



What Master Data Management Is and Why You Need It

The increasing complexity of the 21st-century global economy has significant ramifications for how businesses manage and maintain the integrity of data. In fact, the need to create, manage and deliver a single version of truth is vital to enabling organizations to drive true digital transformation such as providing a superior product, digital and customer experience. It's also more challenging than ever, given the ubiquitous use of mobile, IoT and the cloud, to manage the overwhelming amount of data produced by companies worldwide every day.

Enter master data management (MDM). While not as familiar to some as CRM and ERP, MDM offers an essential solution that serves the needs of the enterprise using a business-first approach. It provides complete, consistent access and visibility of product, customer, location, employee and supplier data. Most importantly, MDM enables the entire organization to make data-driven decisions that provide operational agility, time to value and revenue generation.

Despite its increasing level of importance, you may still be puzzled by what MDM is. Perhaps you understand the concept, but don't see how it helps companies like yours. In either instance, this white paper will explain everything you need to know in easy-to-understand terms.

Your most critical corporate asset

Whether you realize it or not, your company today collects master data from more sources than ever before. For example, your customer information might come from:

- Loyalty programs
- Ecommerce sales
- Service calls
- Surveys
- Third-party sources

The same holds true for product data. You might have thousands of stores selling millions of products to millions of customers, which results in a myriad of individual details to manage – a vast deluge of master data streaming from locations, customers, suppliers and manufacturers.

Leveraging volumes of incoming master data provides intelligence used to improve the business – an array of assets for meeting customer needs, accelerating time to market, delivering omnichannel experiences and more.

Today, many organizations don't take advantage of this critical corporate asset – master data – because it's maintained in unconnected systems, which results in incomplete and duplicate records. MDM solves this problem by providing a central repository for building and sharing a single version of truth.

MDM allows you to make faster, smarter decisions for everything from rolling out new products to creating upsell and cross-sell opportunities. Moreover, MDM is foundational in developing new business.



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How MDM helps you

MDM does more than manage your data. It helps you acquire, govern and provide access to data that supports digital transformation and business opportunities. Built-in data governance capabilities, such as match-and-merge, help remove duplicate records and create golden records of trusted information. Via integration MDM can break down data silos and connect your business systems, so that you can leverage a single version of the truth and achieve data transparency across departments. Ultimately, MDM enables you to create a foundation of complete and accurate data that can support your business initiatives.

Improve data quality and lower costs. You can effectively consolidate, cleanse, enhance and govern data using MDM. If records need editing, updating or deleting, MDM changes the relevant golden record for the amendment to be reflected everywhere. The administrative savings alone are significant. But if your data isn't timely, accurate or consolidated across departments, the costs associated with data maintenance run rampant. In addition, low-quality data can lead to bad customer experiences and inability to make data-driven decisions.

Launch new products faster. MDM improves efficiency throughout the entire product and supply chain. You can effectively onboard, cleanse and enrich every aspect of product information while sharing, publishing and syndicating it across all critical enterprise channels. You can efficiently set product deadlines, establish milestones and handle change orders in seconds. Manufacturers, suppliers and engineers receive accurate updates on product detail changes. Everyone, from shipping to receiving, has real-time access to product specifications as they're updated.

Deliver exceptional customer experiences. Gain a complete and reliable view of customers to enable personalization and customer-centric targeting. MDM fuels marketing and sales strategies by giving enterprises a rich and precise data foundation for segmentation, personalization and **hyper-personalization**. If you collect customer data from several sources, you have several variations of the same record or two different records for the same person.

An MDM solution de-duplicates customer records to avoid personalization mistakes:

- No more emails sent to the wrong name
- No more embarrassing phone calls about a matter they've already resolved
- No more duplicate catalogs and letters sent to the same address

You can save up to 50% on marketing costs because you stop wasting money on duplicate messages. Moreover, MDM is proven to:

- Increase average order size
- Boost customer retention
- Increase customer lifetime value
- Increase cross-sell and upsell opportunities

Deliver outstanding service. All of your relevant departments see the customer information at a glance, empowering your online chat/telephone support staff to discuss the customer's problem with confidence by viewing data instantly. In addition, customer support data is automatically shared and viewable with departments in sales, marketing and other functions. For instance, if a customer is transferred to another department, they won't have to answer the same questions again.

Achieve regulation and compliance. MDM supports compliance with regulations, such as the GDPR. Managing customer data from a single repository enables you to manage consent and meet the right to be forgotten, as well as guarantee data portability.

- MDM enables businesses to implement governance and automated controls over the compliance process, freeing IT and data teams to focus on other high priority strategic initiatives. And by making the process easier for business partners and authorities, MDM enables companies to build stronger and more loyal business relationships, based on an increased level of transparency and trust.

How companies are achieving success with MDM

Master data management is a proven concept. Some of the world's leading brands are successfully using MDM to deliver value to their organization.

MDM in retail

Retailers must keep product details accurate and up-to-date. Marks & Spencer (M&S) has 1,035 stores in the United Kingdom and another 428 in 56 different countries, with over seven million registered website users.

With all these users and products, relaunching its website on a new platform was going to be a challenge. M&S couldn't afford to lose users or sales due to an inefficient process, and the company needed to keep track of all its 20,000+ online products while making the transition to a new platform.

