



SAP Solution Brief

SAP® MASTER DATA MANAGEMENT

A KEY COMPONENT OF SAP NetWeaver™

SAP® MDM enables information consistency and distribution across business networks in heterogeneous IT environments. It empowers the sharing of harmonized master data formerly trapped in multiple systems and ensures cross-system data consistency – regardless of system location or vendor. That brings you the information you need from across the enterprise – when you need it.

Today, companies around the world in industries ranging from mill products to media services are facing similar problems – they are unable to assimilate, harmonize, and distribute enterprise data vital to business decisions that impact the entire enterprise. Every day, in every industry, key decisions are being made using industry-specific business processes. However, managers are not receiving the appropriate information from these processes that they need to leverage the harmonized data from different systems. Either the systems are highly inefficient due to numerous integration points, or they are not integrated at all.

As enterprise applications continue to become more complex and generate escalating amounts of information, managers are finding it increasingly difficult to quickly access the information they need to make decisions that maximize profitability, customer satisfaction, and efficiency.

According to the Grocery Manufacturer's Association of America, "Inaccurate and time-consuming product information exchanges between CPG manufacturers and their retail trading partners add significant costs and create inefficiencies throughout the supply chain. An estimated \$25 billion to \$50 billion in extra costs due to these problems could be greatly reduced through industrywide data synchronization. Due to the impact unsynchronized data can have on trading partner operations and relationships, synchronization is a critical initial step toward efficient electronic commerce and advanced applications such as collaborative planning forecasting and replenishment, scan-based trading, and collaborative supply chain management."

In other studies, in the financial services sector, it has been estimated that up to 30% of brokerage transactions fail due to the lack of harmonized master data.

TYPICAL BUSINESS CHALLENGES

What if your company has facilities around the world and you need to perform a global spend analysis? You want to tally global spend by product, by plant, and across business units. You want to compare vendor prices and performance with industry benchmarks, collaborate with suppliers to improve product yield, and much more. But the information you need – for example, master data that is error free, harmonized, and reliable – is trapped in various information silos throughout your organization. Your organization lacks the enterprise information infrastructure to carry out such analyses.

Or, what if you are with a large company that has recently acquired several smaller companies? They are operated as wholly owned subsidiaries. You suspect that several or perhaps all of the companies use the same vendors, and you need to leverage this fact in your purchasing process. But the master data from order processing is either unavailable or not integrated – another lost opportunity.

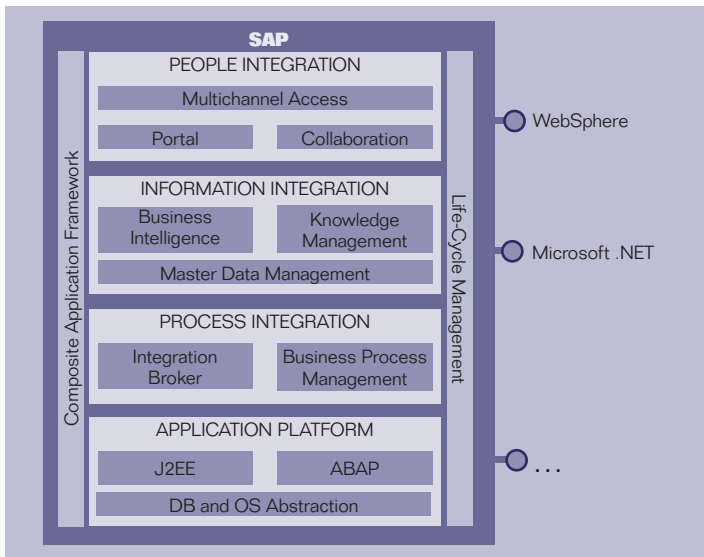


Figure 1: SAP NetWeaver

Perhaps you need to know more about your customers, for example, to better align sales territories and distribution channels or package the best cross-sell offer for customers, based on their current relationship with your company. But a heterogeneous IT landscape makes collecting integrated customer information extremely difficult or, in some cases, simply impossible.

Or, let's say that large pieces of machinery are a major company asset and you would like information about their cost, depreciation, maintenance, and other key data. But you do not have the infrastructure in place to efficiently gather, analyze, or use this information.

SAP® MASTER DATA MANAGEMENT (SAP® MDM)

Fortunately, there is a solution that goes beyond homegrown solutions, data-cleansing solutions, or the capabilities of enterprise application integration (EAI) software – the SAP Master Data Management (SAP MDM) a key component of the SAP NetWeaver technology platform.

SAP MDM allows your organization to aggregate, map, exchange, analyze, and disseminate master data – at a business object level and on a global scale – without disrupting your IT infrastructure.

