

Aligning MDM Processes with Business Processes – The duplicate check

By Thomas Ravn and Oliver Gätje, April 2009

At a recent Master Data Management seminar (arranged by a software company) the following scenario was presented:

1. A sales person goes out and meets with a new client and makes a deal.
2. When he gets back to the office he enters the data for the new customer in a central Master Data Management system, where a workflow triggers a message to a data steward.
3. The data steward performs a duplicate check on the new record and discovers that the customer exists already. He merges the two records to avoid duplication.

This is a very typical scenario we hear over and over again. So what's wrong with that you may ask? Isn't it great that we identify the duplicate records and then merge them?

The problem here is that the Master Data process is not integrated in the business process but rather considered a separate process that comes after. Let's consider the new customer scenario again. Do you really want your sales person to go out to a customer, negotiate a price, only to return to the office and realize that another sales person from the same company sold products from a different product line to that same customer three weeks ago? Wouldn't you prefer if your sales people searched for the existence of a customer in your system before they contact what they think is a new customer? Knowing what else you have sold to a customer before the sales meeting is very valuable information.

If you're in the business of selling books and DVD's online, where new customers can register themselves, then it's of course a different story. Then you'll be merging new customer

records that are simple duplicates. But we've just seen it so many times that software companies and technically oriented consultants seem to think that the duplicate check is universally relevant and applies at the time of data entry. In their excitement over the fuzzy logic algorithms they completely miss the point of properly aligning Master Data process with business process.

We had a similar discussion with an expert consultant from SAP around whether a duplicate check on new product records at the time of data entry makes sense and should be enforced by the system. We were working at a food and beverage client that creates roughly 20 new products per year and each new product is a result of months of development and experimentation and a significant budget. Once the product design is complete a new product record is required in the ERP system. And can you imagine when the chief designer enters the new product data only to realize that a colleague developed exactly the same product last year, so the product record exists already?

Or consider a large car manufacturer that has acquired several other manufacturers over time. Typically these are companies in various countries and regions and the brands remain independent. Synergies of such mergers are expected in the areas of procurement and manufacturing. These types of companies usually have several design departments and develop new cars individually for each brand or market. Innovation and speed of product development is key for success in this industry. Yet, it's easy to imagine a scenario, where an engineer in one region needs a component that is already being produced by other part of the company. As with the food and beverage example above, a search for the component in a central Master Data system *prior* to starting the development is very sensible and will prevent double work. And imagine

the savings potential and the positive effect on time to market.

There are of course many scenarios where duplicate checks at the time of entry makes a lot of sense. When creating new spare parts for example a duplicate check is typically very meaningful. It's likely that a sparepart has been bought before by someone else and thus already exist in your system. A duplicate check should here prevent you from entering the same sparepart again.

For supplier Master Data, the story is somewhat similar to that of customers. Wouldn't you like to know if you're already a good customer at a given supplier before you call him to ask for a price? If you are the buyer in a division of a global organization, you should search to see if a given supplier record exist before you contact him. Not doing so, is more a business process challenge than Master Data challenge. But of course, the scenario is not the same for strategic suppliers as for the mom and pop stores where you buy flowers for someone's anniversary. In the latter case a data entry triggered duplicate check could be very relevant.

At the end, defining where and how to perform duplicate checking is not trivial. For the purpose of analytical MDM is really doesn't matter too much and here it's a simple matter of keeping your data clean. But to realize the full benefit of operational MDM, you have to design data processes that reflect the needs of the business processes and consider the likelihood of mistakes. Duplicate checking must be considered as part of the business process and it should be used where and when needed to effectively support your business operations.

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