

Unlock the true value behind your master data

SAP Master Data Governance:
from chaos to a single source of truth





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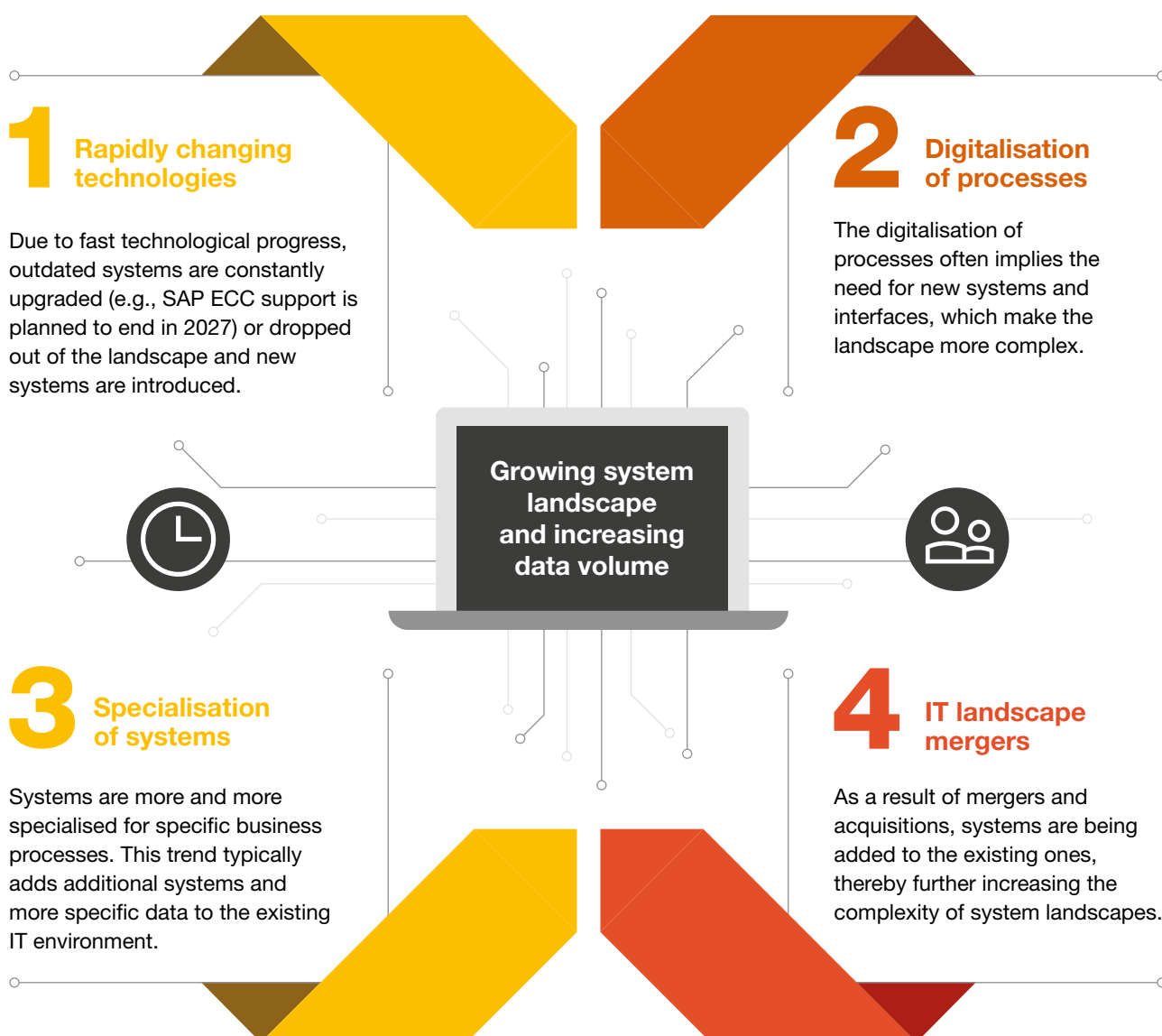


Technological trends drive focus on data governance

Over the past years, there has been an explosion of data generation and consumption increasing the need for effective data governance. As organisations collect and analyse more data, it becomes critical to establish policies and processes for managing and securing that data, ensuring its accuracy, and compliance with evolving regulations. At the same time, new technologies such as AI and machine learning require high quality data to function effectively.

