

CIVICA

MDM Customer Buyers Guide

What you need to know about
turning data volume into data value



Empowering a **complete, accurate**
& **shareable** customer view

The business value of Master Data Management

Many businesses now view data as a strategic asset, but to unlock differentiation and create competitive advantage it needs to be managed across an organisation.

Your business may already hold rich customer insight – but the challenge is enabling this key information to be shared and augmented across systems throughout the organisation. Master Data Management (MDM) plays a vital role in creating a 'golden record' or 'single view of the customer' that enables this business critical information to be made available to end-users in real-time.



The primary business benefits of Master Data Management can be broken into three key themes:



Increase revenue generation opportunities

- ▶ Identify cross sell and upsell opportunities
- ▶ Optimise customer retention strategies
- ▶ Leverage benefits of cross channel marketing
- ▶ Increase customer engagement
- ▶ Maximise the value of mergers and acquisitions.



Manage regulatory & reputational risk

- ▶ Manage and understand customer contact preferences
- ▶ Demonstrate that you treat customers fairly
- ▶ Handle enquiries and complaints quickly and effectively
- ▶ Improve ability to govern information assets consistently
- ▶ Comply with 'know your customer' regulations
- ▶ Support GDPR compliance.



Improve operational efficiency

- ▶ Improve employee efficiency at the point of customer contact
- ▶ Improve quality and accuracy of MI and BI for strategic decision making
- ▶ Accelerate time to market for new products
- ▶ Create end-to-end business processes
- ▶ Enable self-service portals with accurate joined up data.

“The ability to create, maintain and draw on a single, trusted, shareable version of customer master data is increasingly seen by commercial and non commercial organisations as essential to support business processes and decision making”

Gartner

Magic Quadrant for Master Data Management of Customer Data Solutions,
November 2015

How to identify you have an MDM challenge

With many technologies promising to help create a 'single view of the customer', it's often hard to understand where Master Data Management fits and what value it can deliver.

Though there is a place for CRM, Data Warehousing and Data Quality tools as part of an effective customer-centric strategy, Customer MDM should be a key consideration for organisations that have any degree of complexity regarding multiple CRM, line of business or other legacy systems.

Creating clean, deduplicated content in one standalone application and consolidating it into a single place is one challenge. However, making that accurate and complete information available to users in order to support business critical processes, plus synchronising and sharing data changes with downstream source systems, is a challenge only Customer MDM can resolve.

Your first step to finding the most suitable solution is to look at areas that could be improved:

- ▶ Do you know the number of unique customers that you currently service across your entire business, and how many products each customer has with your organisation?
- ▶ Can you easily identify where the biggest cross-selling and upselling opportunities exist, and differentiate service levels according to the most valuable customers?
- ▶ How long does it take you to pull important management or regulatory compliance reports?
- ▶ Are you confident that you are managing your customers' communication preferences accurately across all departments and contact databases?
- ▶ How often are your staff unable to satisfy customer enquiries because information is incorrect, incomplete or unavailable?
- ▶ Can you quickly understand customer relationships at a household level?

"Through 2017, CRM leaders who avoid MDM will derive erroneous results that annoy customers, resulting in a 25% reduction in potential revenue gains."

Gartner

MDM is Critical to CRM Optimisation,
February 2014

Common entry points for a MDM solution

It's rare that any data improvement initiative gets signed off for the sake of it. As a result it is essential that, whilst keeping the bigger picture of an organisation-wide single customer view in mind, you identify a use-case that provides a compelling entry point to your MDM project.

This will help you to define a clear business case to get the project off the ground and allow you to demonstrate tangible business outcomes early. This is important in building the momentum required to maintain high levels of executive sponsorship as you scale the initiative out across the organisation.

In order to identify your entry point and ensure that your business case is based on fact rather than assumption you might find it helpful to engage in a proof of concept exercise. Most MDM vendors will have some form of offering in this space and it will create a relatively low risk opportunity to explore the benefits of the technology whilst making sure that it can integrate successfully with your target source systems.

Choosing the right entry point for MDM is the key to unlocking a predictable return on investment, and with that in mind we have outlined some of the use-cases we have recently explored with clients as part of our Proof of Business Value Service:

Marketing

Drive targeting and segmentation through the identification of cross-sell and up-sell opportunities whilst improving contact completeness and awareness of communication preferences by augmenting duplicate records.

