SAP Master Data Governance

Simer Grewal, Sr. Solution Advisor, Enterprise Information Management
July 12, 2012
Business Need of the hour

Solution Overview

Key Capabilities
Lack of trusted information hinders business decisions, business processes, and business transformation

**New systems**
- Complexity to consolidate existing and new systems

**Lines of business**
- Inefficient business processes

**Business Impact**
- Diminished revenue and service
- Uncontrolled costs
- Lack of compliance

**Reporting.analytics**
- Lack of trusted decisions

**Business partners**
- Lack of business insight and collaboration

**Cloud**
- Complexity to bridge cloud and corporate master data
Master data is the “DNA” of the enterprise

Enterprise MDM

- Master data domains across business applications and business analytics
- Line of business specific and cross line of business processes
- Cross value chain in business networks and social networks
Questions from the Manufacturing and Logistics LOB

- How can I establish a “maintain once – use everywhere” best practice?
- How can I reduce cost by eliminating redundant effort to maintain master data, i.e. through avoiding duplicates?
- How can I increase the quality of my material master data (i.e. classifications etc.) through central management and governance?
- How can I get consistent insight into sales, manufacturing, and procurement volumes?
- How can I accelerate availability of up-to-date master data in my business network?
- How can I get transparency on who has changed what, when and why?
- And … while accomplishing all that … how can I best leverage my investment in SAP?
Central management of Material Master data drives excellence throughout your business network

Consistent material master data across the entire business network
- Accurate product catalogs, specifications, attributes
- Order to cash efficiency – correct product, UPC, price, etc

Collaborative and traceable material master data management

Documented changes along the life-cycle of a material to ensure compliance

Single version of material master data, for higher efficiency and quality
- Share and sync product details with channel partners & suppliers
- Business Need of the hour

- Solution Overview
  - Key Capabilities
SAP Enterprise MDM: Integrated Solution Suite Addresses Comprehensive Customer Needs

**SAP Master Data Governance**

Out-of-the-box, **domain-specific governance applications** built on SAP Business Suite to centrally create, change and distribute master data

**SAP NetWeaver MDM**

Multi-domain capability to consolidate and share master data across system landscape
Leveraging existing customer investment in SAP is our unfair advantage

- customized SAP solutions
- business logic/validation rules
- methodology
- skills
- hardware
### SAP Master Data Governance
Centrally Govern Master Data on top of SAP Business Suite

SAP MDG is a natural extension of the business processes running in SAP Business Suite, providing out-of-the-box, domain-specific master data governance to centrally create, change and distribute master data.

<table>
<thead>
<tr>
<th><strong>Governance</strong></th>
<th>Enables governance, compliance and transparency through integrated staging, approval and central audit trail</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consistent Data</strong></td>
<td>Delivers consistent definition, authorization and replication of key master data entities for SAP. Eliminates error prone manual maintenance processes for master data in multiple systems</td>
</tr>
<tr>
<td><strong>Integration</strong></td>
<td>Native integration with SAP Business Suite and SAP ERP</td>
</tr>
<tr>
<td><strong>Re-use</strong></td>
<td>Re-use of SAP data model, UI and existing business logic and configuration for creation and validation of master data</td>
</tr>
<tr>
<td><strong>Data Quality</strong></td>
<td>Integrates with Business Objects Data Services for data quality and data enrichment</td>
</tr>
<tr>
<td><strong>NW MDM &amp; MDG</strong></td>
<td>Can complement and extend SAP NetWeaver MDM</td>
</tr>
</tbody>
</table>
Process Excellence with SAP Master Data Governance

Before
- E-mail phone call
- Collect information from various sources
- Local application
- Manual re-entry
  File upload
  custom interface

After
- MDG workflow
- One repository for insights about the impact of the change
- Audit trail
  Check against application logic
- Enterprise Services
  Down-/Upload
  ALE
SAP Master Data Governance – Process Flow

External Providers

Master Data Governance

1. Maintain
2. Validate
3. Approve
4. Replicate

Central maintenance of master data in staging area

Re-Use existing business logic
Integrate external services
Data Enrichment, Address Cleansing, Duplicate Check

Collaboration
Adaptable Workflow
Auditable Change Process

Automatic replication to non-SAP and SAP systems

Business Processes

3rd party systems

Adaptation / Enrichment in local systems

Adapt

External Services
(DUNS–No. …)
Domain Specific Functionality: Unified Behavior & Operations

Domain-specific MDG applications

- offer pre-defined and out-of-the-box
  - data models
  - user interfaces
  - processes and workflows
  - backend integration

Built on MDG application framework

providing common services for

- central authoring and governance
- workflow and collaboration
- data quality and
- distribution
Master Data Governance
Data Model – Material (Scope of 2012 Delivery)

Data Model

Material

Logical View

Basic Data
(units of measurement, EAN/GTIN, long texts and description)

Classification
(class assignment, characteristics valuation)

Procurement
(general and plant specific; incl. tax classification, foreign trade, purchasing long text)

Sales
(general and plant / sales org specific; incl. tax classification, foreign trade, sales long text)

MRP & work scheduling
(general and plant specific; incl. MRP note)

