

TWENTY FIVE Golden Rules to tame the CDI Beast

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Learning Objectives

- As a result of this presentation, you will be able to learn:
 - What is Trading Community?
 - The Past (CDH in 11i)
 - The Present (New features in R12)
 - The Future (What will be coming in future)

Speaker's Qualifications

Mani Kumar Manda is the President and Founder of Rhapsody Technologies, Inc., a consulting firm with specialization in implementing Customer Master/Customer Hub solutions.

Mr. Manda had been working with Oracle Applications for over a decade and has implemented Technology Solutions for clients in many industries.

Mr. Manda is an active speaker of topics associated with Customer Data Management and presented over 30 sessions in several conferences.

Mr. Manda is also the founder and chair for Customer Data Management SIG.

About Rhapsody

- Founded in 1998
- A boutique firm in implementing Customer Data Management solutions both in Oracle eBusiness Suite and Oracle Customer Data Hub environments.
- Offers Customer Data Quality Assessment Services
- Offers CDM Evaluation Services
- Offers Onsite Seminars (one day to one week project kick-off seminars) that include Customer Data Management, Customer Data Hub, TCA, Implementation strategies, Customer Data Modeling, etc.
 - Provides half day and one day CDI awareness sessions for C level executives, functional/departmental heads.
 - Rhapsody is in the process of offering a series of web seminars on Customer Data Management covering Customer Data challenges with real life examples, Global challenges, Data Governance, Customer Data Modeling, Integration of Hub with heterogeneous applications, and other additional topics associated with Customer data.



About Rhapsody

Partial list of our Customers

ADP

DoubleClick

Motorola

Haworth

Hologic

KCI

Office Depot

Overland Storage

Torrington

Some of Our Partners

Oracle

Dun & Bradstreet

Trillium

Deloitte Consulting

Hub Design

Transitions II

eAlliance

RAMP

Best Practices – Rhapsody’s “The TWENTY FIVE Golden Rules of CDI®”

1. Executive (CXO) Sponsorship
2. Data Governance Program
3. Stakeholders with Enforcement Authority
4. Strong Data Stewardship
5. Trading Community Model (TCM)
6. Design Considerations
7. Conceptual Customer Model
8. Canonical Design
9. Define and Enforce Data Security
10. Data Privacy
11. Regulatory Compliance
12. DPL Compliance
13. Implementation Approach
14. Data Quality Metrics
15. Hybrid Project Implementation Approach
16. Go beyond the Identity Data, in stages
17. Data Profiling
18. Enrich Data
19. Data Standardization
20. Validate Addresses
21. Classify, Classify, Classify !!!
22. Analytical Use Cases
23. Certify Data
24. Latest Versions
25. Search UI with robust Parameters

1. Executive (CXO) Sponsorship

- To succeed you must have CXO (executive) support for CDI/CDH initiatives
- Many projects that do not have CXO support or lost soon after launching the initiative have failed
- An increasing number of projects are facing challenges
 - (Reference--The Top Seven Trends for Master Data Management in 1Q08)
- Not only Securing but ongoing support of Executive is very important for long term success
- Making a Business Case
 - Defining ROI
 - Create Upside potential vs. avoid downside Risks

2. Data Governance Program

- Data Governance initiative as part of CDI project is a must
- You must begin the Data Governance in parallel with other parts off the project
- Data Governance program should be designed at the Enterprise level addressing multiple domains of MDM, not just CDI
- Base framework established by the time Analysis phase is done, but no later than early design phase

3. Stakeholders with Enforcement Authority

- Data Governance Council must have stakeholders that have enforcement authority
 - Otherwise the good decisions that are made by the council get lost resulting in project failures
- You should include Departmental Heads, Business Unit Leaders, at least one of key CXO
 - Governance council is not the place for some one who does not have enforcement responsibilities.
 - Senior persons with correct background who want to take part or need to take part in CDI initiative that do not have enforcement responsibility can be part of Data Steward Team.

4. Strong Data Stewardship

- Data Stewardship team is the one facilitating many decisions associated with data elements related to CDI domain
 - What attributes to host in CDI instance?
 - What entities should be brought over to CDI?
 - What is the phasing approach?
 - To what extent standards should be enforced for Source Applications
 - Departmental Politics
- Identify Data Stewards internally
 - Provide training to internally recruited Data Stewards