Customer services

Enable 95% of enquiries to be satisfied at the first point of contact whilst reducing call handling times by 40% as a result of ensuring staff have access to accurate and complete information from across the enterprise.

Customer retention

Understand core metrics such as average product count per customer to better identify VIP customers by bringing together disconnected data from siloed lines of business.

Mergers & acquisitions

Establish the true value of the customer book you are acquiring and plan for post-merger integration by identifying potential customer cross-over at the due diligence phase.

Fraud & error

Understand the relationships between people, products, properties and other associated entities from a range of systems to quantify the impact of fraudulent activity.

Regulatory risk

Demonstrate that you can ease the burden of regulatory compliance reporting by 'knowing your customer' and negate the risk of fines for not treating customers fairly.

Key considerations when evaluating MDM vendors

Most IT analysts would state that Customer MDM is one of fastest growing enterprise software markets and is moving into maturity. This reflects the appreciation that MDM is a technology capable of delivering transformational business benefits when projects are adequately scoped.

But perhaps more importantly the growth of the Customer MDM segment represents an increasing board level appetite to drive significant improvements in cross channel customer experience to drive competitive differentiation and growth. Demand often equals competition though, and this is particularly true of the MDM market with new entrants coming into the space along with larger technology firms buying a seat at the table through M&A activity.

This all leaves buyers with a decision to make around vendor selection and this section is designed to give you the inside track on some of the key things you should be thinking about when talking to suppliers or writing RFI's.



Think use-case understanding

When selecting an MDM vendor it is important to understand their potential fit for the core use-cases that you are initially prioritising as a business. Has the vendor delivered similar projects in the past? Can they help you refine and quantify the potential business benefits on offer? You may also want to make an assessment of their fit for your particular industry vertical in the form of requesting customer stories or references. At Civica we have a passion for understanding customer use-cases to ensure we can translate our MDM technology into industry specific outcomes.

We draw upon experience from customer engagements in a range of different industry sectors from Local Government, Financial Services, and Manufacturing all the way through to Healthcare and Housing Associations. We are proud to have been recognised by independent IT analysts as having the 'happiest customers in customer MDM' with client feedback always pointing to our ability to understand industry specific use-cases as being a strong differentiator.



Think total cost of ownership

There are three key factors to consider when assessing the overall Total Cost of Ownership of an MDM solution which revolve around the initial software price point, the overall performance of the solution and the services model of your chosen partner. The initial cost of the software is a fairly obvious consideration to take into account, which is easy to benchmark with a simple vendor by vendor comparison. However, product performance becomes significant in terms of the vendors ability to load, match and merge large volumes of data without introducing expensive hardware costs that can diminish your overall TCO.

Ensure TCO figures originate that have occurred based on real world client conditions. It's also essential to consider the cost of services required to implement your chosen solution as it will have a significant bearing on time to value and total cost of ownership going forwards. It is not unheard of to see the cost of services of an MDM project to outweigh the cost of licensed software by between 4 and 7 times. At this point it is important to take stock of what you want to achieve and the amount of services required to get your data improvement initiative up and running and delivering value.



Think product ease of use

Assess your MDM solution's ability to simply change and create matching rules based on business logic that may evolve over time.

Understand how easy the solution is to install, configure and manage going forward, taking into account more 'in depth' capabilities such as profiling and segmentation whilst discovering some of the unknown relationships that exist across disparate data sources. The solution should also be accessible across a range of devices, allowing data to be managed anytime and anywhere.



Think integration with CRM

Evaluate whether your MDM vendor is able to align with your existing CRM strategy.

Seamlessly integrating the solution into your CRM application at the point of client contact will help to make key features available to end-users, such as:

- ▶ Improved matching capability to identify duplicate records at the point of customer engagement
- ▶ Enterprise search that calls upon data insight that may now exist in CRM but is present on other line of business systems
- ▶ Active registration allowing you to streamline the customer onboarding process based on data you hold against the individual elsewhere in the organisation.

Effectively this allows you to use CRM as a portal into the rest of business to provide customer context as and when it's required. It can also be used in data migration use-cases to solve the age old 'how much data should we migrate into our new CRM environment' debate as legacy customer information can be called upon quickly and easily.



