

A Seamless Approach to Reference Data Management (RDM)

Companies and organizations need to manage and share reference data to collaborate internally, as well as with external partners.

Efficient collaboration relies on people and systems being able to trust reference data as the validated reference. Having consistent reference data can help:

- Reduce costs and mitigate the risks of inconsistent and erroneous data integrations
- Meet regulatory compliance requirements
- Support process management and operational efficiency
- Reduce inconsistencies in data structures and data values between systems
- Improve reliability of analytics and reporting
- Increase data quality by embedded data validations

To properly maintain reference data sets, you need a strict data governance process. Data sets are versioned and therefore any change will have an impact on downstream business systems. Reference data governance ensures that the organization has a single source and that everyone refers to the same entity using the same terminology.

However, even large organizations manage reference data sets manually. The manual approach causes efficiency bottlenecks when changes must be pushed to all applications. Governance of reference data includes managing changes and maintaining a cross-organizational process to ensure data will be consistently shared.

Reference data is often referred to as a subset of master data. It's probably more correct to say that reference data overlaps with master data, and both are, generally speaking, low-volatility data.

“Reference data is any data used to characterize or classify other data, or to relate data to information external to an organization.”

Chisholm, 2001

What is reference data?

Reference data categorizes and classifies other data. Examples include:

- Measure units
- Currency codes
- Country codes
- Language codes
- Regulatory data
- Taxonomies (GPC, UNSPSC, NAICS, ETIM, etc.)
- International and proprietary classifications

“Master data is data about the business entities (employees, customers, products, financial structures, assets and location) that provide context for business transactions and analysis.”

DAMA-DMBOK, 2019

Stibo Systems' multidomain master data management platform, STEP, has reference data management (RDM) capabilities that can help you govern your reference data without any need of an external RDM application.

STEP supports management of reference data as part of its multidomain MDM capabilities. That means reference data is included in the data modeling and data governance functions alongside other master data. Using the same workflows, business rules, automations and controls for master data and reference data, STEP enables the organization to:

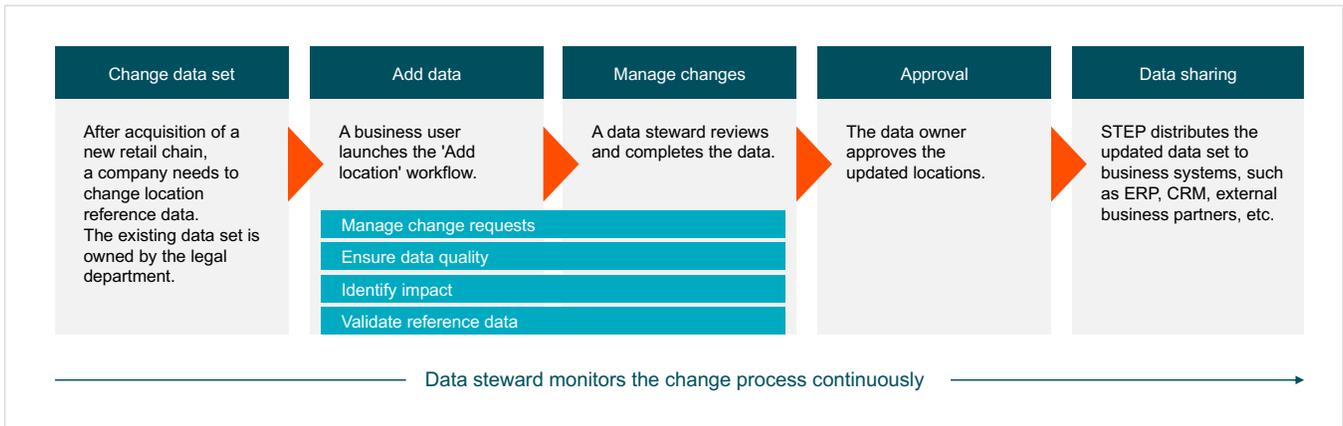
1. Ensure the validity of reference data
2. Connect reference data to the appropriate master data

Benefits of managing reference data in STEP:

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| Flexibility and referential integrity | Combining RDM and MDM allows you to seamlessly integrate reference data into the master data. For example, users can enrich the product classification with new nodes or remove and add their own attributes, such as units of measure or color codes, and link this to specific suppliers or locations. |
| Lower TCO | No need for separate systems reduces the total cost of ownership. |
| Seamless data sharing | STEP features integral standard components to support data sharing, maintenance and transformation in compliance with industry standards, such as GS1, ETIM, ECLASS, UNSPSC, ACES and PIES and TecAlliance. |
| Multidomain | Using STEP for reference data management allows you to govern reference data in conjunction with your master data, such as product, customer and location data. |
| Open platform | As a technology-agnostic, open platform with out-of-the-box connectivity to your systems and applications, STEP can integrate with your system landscape and automatically push changes in reference data to operational systems. |

Example of RDM journey managed in STEP:

Managing changes of location reference data



The trusted name in master data management

Stibo Systems enables businesses to create a foundation of trustworthy reference data and harness it to accelerate business growth. To learn more about the capabilities of master data management, visit stibosystems.com.

About Stibo Systems

Stibo Systems, the master data management company, is the trusted enabler of data transparency. Our solutions are the driving force behind forward-thinking companies around the world that have unlocked the strategic value of their master data. We empower them to improve the customer experience, drive innovation and growth and create an essential foundation for digital transformation. This gives them the transparency they require and desire – a single, accurate view of their master data – so they can make informed decisions and achieve goals of scale, scope and ambition. Stibo Systems is a privately held subsidiary of the Stibo A/S group, founded in 1794, and is headquartered in Aarhus, Denmark. More at stibosystems.com.