

# TITAN

C O N S U L T I N G



## INSIGHTS



### CONTROL YOUR MASTER DATA WHEREVER IT RESIDES

#### SAP Master Data Governance Streamlines Data Management!

– Keith Johnson, Practicing Manager

Do you like going to the dentist? Do you like implementing compliance and governance systems?

Both are necessary, but few look forward to either!

Master Data Governance (MDG) and Governance, Risk, and Compliance (GRC) are two of the fastest growing application areas where, ironically, systematizing processes saves time and money. We think that MDG and GRC can benefit your company, and in some cases, position the processes as a profit generator.

Let's face it, compliance and governance is not going away, so what is the best way to deal with it? The way to learn how to manage and control your data is to implement these systems efficiently, effectively, and economically.

Here are a couple examples how Master Data Management (MDM) and the innovation leading Master Data Governance (MDG) improves the process efficiency of your data creation and maintenance:

- For the Material Master
- For the Customer Master

#### Controlling the Material Master:

One of our clients, a global oil and gas company, was implementing their specialty chemicals division on SAP ECC. In the initial analysis, there were over 400,000 materials.

We dug into the legacy system to validate these findings and realized how much duplication was occurring between the ERP transactional, 3rd party, and analytics systems.

The problem was system and process related. There was not a system, therefore, the process was fragmented and

permitted duplication in the departments and systems. An estimated 30% of the periodic reconciliation was focused on reconciling or rationalizing the numbers, quantity and unit-of-measure between the various systems.



Symptoms of this problem are exasperated in processes where variations of a material are used. This is common where Variant Configuration (VC) is used for materials management, quality management, and production.

Implementing MDG provides a system for effectively managing the material master. Additionally, MDG delivers a Best Practices process with rules and workflow to streamline the efficient and consistent creation of data.

Material Requests – requests to create new materials – came from multiple departments in the company. The material master presents a challenge in that many departments need to contribute to the accurate setup of the data: planning, scheduling, purchasing, and accounting are a few owners of the data in the material master.

A major complaint we hear in many companies is “it takes too long to create a new material!”. In our compliance driven world, getting data owners to update and approve the information is critical. This could delay procurement from making purchases, controlling from managing costs,



or schedulers from properly planning production, all of which slow down your operations.

The workflow in MDG is designed to simplify the creation and approval of the material views in a timely manner. Your systems and processes should not hinder your business, but promote the efficient scaling of the data.

### On-boarding New Customers:

The current IT landscape of cloud, on-premise, analytics, and governance contributes to the complexity of managing your customers, also known as business partners. If you store your prospects and customers in [Salesforce.com](https://www.salesforce.com) (SFDC), it is essential to integrate partner attributes consistently into ECC or Analytics.

Another client used MDM, now being enhanced by MDG to govern control of new customers. The company was growing through acquisitions in the same markets and duplicate customers was a major concern to ensure proper pricing, credit control, and analytics by segment.



Data governance serves as a bridge between the business and IT. A critical outcome of the project was getting everyone on the same page. The first step was to define who owns the Customer Master, as every company approaches data ownership differently.

Controlling data management is not a one-size-fits-all model. For a global beverage company, a separate group centrally owned all the master data creation. This group reported to IT, but relied heavily on the business to provide the proper attributes based on contractual agreements and existing business rules.

In a global telecom company, finance business users owned the partner data. However, stakeholders in pricing, tax, credit, and sales had a clear understanding of their responsibilities in governing the master record. IT played a review and veto role in the process, but the business retained ownership of the data.

With cloud-based applications like SFDC, the rules need to apply enterprise-wide at the time of creation in all customer-centric applications, not just when partners are entered into SAP. Building and educating your organization to coordinate and integrate the creation process simplifies the compliance, creation and reporting for this data.

Master Data Management and Governance ultimately may not end up as a profit center. However, the benefits of MDG and MDM help to control your risk and costs. Achieving centralized and integrated systems helps you create and maintain flagged data more quickly and consistently, ensuring that your data is available when you need it. It may even contribute to generating more revenue by targeting the right customers.

How do you manage and control your most valuable data across multiple platforms? Is the cost of compliance costing you too much?

**Ready to start your Digital Transformation journey?** Our Governance and Compliance consultants know the SAP business processes and can recommend the best compliance and risk strategies. Visit [titanconsulting.net](https://titanconsulting.net) for more information and to contact us.