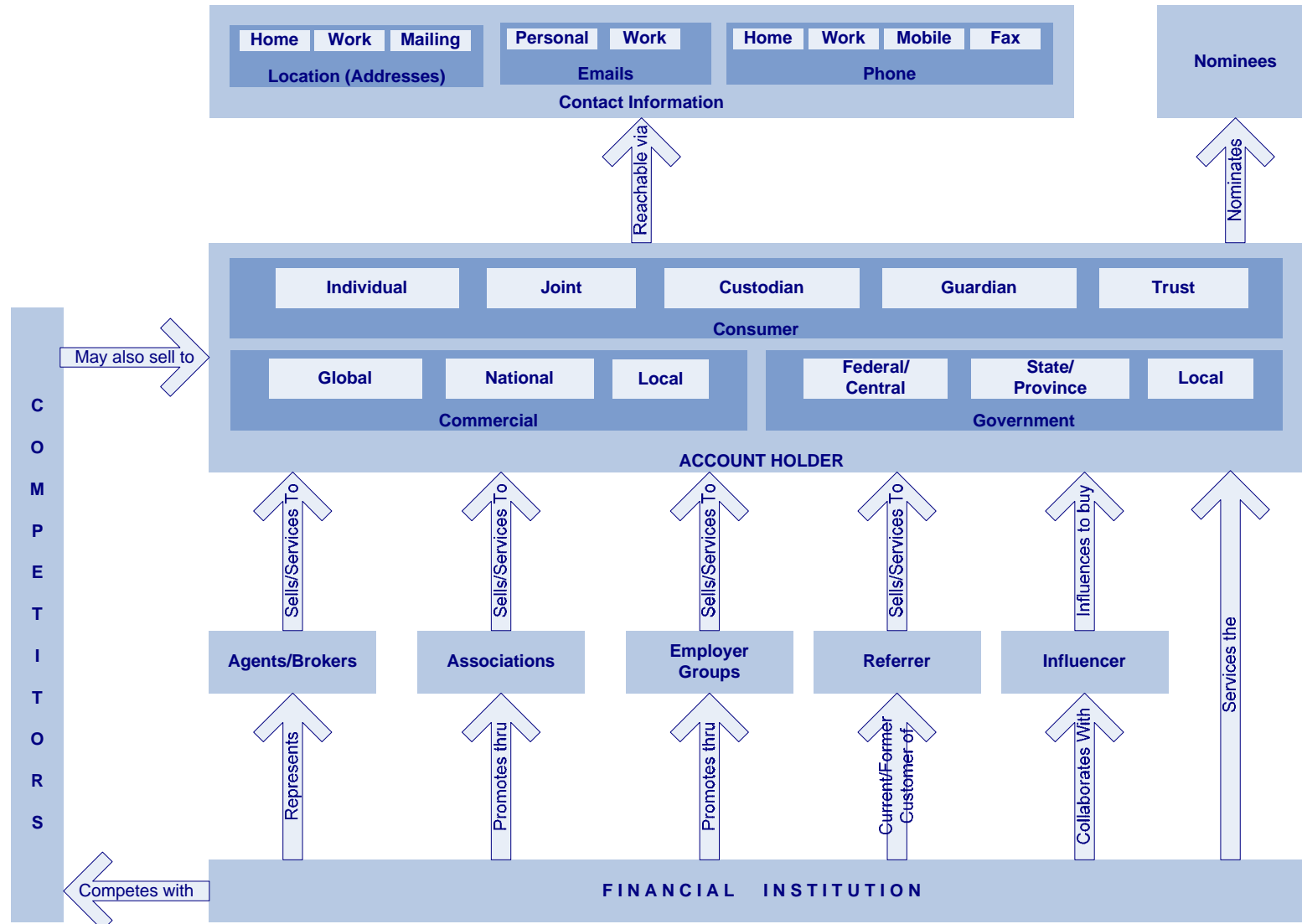


5. Trading Community Model (TCM)

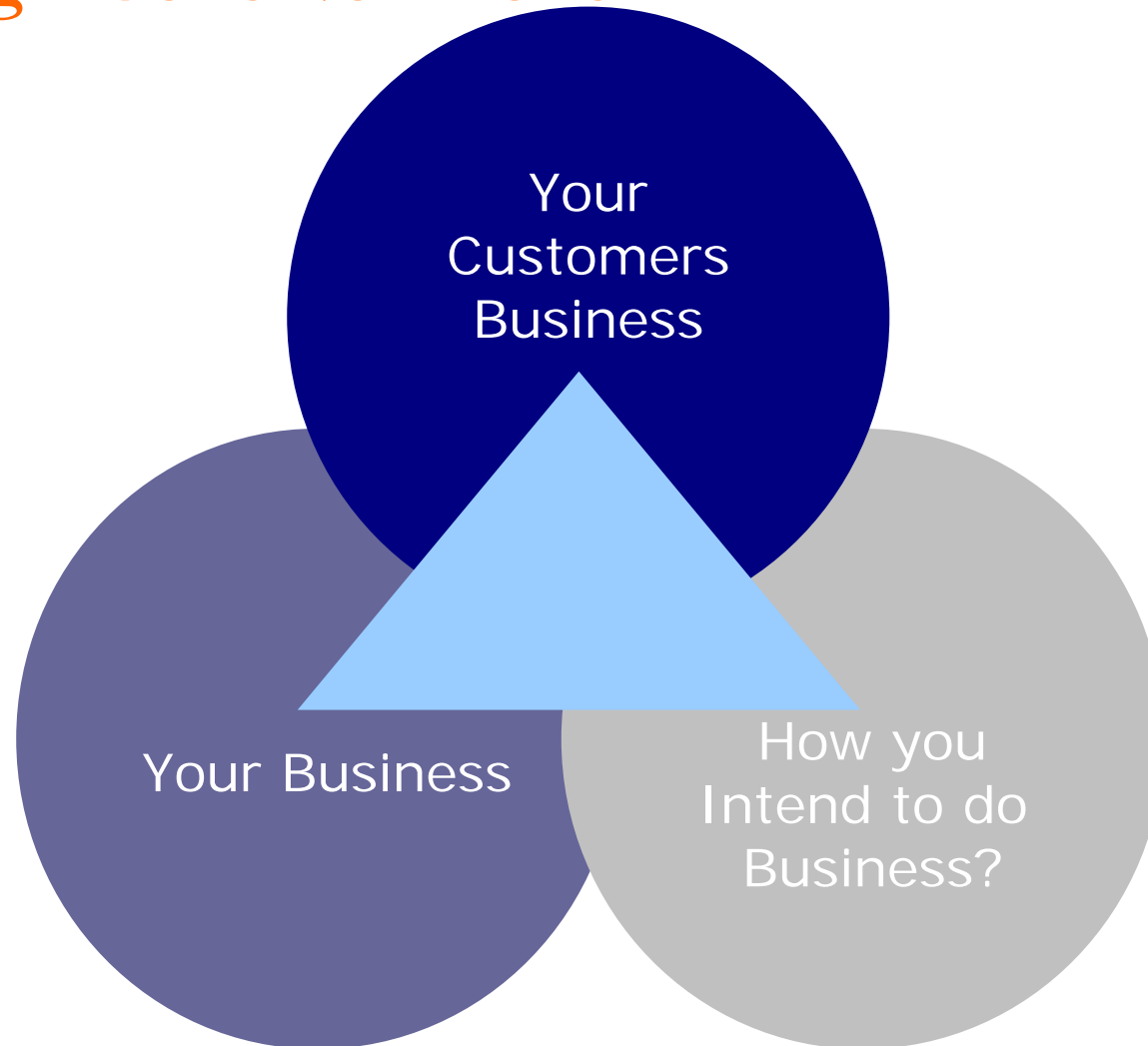
- A fresh perspective business with an objective to identify the people and the entities and all relationships between them should be done at an early stage of the CDI project
 - The TCM is not based on any application rather it is focused completely on business
- This will facilitate the decision of what people, entities and relationships to host in CDI Instance
- Surprise Factor
 - When this task was done, often surprising results were found.
 - Good portion of people, entities and relationships were never captured in any application in the first place. Of those missing, some are very critical to the business
 - No single person or department has complete view of the Trading community. It often took interviewing about 100 to 200 people from various business units and departments to be able to put this picture together



A sample trading community of a Financial Institution



6. Design Considerations



6. Design Considerations ...

1. How does your Customer Operates their business and how are they organized?
 - Has multiple Branches and Divisions
