

PART II

Four Actionable Ideas to Get Started with Next-Gen MDM: A CDO's Guide



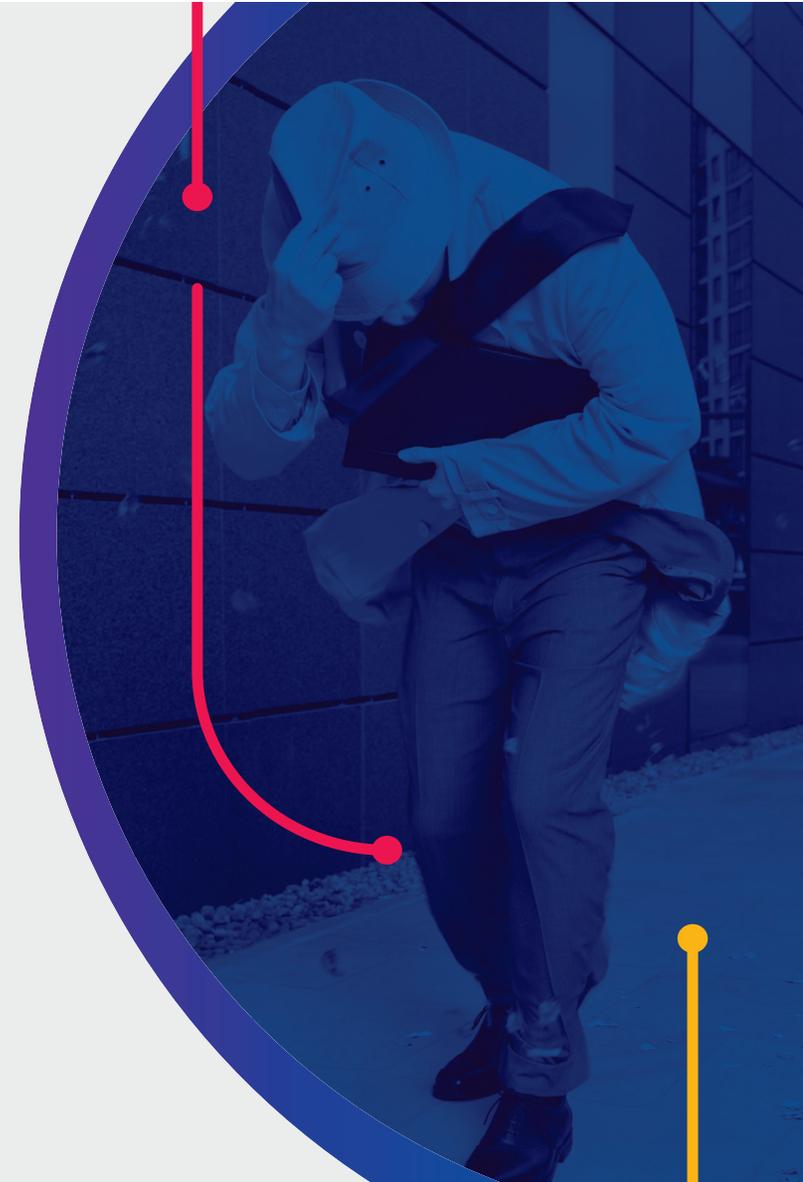
Hold on to your hats, CDOs. Things are about to get wild.

That's right. More wild than they are today.

See, your organization has discovered a secret. Something you've known all along. That data is truly its most valuable asset. And now, they're looking to you – the CDO – to take control of this valuable asset and use it for maximum impact to the business.

It doesn't matter where you are on the spectrum for achieving this goal, we're here to help. We'll help you uncover techniques and practical strategies for taking the reins as digital transformation accelerates your business. And the global pandemic continues to disrupt it. And we'll reveal how you can best focus your efforts to achieve maximum impact.

We may not have all the answers. But we'll share what we've learned from our work with CDOs and data leaders in Global 200 companies.



CDOs in Times of Accelerated Change

If the global pandemic taught us nothing else, it's that everything can change in the blink of an eye. While many of our personal lives ground to a screeching halt, business accelerated. Digital transformation took off at a pace that nobody expected.

And data became headline news.

We saw world leaders struggle to use overwhelming, disorganized, and imperfect data to make time-critical decisions. And we saw the result – delays, missteps, and shortages caused, in part, by a lack of data.