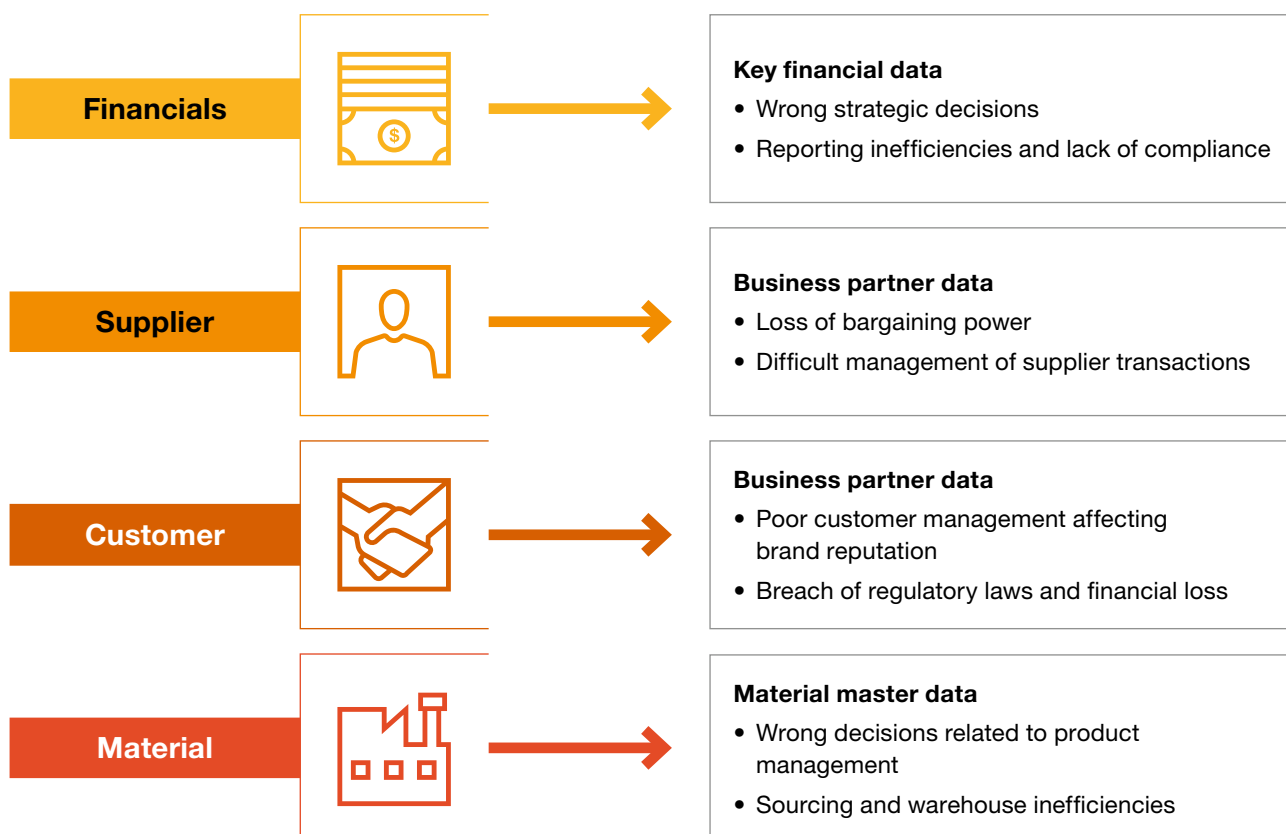
Across markets and industries, we've identified four technological trends that are becoming more dominant

and are further triggering the need for a more mature approach to data governance. The latest developments in IT – supported by disruptive technologies – have enabled the rapid digitalisation of business processes, which in turn are becoming more specialised. In addition, business information has become more accessible while companies are facing increasing pressure to deliver growth. These developments positively impact the number of (IT landscape) mergers, thus requiring companies to integrate data stacks. In today's world, data is the fuel of technological progress and master data is one of its pillars.



How do these trends represent a challenge for effective master data governance and for your business?

If not addressed strategically, each of the four technological trends may result in decentralised master data landscapes along with incomplete, inconsistent, and outdated data. Moreover, they often lead to multiple data sources with the need for manual data maintenance in multiple systems. Thus, making it even more challenging for companies to create and maintain a single source of truth. Here's an overview of how they impact standard master data domains:



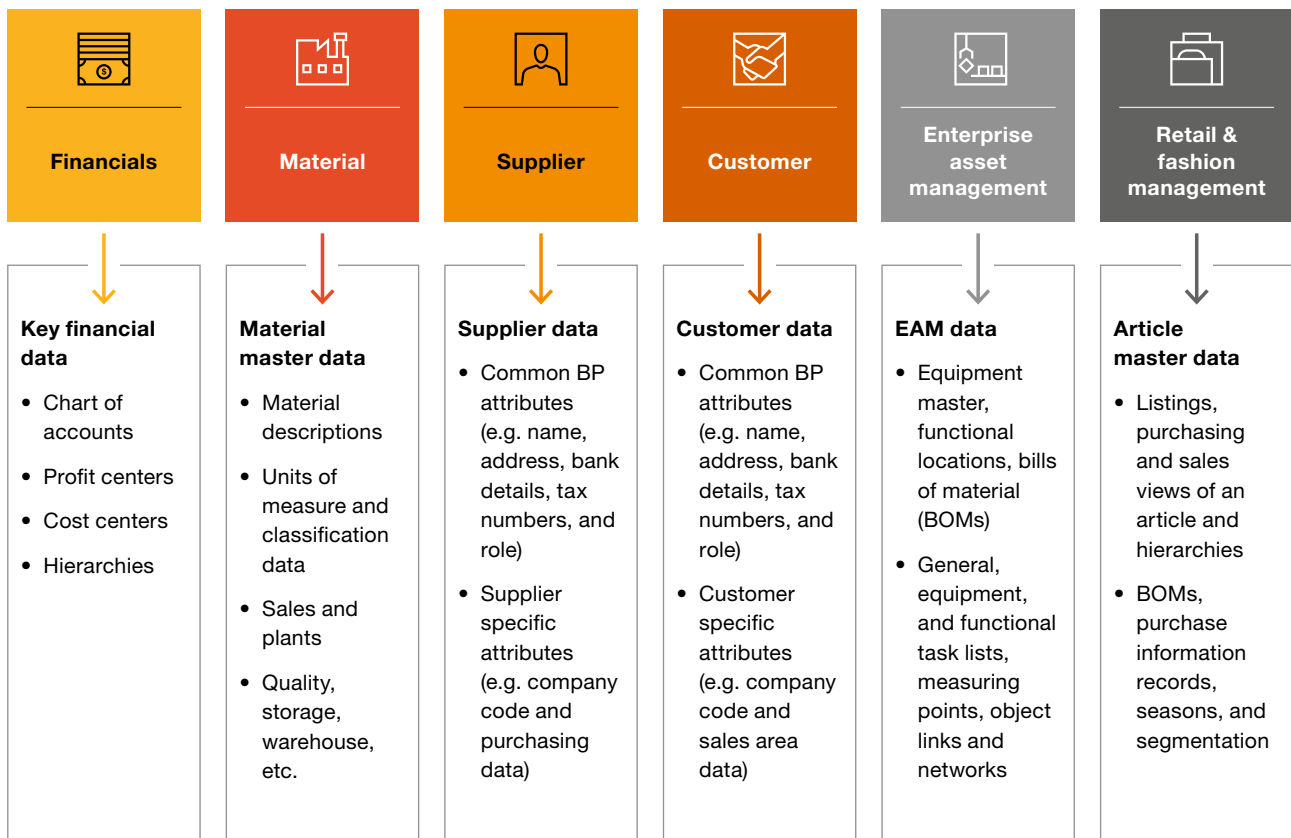
Bringing order to chaos with SAP Master Data Governance

As companies are increasingly focused on how data can provide a competitive edge, excellence in master data governance becomes an urgent and strategic objective, across industries and data domains. SAP Master Data Governance (MDG) is among the best solutions offering strategic benefits that help you boost business performance and drive growth.



Out-of-the-box data domains

SAP MDG offers master data domains out-of-the-box supported by predefined templates that can be seamlessly integrated into any system landscape.



Custom objects

The SAP Master Data Governance Custom Object Framework helps model and build SAP Master Data Governance applications for master data objects specific to any type of business.



Having a closer look at consolidation and central governance: the two main MDG use cases

Consolidation and central governance are the main use cases for the MDG system. Most of the time, they are jointly leveraged to maximise benefits and to create a single view of your data. Typically, consolidation tools are used before master data is loaded to the MDG system to ensure harmonisation and smooth integration.

Once this process is completed and data successfully loaded, the focus shifts to central governance. In case of a merger or an acquisition, companies need to make use of consolidation tools to successfully integrate new master data with the existing one in MDG.