 - Global Player
 - Number of Business Units
 - Centralized vs. Decentralized
2. How do you want to do business with your Customer?
 - Treat Customer as one Entity vs. each branch or division or business unit as separate entity
 - At what level of the Customer do you want to track?

Answers to Question 1 & 2 determines how many Parties need to be created for the Customer.

6. Design Considerations ...

3. How is your business organized?
 - Global vs. Local
 - Number of business units (lines)
 - Profitability and Accountability tracking within the firm
 - How are Sales teams organized?

How many accounts gets created is influenced by answers to Q.2 and Q.3



6. Design Considerations ...

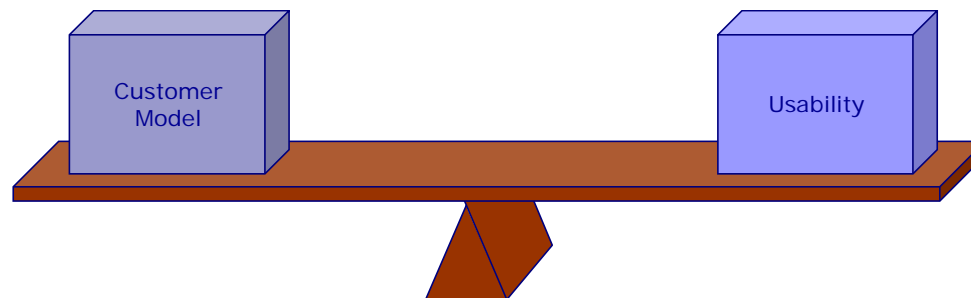
4. How much you want the D&B Data to influence?
 - Model along D&B Data (DUNS Number)
 - Capture customer entities regardless of biz relationship
 - How much to maintain?
5. Does Your Legacy System continue to exist?
 - Does Oracle Customer and Transactional Data need to be interfaced back to Legacy system?
 - Any other systems need Customer and Transactional Data besides Legacy system?back to Legacy system?

