



**StiboSystems**  
MASTER DATA MANAGEMENT

The background of the entire page is a photograph of an industrial facility. In the foreground, there is a body of water with tall, golden-brown reeds. In the middle ground, there are two large, cylindrical silos. The silo on the left is white, and the one on the right is dark. A long, dark metal structure, possibly a conveyor or bridge, spans across the top of the silos. The sky is a clear, light blue.

***FREEING YOUR  
SILOED DATA:***  
*THE VALUE OF MASTER  
DATA MANAGEMENT*

**WHITEPAPER**

# FREE THE DATA

For a millennium or longer, silos have been known as towers of storage. Silos store value to keep safe. Thereby, silos serve as figurative symbols of bounty and readiness. Today, the word silo is also used as a synonym for all that's wrong with data within a business. Data silos symbolize isolated and disconnected applications that contain disparate information.

Silos have become the obstacle to further innovation, drag down service levels, slow growth and in general, make life less fruitful for everyone. Namely, the IT employees who manage those systems, the business people who rely on them and the customers who seek your products and services.

## WHY SILOED DATA EXISTS

As Conway's Law explains<sup>1</sup>, systems tend to mirror the (social) boundaries within an organization. A centralized team structure will result in a centralized application. If there's an invoicing department, for example, there will be an invoicing system. That's ideal for the invoicing department, but the invoicing data is unavailable to the other parts of the organization. Every new system, from ERP to e-commerce, can become a monolithic entity that stores its data in a data silo.

In the '90s, both the internet and globalization revolutionize the way in which businesses operate and create value from data. As the design, authority and decision-making processes were decentralized from the start of the internet, this became the new norm. Across departments, business units and geographies, decentralized decision-making often led to data being duplicated in multiple locations. The result? A broad spectrum of hybrid IT-driven organizations with often widely distributed, isolated and duplicated data.

## MDM IS THE KEY

In the current digital age, these organizations are on their unique path to becoming a customer-centric, business agile enterprise. In order to be able to create relevant omnichannel experiences and to achieve operational excellence, organizations must free their siloed data. That's exactly what Master Data Management (MDM) does: it's the method to manage and integrate all the master data for customers, products, suppliers, vendors, locations, assets and more. MDM creates one single source of truth for all the processes in and outside an organization. That's why MDM is the key business driver for innovation, operational efficiency and revenue growth.

## THE MASTER DATA LOCKED IN DATA SILOS

Legacy Apps  
Cloud Migration  
XaaS  
ERP  
CRM  
SCM  
Marketing Automation  
Martech Stack  
BI/Analytics

Operational Data  
Customer Data  
Product Data  
Manufacturing Data  
Reporting Data  
Supplier Data  
Master Data  
Transactional Data  
Internet of Things

Social Data  
Employee Data  
Location Data  
Regulatory Data  
Sales Data  
Structured data  
Unstructured data  
Big Data  
Artificial Intelligence

# DATA GROWS AT AN ASTONISHING RATE

Eric Schmidt, CEO of Google, famously said: "Every two days now, we create as much information as we did from the dawn of civilization up until 2003." While this quote has been criticized for the exact phrasing, the underlying truth of it has always been clear. The volume of data and interactions created in the last few decades continues to grow at an unprecedented pace.

Most organizations are addressing the challenges of widely dispersed applications and data. Still, a considerable number are struggling to stay ahead of the exponential data growth, or simply trying to keep up with it. A study by **Stibo Systems** and the Aberdeen Group found 45% of businesses can not locate their master data effectively. If left unaddressed, this will create problems that will eventually harm the business.

## WHAT IS MASTER DATA?

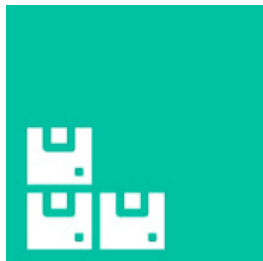
Master data represents all the different types of data that flow through an organization.

Customer data and product data are just the start. Master data can also be information about employees, suppliers, materials, recipes, assets, locations and more. Any data your organization uses to operate and create business value, is defined as master data.

**THE AVERAGE PER-CAPITA RATE OF DATA-DRIVEN INTERACTIONS PER DAY IS EXPECTED TO INCREASE 20X IN THE NEXT 10 YEARS.**

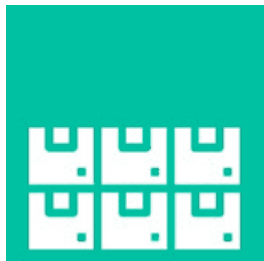
Source: Data Age 2025: The Evolution of Data to Life-Critical," study by IDC and Seagate

## **THE AVERAGE NUMBER OF APPLICATIONS PER COMPANY SIZE<sup>2</sup>:**



### **22 APPLICATIONS**

for small businesses  
(1 – 1000 employees)



### **208 APPLICATIONS**

for midsize businesses  
(10.000 to 30.000 employees)



### **788 APPLICATIONS**

for enterprise-level businesses  
(50.000+ employees)



# WHY SILOS + MASTER DATA = BAD BUSINESS?

Trends like the 360° customer view, business intelligence, predictive analytics, data science and AI follow the growing amount of data. Data is increasingly becoming both an accelerant and a source of value, and as such, begs to question why data is siloed. The main reasons for restricting free access to data are structure, politics, ongoing growth and vendor lock-in. These organizational challenges are bad for business.

