



Master Data Governance Best Practices

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Abstract— Master data governance is not a new field, and it has existed since the early 90s (8). However, the demand for master data governance has been rising recently due to the ever-increasing demand for cost optimization, faster product innovations, compliance with the set rules and regulations, and competitive advantage in the business field. One of the areas in which companies can achieve master data governance is through maintaining consistent data quality. Handling data is one of the pain areas in most companies due to the complications involved in managing data. Still, companies that succeed in handling data compete well in their business since data leads to optimal decision-making. Data mismatch is putting so many companies projecting to accelerate their growth on brakes.

This paper outlines the best practices of master data governance, which can help the companies solve and improve their odds in data governance and improve their business quickly, predictably when planning and implementing the decisions made.

Keywords— Govern Metadata, Master Data Governance, Master Data Management, Data Quality, Data Consolidation, MDM, Best Practices MDM

I. INTRODUCTION

Data governance is the process in which an organization formally agrees to manage its data assets critical to its success. Data governance includes processes, roles, and standards that ensure efficient and effective use of data and information. Most organizations' success is tied to their data management (5). If the data management is on point, the business will grow exponentially, while vice versa will happen when data management is not good. Data governance and best data practices should ensure data usability, integrity, availability, consistency, and security of the data in the organization. Master data governance is involved in the creation of policies and maintenance of master data. The following practices can be good in helping the master data governance in solving the problems associated with centrally shared data, and these practices are data consolidation, establishing a master data governance team and operating model, mapping the production and consumption of master data, governing shared metadata, and establish policies to ensure data quality at all stages of data lifecycle (3).

II. DESIGN & METHODOLOGY

1. The Data Problem

In most of the organization quality data is a strategic asset as it provides a strong and secure base for the growth of the business. Quality data helps top managers make better decisions as they make informed decisions based on the available data. Traditionally, critical data about customers, products, and partners are in various organization departments, making it challenging to manage the organization's most crucial asset, which is the data. While the data is fragmented across different organization departments, it is prone to be locked up; poor

misrepresentation, misinterpretation, and duplication prevent better organization performance (1). Organization data needs to be consolidated in one central point where all the authorized personnel can access the data. Centrally shared organization data becomes easier to manage, and new patterns in the data can be identified, which can really help the organization in venturing into a new product line or a service.

2. Data Consolidation

One of the best practices of master data is the consolidation of the data in the organization. Data consolidation is the correction of all master data objects from various departments and storing the master data in one central point. In data consolidation, master data objects are not just collected and stored blindly. Identical objects are identified in the data consolidation process, cleansed, and duplicate data can also be identified. The necessary action is taken, such as deletion of one copy to avoid redundancy in the central storage point (6). Data consolidation in an organization helps in business analytics which increases the capacity of the organization to produce accurate business data to various stakeholders.

3. Establishing a Master Data Governance Team and an operating model

An organization needs to form a team for master data governance since business processes are cross-functional. People from different departments should be picked to form a team that will collaborate to create and maintain master data. Most organizations fail in master data governance as they leave the work to be done solemnly by the IT department of the organization. Leaving the work to be done by the IT department makes it difficult for them as there are some processes in other departments that they do not understand (7). The team should have an operating model to help have a streamlined approach to master data. The operating model should have policies governing the data lifecycle to ensure data quality, rules to manage the master data, and a communication strategy to inform the organization when data errors occur, or data usability is at risk.

4. Map the production and consumption of Master Data

To ensure that the usability and quality of data in multiple departments for different purposes, it is essential to identify and map the production points of master data; this is the business process that leads to the production of data to the organization and also identifies and record the consumption processes of the produced data. Documenting the production process of data and the consumption processes of data ensures that all the touch points of the data are known, which helps in making the master data though stored at a central point it is available to multiple departments, maintains its usability. Mapping the production points of master data helps create, use, and update the master data. Additionally, the master data can be traced from production to consumption, which ensures that no data is missed as it can be identified at the beginning. The identification of production sources and consumption points helps in the establishment of rules and guidelines for the governance of master data.

5. Govern Shared Metadata

One of the biggest problems that have led to master data governance is the use of discrepancies and inconsistencies, which are primarily associated with shared data. Duplication of data sets from customers and products seems to be rampant. There should be measures to govern the shared metadata. Central oversight and management of the data are some of the best practices to manage shared metadata. The oversight team mainly focuses on the data elements, reference data, and rules to ensure consistency of the data and avoid discrepancies. Governance of shared metadata involves the observation of data heavily, resolving different challenges associated with data similarity and normalization process as it helps to alleviate some amount of pain in failed strategies and in repeated reconciliation.

6. Establishing policies to ensure data quality at all stages of the data lifecycle

It is fundamental to ensure that data quality is the best at all the stages of the data lifecycle. It is vital to have the organization's set of rules to help in ensuring that the quality of data is maintained throughout its lifecycle (4). These policies include data collection requirements, governance process, and quality assessment procedures to ensure that the data is good quality without inconsistencies, anomalies, and incompleteness. Policies will help to reduce errors in data handling and data misuse.

III. CONCLUSIONS

Organizations should focus on holistic data management, as a good data management approach leads to the organization's success. Master data governance should be a continuous process and not a one-time project since the business world is changing rapidly so does the organizational data (2). Organizations should focus more on the Return on Investment and involve every department in the master data management. By doing so while practicing the explained master data governance practices, organizations will succeed in the business world.

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