HOW TO SECURE EXECUTIVE SPONSORSHIP FOR YOUR MDM PROJECT

A SEMARCHY WHITEPAPER

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OVERVIEW

Are you tired of spending hours consolidating critical information that's scattered in various applications? Are you frustrated by manually cleansing data over and over again? Are you unsure about the demographics of your most loyal customers? Is dirty data contaminating your entire decision process?

Organizations everywhere are tapping into master data management (MDM) to solve these types of data challenges. And they're reaping widespread benefits, from increased operational efficiency to optimally targeted campaigns and revenue growth.

Over the past decade, MDM has become a critical element of data management. Moreover, it can be one of the most exciting data initiatives resulting in the integration of systems, data, people, and processes.

A wide-reaching MDM project requires leadership and corporate support. That's why solid executive sponsorship stands out among key success factors.

This article will help you win over your executive sponsor in five steps and pave the way for a successful enterprise-wide MDM project.

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Semarchy provides the fastest time-to-value multi-domain data management software for all your reference and master data: customers, products, assets, employees, hierarchies and more. Our Semarchy Convergence software solution is specifically designed to reduce Master Data Management (MDM) and Reference Data Management (RDM) project timescales and costs, for simple as well as complex projects.

FIVE STEPS FOR SECURING EXECUTIVE SPONSORSHIP FOR MDM

1. Master your domain
2. Identify good business sponsors
3. Empower your sponsor, make your case
4. Win over your sponsor
5. Hit the ground running

1. MASTER YOUR DOMAIN

If your company suffers from data quality challenges, you're not alone. Recognizing your need for MDM is the first step. But to get ahead, you need to understand business pain points to persuade your team and your potential sponsor that MDM is the solution.

For example, knowing that you need clean hierarchies to segment the market isn't enough justification for an MDM project. You'll never get anyone excited if you expose MDM as a data plumbing exercise.

You'll have to dig deeper and unearth the costs and missed opportunities your enterprise suffers from because you don't have MDM.

Adapt and use the following discussion triggers to increase awareness of the need for MDM within your organization:

You need to understand business pain points to persuade your team and your potential sponsor that MDM is the solution.

- *"Without a centralized vision of our products, even minor updates to our product information spawn chaos across all departments - from development to marketing to sales and along the supply chain…"*
- *"How can we represent a single merged view of our customers when our customer data is stored in disparate systems? These duplicates impact our current consolidated reports…"*
- *"How can we get an idea of missed sales opportunities if our customers are recorded in four different systems?"*
- *"The latest results from our customer satisfaction survey show that most customers are complaining about having to log in with different accounts and not having a single place to find all their past transactions, including the transactions with our partner stores…"*
- *"Management isn't able to report consistent revenue across entity groups, locations or customer segments. How can they drill down by parent company, by customer, by delivery point, or by key strategic accounts?"*

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- *"Is the data team still using MS Excel to de-duplicate our list of assets? How much time are they spending doing this manual task every year?"*

2. IDENTIFY GOOD BUSINESS SPONSORS

Now that you have a substantial business story, how do you select the appropriate sponsor? Executive sponsors offer more than just management, support, and respect among co-workers for the MDM project. Projects with sponsors "are three-times more likely to have high levels of resources and budget devoted to their master data," according to a 2012 Aberdeen Group study on the state of MDM.

Excellent sponsors embody qualities that do more than just keep the project on track; they push your enterprise forward and inspire your team to pull through the project. These questions will help point you toward the right sponsor:

Fortitude: Will your sponsor be by your side when the going gets tough? MDM is a journey. Quick wins will help keep momentum, but there can be daunting hurdles, such as bad data, resistance to change or the temptation to revert to manual fixes using Excel, which can all hold the project back.

Empathy: Does your sponsor understand your pains, your stress, and your frustration? Has he or she experienced the same struggle? If so, your sponsor will be much more engaged and willing to help you.

Motivation: Will the project make you operationally successful? If your sponsor does not have real incentives to fix things, why would he/she? Getting your project supported for political reasons will only last until there is another new shiny project.

Expertise: Does your sponsor truly understand what you are trying to do? These days, everyone will drop the latest buzzwords to look good. But does your sponsor really comprehend that data is part of a bigger picture where people, processes and technology are equally important?

Go-getter: Will your sponsor push you to finish what you start? An executive sponsor should not settle for PowerPoint or Excel mockups and should require tangible deliverables. Yes, this could put additional pressure on you, but it will actually work in your favor. It will prevent naysayers from coming up with "me too" hacks and workarounds that will cast doubt and could sabotage your project. You can't hack governance and compliance. Lineage and versioning is

not something you track on the fly. Spreadsheets will never scale. Use your sponsor's pragmatism to stay on track and keep your bearings.

3. MAKE YOUR CASE

Once you've identified the appropriate person to sponsor the program, it is time to show numbers. The biggest barrier to recruiting a sponsor is the perceived lack of MDM Return on Investment (ROI).

Therefore, your first priority is to build your business case and determine ROI metrics. Systems are implemented to address pains: If everything works, why make a process more complex by adding new systems? Establish the business case based on the pain points you have identified, but don't make anything more complex than needed. Avoid building a Rube Goldberg machine.

Your first priority is to build your business case and determine ROI metrics.