Here's an overview of what that means in practice:

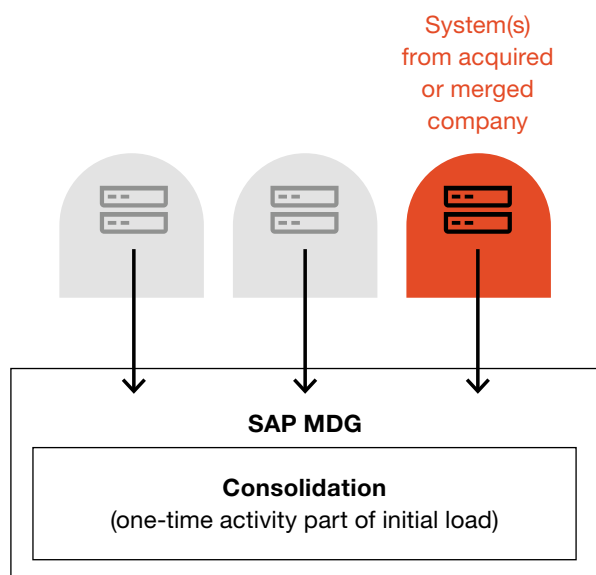
Consolidation

Initial load before central governance

The planning and the execution of an initial data load in MDG is a crucial step for effective governance. Accordingly, master data is being consolidated by merging and calculating the best record. Using the consolidation functionality of MDG can be a one-time activity for a company willing to centrally govern master data and replicate it to its target systems.

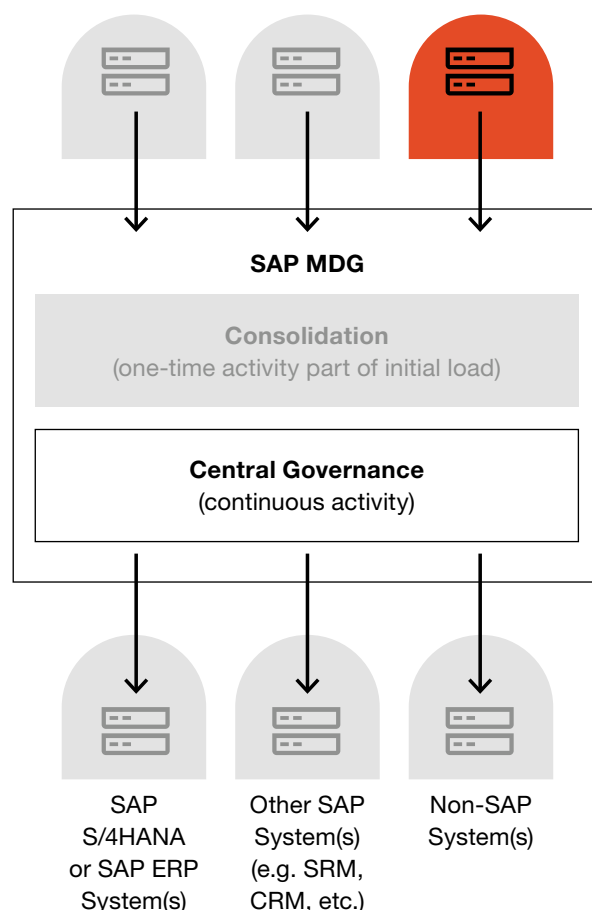
For mergers or acquisition

IT has an important role to play when realising business value from M&A activities. When one or more systems are added to the initial landscape, consolidation of master data allows companies to harmonise and de-duplicate data leading to centralised and accurate data across systems.



Central governance

Master data is created through consolidation and governed in a central system according to defined rules and standards in line with business processes. The maintained master data is replicated in connected systems which in turn can rely on high quality data for downstream transactions.



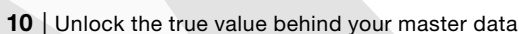
Based on extensive experience, we've observed several reasons why S/4HANA-related projects (e.g. ECC upgrades, mergers, SAP Central Finance implementations, etc.) fail. One of the reasons relates to how companies approach their master data governance – a crucial stepping stone. Many of them don't have a single source of truth and are struggling to bring order to chaos. By focusing first on master data governance, you can create the necessary foundation for a successful S/4HANA transformation. Companies can reduce

Status quo

- Distributed system landscape
- Insufficient quality of master data
- Inefficient and unreliable reporting

- + Master data is harmonised and single source of truth
- + Less effort needed to maintain master data

- + Full transition to a S/4HANA integrated system
- + Master data is harmonised and single source of truth
- + Less effort needed to maintain master data
- + Multiple options for the desired end state of the system



Our recipe to ensure a successful implementation

To make business transformations work, companies need to focus on four cornerstones: organisation, technology, data, and people. The same accounts for MDG implementations. Drawing on our previous project experiences, we are convinced that they should not be perceived solely as software implementations, but rather approached as organisational transformations. In order to best help you succeed on your journey, we based our methodology on the PwC Transform Framework and the BxT (Business Experience Technology)* way of working that breaks down silos, boosts productivity and leads to faster execution.

- **Organisation**

Striving for effective governance is crucial when defining key design principles (e.g. extent of centralisation) to set up a target data governance organisation.

- **Technology**

Performing maturity assessments and analysing your current architecture setup with technical rigor will ensure a robust and scalable solution enabling you to leverage the latest technology offerings.

