



DATA GOVERNANCE AND MASTER DATA MANAGEMENT CONFERENCE EUROPE

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How do you get ready for MDM tool?

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Journey for today

- Company / Use Case background
- Initial steps
- Preparation for the tool
- Conclusions
- Q&A

Company Background

One of the leading FMCG companies in the CEE region

Production, sales and distribution of FMCG

- 20 companies in the group - legal entities
 - Production – Distribution business model
 - 6 Strategic Business Units
 - Beverages, Savory Spreads, Coffee, Snacks, Pharma, Donat
 - 17 production facilities
 - Principal brands
 - 17 Distribution Centers
 - 1000+ vehicles
- Market presence in over 40 countries around the world
- 5500 + employees



Key challenge with product master data

Each company has its ERP = serves for the maintenance of master data

One single product



- Different codes and attribute values in each production and distribution company
- Unnecessary work: Input of the same data in different ERPs
 - by different people in different companies
 - by different people on a group level working on the consolidation of data for a single product
- Intercompany alignments between companies on a single product for regular business transactions
 - Sales from production to distribution companies
 - Sales from distribution companies to the market

Master data in numbers

Material Domain

Subdomain	Unconsolidated Records	Consolidated Records*
Finished Goods and Trade Goods	11.100	8.200
Raw and Packaging Materials, Semi-finished goods	4.000	n/a
POS material	5.000	n/a
Indirect material	10.000	n/a
Services	n/a	n/a

Other domains

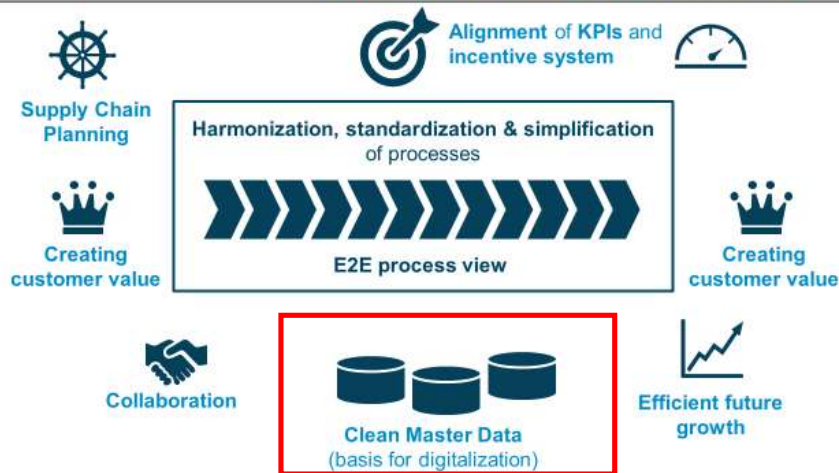
Subdomain	Unconsolidated Records	Consolidated Records*
Customers	25.000 / 75.000 **	n/a
Suppliers	12.000	n/a
Accounts	10.500	250
Cost centers	2.800	580
Assets	n/a	n/a

Initial steps

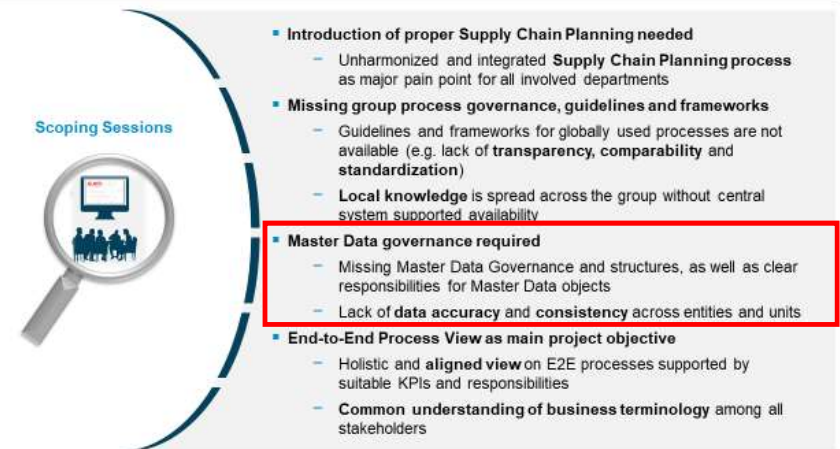
Harmonized, standardized and simplified processes

