were extracted and deduped. In the process they improved Data quality by 35%, enabled continuous DQ monitoring with Improved Workflow and Governance process. Sanofi could analyze the Spend with their Doctors and the relationships with the providers. The initiative laid foundation to create Product and Distributor hubs in the future.



Hindustan Unilever Limited

Hindustan Unilever - With product information spread across multiple systems and instances, the cost of data maintenance and reconciliation was very high and the product life cycle lead time was long. HUL implemented Product Master (PIM) that ensured data consistency across SAP and Legacy systems, provided a common enterprise view of Products, Customers, Sites and Chart of Accounts. More than 11 Product Catalogues and multiple hierarchies enabled rapid introduction of new product variants to the market.

L'ORÉAL

L'Oréal - With product information managed differently in hundreds of systems and with varying standards across brands, business units, countries and regions, L'Oréal lacked a SiNGL version of the truth. Further, its inability to access and use its widely dispersed data, slowed L'Oréal's internal reporting and planning processes, which had a direct, negative impact on its product distribution, profitability and competitiveness. MDM delivered a consolidated Product Master repository which included structured and unstructured data from external sources and enabled intuitive Product searches. The cognitive computing platform delivered true Product 360, Improved Data Quality by 40% and Improved New Product Introduction and better on-shelf product availability.



Govt of Odisha

Government of Odisha - The state has several benefit schemes servicing 40 million residents. The citizen demographic data and benefits data was scattered across multiple departmental databases. Each database contained duplicate information leading to the same Citizen claiming benefits multiple times in a month resulting in Revenue leakage and poor Governance. Odisha implemented MDM to create SiNGL View of Citizen by processing 400 million records that created a Family ID. The solution enabled effective planning of welfare and development Schemes and the department can now identify fraudulent benefits applications and claims, to minimize wasteful spending.

Where to Start

We have seen that MDM projects that are designed to serve specific business purpose lends itself towards an agile and systemic delivery of key business outcomes. One should identify those business processes that have acute data issues and assess the degree to which an MDM system can alleviate those issues. For e.g. if your objective is to Enhance Customer Experience, then you should start with the Customer Domain. Along with this, you should identify the KPIs related to CX such as Customer service satisfaction, Sales statistics, Returned goods statistics etc and measure them before and after the MDM Implementation.

The following high level steps are recommended based on our experience of implementing many MDM projects world-wide:



Remember, MDM involves Change Management and some level of Business Process Reengineering to treat Master data as a Strategic asset. So we advice clients not to boil the ocean and start small.

“ **Cloud gains momentum: 2018** finally saw the tipping point for cloud adoption, with 57% of surveyed reference customers using cloud services in 2018 - up from 24% in 2017 and 19% in 2016.”

From Gartner Magic Quadrant 2020

How can Alparithm help?

We differentiate ourselves with 3 key objectives: **Reduce TCO, Reduce Risk, Faster time to Market**. To this effect, we offer the following services:

Consulting: We take a consulting approach to your Master data challenge and vision. Our experts will work with you to scope the MDM Project and identify the "low hanging fruit" – whether its on-prem or on cloud. We will help with the Cost benefit analysis and articulate the tangible benefits of an MDM initiative to your Leadership team.

Implementation: Given our world-wide experience of implementing MDM, we are able to quickly mobilize the team, at the optimal cost required to deliver the programme within the agreed timelines.

Support: We provide 24/7 managed services support to all our clients on a near shore / offshore basis, to reduce the TCO.

Health-Check: We offer an economic package that validates your existing MDM / Data Quality / De-dup Program and provide recommendation for improvement. Almost like an MOT, ensuring the Implementation continues to be fit for purpose, for which it was originally designed.

“Alparithm team was instrumental in delivering the MDM Programme on time and within budget, for what is considered to be a very complex integration challenge within Sony, involving SAP and many 3rd party point-solution systems.”