- **Data**

Establishing a unified data model by detecting, correcting, enriching erroneous data and anomalies within and across systems will help you excel.

- **People**

Understanding the impact of the transformation on your employees and addressing the people side systematically will facilitate global adoption and support real change with lasting results. We therefore pursue a tailored approach that strongly focuses on people's needs when developing a comprehensive change plan and training concepts.

* <https://www.pwc.com/gx/en/news-room/analyst-citations/2019/business-experience-and-technology-prove-to-be-a-winning-combination.html>

How to prepare for MDG

In order to guarantee a smooth and successful SAP MDG implementation, preparation is key. By focusing on system assessment, data cleansing, and organisational readiness, companies can facilitate a clean start and an optimal use of the tool. Here's some examples of how to prepare:

- Assess and eliminate inconsistencies in different ERP systems from the same company, e.g., same customer data maintained multiple times with different attributes in different systems.
- Check for and eliminate data duplication in the existing master data. A duplication check is typically included in the consolidation step of data loads.
- Establish an integrated master data governance organisation. Together with clear responsibilities and adequate controls they enable you to govern the data life cycle and ensure the stakeholders' availability throughout the entire implementation.
- Aim to manage master data in a controlled manner without manual intervention to check data correctness.





Putting people at the heart of your transformation

Updated technology, streamlined processes, new age data models, collaborative ways of working and future-proof business strategies will only work when people embrace the change holistically. Therefore, MDG implementations should not only be seen as technical implementations, but as comprehensive organisational transformations.

Our approach brings together all aspects of this transformation and looks at change from a people's perspective:

- Management establishes clear roles and responsibilities within the new data target operating model.
- A dedicated change impact assessment allows to identify key impacts on new and existing job roles.
- New MDG-related skills and ways of working are identified with the help of a comprehensive training needs analysis.

What does this transformation mean for employees?

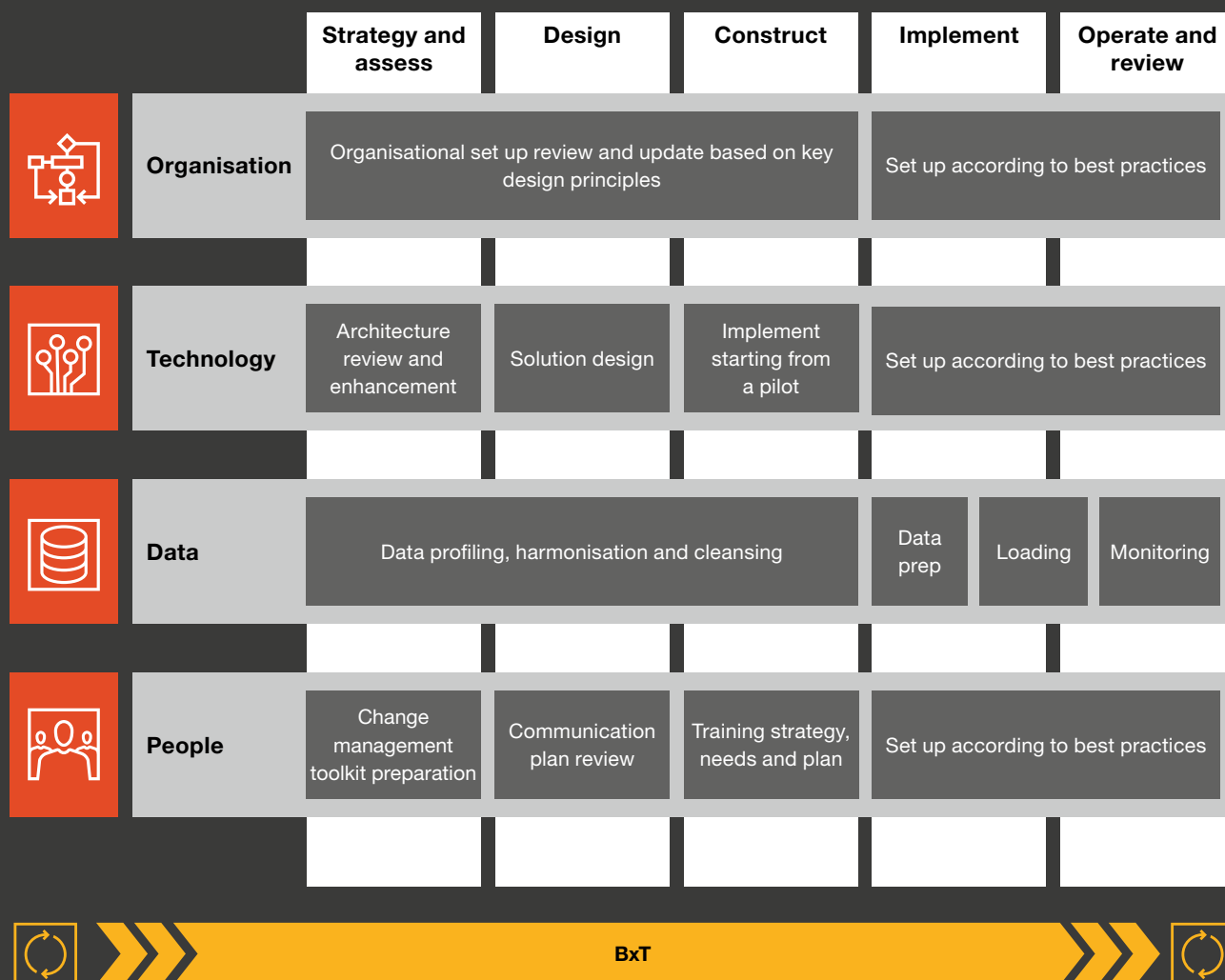
- Perception as data-driven decision maker
- Support by aligned colleagues and a change network
- Part of a data governance organisation with enhanced roles and responsibilities
- Upskilling for a specific job role and new ways of working