Today, we are living in a world where, quite often, the best data wins. And since data that's locked in silos can never be described as the best data, the result is that, with siloed data, companies can't compete successfully. In a business environment where competition is tough, budgets are tight, stakes are high or margins for error are thin, businesses can no longer afford to run on siloed data.

## SILOS + MASTER DATA =

As a result, companies with siloed data get hampered by:

### **1. POOR DATA QUALITY:**

Inconsistent, incomplete and erroneous data is used throughout the business and pushed to different channels. Unstructured data can complicate or even block your entry to new channels and marketplaces.

### **2. DATA ERRORS:**

Resulting from manual entry and low-quality data sources. These end up in all channels ranging from your ERP and CRM to catalogs and the webshop. Your team collaboration, sales, customer service and communication suffer as a result.

### **3. DUPLICATE DATA:**

Multiple sources of data and multiple versions of data are used within and outside the organization. Because data is maintained in unconnected (legacy) systems, this leads to duplicates, errors and inefficiency.

### **4. LOSS OF TRUST**

Lost trust in data. Not knowing which elements of your data are outdated or incorrect. Throughout the lifecycle of products, traceability is low.

### **5. BAD CUSTOMER EXPERIENCE:**

Inconsistent customer interactions due to a lack of complete and consistent master data. Creating an omnichannel experience is impossible. Consequently, these problems lead to reduced customer loyalty and trust, lagging innovation, lack of business agility and loss of competitive edge.



**83% OF BUSINESSES REPORT THEY ARE USING OUTDATED CUSTOMER DATA<sup>3</sup>**

**POOR DATA QUALITY IS COSTING BUSINESSES AN AVERAGE ANNUALLY OF \$15M<sup>4</sup>**

# LEVERAGING MASTER DATA MANAGEMENT TO RISE ABOVE THE DATA SILO CHALLENGE

Master data management (MDM) brings hope to organizations dealing with silos. MDM enables businesses operating in fast-moving, complex markets with distributed and hybrid IT environments, to rise to the challenge of siloed data.

MDM acts as a traffic cop for data, stopping bad data and directing quality data. This enables the creation of a single golden record of truth across the enterprise. With master data management, you gain a single view of business-critical data to be accessed, used, updated and analyzed on a real-time basis.

An MDM solution allows you to unlock the benefits provided by integrated, accurate and complete data that is available to all your internal and external stakeholders. Connected, flexible and scalable, MDM allows you to collect, enrich and process the data and manage its use in various channels or applications. It supports business initiatives through identification, linking and syndication of information across products, customers, stores/locations, employees, suppliers, digital assets and more.

## MDM OVERCOMES THE THREE DATA CHALLENGES ORGANIZATIONS FACE TODAY

Without a solid MDM strategy and solution in place, data challenges will prevent your business from reaching its full potential. These are the key data challenges that MDM addresses:

### **SILOED DATA**

Multiple versions and variations of data sources used within and outside the organization. A single source of truth is lacking.

### **POOR DATA QUALITY**

Inconsistent, incomplete and erroneous data used throughout the business and pushed to different channels.

These data errors are due to maintenance, manual entry and lack of process or control.

### **INCONSISTENT CUSTOMER EXPERIENCES**

Inconsistent customer interactions due to a lack of complete and consistent master data. These poor customer experiences lead to loss of customer trust and loyalty.

**“MDM allows you to unlock the benefits provided by integrated, accurate and complete data available to all your internal and external stakeholders.”**

*Joeri Moors, MDM Market Development Manager at Osudio.com*

# MDM DRIVES VALUE

## **MDM DELIVERS BUSINESS VALUE AND OPERATIONAL EXCELLENCE BY:**

1. Launching products up to 4X faster
2. Reducing the number and cost of customer service queries
3. Increasing efficiency by reducing manual work and improving the implementation of processes
4. Reducing supply chain complexity
5. Creating a single source of truth of your data
6. Targeting customers with more effective marketing and sales promotions
7. Freeing up resources to focus on innovation-enhancing initiatives

## **MDM TURNS YOUR DATA INTO JET FUEL FOR YOUR ORGANIZATION.**

Sign up for a free MDM assessment! Our experts will identify potential benefits or assess your current MDM set-up. No strings attached.

[FREE MDM ASSESMENT](#)



# MDM TURNS DATA INTO YOUR MOST VALUED ASSET

Master Data Management connects, manages and shares data between all your systems, including ERP, CRM and e-commerce. This allows you not only to enrich and create a single source of truth, but also to analyze and make data-driven business decisions. By leveraging data managed in multiple systems, you can turn it into a powerful asset that drives innovation, digital transformation and growth.

