Application configuration and managing system rules is normally the task of IT and/or architecture. For the very good reasons of data governance, systems that manage Master Data, Reference Data and Data Quality should be owned, managed and configured by core Business – Centrally under the CDO (or that Office)

MDM, RDM and DQM…

Three critical systems Business should own outright

Alex Stamp, Entity IM (Pty) Ltd

entity
Trusted Information Innovators

Know Your Data. Trust Your Data. Own Your Data.

The Data Ecosystem

Entity has a simple view of business data as a collective in an organisation – that it is a two-part ecosystem consisting of the data itself and then everything that manages that data (Fig. 1).

Simplifying further and ignoring, for now, the role of Enterprise Architecture in this ecosystem, we say that data is **governed by business** (Part A) and accordingly **managed by IT** (Part B). Data management itself is, or should be, subject to an IT governance framework, the execution of which is a different discussion.

For the purpose of this positioning document, Entity's position is that the "what" and "why" of data management be primarily guided by the principles, directives and standards set by business about and on the data itself (i.e. Business Data Governance (BDG)).

Of all the technical and application environments managed by architecture and IT, there are three solutions that deal specifically with **data itself**, that **directly** serve business accountability for data **definition**, data **quality** and data **control**. These three systems are

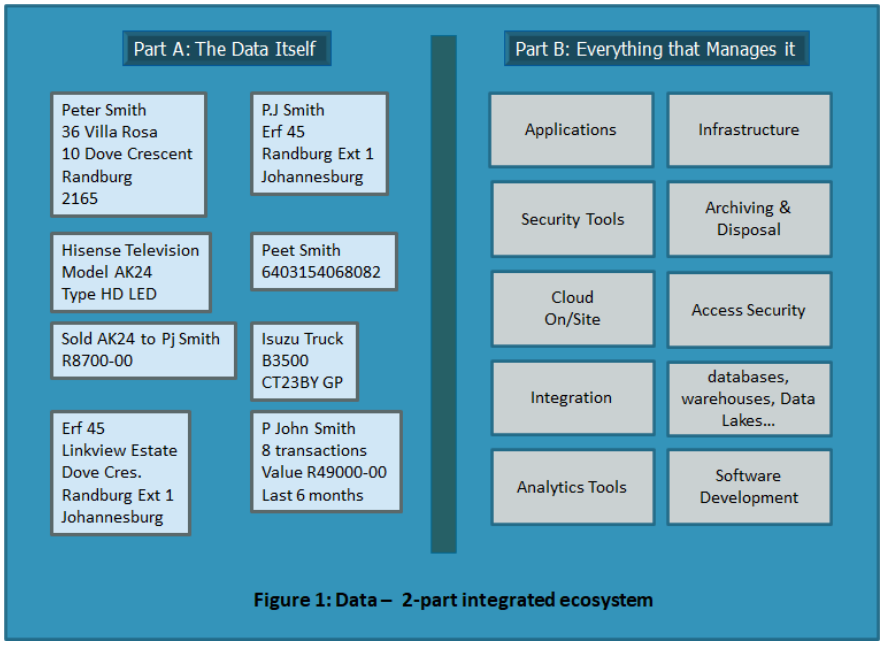

Figure 1: Data – 2-part integrated ecosystem

1. Master Data Management (**MDM**)
2. Reference Data Management (**RDM**)
3. Data Quality Management (**DQM**)

MDM, RDM and DQM

The Business Data Governance framework directs business to take **ownership** and accountability for the governance of all business data in accordance with the principles of:

Defining Data – *data must be systemically described to define its meaning, purpose and context*

Data Quality – *standards must be defined, measured and managed for all quality-critical data*

Control – *relevance, master data versions of truth, reference data, supersession, formats and efficiency of use*

Data Usage & **Sharing** – *Democratisation of Data, open/public data, trusted data*

Data Access & **Security** – *user access, data classification, data storage, data archiving & disposal*

Master Data Management (MDM)

MDM is the resolution of disparate master data – the instantiation of a trusted single version (also known as a "Golden Record") from one or many sources where that data resides. Master data can be defined as seldom-changing data about objects/subjects that business manages and around or between which transactions normally take place (e.g. customers, products, suppliers, employees, locations, etc.). The resolution of master data involves business definition and oversight of matching algorithms, master data

remediation rules, hierarchies in master data, overwriting rules, authoring rules and so forth. These aspects require constant attention and refinement as the master data landscape evolves and improves.

example) require active, dynamic updates and reviews.