Our holistic and proven implementation plan

At PwC, we follow an end-to-end implementation approach that we tailor to each client's business goals by assessing complexity and requirements. Our methodology focuses on in-depth analysis of the existing processes and relies on a hybrid agile/waterfall delivery model. Furthermore, we make use of pre-built

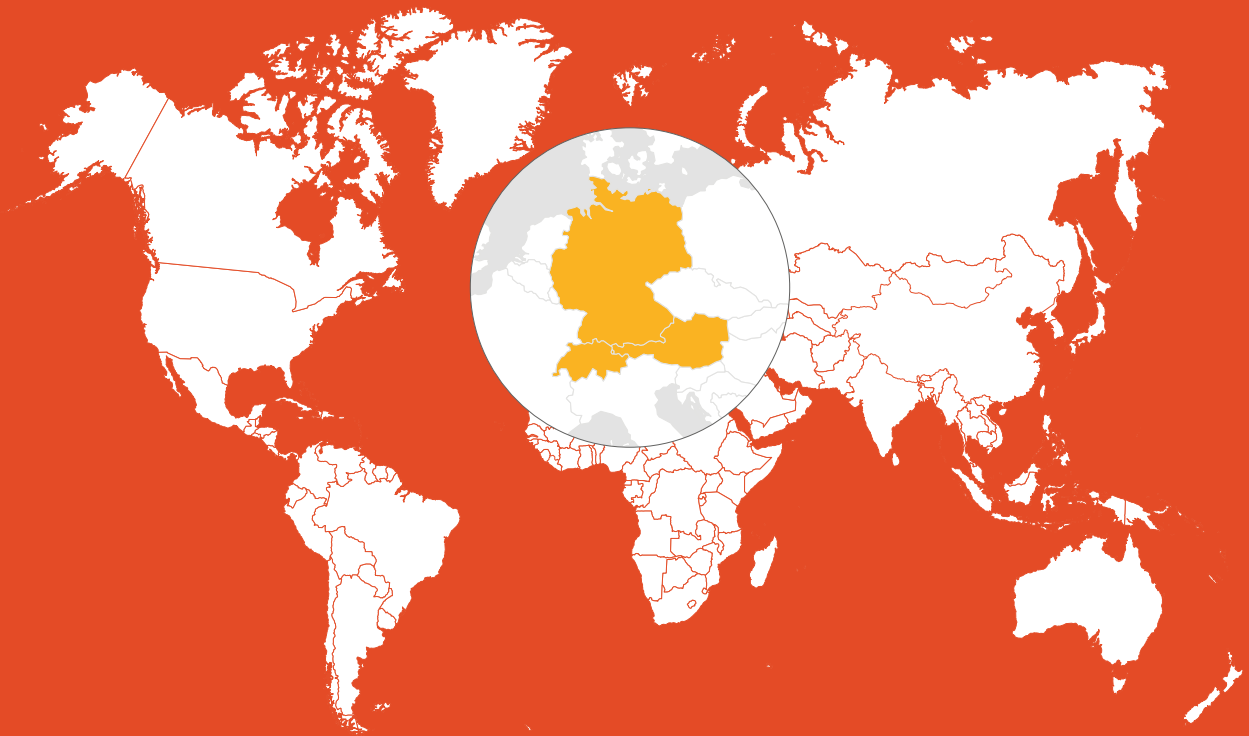
configuration sets, apply leading practices for the implementation phase and offer proven and structured toolkits. Our business-led interactive approach utilises "working model" system prototypes and best practice playbooks to get business buy-in and speed up the solution building process.