While criticizing decisions after the fact is unfair under the circumstances, it reaffirms the value of timely, contextual data for business decision-making.

Clearly, data management matters. And it really matters in times of uncertainty and accelerated change.



But this is good news.

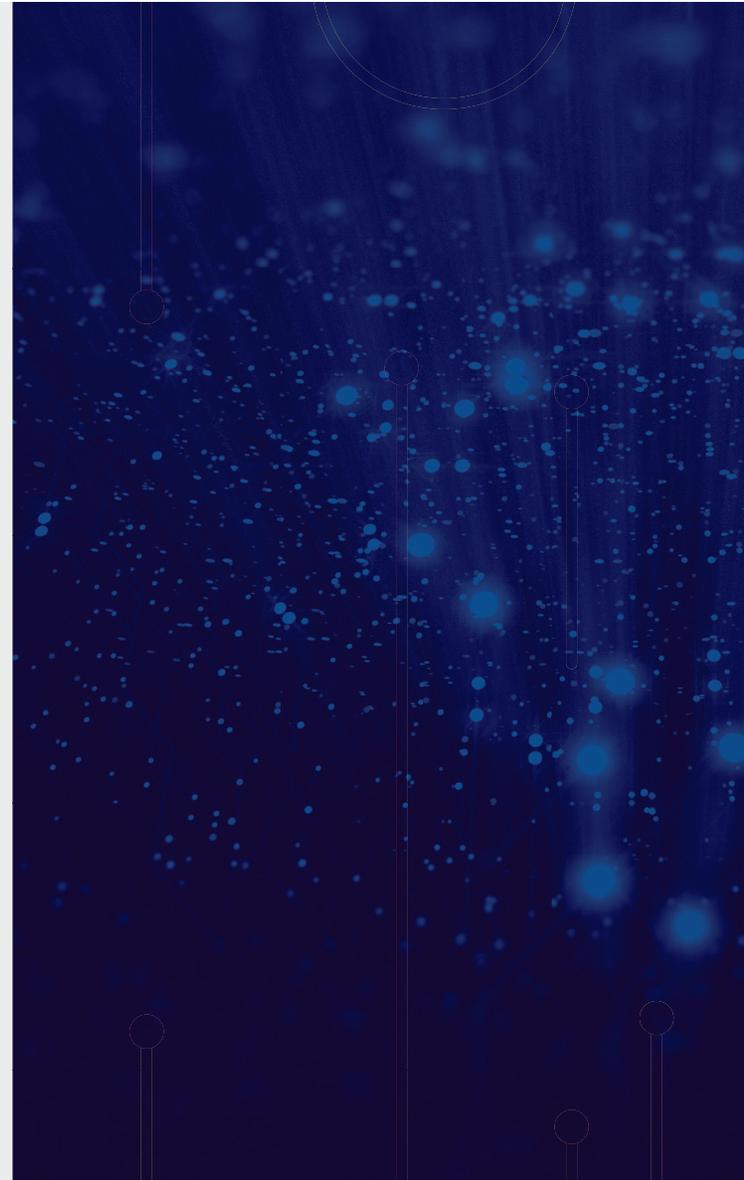
Because this is the essence of your job: to provide timely, contextual data to decision-makers so that they can take the right actions that lead to optimal results for the business.

What does that mean? It means turning your existing data into clean, trustworthy mastered data. Not the IT-consumable data you used in the past. And creating analytics-strength data pipelines to feed decision makers across the now data-driven enterprise.

It also means finally overcoming persistent problems, like breaking down data silos once and for all. And embracing new challenges, like the democratization of analytics.

Now is your time. As CDO, you have an unprecedented opportunity to increase the value of your data and elevate yourself as a critical resource for other C-level executives. You can help your organization navigate this environment of accelerated change and uncertainty, while making it more resilient in the future.

But you need to take action. Are you ready? Great. Let's get started.