Starting point: BPR - Business Processes Reengineering

Management Summary: Key findings from strategic interviews



Management Summary: Key findings from scoping phase



The MDM Policy

**the consistent Master Data Management framework
MDM Key components**

**Master Data Core
Principles**

**Master Data
Governance
Organization**

**Master Data
Governance
Processes**

**Master Data
Maintenance
Processes**

The MDM Core Principles



Master data are recognized as a valued and **strategic company asset**.

Well-governed master data are the **critical foundation for effective decision-making and customer service in a company**.

Alignment

Must be in line with overall business strategy

Ownership

Shift from MY data to OUR data

Responsibility

Clearly defined responsibilities and accountabilities

Consistency

Data must be managed consistently across its lifecycle according to internal and external regulations

The MDM Pillars

Data Governance Organization



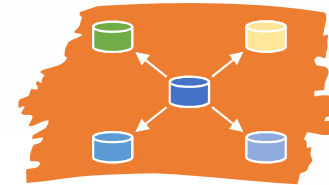
- Data Culture
- Data Ownership
- Data Stewardship

MDM Guidelines



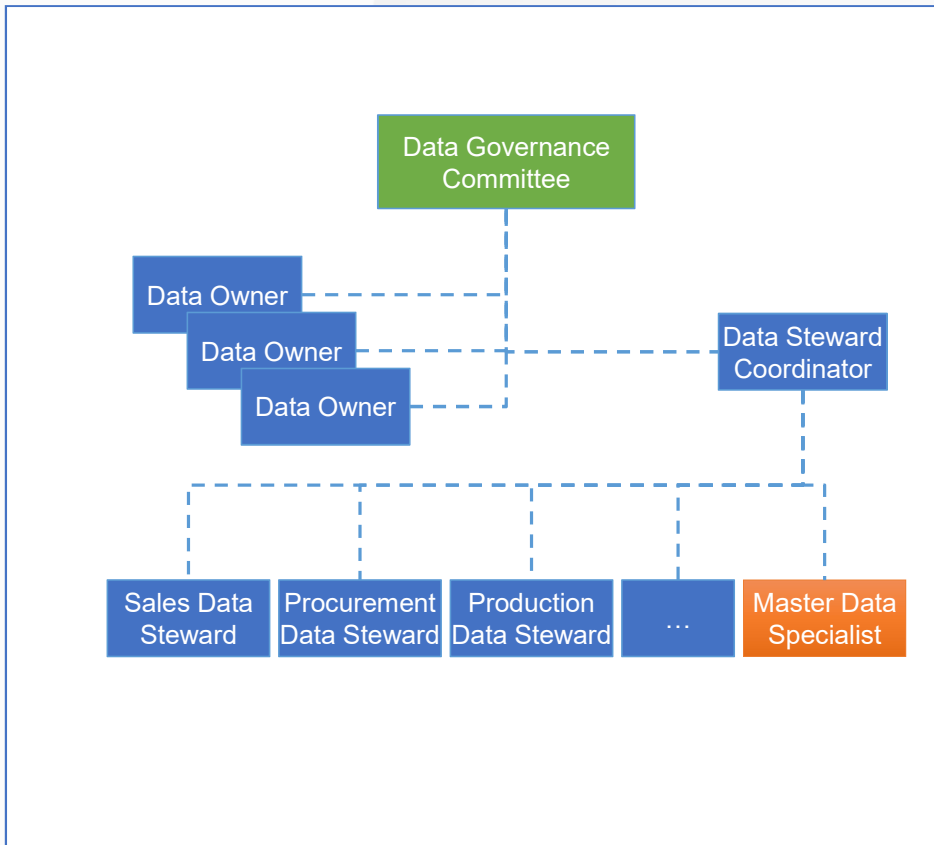
- MDM Policy
- MDM Standards

MDM Tool



- Centralized Style
- Flexible Data Model
- Collaboration WF
- User / Role Based Access
- Integration capabilities
- Data Governance