Data Quality Management (DQM)

DQM encompasses all the dimensions relating

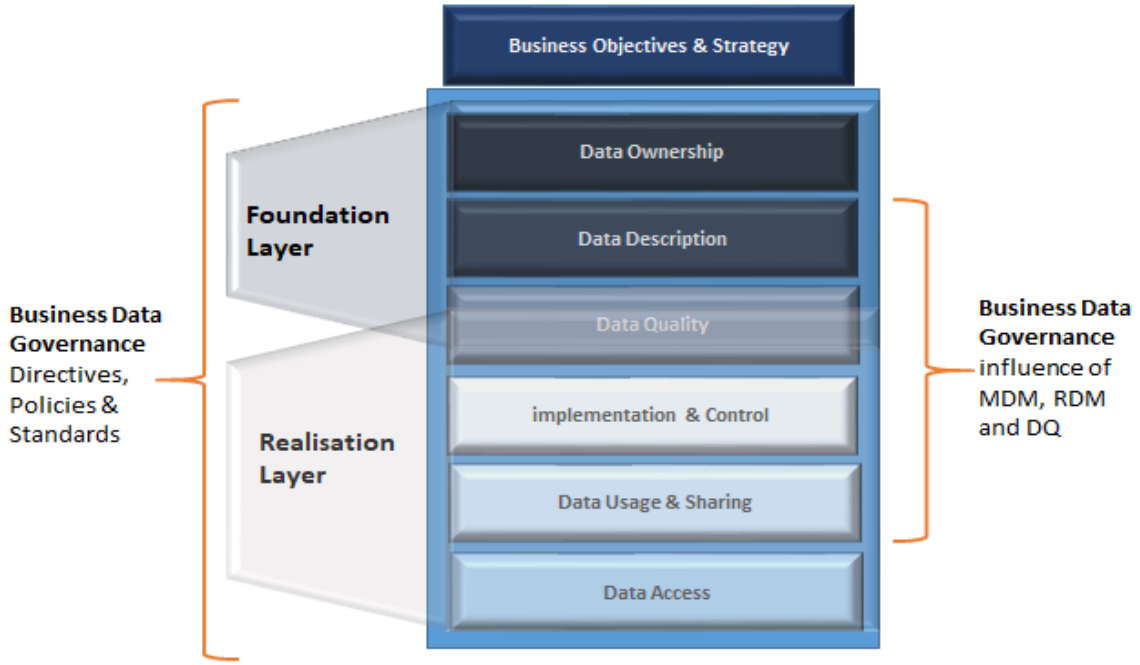

Fig 2: Business Data Governance Framework

Reference Data Management (RDM)

RDM is about managing and controlling the classification, content, timing (supersession) and version synchronisation (alignment) of critical data sets that require standardisation and integrity, across the enterprise. Examples include product offerings and price lists, country codes, incident codes, cost centre codes, job codes, transaction codes and many more. In many organisations, reference data is poorly managed and rarely synchronised or aligned, and the resulting mess in the quality and integrity of master data directly impacts sales (product offerings and price lists), reporting and decision making at al levels of management.

Taking direct control of the application, the list definitions and the business rules configured therein lies firmly in the lap of business and in some cases (like product offerings and associated price lists for

to any data that determines it optimally fit for use. Frist principles of data quality is having it optimally compliant at the point of creation… very much a core accountability of business. Irrespective of how many dimensions of quality your organisation identifies with, the fact is that it is business who needs to decide, define and manage the applicability of quality standards to critical business data.

Figure 2 illustrates how MDM, RDM and DQM systems are an integral part of this framework and present business with direct data governance and data management control over data itself.

Office of the Chief Data Officer

The home of BDG is with the office of the Chief Data Officer (or whatever similar role is in your company) – the institutionalised and authorised practice tasked with implementing full spectrum business data governance… and where the business data governance and

management solutions for MDM, RDM DQM should be located.

As illustrated in Figure 2, the influence spread of these specific applications is across a significant spread of BDG principles where their direct impact on the data itself is most apparent and directed.

More Information

Please do contact Entity to discuss MDM, RDM and DQ and/or Business Data Governance in your organisation and where we could possibly assist.

We provide consulting on all you need to implement an effective MDM, RDM and DQ capability as well as an effective BDG practice.

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