Oracle Fusion MDM:

Leveraging Master Data Management to Improve Customer Data Applications

Executive Summary

No one would argue the constructive impact of reliable customer data on critical business functions such as sales, marketing and customer service. Customer Data Management (CDM) is one type of Master Data Management (MDM) that can help businesses achieve reliable customer data.

Our experience in implementing customercentric solutions has led us to conclude that CDM and MDM are important initiatives to consider when developing business and IT strategies.

We will start by introducing the typical challenges organizations face in trying to establish accurate customer data. It then provides an overview of how MDM and CDM solutions can address the challenges through data consolidation and mastery. The subsequent sections describe what Oracle Fusion MDM is and how it can be leveraged within an organization. Finally, we conclude with a summary of MDM, CDM, Oracle Fusion CRM and why we can help implement MDM solutions that deliver true business value.

Business Challenge: Accurate Data

Accurate customer and product information is arguably the most important asset for any company. Having intimate knowledge of these entities and knowing them better than the competition is a strategic business imperative. However,

organizations often suffer from data obesity and information anorexia. Their information, collected and maintained at significant costs, is often stored in disparate locations and is sometimes difficult to access.

To complicate matters, channels or functional silos often fragment customer data. This becomes especially devastating as the number of channels increases due to extensive e-commerce. In addition, employing multiple systems, such as product-based systems for customer onboarding, CRM for primary customer interaction and so on, create a disparate pool of customer data, forcing enterprises to struggle with customer interaction.

Disjointed customer data often results in multiple and unnecessary customer calls, incorrect problem resolution, lack of cross-sell and up-sell opportunities, reduced profitability per customer, high churn and decreasing customer loyalty. Lack of proper clarity on customer data at various customer touch points (call center, Web site, branch, etc.) is an impediment to creating a superior customer experience.

Together, these challenges beget a need to integrate customer data from disparate sources and store "One Truth" about the customer – in a centralized place that will hold the best available information critical to a company's success.

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Solution: Master Data Management

Master data constitutes decisive business information that supports the transactional and analytical operations of an enterprise. Master Data Management (MDM) is an aggregation of applications and technologies that consolidate, clean and augment master data. In effect, MDM synchronizes data with multiple applications, business processes and analytical tools, thereby creating a cohesive flow of business information to the right place, in the right form, at the right time.

Customer Data Management (CDM) is the term for using MDM technologies to centralize customer data. CDM helps enterprises harmonize data across customer-centric applications such as sales, marketing, campaign management, financials and contact centers. Figure 1 below shows how de-centralized data can vary between applications. A single, accurate definition of products, vendors and suppliers eliminates duplication of sensitive data, increases buying power and provides insight into supplier relationships. CDM enables the movement of core business rules and processes out of applications. Proper business processes facilitate appropriate creation and maintenance of customer master data, thereby reducing the cost of corrections.

With a host of regulations affecting industries worldwide, it becomes imperative to have a CDM solution in place to ensure proper compliance. Regulations such as BASEL II, SOX and Sunshine Act require companies to monitor activities more precisely than ever. In a multi-system, multi-function scenario, this is not possible.

Consider the centralization of customer data during the on-boarding process of a new banking customer. If customer data is mastered directly in the CDM hub, there is no need for other source systems. Bank processes such as KYC and risk management can directly access data from the CDM hub as soon as the customer's profile has been entered. All customer profiles are generated in the MDM hub, and there is no duplication of records.

In the case of life sciences, an aggregate spend solution will draw on accurate HCP data stored at a centralized hub, thus providing the organization with a convenient way to track all spends.

IT departments need MDM (and by virtue of this, CDM) to eliminate information silos that have developed across their organization, reducing integration costs, enabling collaboration and improving business productivity. Other benefits include:

- Decommissioning of local data repositories
- A common integration platform, re-usable interfaces and data distribution processes
- Elimination of redundant infrastructure
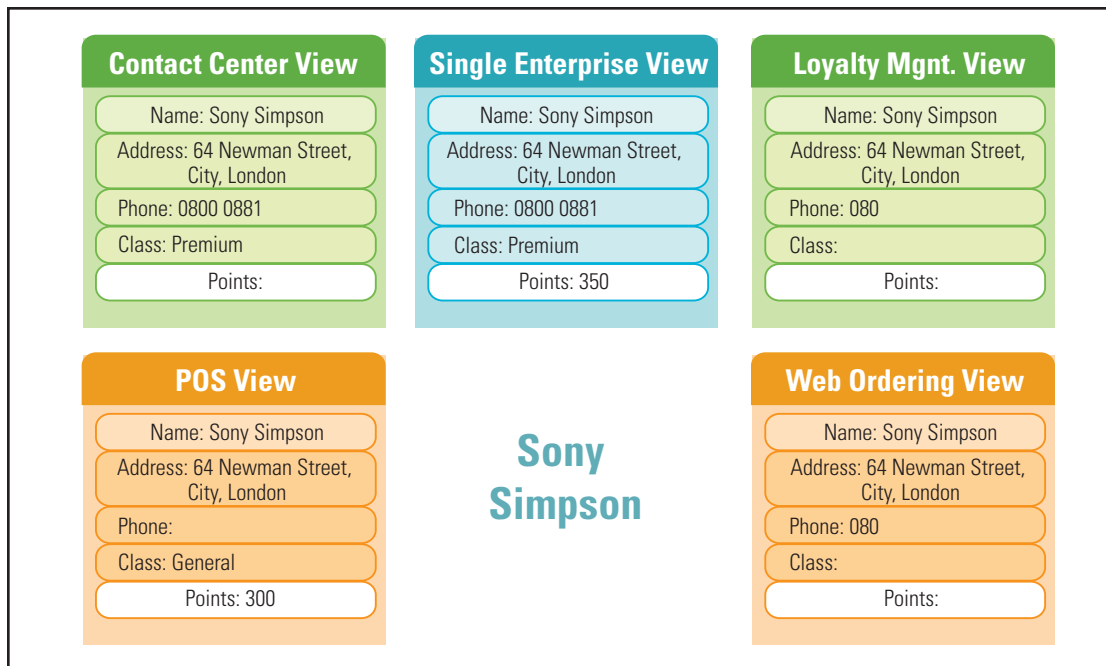
De-Centralized Data In The Enterprise

Figure 1

- Global data governance strategy
- Centralized data audit processes

Oracle Fusion MDM: An Overview

Oracle Fusion MDM includes two applications: Customer Data Hub and Product Data Hub. The former uses a party schema while the latter uses a product schema. Both are integrated into a single Fusion schema and share several components that fulfill the following functions:

- Data governance
- Consolidated and shared data
- Cleansed data
- Master party and product schema

These functions are accessible to third-party applications through a shared platform of common services and components.

Fusion Customer Data Hub supports the ability to consolidate or federate an enterprise's customer data into a single repository. It can also cleanse this data centrally, which effectively reclaims distributed knowledge in the enterprise by consolidating customer data. It can reduce the proliferation and redundancy of customer data both at the point of entry and continuously over time. One of the advantages of the Customer Hub is its ability to share "single point of truth" data as a service to other applications. By leveraging a standards-based framework and SOA architecture, it has the ability to disseminate a clean customer record throughout the enterprise.

Customer Hub provides an organization a new avenue to comply with regulations and reduce risk. Using its data management policies and rules, it is possible to enforce data governance. With embedded profiling and analytics, it can store confidence in enterprise data. By leveraging audit trail and change history, it can deliver complete knowledge and history of a customer.

Oracle Fusion MDM: Product Differentiators

The five key Oracle Fusion MDM differentiators are:

- Multi-form/multi-domain adaptability
- Enhanced data steward productivity
- World-class manageability
- Integration flexibility and usability
- Deployment options

Fusion CRM leverages a single, integrated platform and common services to support multiform, multi-domain MDM needs. It also supports Native SOA/BPEL and open standards customization and simplifies integration. Finally, although Fusion isn't currently available as a service, it is SaaS-ready.

The application contains embedded intelligence that interweaves business and data management processes. It delivers a user-friendly experience and enables instant collaboration to improve data-steward decisionmaking efficiency.
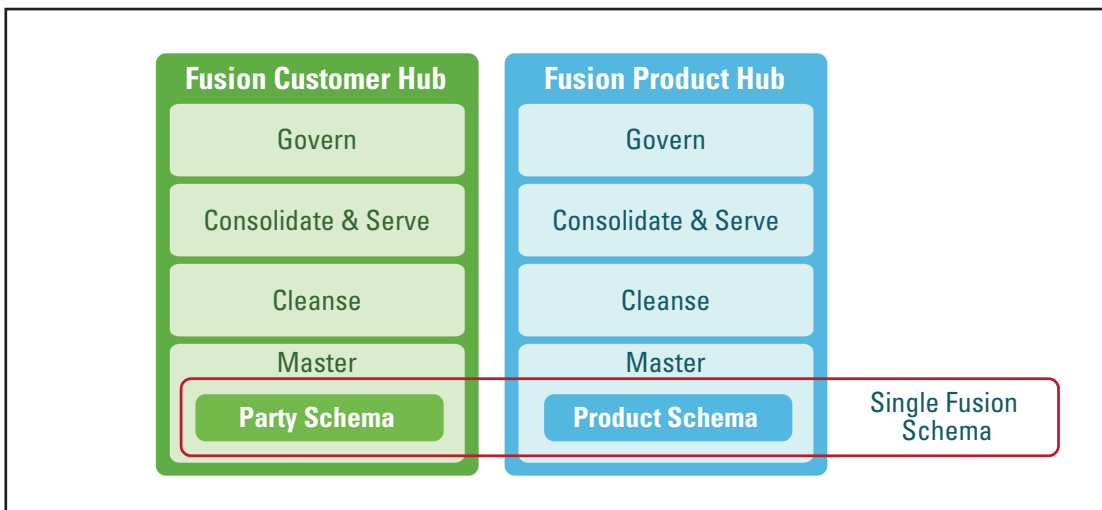
Oracle Fusion MDM Platform: Common Component