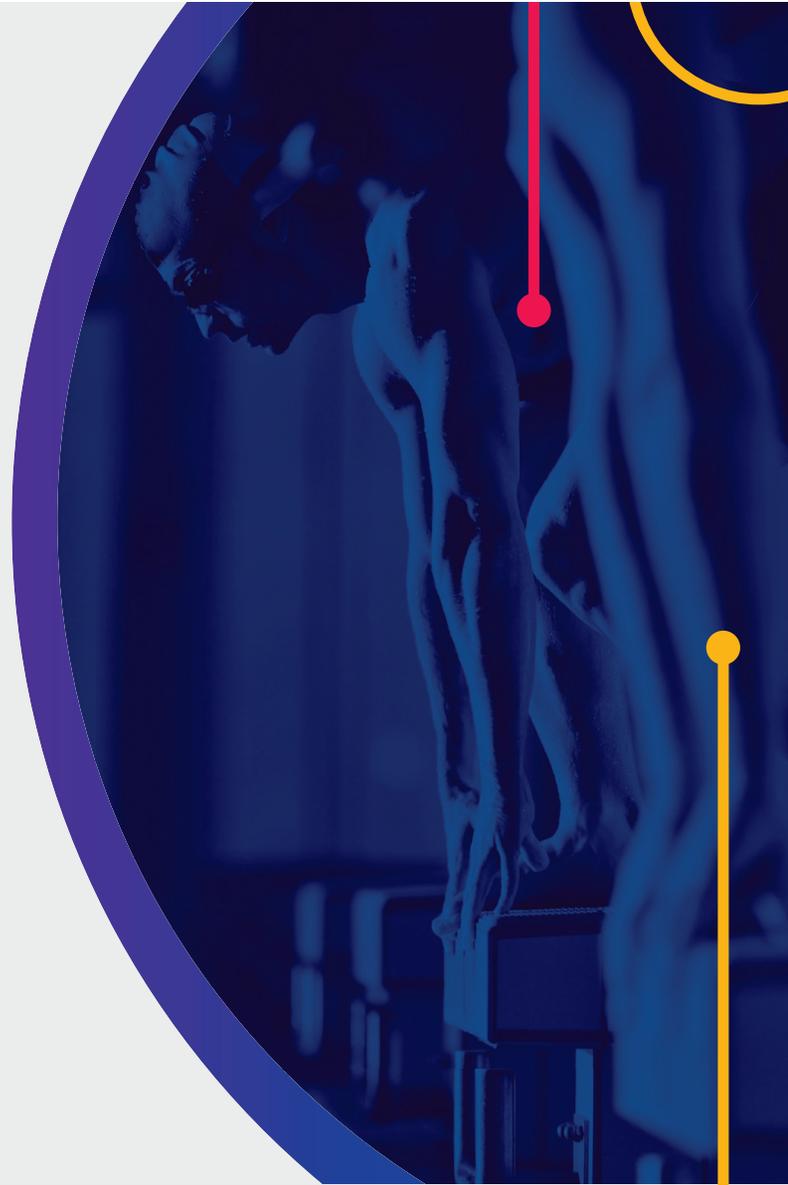
Mastering Your Data: Four Places to Start

In an environment where digital transformation is accelerating, it's difficult to know where to start. Everything feels chaotic, including your data.

Starting with traditional master data management, as you may have done in the past, is not the right answer. Why? Because traditional MDM requires a human-intensive process to deliver rules-based truths. It's a process that depends heavily on manual reviews of exceptions. And that means it's not scalable as your data grows in volume and complexity (which it will).

Instead, we suggest starting with next-generation MDM.

Pro tip: if you haven't read *The Future of MDM: A CDO's Guide*, stop everything that you're doing and read it now. This foundational guide covers topics such as what next-generation MDM is, how to evaluate next-gen MDM solutions, and ways you can get started today.