MDM Organization



Data Governance Committee - **Strategic**

- Process Owners, IT & Head of MDM
- Approving MDM Policy, Standards, Initiatives, Projects

Data Owner - **Tactical**

- Responsible for Data Domain (e.g., Products, Materials, Customer...)
- Decision power, responsibility for data quality rules
- Reviews Data Quality KPIs

Data Steward Coordinator - **Tactical**

- Contact in the functional area (SBU, SDU, Corporate functions)
- Responsible for coordination of Master Data topics

Data Steward - **Operational**

- Contact in the functional area, Subject Matter Expert
- Applying Master Data Procedures & Standards in every Function

Master Data Specialist - **Operational**

- Executes standardized Master Data tasks
- Technical and methodological capabilities
- Part of Master Data Dedicated Team

Data Ownership and Stewardship / Concept

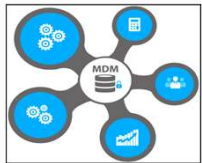
Data Stewardship (Subject Matter Expert)

<u>Attribute name (≈ ERP field)</u>	<u>Value</u>	<u>Standards + rules</u>
Product Name	Cedevita Narandža	Naming rules
Gross weight	1,000 kg	Kg, pcs...
Net weight	0,990kg	< Gross Weight
Group Product Hierarhy	...	Hierarchy Levels, Naming rules (Brand, Subbrand, Category)
...		

Data Ownership – strong link with Process Organization

Preparation for the tool

MDM Tool



Why? BUSINESS NEED

Maintaining a **reliable, sustainable, accurate** and secure data environment that represent a “**single source of truth**” for master data and its relationships

When?

TIMELINE



What?

SCOPE

- MDM Tool **technical set up**
- **Implementation of the MDM Tool for all Master Data Domains / all LE**
- Migration of the Group Reporting functionalities (**MDS to MDM Tool**)
- Implementation of the **Master Data Policy** and **Standards**
- Implementation of the **Master Data Governance** and **Maintenance Processes**

What was expected from the tool?

Functional point of view

- **Multi-domain**
 - Material, Customer, Supplier, Account, Cost Centres, Employees, Assets
- **Centralised Style**
 - A centralized single source of the truth used to publish master attributes
- **Flexible Data Model**
- **User / Role Based Access**
- **Collaboration WF**
- **Hierarchy Management**
- **Integration capabilities**
- **Fit to current architecture**
- **Data Governance**

Non-functional point of view

Data model definition

- **You don't need a MDM tool to define data model but you need data model to start with tool implementation**
 - MDM tool implementation rely on data model
 - Data model is an essential component of the MDM
 - Attributes, relationships and hierarchies of master data
 - Identifying and resolving data conflicts and duplicates
 - unique identifiers
 - rules for data matching and merging
 - Primary attributes
 - Material Type Specific attributes
 - Company Specific attributes – ERPs needed
 - 70+ lookup tables

Data Model Sample

Attribute Name	SRC1 Technical Field	SRC2 Technical Field	SRC1 Data Type	SRC2 Data Type	MDM Data Type	Lookup table	Default Value	Validation Rule	SRC1 Required	SRC2 Required
Unit of Measure	Tbl1.att1		CHAR 12		CHAR 12	LKP_Unit_of_Measure			Y	
Gross Weight	Tbl2.att2	Table1.attribute2	DECIMAL(13,3)	DECIMAL(12,5)	DECIMAL (13,5)				Y	Y
Net Weight	Tbl2.att1	Table1.attribute3	DECIMAL(13,3)	DECIMAL(12,5)	DECIMAL (13,5)			Net weight < Gross weight.	Y	Y
Weight Unit	Tbl3.att3	Table1.attribute4	CHAR 12	CHAR 15	CHAR 15	LKP_Unit_of_Measure	KG		Y	Y
GTIN	Tbl4.att4	Table1.attribute5	CHAR 14	CHAR 14	CHAR 14				Y	Y