Accounting
(on plant or valuation area level)
Customers can adopt the data model delivered by SAP through maintenance of the governance scope which is a configurable layer on top of the data model.
Search functionality

Customer business challenges

- Search results only took operational or active data into account, not the inactive data in the staging area related to planned or future changes
- Business activities could not be directly triggered from a search result list

Business value

- Comprehensive search functionality simplifies daily work
- Integration into change request processing enhances productivity
- Including inactive data from staging area reduces parallel change processes
Built-in Data Quality

Prevent creation of duplicates for increased effectiveness and efficiency

- Checked early and embedded in the process
- High detection quality of matching using Enterprise Search or BusinessObjects DS

Validations

- Re-use of existing validation logic in ERP
- Custom validations can be modeled and programmed (e.g. code lists, simple checks, or modeled rules via SAP BRF+)

Address Enrichment

- Simple check and selection lists
- Integration with content provided by SAP BusinessObjects Data Services
- Automatically adding Tax Jurisdiction Code re-using existing interfaces / providers
Duplicate Check

**Prevent Creation of Duplicates**

Effectiveness and efficiency by

- Check early in the process
- Embedded in the process
- High detection quality of matching

Tailored Matching via Provider Concept

Providers can be selected per data model and entity type

Re-use of search providers e.g. Enterprise Search or SAP BusinessObjects DQM
Robust Data Replication

**Replication**
- Automatic or manual replication to SAP and non-SAP systems
- Peer-to-peer or mediated

**Replication Techniques**
- DRF as framework controlling across all distribution channels
- Enabling customers to use established replication mechanisms (like ALE for SAP ECC and R/3 and non SAP systems, CIF to connect to SAP SCM, Middleware to connect to SAP CRM or SAP SRM)
- New SOA service for SAP systems (Suite 7 i2010 and beyond) and non SAP systems

**Replication Features**
- Flexibility to replicate selected data only to a specific client system by defining filters (controlled by DRF)
- Support of different object IDs or customizing keys between hub and client systems (via mapping in MDG or NW PI)
- Monitoring and error handling
Process Analytics

Change Request Reporting

- Definition of SLA: Max. processing time per change request type and priority
- Reporting on change request duration and SLA compliance
MDG Framework
Context based information display

Side Panel

A user can call up a side panel on a screen to display context-related information. You can extend this side panel to any MDG screen without coding.

- The status of sales orders for a product
- A picture of the product
- An analysis of the status of change requests
Consistent Distribution to SAP and Non-SAP
Combining the strength of SAP MDG and Solution Manager

Global attributes maintained only once and distributed to SAP and non-SAP

- Maintain global attributes in MDG
- Distribute to the customizing master system for additional “SAP Template attributes”
- Distribute to non-SAP systems using ALE, Web Services or Files (mapping attributes to “non-SAP terminology” if needed)
SAP Master Data Governance – Behind the Scenes

Load

MDG

MDG Staging

Approve Change

ERP Material

Request Change

Load

Excel

Idoc

XML

3rd party

ERP

ALE

CIF

Middleware

Syndication

SCM

CRM/SRM
User Interface Flexibility
Master Data Governance - Material

Deployment Options

Deploy MDG on top of operational ERP

- Pure ABAP stack; extension of functional capabilities by optional components
  - NW MDM: Consolidation during initial load
  - Enterprise Search (TREX): Search and Duplicate Check
  - Business Objects Data Services: Duplicate Check
  - Business Objects analytical dashboards: Alternative UIs (instead of standard ALV lists)
  - PI: Third-Party integration or complex system landscape management
  - Portal (alternatively NW Business Client)

- Deploy MDG as standalone system
Colgate-Palmolive Supports Information Governance Programs with SAP® Solutions

**Company**
Colgate-Palmolive Company

**Headquarters**
New York City

**Industry**
Consumer products

**Products and Services**
Household, personal care, oral care, and pet nutrition products

**Employees**
39,000

**Web Site**
www.colgatepalmolive.com

---

**Objectives**
- Support an information governance need of both global and regional business units
- Implement company-wide standards for master data, starting with the vendor, financial, and material data domains
- Measure and control quality of information to make it a valuable asset for use throughout the enterprise

**Why SAP**
- Enterprise-strength master-data management software
- Business-user interface for profiling and measuring data quality in planning reports extracted from the SAP® ERP application and the SAP Advanced Planning & Optimization (SAP APO) component through SAP Information Steward software
- Tight integration with SAP Business Suite software across the business landscape

**Benefits**
- Increased accuracy of data and reports through centralized maintenance of master data and ongoing data quality monitoring
- Faster financial close and improved efficiency for financial reporting
- Better data quality to drive process improvement across multiple business channels

“With SAP enterprise information management solutions, we can profile, govern, and measure our enterprise data more effectively. We utilize packaged and extensible solutions that support our information governance program, automate compliance, and leverage our investments.”

Jian Ming Se, Associate Director, Colgate-Palmolive Company

---

**Improved efficiency** of business processes through greater data accuracy

**Increased reliability of analysis** through greater trust in business information

**Improved process control** across the global landscape

© 2012 SAP AG. All rights reserved. RQ 18060 (12/04)
Thank You