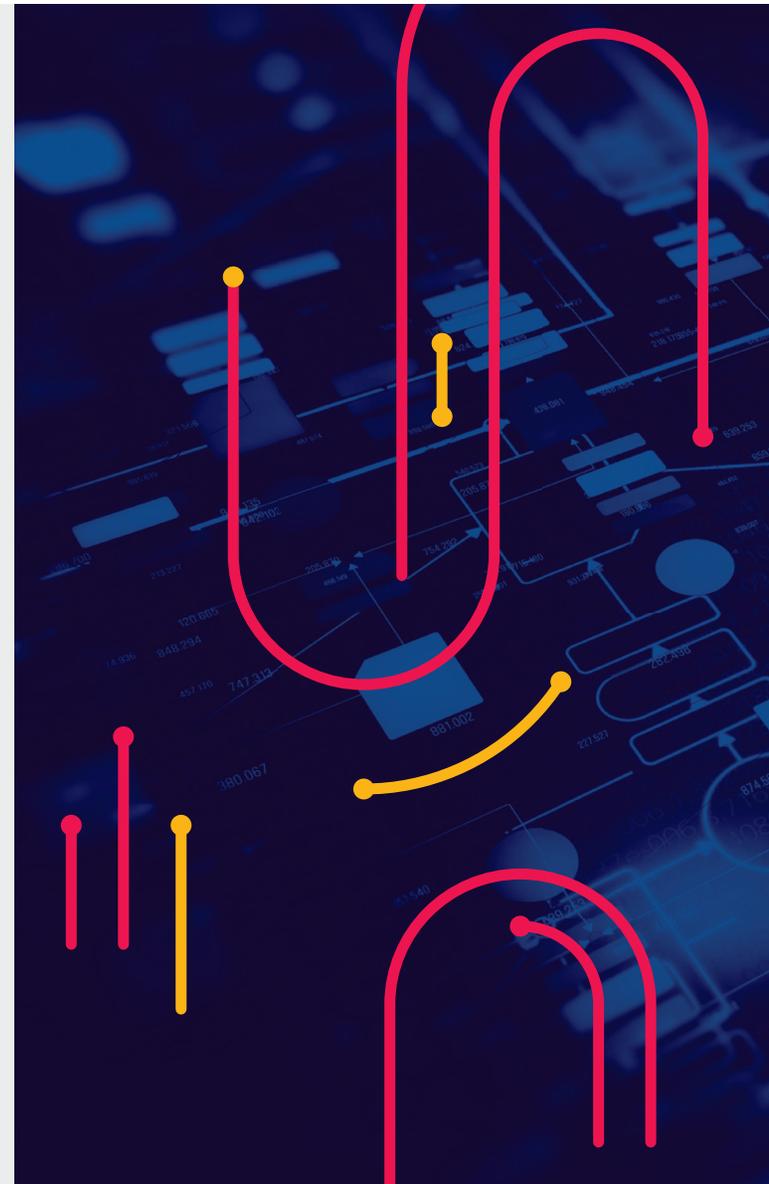
Next-gen MDM embraces the agile approach that the software development industry employed for years.

It connects people, processes, and tools together to treat data integration as an iterative process.

Said differently, next-gen MDM brings humans and machines together. Business experts train and validate machine learning models so the tool's accuracy improves. And the smarter the model becomes, the less reliance you have on human interaction.

When it comes to next-gen MDM, there are **four actionable places you can start** that will pay off far into the future if you invest and make them an integral part of your enterprise data infrastructure today.

- 1. Reduce expenses**
- 2. Optimize revenue retention and growth**
- 3. Minimize supply chain disruption**
- 4. Reassess and adjust risk**



1. REDUCE EXPENSES

Given the business disruption caused by the pandemic, reducing expenses is likely to be a common and immediate goal for many organizations, including yours. But to make critical decisions on when and where to cut costs, you need a complete and actionable picture of your organization's global spend.

You need to be able to confidently answer questions such as:

Who are your suppliers?

What products and services are you buying?

Where is there overlap?

Are there redundancies?

Is there "fat" that they can cut?

When faced with disrupted supply chains and pressure to curtail costs, your leaders need data about alternatives at their fingertips. That way, they are better prepared to make the right decisions.



Case in point: A mastered view of spare parts reduces costs and spend

For Carnival Corporation, creating a "mastered," unified view of its 1.5M spare parts across hundreds of ships and warehouses was a strategic imperative long before cost management became the industry's top priority. The motivation was simple: with over \$1B in spare parts inventory and \$250M+ of annual spend on spares, inaccurate data about their parts was expensive. A mastered view of parts revealed an opportunity to reduce inventory by \$100M+ and save \$25M+ simply by negotiating for better prices.

Pro Tip: When cutting spend and streamlining your roster of suppliers, make sure you cross-reference your supplier information with your customer data. In most organizations, vendor and customer data sit in separate silos. Which means they are rarely looked at together. However, some of your suppliers may also be your best customers. And it's best to keep them happy by maintaining the relationship.