Think pricing transparency

When assessing suppliers for a MDM initiative it's important to get a clear and transparent view of their pricing model to ensure the vendor you partner with offers both long-term and short-term value.

This is a technology that will be embedded into the heart of your IT infrastructure and is by that very nature an incredibly important strategic decision – and changing MDM suppliers is not an easy political decision.

Some MDM vendors price by number of records utilised in the system and other price by number of 'connectors' (systems integrated into the solution), the latter giving you more predictability of costs with no user or record limits.



Think flexible deployment options

The deployment of MDM technology tends to occur on premise with the minority of organisations opting for cloud based solutions.

Whilst some would argue that few vendors offer the flexibility to host MDM hubs in the cloud, more and more suppliers are beginning to accommodate cloud-based offerings.

When considering more tactical or smaller scale projects, 'MDM in the cloud' can be an extremely viable option – removing hardware requirements and personnel overheads associated with configuring the solution for use, whilst also offering the benefits of subscription based pricing.



Think support for data governance & stewardship

When managing customer information, there must be a clear and consistent process for data management and maintenance across the organisation.

Ensure your MDM supplier of choice offers features that enable data stewardship, creating a workflow where only verified and trusted data updates are accepted into business critical applications across the organisation. Application owners maintain control and ownership over their data – empowered to be able to accept or reject specific attributes of a record rather than updates being forced on them. The more support a solution offers for data stewards around control and governance, the easier it will be to scale the solution out with confidence.



Think about data domains

The types of data domains you want to master will have a bearing on the vendor that represents the 'best fit' for you.

Historically there have been two different segments to the MDM market: Product MDM and Customer MDM, but suppliers in the MDM market are starting to position the vision of 'Multi-Domain' MDM. This effectively enables you to master any data domain from the same offering.

Whilst this sounds impressive, do remember that all MDM vendors will have a leaning towards a certain domain data. For example, Civica has a strong background in the customer domain but our MDM engine MultiVue is capable of mastering product or material data. Clarify which data domain you initially want to focus in on and select a vendor that can scale the other domains as they enter into scope.

MDM vendor evaluation matrix

Requirement	1	2	3	4	5
Level of use-case understanding					
Product price point					
Product performance & hardware requirements					
Services model of the vendor					
Overall total cost of ownership					
Product ease of use					
Ability to integrate with CRM					
Flexibility of deployment options					
Support for data governance & stewardship					
Data profiling & visualisation features					
Data domain alignment					

“Many MDM products these days provide support for multiple data domains, though in reality most were originally designed to tackle a specific data domain, usually product or customer. This matters when selecting a technology, because the functionality you need to handle customer data is quite different from that needed to deal with product or material data.”

The Information Difference,
The MDM Market Landscape Q2 2015

Practical advice for a successful MDM project

Consider these three key areas over and above vendor selection when scoping your data improvement initiative.

Successful MDM projects are about more than just technology – so it is essential to consider the people and processes that are integral to your project.



1. Align your initiative to the business vision

Your MDM initiative has to be more than a technology initiative - it should be tightly aligned to the vision and objectives of the organisation. After all, if you are asking for data from various stakeholders within the organisation you will need to be able to justify why they should give it to you.



2. Ensure the appropriate level of buy in is in place

MDM projects span both 'the business' and IT, and will create a significant amount of people and process change, so clear alignment around anticipated outcomes needs to be in place. At the start of the project interview business users around their pain points, processes and concerns and make sure a business case is in place with quantifiable outcomes and timescales to ensure it is backed heavily by senior leadership with an executive sponsor.



3. Avoid a 'big bang' approach by defining a realistic project scope

Begin by understanding the departments and use cases that would derive the most quantifiable value and return from an MDM solution, focussing on the data domains that will drive the most upside for the business. An organisation wide view of all master data is important, but getting there will take a lot of time and money. Instead, build momentum through well-planned, phased milestones.

To find out more and book a demonstration please call: **+44 (0)141 285 7150** or email: **multivue@civica.co.uk**

Empower a complete, accurate & shareable customer view with Civica MultiVue



Cert No. 663
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ISO 14001
OHSAS 18001



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