CIO, SONY

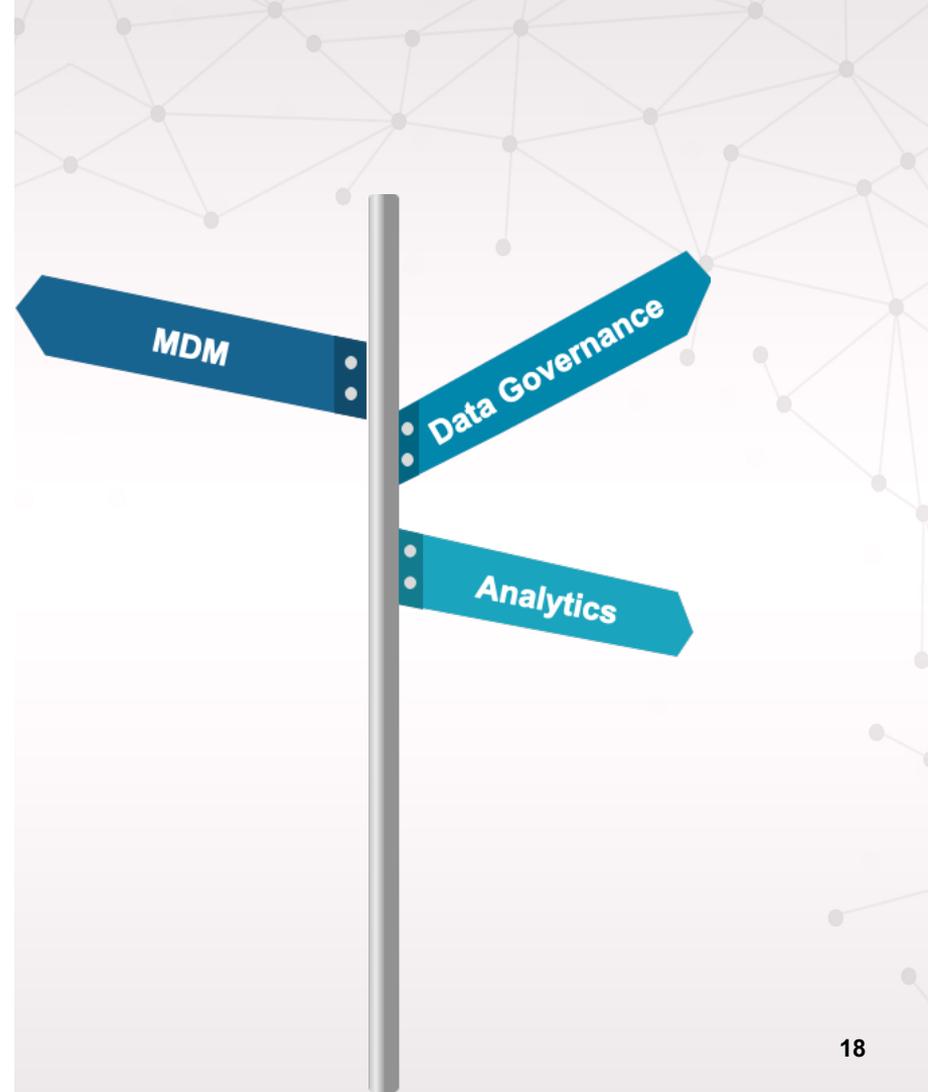
Conclusion

Businesses are still impacted by the Pandemic. This is not the first pandemic and certainly not the last. Organizations must understand this reality and ensure appropriate measures are in place to adopt Digital Transformation by building a strong Digital Master Foundation layer that is future proofed.

Organizations that create a high barrier for entry, treat enterprise data as an asset and glean valuable business insights from data, are better placed to gain competitive advantage, face, sustain and survive any unexpected challenges of the current and future.

The Time is NOW!

Discover the ART – Alparithm Technologies



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About Alparithm

Alparithm Technologies is a multi-award winning IBM Platinum Partner, specializing in Data Management and Analytics. Our mission is to help clients derive value from data and make data-driven decisions. We have more than 12 years experience in delivering Master Data Management, Data Governance, Data Integration, Data Replication, Data Lakes, Data Warehousing and Analytics Projects. We have several successful case studies in Banks, Insurance, Retail, Government, Pharma and Media industry. We have offices in India, London and Singapore. Visit us at www.alparithm.com

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