Data Model and Stewardship / Access rules

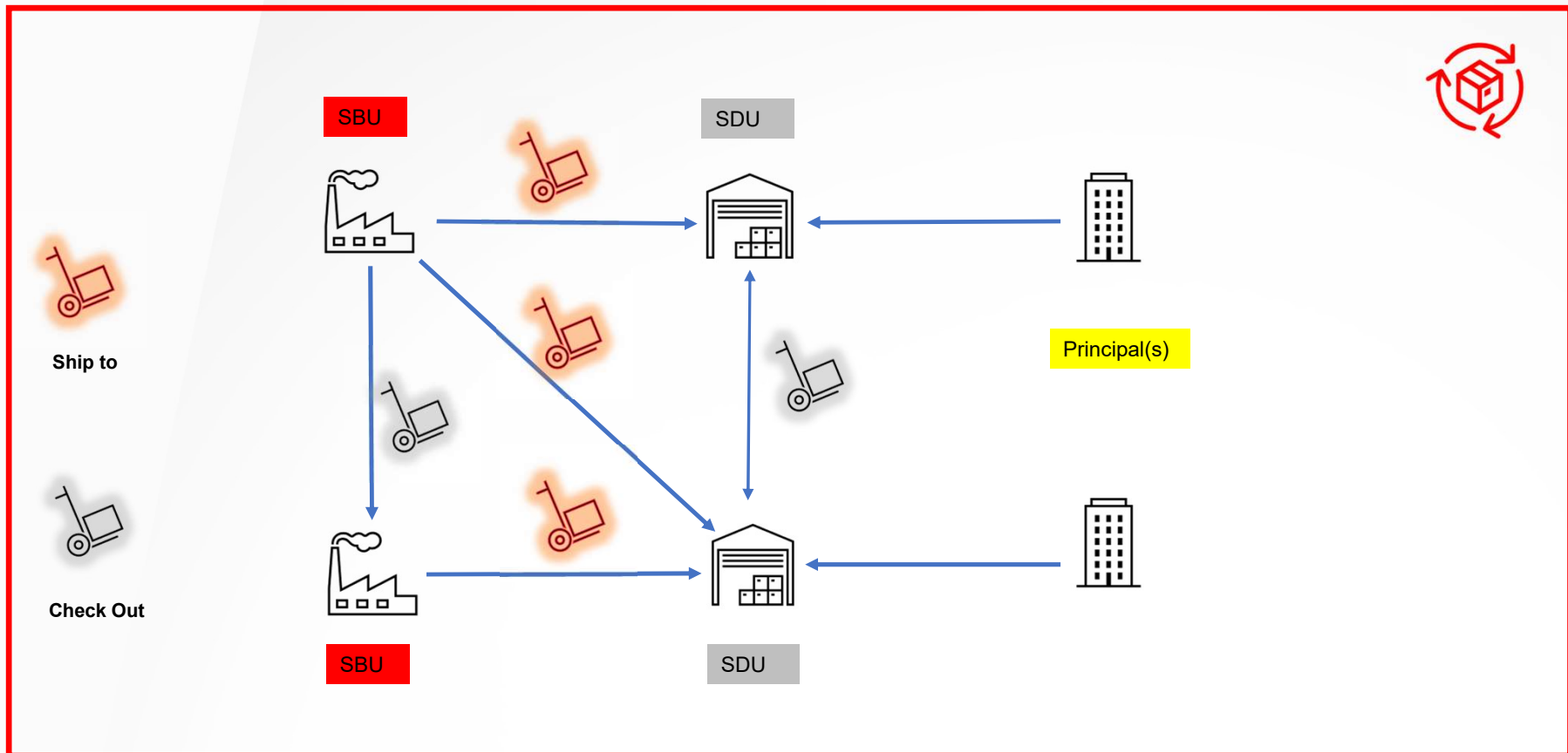
Data Model (ERP fields)