PwC is your partner of choice

We are your trusted advisor for SAP Master Data Governance projects. Our experts guide you throughout the whole journey from strategy to technical implementation, thereby leveraging the know-how of our diverse local team of SAP MDG certified professionals and experts from our global PwC network. Moreover, our extensive experience and our accelerator toolbox guarantee a smooth and timely project delivery.

Our team of professionals blending technology and organisational transformation excellence



DACH region

~20

Professionals (majority holds an SAP MDG Certification)

41 Offices (including Liechtenstein)

14 Switzerland

1 Liechtenstein

21 Germany

5 Austria



Worldwide

~100

Master Data Governance professionals

30+

Master Data Governance projects successfully delivered

Our people, through their experience, skills and values, are our main differentiating asset.

327,947
total headcount


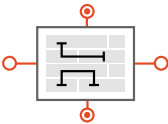



152
Countries



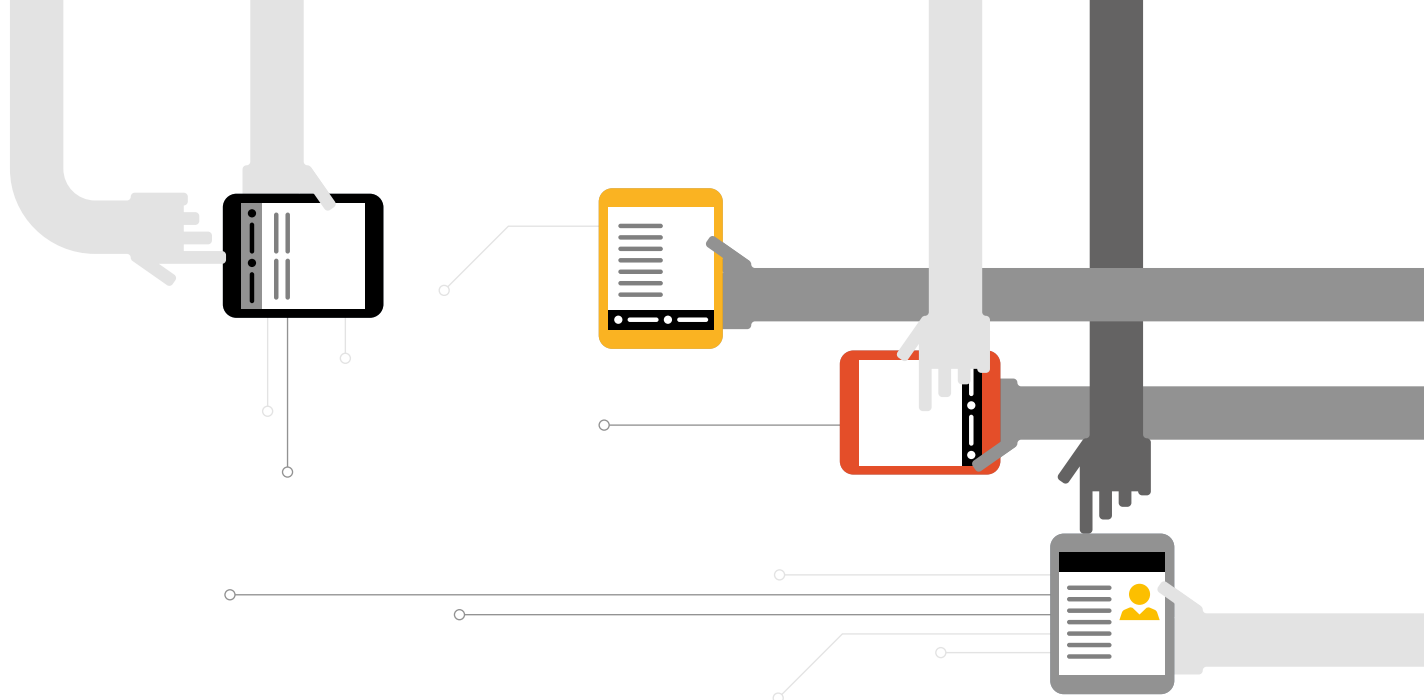
Our project-proven toolkits

Based on previous project engagements, we have successfully developed several accelerators throughout the years. They are not only geared towards more efficiency but are important assets to deliver additional value for our clients on top of the standard SAP

MDG solution. Accordingly, each of the four pillars (organisation, technology, data, people) has its own dedicated toolkit. Discover how they can be applied and how they can benefit your transformation.