The key benefits of MDM for your organization are:

## **INCREASED REVENUE:**

Create omnichannel experiences, increase sales opportunities and reduce product returns.

## **OPERATIONAL EFFICIENCY:**

Eliminate duplicate data and error-prone processes. Increase consistency across channels and operational efficiency by optimizing the existing processes.

## **ACCELERATED TIME-TO-MARKET:**

Onboard new products and services while simplifying the product lifecycle.

## **ENGAGING CUSTOMER EXPERIENCES:**

Enhance the customer experience using insights to drive engagement, performance and business value.

## **STREAMLINED COLLABORATION:**

Eliminate barriers internally and with outside partners for faster decision-making.

## **REDUCED RISK:**

Ensure compliance with regulations and standards like GDPR, using accurate record histories.

## **THE VALUE OF DATA**

A global study by Splunk looked at the economic impact and value of data across organizations. By making better use of data, organizations increased revenue and reduced operational costs, boosting profitability by an average of 12.5%.<sup>5</sup>



# **THE AGE OF MASTER DATA MANAGEMENT HAS ARRIVED**

Enterprise IT has gone through a number of critical evolutionary phases in recent decades, each leveraging information and automating processes in new ways to make businesses increasingly more agile and powerful. A small sample of them appear below — no need to dwell on any we skipped; as what's more important is what comes next: MDM.



# ALL MDM PROVIDERS ARE NOT CREATED EQUAL

As with every innovative technology or application, there are a variety of solutions to choose from. Organizations looking to use MDM as a platform to build a data management strategy on, would be advised to choose a solution — and a provider — that puts their business goals first. Look for a scalable solution that can grow with your needs and ambitions. Make sure it includes multiple domains, such as product, customer, supplier and/or location.

## KEY QUESTIONS FOR YOUR NEW MDM PROVIDER

The following key questions can help you explore how MDM solutions and capabilities can help you maximize the value of your organization's data.

### THE VENDOR BEHIND THE SOLUTION

- Have they been acquired recently?
- Does venture capital back them?
- Are they private?

### INNOVATION

- How is the vendor's innovation research organized?
- How do emerging technologies fit in their current and future plans?

### PLATFORM AND TECHNOLOGY

- Does the vendor provide a single multidomain solution or does it sell independent offerings?
- Are different data domains addressed in separate software or are they available on a seamless platform?
- Which out-of-the-box functionalities does the platform offer?
- How flexible is the platform in terms of data governance, data syndication and master data domains?
- How scalable is the MDM solution?

### CUSTOMER REFERENCES

- What was the overall experience of the customer during and after the implementation?
- What has been the return on investment (ROI) so far?
- Does the vendor maintain online communities, training or educational academies?

### PROJECT

- What does the implementation of MDM look like in terms of time, impact and costs?
- What is the expected return on investment?

# CONCLUSION

In the digital age, mastering your data is the key to providing relevance and value. It allows for a data-driven organization, personalized and omnichannel customer experiences and satisfied customers that will be happy to do business with your organization.

MDM increases revenue and profitability, improves operational efficiency and accelerates your time-to-market. It allows you to replace costly manual data methods, remove data silos and improve processes. With MDM managing your master data, you can leap ahead of the competition with a performance that's better, faster and more consistent.



# ABOUT OSUDIO

Osudio is part of the SQLI group and one of Europe's largest and most experienced e-business specialists. Having worked in e-business since the '90s we understand what works, what doesn't and what drives growth. Many of our national and international clients are market leaders. Our goal is to make our B2B and B2C clients successful in an ever-changing digital world, by combining the best of design and technology.

With our full-service MDM practice and the best experts out there, we don't only implement technologies but also think business and assist companies in their change. We help our clients through their MDM journey and finish it successfully. From data management, data modelling, data workflows, data quality, integration and architectural consultancy, to print and DAM. We have more than 20 years of solid experience in delivering MDM/PIM solutions in a wide range of organizations and markets. We know what it takes to make MDM work for you.

[OSUDIO.COM](https://osudio.com)



# ABOUT STIBO SYSTEMS

Stibo Systems, the master data management company, is the trusted source of MDM solutions that help companies create transparency in their business processes. Our solutions are the driving force behind forward-thinking companies around the world, including 42 among the Fortune 500, that have unlocked the strategic value of their master data; empowering them to improve the customer experience, drive innovation and growth, and create an essential foundation for digital transformation. Stibo Systems is a privately held subsidiary of the Stibo A/S group, founded in 1794, and is headquartered in Aarhus, Denmark.

[STIBOSYSTEMS.COM](https://stibosystems.com)



Ready to tackle your data challenges with MDM?  
Contact us today with any data concern you may have.

[CONTACT US](#)



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# SOURCES

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- 5 What Is Your Data Really Worth?, Splunk 2020