Products and Material Type

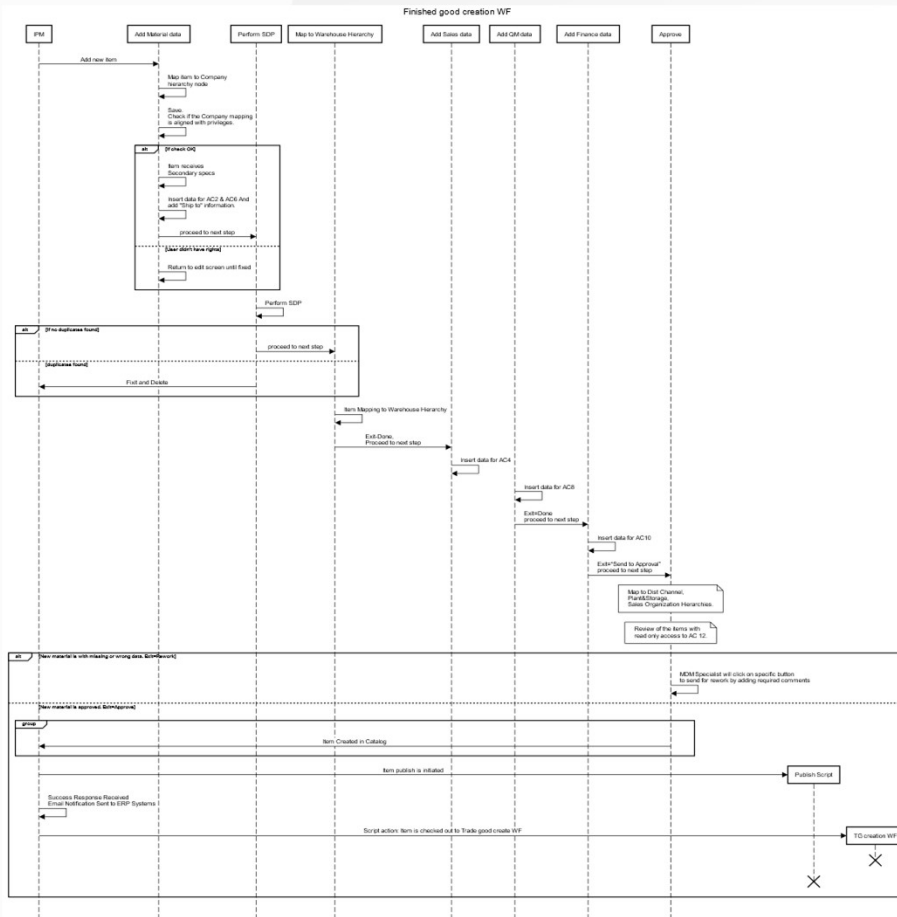
Stewards Role

Modul	Tab S4	Naziv polja S4	FERT - Gotov proizvod	HALB- Poluproizvod	ROH - Sirovine	UNBW- Nevrednovani materijali	VERP - Ambalaža	ZPOS - POS materijal	DIEN - Usluge	ZOSS - Osnovna sredstva	ZQMU - Uzorci	ERSA - Rezervni dijelovi	ZIND - Indirektni materijali	HAWA - Trgovačka roba	Tehnički naziv polja
MM	POČETNI EKLAN	Pogon	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	WERKS
MM	POČETNI EKLAN	Skладиšna lokacija	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	LGORT
SD	POČETNI EKLAN	Organizacija prodaje	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	VKORG
SD	POČETNI EKLAN	Distributivni kanal	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	VTWEG
MM	OSNOVNI PODACI 1	Tip materijala	R&D Steward	R&D Steward	R&D Steward	Procurement Steward	R&D Steward	Procurement Steward; Marketing Steward	Accounting Steward	Procurement Steward; Sales HoReCa Steward	QA Steward	Procurement Steward; Production Maintenance Steward	Procurement Steward	R&D Steward	MTART
MM	OSNOVNI PODACI 1	Naziv materijala	R&D Steward	R&D Steward	R&D Steward	Procurement Steward	R&D Steward	Procurement Steward; Marketing Steward	Accounting Steward	Procurement Steward; Sales HoReCa Steward	QA Steward	Procurement Steward; Production Maintenance Steward	Procurement Steward	R&D Steward	MAKTX