Fusion Customer Hub	Fusion Product Hub	
Govern	Govern	
Consolidate & Serve	Consolidate & Serve	
Cleanse	Cleanse	
Master	Master	
Party Schema	Product Schema	Single Fusion Schema

Figure 2

Parameter	Oracle Fusion Description	Oracle Fusion Edge
Data Model	Industry Ready Data model	Data model agnostic with ample flexibility to adapt.
Data Management	Match/deduplication, cleansing/standardization, link/merge, storing cross references, strong audit trail capability, managing customer hierarchy, interfacing with 3rd party tools.	User Friendly UI
In-Built Business Intelligence & Business Rules Orchestration UI	In built modules for aiding the analysis of data.	Pre built-data analysis module: first of its kind offering.
Integration Capabilities	Robust IT infrastructure	Ensures data integrity across all IT systems
Scalability	Ability to scale up without major customization	Can be used in managing large amounts of data without major cost.
Security	Industry benchmark met in maintaining role based access	Strong security rules enforced enterprise wide.
Data Stewardship UI	Provides excellent Data stewardship UI out-of-the box. Can support Custom UI as well.	Provides excellent Data stewardship UI out-of-the box. Can support Custom UI as well.

It also contains best-in-class native data quality and supports declarative specification of data management policies. By supporting what-if analysis during integration, it provides a view into outcomes without commitment. Using centralized security management, the deployment time for setup and configuration can be reduced. Finally, it is built upon a framework that is extendable to new business domains and deployment patterns.

Fusion supports a variety of MDM deployment patterns: analytical, registry, coexistence and transactional. It is highly adaptable to evolve with a company's data management and governance maturity.

The Oracle Fusion MDM Edge

Fusion MDM has several features that can give an organization an advantage over its marketplace competitors. These features are intended to help businesses get a quicker realization of MDM benefits across their IT landscape and translate the same into business benefits. The following table presents a snapshot of different parameters and the advantage Oracle Fusion can provide for each.

Fusion MDM in Your Enterprise

Although the following scenarios aren't the only way to deploy Oracle Fusion MDM, they are indicative of the more common ways the application can be leveraged.

Scenario 1: Fusion Customer Hub

This scenario is most applicable for those customers that don't have any existing Customer

Data Management tool in place. Figure 3 on the next page illustrates how Fusion Customer Hub can coexist with other applications that contain customer information. Existing applications containing customer information serve as data sources that integrate with Fusion Customer Master. Fusion Customer Master can federate or consolidate customer data, as well as clean and de-duplicate it before passing it back to the respective source systems.

Currently, Fusion Customer Master requires that real-time integration be custom built. Oracle BEPL is recommended for custom integration, although other solutions may also be used.

Scenario 2: Driving efficiency in Fusion CRM sales applications

Fusion MDM can be used to drive efficiencies in each the following Fusion CRM sales applications.

Sales of the Predictor

The Fusion Sales Predictor supports sales planning and forecasting with analysis and reporting capabilities. It aids in estimating revenues over time, ensuring accurate plans and forecasts. It streamlines the forecasting process to ensure the appropriate guidance is channeled to business stakeholders. Without a customer hub to consolidate data, you may not be able to get an accurate indicator of who your top customer is, which may limit Sale Predictor's ability to accurately predict future transactions.