KEY COMPONENTS OF SAP NetWeaver

SAP NetWeaver facilitates the alignment of people, information, and business processes across organizational and technological boundaries. SAP MDM is tightly integrated with other SAP NetWeaver components.

For example, SAP MDM works with the SAP® Exchange Infrastructure (SAP® XI), which enables intersystem communication in highly heterogeneous, multivendor technology environments. You can federate company business processes by inserting master data object distribution mechanisms into other systems.

SAP MDM works out of the box with SAP® Business Intelligence (SAP® BI), bringing together a powerful business intelligence platform, a comprehensive set of tools, and industry-leading data warehousing capabilities.

Users can seamlessly leverage harmonized data from SAP MDM for analysis and reporting within SAP BI. SAP MDM leverages mySAP Enterprise Portal technology to offer a role-based, personalized user paradigm, presenting users with business processes and information based on their roles as users, administrators, etc. Additionally, SAP MDM leverages the knowledge management capabilities of SAP NetWeaver to enable linking associated content, such as part specifications, for example, to associated master data. Integration of SAP MDM with the knowledge management capabilities of SAP NetWeaver allows companies to manage all facets of unstructured information – from collaborative authoring and publishing to advanced search and navigation.

TAILORED TO YOUR NEEDS

SAP MDM is nondisruptive: you can implement comprehensive master data management without ripping out or altering existing systems or incurring the downtime that often accompanies implementing enterprise-wide software. SAP MDM is implemented on a step-by-step evolutionary basis that minimizes disruptions to your existing infrastructure.

Companies now realize that maintaining a competitive edge depends on their ability to free critical business processes from the confines of individual applications and execute them smoothly and consistently across system boundaries.

SAP MDM helps companies meet these challenges in a number of key ways. SAP MDM:

- Streamlines the distribution of harmonized master data within a heterogeneous IT landscape
- Can be implemented without altering the existing system landscape
- Adapts to a company's business and organizational requirements by supporting flexible business processes and mapping organizational structures
- Enables companywide reporting, such as global spend analyses based on consolidated and harmonized data
- Optimizes user interaction by workflow integration and role-based bundling of tasks on the portal interface
- Includes a powerful search engine to find relevant master data across linked systems

SAP MDM KEY CAPABILITIES

SAP MDM delivers three core capabilities:

- Content consolidation
- Master data harmonization
- Central data management

CONTENT CONSOLIDATION

SAP MDM consolidates master data objects from different systems. Typically, this information is transferred to a business information warehouse from which users can access data for integrated, companywide analyses, reporting, and decision making.

Given this capability, managers can produce, analyze, disseminate, and update such vital information as accurate global spending analyses, centralized supplier product catalogs, or the number of unique customers or business suppliers the company has at any point in time.

MASTER DATA HARMONIZATION

For enterprises operating large, distributed IT landscapes on a global scale, it is essential to harmonize consolidated master data through consistent maintenance and distribution.

SAP MDM harmonizes master data to provide central management of global attributes, which ensures that all systems receive the same master data during distribution. It allows you to control data at the local level so that individual systems receive only the data they need, when they need it.

SAP MDM also ensures the controlled distribution of all local changes. Highly structured control mechanisms determine the data objects that belong together in a business sense, the target systems for distribution, and the time and scope of data distribution.

Business partner administration, centralized provisioning of product masters, and the definition and administration of nonvariable parts are just a few examples of the master data harmonization capability at work.

CENTRAL DATA MANAGEMENT

In addition to content consolidation and master data harmonization, SAP MDM offers central data management, which supports the maintenance of complete object definitions, including dependencies, in a centralized server.

Centralization means one-stop data maintenance – local systems rarely need to be maintained. Instead, active status management procedures update each individual client system with a copy of master data.

For global companies that want to ensure brand identity and consistent product specifications, central maintenance of master data is invaluable. For example, a centralized data pool can supply global managers with consistent control over information relating to their important global accounts. The same data pool can supply updated product data to multiple locations around the world for the management of production, assembly, sales, and distribution.

TOP AND BOTTOM LINE BENEFITS

Open and highly scalable, SAP MDM helps companies reduce data maintenance costs and the amount of inconsistent and outdated master data, which significantly reduces TCO.

But SAP MDM goes well beyond simple cost reduction. It also positively impacts a company's top and bottom lines – ensuring cross-system data consistency in a way that greatly accelerates business process execution and promotes increased collaboration. And, by providing homogenized data for use in enterprise-wide business analytics, SAP MDM ultimately improves corporate decision making, increasing a company's ability to succeed in today's highly competitive business environment.

TO LEARN MORE

To learn more about the value that SAP MDM can deliver to your company, visit our Web site at www.sap.com/solutions/netweaver/masterdata/