MM	OSNOVNI PODACI 1	Naziv materijala ENG	R&D Steward	R&D Steward	R&D Steward	Procurement Steward	R&D Steward	Procurement Steward; Marketing Steward	Accounting Steward	Procurement Steward; Sales HoReCa Steward	QA Steward	Procurement Steward; Production Maintenance Steward	Procurement Steward	R&D Steward	MAKTX
MM	OSNOVNI PODACI 1	Opis Grp. materijala	R&D Steward	R&D Steward	R&D Steward	Procurement Steward	R&D Steward	Procurement Steward; Marketing Steward	Procurement Steward	Procurement Steward		Procurement Steward	Procurement Steward	Procurement Steward	MATKL
SD	OSNOVNI PODACI 1	Opis Odeljak	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	SPART
MM	OSNOVNI PODACI 1	EAN/UPC	R&D Steward	R&D Steward										R&D Steward	EAN11
MM/SD	OSNOVNI PODACI 1	Opis Hijer.proizvoda	Controlling Steward											Controlling Steward	PRDHA
SD	OSNOVNI PODACI 1	Opis OpšGrKatStavke	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant	ERP Consultant		ERP Consultant		ERP Consultant	MTPOS_MARA

Product and Materials Flows



After the model, processes should be defined



- Material Related:

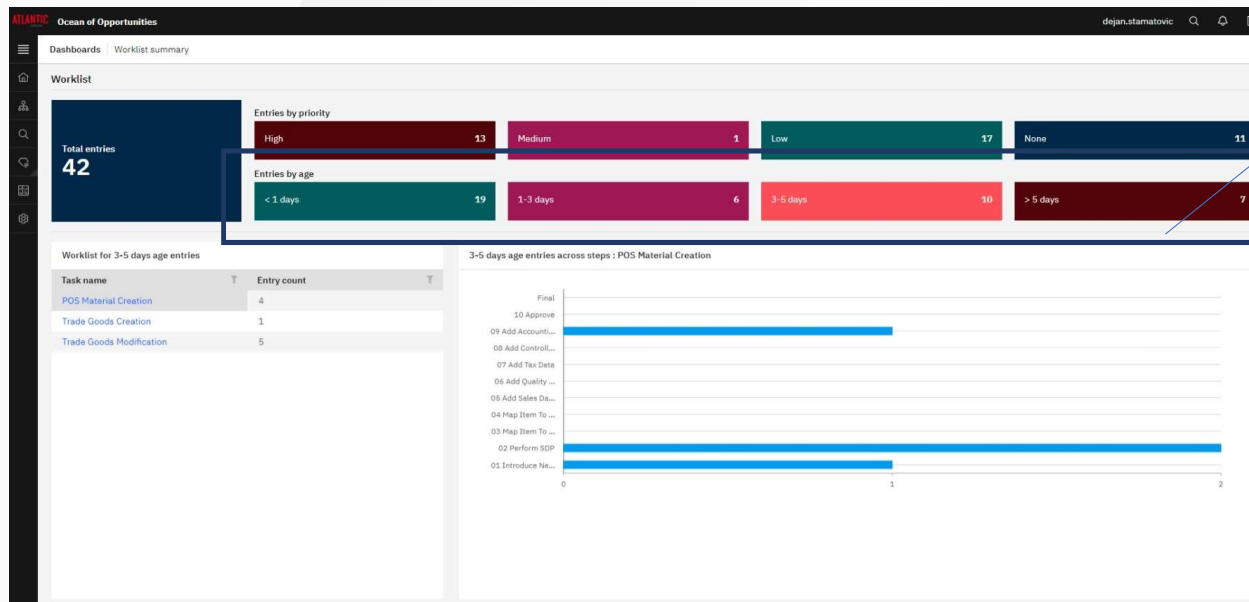
- Creation
- Modification
- Status Management
- Suspect Duplicates

