



MANAGING DATA AS AN ASSET

CIBER talks about Master Data Management – what it is and why it’s an asset

Data in its various forms represents the intellectual capital for most organizations.

Organizations used to depend on business practices and processes to differentiate themselves in the market; then various technology systems and applications came along, bringing in automation of business processes, which made for faster implementation and feedback on business strategy. Today we see that most organizations have achieved capability in automating their business processes, and that mature organizations differentiate themselves from others on how well they use and manage their data.

Business operations in most enterprises are driven by data, and data can be even considered the lifeblood of the business. Data enters into enterprises systems and applications through many channels, such as messages or electronic files. It then flows through their various systems, such as Customer Relationship Management (CRM), sales, billing, and so on, gets transformed, and is stored in those systems in a variety of formats either partially or wholly, as required by the system. When a new enterprise application is added to carry out a new requirement, this data gets migrated and stored there as well. The result is a set of enterprise applications with their own sets of data, encapsulated within their systems, even when the scope of these data is enterprise-wide.

WHAT IS MASTER DATA MANAGEMENT?

Master Data Management (MDM) is the collec-

tion of data management practices to implement the policies, procedures, services and infrastructure to support the capture, integration and shared use of accurate, timely, consistent and complete master data. Master data is the non-transactional data entities of an organization (also called reference data) that is shared across multiple business processes and business systems. MDM deals with the issue of scattered and fractured master data from a business and technical perspective.

DATA AS AN ORGANIZATIONAL ASSET

Managing data as an asset requires data to be defined, secured and controlled in a business environment. In any organization, an asset is considered to be:

- Something that has value. For example, a company’s inventory has value.



equipment. There are several factors that make it difficult for organizations to treat their data the same way they treat other assets. Data is not tangible — it is not locked physically in a vault. It does not have intrinsic value; the value comes from how you use it. Generally accepted accounting principles do not recognize data as an asset in an organization's financial record unless it has been purchased. Again, different users have different perceptions and importance of data, so it's not managed and valued consistently across the enterprise.

So while many organizations will readily agree that their data is an important asset, when they are asked what they are actually doing to put this belief in action, the reality doesn't match the claims. This is to say that organizations must not only value tangible assets for their inherent contribution to business success, but must actively and carefully consider the intangible data asset as one of the key differentiators for business goals implementation.

WHY TREAT DATA AS AN ASSET?

As organizations move quickly to adopt new technologies, trends and techniques as a way of responding faster to business needs, the one thing that remains unchanged is data. This gives a valid reason for data to be given more importance, rather than treating it as only a piece of information. When an organization starts treating its data as an asset, it turns its focus from the effort and expense associated with only storing and processing data, towards a full strategic lifecycle of data as an asset and the business value that can be obtained from using it. Master Data Management emphasizes the data and its various components within an asset paradigm instead of just business process perspectives.

DATA GOVERNANCE

A key tenet of MDM states that the business must be an integral part of any MDM project. Data Governance is the manifestation of that involvement in the process; where business and IT come together. Data governance is where the policies and procedures are created to regulate data creation and maintenance. The governance committee develops rules for data quality and

stewardship, and ultimately drives the enterprise towards treating data as an enterprise asset. To get the full benefit from a data-centric approach, data governance must be the foundation of your data management strategy.

KEY BENEFITS OF MDM

Properly implemented, MDM promises to improve an enterprise's operational efficiency. A clean, unambiguous and consolidated view of data helps to improve efficiency of business processes. Better control over data is achieved by implementing ownership and stewardship of data — modification, flow and maintenance of data happens in a controlled manner. Duplicated effort in maintaining and storing data is avoided and cost savings are realized.

MDM also creates stakeholder satisfaction through better engagement and satisfaction levels from customers, business users and the technical team. Risk Management is addressed with better compliance to business, technical and legal requirements.

THE LIFEBLOOD OF ORGANIZATIONS

Data has always been the lifeblood of organizations, but typically the business processes have been getting more attention. The perspective of data as an asset will provide seamless control over the quality, security, management and life cycle of data, which in turn provides improved capabilities to the business.

Though the initial effort of establishing data governance and data management disciplines involves time and effort from business and IT stakeholders, once all policies, procedures and infrastructure are in place, the business becomes more nimble when meeting customer needs and business objectives. Treating data as asset provides a single and centralized point of control, easier maintenance and a single version of the truth. Data management along with data governance provides a framework to achieve complex business functions effectively, and can be tracked to completion successfully. And finally, treating data as a corporate asset gives a sense of satisfaction from top management to the IT stakeholders while satisfying clients and customers as the same time. **BTQ**

- Something whose value can be measured. A computer system has some quantifiable value on its own. Even when it's not in use, its cost can be measured.
- Something that is required for day-to-day operations and helps an organization to achieve its objectives.
Usually the term "assets" brings financial and tangible assets to one's mind. The focus of asset management has always been for tangible objects like cash, inventory, tools and

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