2. OPTIMIZE REVENUE AND GROWTH

Do you know how many customers you have? If you don't know, you're not alone. Surprisingly, many companies can not confidently answer this question. They also don't know how much their customers buy, how consistently they buy, or the state of their business and industry.

But as digital transformation and lingering effects from the pandemic accelerate and disrupt industries, it's more critical than ever before for every business to understand their customer base.

As pressure to maintain revenue mounts, having a good understanding of your baseline helps you better predict the changes your business may face and enable you to develop response scenarios. Using data, you can shape deals and discounts that entice top customers

to buy today instead of tomorrow. And you can refocus your sales outreach away from prospects in industries that are taking a bigger hit to ones that are flourishing.

If recent years have taught us anything, it's that customer behavior can change on a dime. And being able to identify and capitalize on these behavior changes is important.

Whether or not behavior changes back – or shifts again – is yet to be seen. But using mastered data to predict which trends are transient and which will stick is critical at any point in time. Accurate SKU classification coupled with customer mastering can help analyze changes in customer behavior across SKUs, segments, geographies, and brands.



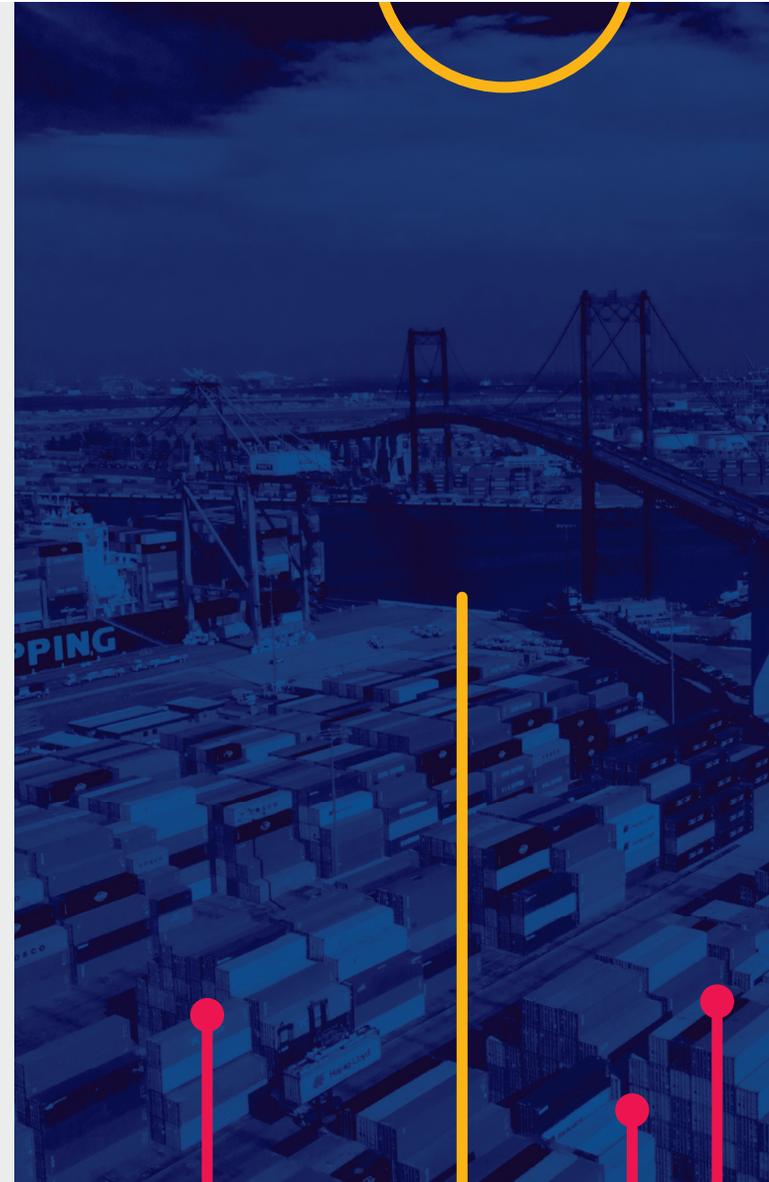
Case in point: Mastered customer data reveals transformational customer insight

With over 200 distributors creating new data about quotes and sales around-the-clock, Littelfuse struggled to know the size and makeup of its customer base. And they found that their unmastered data skewed analytic results, creating misinformation instead of clarity. By mastering these data sources, they revealed that their customer base was nearly half of what they believed previously. And, when applying this new, accurate data set to their business analytics, they revealed transformational insight: that mid-sized customers dominated their distribution, not low-end, lower-spend customers.