How do you establish metrics? Let's consider two axes:

- Time and resources (people, material or energy): How much will you save on your process per year?
    - How many people spend their days cleaning data? Multiply this by the employees' hourly wages.
    - How many deliveries don't reach their destination because of inaccurate addresses? Think about costs of gas and drivers' hourly rate.
    - How much marketing outreach is duplicated or mis-targeted? Measure the cost of mailing and e-mailing.
    - How many additional, better-qualified leads could you chase with more sales focus?
    - How much of a difference in revenue would a 5 percent increase of curated leads make?
- Complexity: How many useless operations will MDM eliminate?
    - How much more productive could you be if you didn't have to sift through 2GB spreadsheets or 5,345 hand-coded lines of data?
    - What risks are you taking with regulations and compliance when following this lack of transparency and exposure to manual errors?

Ultimately, you should consider the full cost of rebuilding these processes.

If you're worried that you can't justify enough dollars to move forward, don't give up yet. It may not be your fault. In fact, you should not have to "redline" your ROI by pushing assumptions to the extreme. Just turn the tables on your technology partners/vendors and ask why they can't address your problems,

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which should not be unique, with a reasonable price point and a solution that fits your needs. They should care more about your pains and try to help you. You should also consider looking at alternatives, designed with the newest technologies that can now address complex challenges and protect your ROI.

4. WIN OVER YOUR SPONSOR

Sponsors frequently perceive MDM initiatives as drawn out with low chances of success. Because their reputation and even jobs might be at stake for sponsoring your project, you need to assure your sponsor that the MDM project will be a success.

To help your sponsor sleep at night, you need results, and fast.

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- Focus on one domain and start with a simple model (two to three entities). MDM will be faster to implement if you follow KISS (keep it simple, stupid) principles to facilitate consensus.
- Integrate two sources to test the rules and model at a small scale and assess the way matching can work.
- Import the first batch of data using flat files if ETL is not yet ready.
- Show your sponsor that you are not engaging in a dead-end project by running an end-to-end test of your solution early on. Go full cycle and run profiling; do an initial certification of your master data; expose the UI to your users; run a few edits or creation workflows; and publish the first governance metrics. If anything has to hit the wall, let it be now.
- Show dashboards of what is going on, including duplicates, rejects and master-golden records. Show transparency early to secure confidence.
- Run a few high-volume tests to anticipate future performance.

Now you're ready for the winning card: the Proof of Value.

5. HIT THE GROUND RUNNING

Don't fall into the trap of glorified demos with screenshots and slide decks. Go beyond slides - demonstrate how MDM actually works, live. Show how MDM interacts with your organization.

Take advantage of real software. Build a live prototype or Proof of Value (POV) to deliver a complete solution at a small scale, in a short time frame, and at low cost.

This guerilla method will win out over a "big bang" approach every time.

The Proof of Value will help you calibrate your performance and cost expectations to ensure you deliver success to your sponsor.

The POV will help you calibrate your performance and cost expectations to ensure you deliver success to your sponsor. Additionally, a POV will save you from tedious and complex Requests for Information (RFIs) or Requests for Proposal (RFPs) because you'll know exactly what to ask for.

Here are a few critical requirements to make it work:

- Call for a POV on-site to observe the efforts and resources required to run the solution. What better way to provide your sponsor with total transparency?
- Use real data. Sign an NDA and a solid service agreement to protect confidentiality and enforce proper handling.
- Involve your team; encourage them to work with the vendor. Use the POV as free training and knowledge transfer.
- Require that the POV cover an end-to-end process. There should be no surprises at the end.
- Box the POV with an aggressive deadline. It shouldn't take more than two to three weeks.

This is the best way to demonstrate the value of your MDM initiative to your executive sponsors and prove that they made the right bet on you.

HOW TO BEGIN YOUR PROOF OF VALUE

Semarchy has an intelligent go-to-market approach that we believe is differentiating in the MDM Market. The process outlined below has enabled Semarchy to boast that 80% of our clients have a fully functional MDM solution up and running in 10 weeks or less. 60% of our clients have implemented more than one domain. 100% of our cloud-based subscription clients renew their solutions annually (or on three-year term agreements).
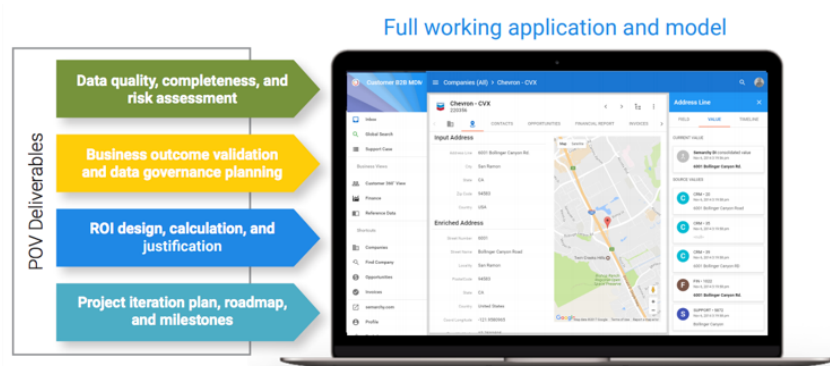
The PoV process delivers the business case for MDM in 2 weeks by proving:

- An executive summary presentation of the process, results, metrics and ROI
- The documentation of the design process
- A complete documentation of the data model, rules and processes
- Interactive MDM metrics and profiling dashboards
- A live cloud instance of Semarchy *x*DM to demonstrate the MDM iteration results

Following the PoV, your team will have a solid foundation on which to base your full MDM solution. For more information, visit semarchy.com/pov.

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