- Hierarchies Related

- WHO / WHAT / WHEN:

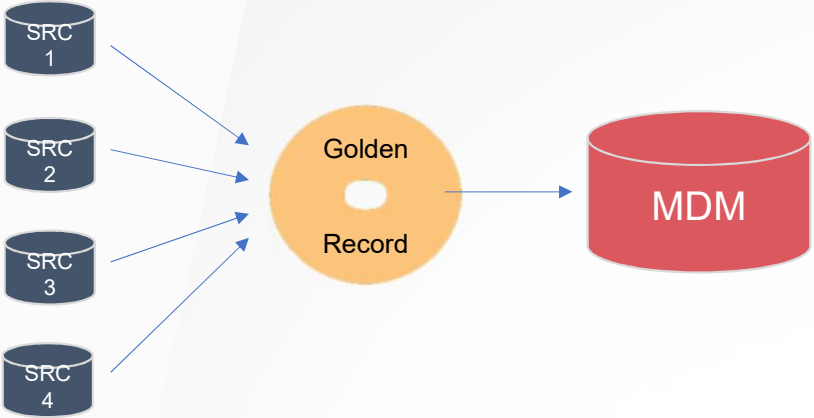
- Who has the right to create/update certain attributes?
- Which attribute can be updated in which process step?
- Who is responsible for approving changes?

Processes are defined as workflows with SLA

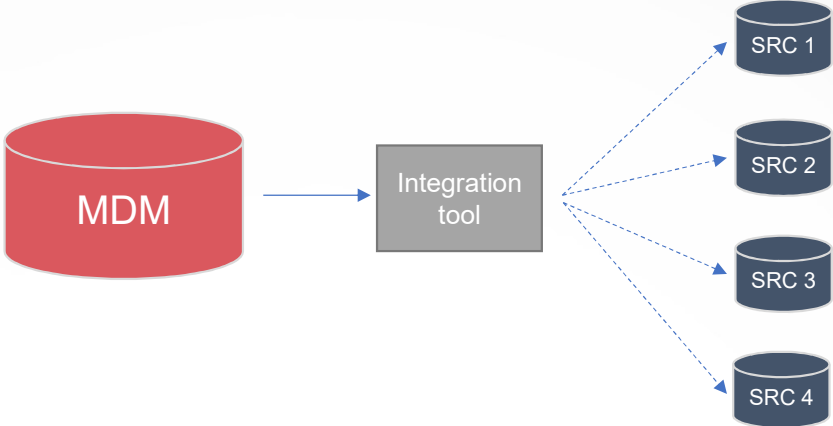


SLA – Target 5
WD

Define integration paths



Initial Load of Golden record from source systems



Regular updates from MDM to source / ERPs / applications

Prepare Golden record

Export ①



List of Mandatory Attributes per Material Type / per LE
List of Technical Tables
Criteria for Export

Cleansing ②



Creation of Cleansing Excel DataBase
Data Completeness on Attribute Level
Data Quality Rules on Attribute Level
Item Status (Active / Inactive)

Golden Record ③



IPM Code, Global Material Name, GTIN, Gross Weight, Net Weight
Unique Identifier per material type (GTIN + AG Internal Logic)

Load ④



Import file (csv format)
Catalogue of Items per Subdomain / LE / SBU/SBU

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Conclusions

Prepare and execute

- **Organizational preparation**

- Why, what does the business want to achieve
- Executive Sponsorship
- Strategy and Roadmap
- Data Governance Organization
- Change management

- **Tool Preparation**

- Data model
- Access and Security
- Processes
- Integration paths
- Data cleaning and creation of Golden record

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Q&A



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