3. MINIMIZE SUPPLY CHAIN DISRUPTION

Global supply chain disruption often threatens organizations. During the height of the pandemic, this threat was acute. But even today, this threat persists. And the disruption continues to cause numerous headaches for suppliers ranging from the failure to receive the parts, materials, or services that are integral to their products to the inability to deliver services to their customers. Without mastered data, it's difficult to adjust strategies and diversify suppliers to address the challenges at hand.

But when you have a complete and timely mastered view of your suppliers, your organization can better maintain a diverse, more-resilient supplier base. By incorporating external data sources, you can add context which helps you pinpoint geographic problem areas, spot suppliers in trouble, identify possible alternative suppliers, quickly check alternative suppliers against undesired entities lists before onboarding them, and negotiate the best possible terms.



Further, on the back end, you could provide contextual data for your inventory system. This context helps decision-makers answer basic questions such as:

- **How much inventory do we really need to keep on hand?**
- **What inventory do we actually have on hand?**
- **Are we hoarding duplicative materials?**

Answers to these questions are critical for decision-makers so they can assess how long “business as usual” can continue despite disruptions to the supply chain and workflows. Having contextual data can help.



Case in point: Mastered data saves costs and reduces risk

Accell Bikes' products leverage many of the same parts. But without a mastered view of their parts and suppliers, it was difficult to understand where these commonalities existed. And that created risk that they were more exposed to a single supplier or part than they realized. Accell recognized that mastered data was essential to making their supply chain more resilient, and used next-gen MDM to identify 50,000 'high impact' parts that could not only save them millions of dollars, but also help them derisk their operations.

4. REASSESS AND ADJUST RISK

As CDO, you're in a unique position to help identify the evolving risks to your business. From supply chain disruptions and loss of revenue to HR/staffing challenges fueled by "the great resignation" or financial fraud by pandemic opportunists, you're facing risks your organization never considered before. Mastered data can help you identify risks and estimate the magnitude of their impact so your organization can develop a proper response.

Beyond mastering your internal data, applying data from external sources can reduce risk by increasing both the breadth and timeliness of your data. This is, perhaps, most evident in the financial services industry, with its requirements to comply with Know-Your-Customer (KYC) and Anti-Money Laundering (AML) rules. However, this concept applies to other industries and scenarios as well as it provides your organization with a clear understanding of risk associated with customers and suppliers.



Case in point: Mastered wells data across multiple data sets fuels critical decisions

Hess created a master data source for essential data about wells, with much of the data coming from external sources. Mastered wells data is vital to the company as they use it to reduce risk and increase precision in major decisions, such as selecting where to drill next. Using a combination of machine learning-based models, human feedback, and rules, the company created "Golden Records" of trusted data that they needed for analytics and decision-making. "Mastering" wells data across multiple vendor datasets helped the company identify high-interest wells. And, it reduced the chance of investing in risky wells. Further, the company shifted from operating based on assumptions and forecasts, to operating based on real data and actual results.

It's time to take action

It's a pivotal moment in data management and in the lives of CDOs. Embrace the chaos. Lean into the accelerated change. Drive sweeping changes that set you, your data scientists, and your other information workers up for future success.

As Tamr cofounder Michael Stonebraker said, “the enemy of traditional data management is data variety.” But data variety is a fact of life in modern business. Data silos result in duplicate data that complicates data mastering, obscures context, and delays delivery of the data and insights decision makers need to succeed.





Finding a solution that tackles the challenges of data variety head-on is critical to your success. Ignore solutions from vendors who “paper over” the current challenges with traditional MDM and ETL with data preparation and enterprise data integration tools.

Instead, find solutions that employ machine-based learning, like the next-gen MDM solutions from Tamr. ML-powered, human-guided data mastering at scale will shield your enterprise against dirty, duplicate data and data “drift” by continuously helping data become better and more resilient over time.

Learn more at **tamr.com**.