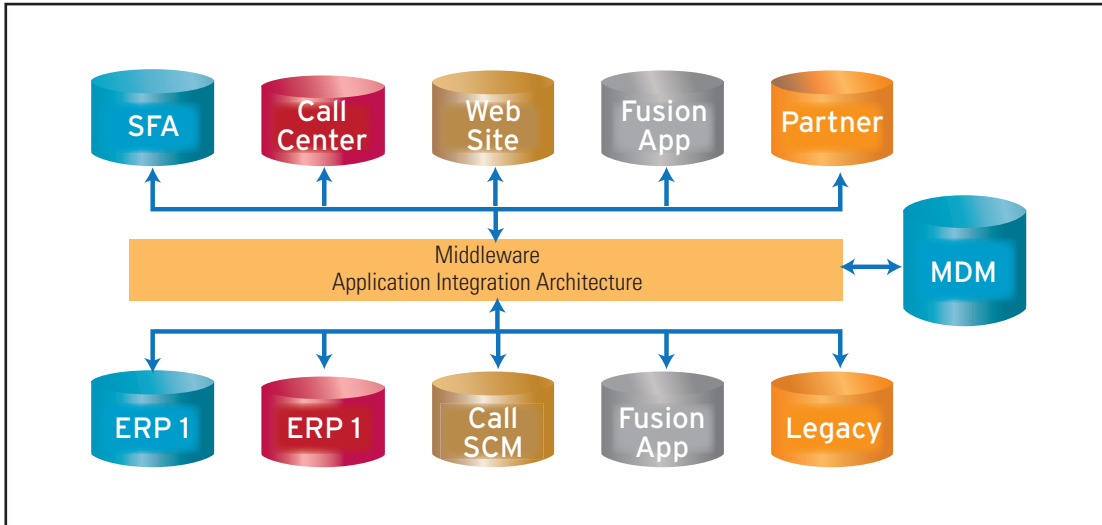## Oracle Fusion MDM Platform: Common Component

Figure 3

Territory Management

The Fusion Territory Management functionality allows territories to be created and defined by specified attributes and dimensions. Territory performance data may be displayed in graphical and tabular formats, resulting in quicker, clearer insight. Territory Management supports:

- Creating, updating and deleting territories.
- Creating a territory proposal containing proposed territory changes and hierarchy.
- Reviewing results of the proposed territories.
- Performing a validation check of the territories.
- And finally, sharing the proposal to territory owners.

The first step in establishing Fusion territory management is defining dimension values. These values include customer information that can be taken directly from the Fusion Customer Hub. The ability to draw dimension values from the Fusion Customer Hub allows meaningful creation and support of territories for improved sales performance.

Distributed Order Orchestration (DOO)

DOO centralizes order item orchestration across heterogeneous capture and fulfillment systems. It includes:

- Centralized order status and exception management monitoring.

- Centralized decomposition rules and orchestration processes.
- Milestone tracking, including at-risk severity.
- Extensible, SOA-enabled framework for flexible integration.

DOO directly interfaces with CRM and Order Management systems. Here, integration with both the Customer and Product Hub will enable the following:

- Increased order visibility from demand to supply.
- Lower exception handling costs.
- Lower inventory costs.
- Improved order promising accuracy.
- Faster time to market for new products.
- Reuse of existing systems.

Scenario 3: Migrating to Fusion – "Big Bang" or Phased Approach?

There are several ways to migrate enterprise applications to the Fusion MDM. A "Big Bang" approach is inherently risky, since there are many moving parts that will all have to be simultaneously transformed. A phased approach is safer, however it takes longer and may create discrepancies between customer and product hubs and applications as these elements are migrated.

Weighing the pros and cons, Oracle recommends the phased approach. Specifically, the following steps are recommended:

1. Migrate customer and product data first, establishing these hubs in the enterprise as the master, using a few key source applications as a starting point.

2. Connect other applications as slaves to the newly established customer and product hubs.

3. Gradually convert other applications to their corresponding Fusion counterparts one by one. This may include applications such as Order Orchestration, Sales Planning, Financials, etc.

Summary

Organizations are aware of the constructive impact of reliable customer data on critical business functions, such as sales, marketing and customer service. Compliance with regulations also requires a single, accurate view of customers, particularly in the financial services and pharmaceutical sectors.

The goal of MDM is to provide consistent, accurate, complete, timely and actionable master information across an organization's IT ecosystem, so that defined business objectives can be efficiently realized.

Fusion MDM leverages a single, integrated platform and common services to support master data management. The Fusion Customer and Product Data Hubs can be used to establish an MDM platform, drive efficiency in other Fusion products, or begin migrating older applications to the platform.

We understand this process and can deliver. Our MDM experience is global and spans industries such as financial services, communications, healthcare, life sciences and manufacturing.

We were chosen by Oracle to develop tools for a seamless, secure and rapid migration of customer data from Siebel CRM to Fusion CRM platforms. We have also assisted Oracle in Fusion CRM application testing, and our staff is extensively trained in Fusion applications and technology, including its architecture and data model.

We are the only Oracle partner that can provide the necessary Siebel and Fusion technical and functional skills, along with industry-specific business process consulting, to ensure cost-effective Fusion CRM implementations that deliver rapid business value.

Next Step

Why not take the next step and explore the possibilities of an Fusion MDM solution for your enterprise? The benefits are clear, and with us as your implementation partner, not only is the risk abated, the time-line to improved performance is compressed. Get more out of your enterprise data. Create an enhanced customer experience. Realize a clear and tangible competitive edge. Improve critical decisionmaking across your organization. Contact Cognizant and discuss how Fusion MDM can improve your bottom-line performance.

About Cognizant

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