The Five Building Blocks to Successfully Budgeting an MDM Project

Achieve your business objectives with the right planning

Digital transformation is more than just the latest business trend or executive-level buzzword. It's a global corporate shift – taking place in every industry and impacting organizations of all sizes – that has raised customer expectations and the competitive landscape. More than automation, digital transformation involves manufacturers, consumer packaged goods companies, retailers and high-tech providers reengineering how they operate, build products and deliver value to customers.

A catalyst for many businesses making the transition, master data management (MDM) offers tangible benefits that, once successfully implemented, include lower costs, greater efficiency, improved supply chain management and increased sales. Behind every successful MDM implementation lies a well-designed road map that lays out the steps needed to bridge the gap from ideation to execution.

Yet many companies today don't properly plan and budget for IT projects. In fact, poor budget planning is the reason why 75% of businesses anticipated their software projects would fail. In addition, 80% of these businesses admit they spend at least half their time on reworking their software implementations.

This begs the question: how do you begin your MDM project? The below five steps give you a foundation to build and budget a thoughtful, thorough launch that speeds time to value for your business users and the bottom line.

1. Executive buy-in

Your first step in planning for your implementation — and securing budget dollars — is to obtain executive buy-in, and to do that you must have a clear outline of your project goals, objectives and related milestones. If you spend six months vetting software vendors but haven't received CFO sign-off on your plan, you may be wasting time. Identify the executives responsible for the areas your MDM solution will serve and build cross-functional input from their departments.

Then present the benefits, such as faster product delivery, seamless omnichannel experiences, new business models and a complete 360° customer view. In addition, look for an executive champion you can leverage as an advocate. Then use your gathered intelligence and your champion to articulate the present technical and business barriers that might exist, such as disparate silos, duplicate data and erroneous processes.

2. Data and technology

Take a thorough inventory of the data you'll need as part of your MDM project. An excellent place to start is with data associated with your locations, whether they are for franchises, manufacturing sites, corporate offices, suppliers or partners. Map out the critical information that is part of the journey for converting to MDM and model or templatize it.

Your executive stakeholders — the ones you worked with and helped secure for buy-in for budget — should be part of a data and technology steering committee. They'll help identify the data you'll need, which includes attributes around customers, products and product design, as well as information systems for sales, marketing, operations, manufacturing and more. After you've thought about the data, remember the related software licenses and hardware as part of the budget planning process.

3. Migration

Establish the data that you must migrate first to achieve the greatest time to value. Different industries and organizations will have different needs and goals. Yet whether you work in financial services, consumer packaged goods, quick service restaurants, or retail, you should treat data as a commodity and plan how you'll integrate, manage and steward it from existing systems.

Consider the time involved, as well as how you'll plug analytics into your MDM solution, to start operationalizing it. It may be product data used to build new offerings and publish timely ecommerce information, or customer data used for marketing, sales and omnichannel experiences. And make sure to also include how you might syndicate data to retail partners, which improves getting products to their shelves faster and provides enriched product content on the web and other channels.

4. Workflows

Budgeting for MDM involves identifying the lines of business and organizational departments that will use master data. Product, sales, marketing, partners and suppliers will have different needs. Understanding the workflows for each of these groups and their use cases allows you to document technical requirements that you can build into your budget.

Look at the systems involved in each workflow, including ERP, CRM, marketing automation, ecommerce, point of sale and warehouse management. Conduct user interviewers, request recommendations and ask to receive actual data that can be mapped out for new processes that have multiple touchpoints and destinations.

5. User adoption
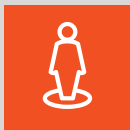
Make sure your plan accounts for the training, education and communication involved in promoting user adoption. Include specific user milestones that you can report back to your executive stakeholders to demonstrate the value of operationalizing your data. Your initial training can take place both on-site and at a vendor location. You should also continue education programs that take place on a regular basis after implementation.

Don't wait until the later stages of planning and implementation to consider how you'll promote your program and make it easy for business users and partners to begin using MDM. You'll want a multipronged communication strategy to augment your training. Think about in-person events, webinars, emails and internal channels (e.g., Slack and SharePoint) you can use to update stakeholders.

MDM planning made simple

A well-designed MDM plan, combined with a flexible, scalable and proven MDM platform, will result in fast time to value for business users and customers. By beginning with the five building blocks, you ask the right questions up front to save time, money and resources. You identify the executive stakeholders, data and technology, workflows, migration strategy and business users before the first piece of software is launched. By considering these items early, you help secure the budget, buy-in and support required for successful deployment.

Want to learn more about how to successfully budget and launch an MDM program for your organization? Contact us at **info@stibosystems.com** or visit **stibosystems.com**.