Work Stream	Example	Example of tools and accelerators from world-class PwC's Toolkit
Project Management	Automated project reporting dashboards 	Efficient, effective, and comprehensive project management requires transparency, visibility, and oversight. To achieve this, we have automated project reporting dashboards which provide a real-time view on the current project status, cost analysis tools, and resourcing tools to support you to successfully delivery MDG projects.
Organisation	PwC's data governance enterprise Framework 	Building up a clean and strict governance for master data with clearly defined roles and responsibilities is crucial. For this reason, we apply PwC's data governance enterprise framework and operating model framework. After all, organisational excellence is key for every MDG project to create a sustainable governance solution.
Technology	PwC's enterprise template 	The PwC Enterprise Templates does away with the need to set up new systems and governance models every time. Pre-configured system templates for different industries and enterprise sizes allow for a quick implementation.
Data	Enterprise data profiler 	In order to build an enterprise-wide data model, existing data needs to be harmonised, which requires knowing and understanding them. We therefore have developed a set of data profiling tools, which can be set up with custom rules and/or with our predefined standard rules that were created for our clients based on our experience from previous MDG projects.
People	PwC change navigator 	An MDG project typically brings change in roles and responsibilities of which business should be aware. At the same time, employees need to be trained to ensure a project's sustainable success. PwC's Change Navigator, business readiness dashboard, as well as culture thumbprint diagnostic tool support you in facilitating the transition.





Our references from successful transformations



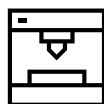
Implementation for a leading Swiss agrochemical company

Project scope

SAP MDG for finance and suppliers in the context of a global Central Finance implementation

Results and benefits

- Simplified end user experience that is supported by a newly established data management organisation
- Single source of truth for finance and suppliers master data objects across the SAP ERP landscape, which resulted in better financial reporting and data standardisation
- Central data quality management for supplier master data, while still allowing for local creation and maintenance
- Improved data governance by including non-standard objects



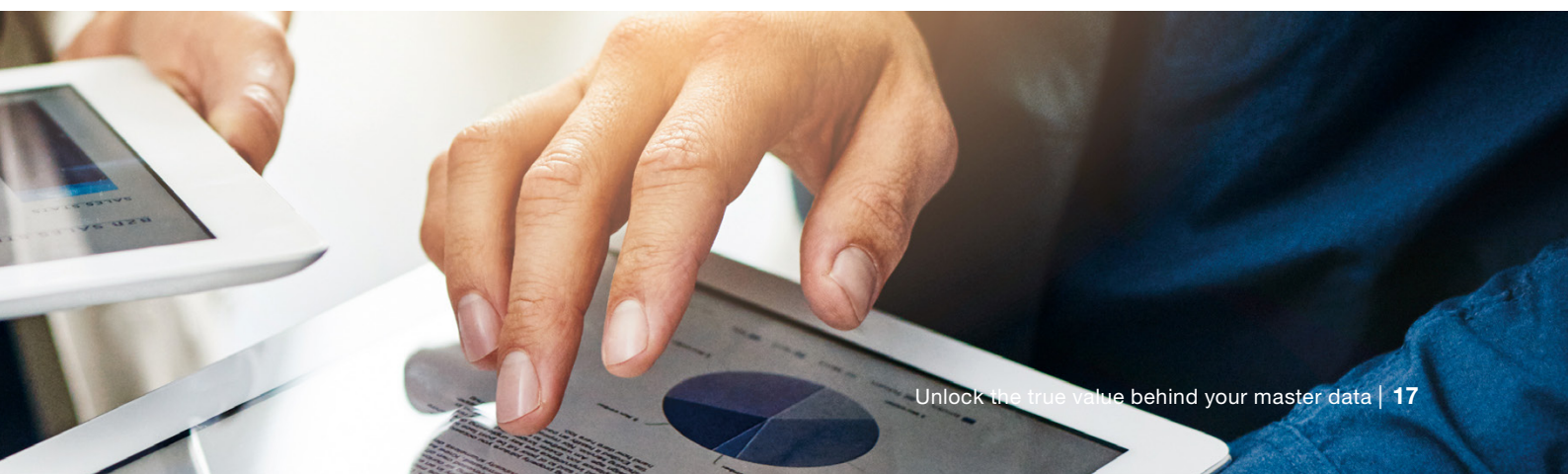
Implementation for a leading Swiss technology and engineering company

Project scope

SAP MDG for finance and business partners in the context of a global Central Finance implementation

Results and benefits

- Single source of truth for finance and business partners master data, which allowed for a tighter control on creation, update and deletion of governed data
- Improved master data quality, including internal and external compliance
- Simplified end user experience that is supported by a newly established data governance organisation
- Single source of truth for finance master data objects across the SAP ERP landscape, which resulted in better financial reporting and data standardisation





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