The company used MDM to bring product information into one place and create a single, authoritative source.

Today, product details are updated in seconds. The company only does it once, publishing the new information on its websites, stores and apps and ensuring supply chains have real-time access to an accurate, updated set of product details.

MDM allows M&S to:

- Use rules to control its data. For example, clothing can't be published online until all the sizes have appropriate labels.
- Tailor products for each country. If M&S doesn't have the license to sell in a particular country, the product doesn't show on the relevant website.
- Manage all of the content in English. MDM automatically flags products that are sold internationally – only the text is sent for translation.

“A single, well-managed source of data and increased automation have resulted in a system with reduced input error that’s capable of dramatically reducing the time it takes for M&S to publish products on its website.”

— Rebecca Chamberlain, M&S.com

MDM in manufacturing

Manufacturers must work to exacting standards across design, safety, building, testing and compliance.

If a manufacturer can't access the correct information, or worse, obtains the wrong information, it could face severe delays. This was the challenge for one of the world's largest spark plug manufacturers, as every stage of its manufacturing process was divided across different countries and continents.

MDM brought the company's data to a single dashboard so that:

- Bill-of-material changes can be handled in a few clicks, notifying all relevant parties – including external suppliers – automatically
- Every stage of the manufacturing process meets compliance because all of the relevant legal information is available and up-to-date
- Product specifications are updated in real-time, so everybody across supply chain, logistics and marketing has the exact information they need

If you frequently switch suppliers or add new SKUs, this could be the most compelling reason to consider an MDM solution. MDM reduces the time to product launch, and it also gives you transparency of your supply chain as you can use it to capture and manage supplier information, including contracts and sustainability compliance. [Learn more about Supplier MDM.](#)

MDM for your customers

Perhaps more than anything, the future of business success involves delivering exceptional customer experiences.

Prior to using MDM, top U.S. grocer Wegmans stored its customer data in five different systems, one for each of its five lines of business. It couldn't provide a personalized shopping experience, and its loyalty program contained poor quality data.

Wegmans used MDM to take data from its five separate systems and create one complete, golden record for each of its 10 million customers. MDM cleaned the data and consolidated duplicate records. The data from incomplete records were used to populate the relevant golden record, and then the incomplete records were deleted to avoid duplicates.

Now Wegmans has:

- A single, accurate customer record shared across all systems in its five lines of business
- A personalized shopping experience for every customer
- A loyalty program fueled with robust, accurate data

Wegmans plans on adding an estimated one million new customers annually using MDM, as well as managing data for its 70,000 products, locations and suppliers.

MDM for commercialization of locations

Many companies have multiple locations that just like products are assets with information that needs to be managed. The bar and restaurant chain Mitchells & Butlers have 1,700 restaurants.

The company began using MDM to manage product data used in ingredients, recipes and menu offerings, which had previously been managed manually using spreadsheets and old tech. The centralized data management resulted in major improvements in operational efficiency.

The addition of location data to the MDM platform has furthermore enabled outlet managers to provide their customers with useful locale-specific information, such as number of tables, e-car parking spots, AV equipment, disabled accessibility, garden space, meeting rooms, wedding venues and distance to nearest train station. This information together with information about menus and opening hours at specific locations can be pushed to apps and websites, which makes it easy for Mitchells & Butlers to engage with food delivery services and provide click-and-collect services alongside menus and opening hours. The result is higher customer satisfaction and more sales.

A world without master data management

Imagine how the previously mentioned companies would have managed their challenges and opportunities without MDM. It likely would have been a complicated, arduous and time-consuming process.

Let's consider a problem that costs many companies revenue. Possibly the worst kind of poor quality data is the information you have about your customers. Why? Compared to a new customer making their first purchase, your existing customers are four to eight times as likely to buy from you again.

Poor customer data won't just annoy prospects and buyers; it will turn them away from your brand, costing you sales, damaging your profits and eroding your brand's reputation.

For example, using poor customer data can result in:

- Distributing an email that includes an incorrect name or other personal details
- Offering irrelevant discounts based on incorrect purchase history or geography
- Emailing an offering twice to the same person

Poor and siloed product data can also cause bad user experiences and impede collaboration:

- Incomplete specifications can be an obstacle to making correct buying decisions
- Wrong or inadequate images can cause higher return rates
- Not having access to - or not trusting - the product master can make it difficult to share data internally and with business partners

Start building your business case

Leading digital transformation, delivering superior products and meeting increased customer demands has never been more important. It requires a flexible and comprehensive approach that starts with data but ends with business outcomes. That's the role of MDM. It allows you to replace costly manual data methods, remove data silos and improve processes.

MDM helps bring the right product at the right time to the right person in the right channel. It enables a complete and comprehensive customer view – a 360° customer record – for delivering experiences that consumers crave. Moreover, MDM scales to include multiple domains across products, customers, stores/locations, employees, suppliers, digital assets and more.

Your company can leverage MDM to develop new business models and processes where interaction between systems is a prerequisite. You can also deliver operational information to every point in the organization. Ultimately, you make better, faster decisions that lower costs and increase ROI with MDM.

Do you want to know how an MDM solution delivers return on investment? Try the **ROI Calculator** and get a customized report that quantifies your data management project.

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.