How many parties gets created is also influenced by the answer to Q.4 and probably by answers to Q.5

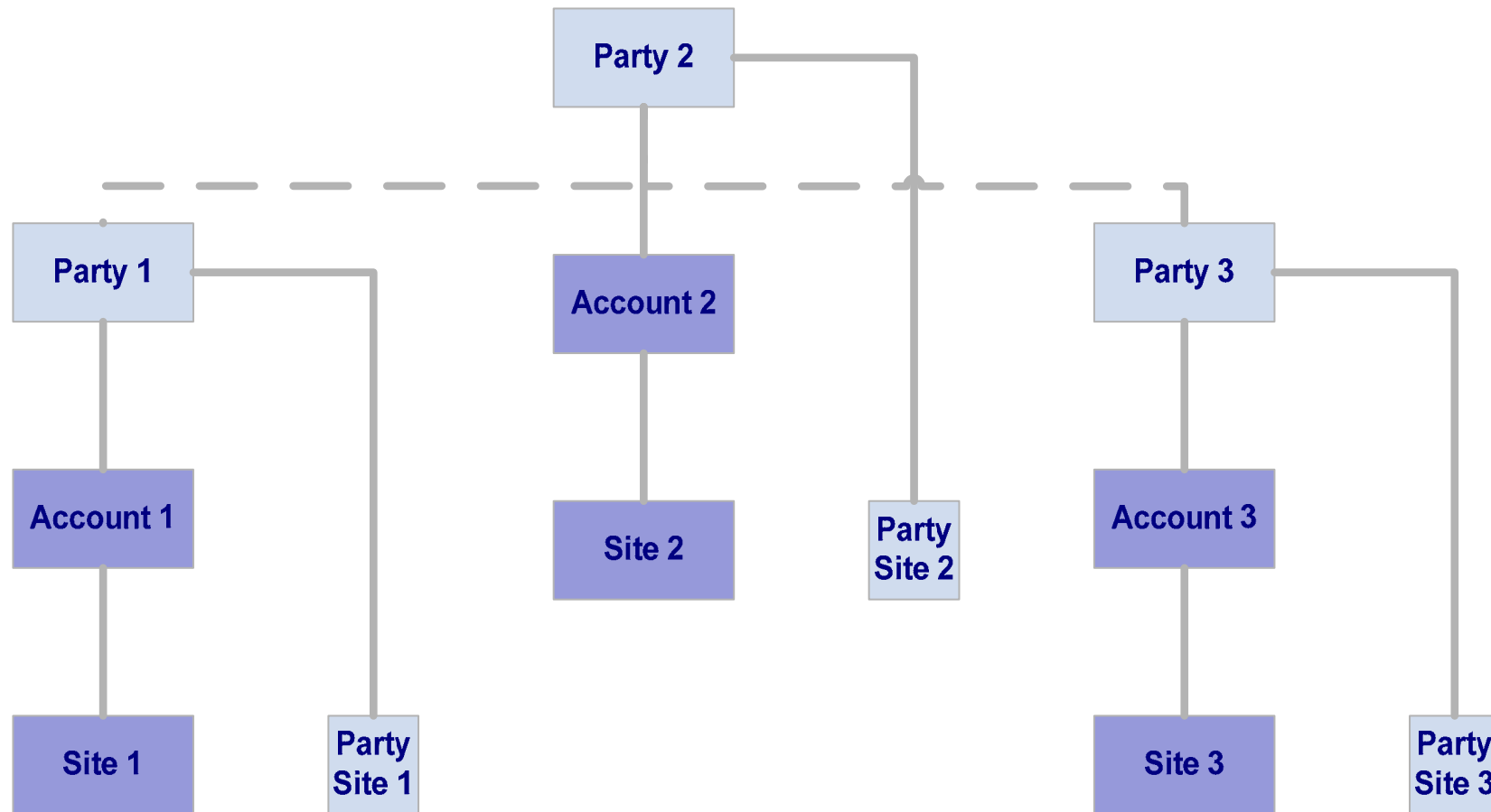


7. Conceptual Customer Model

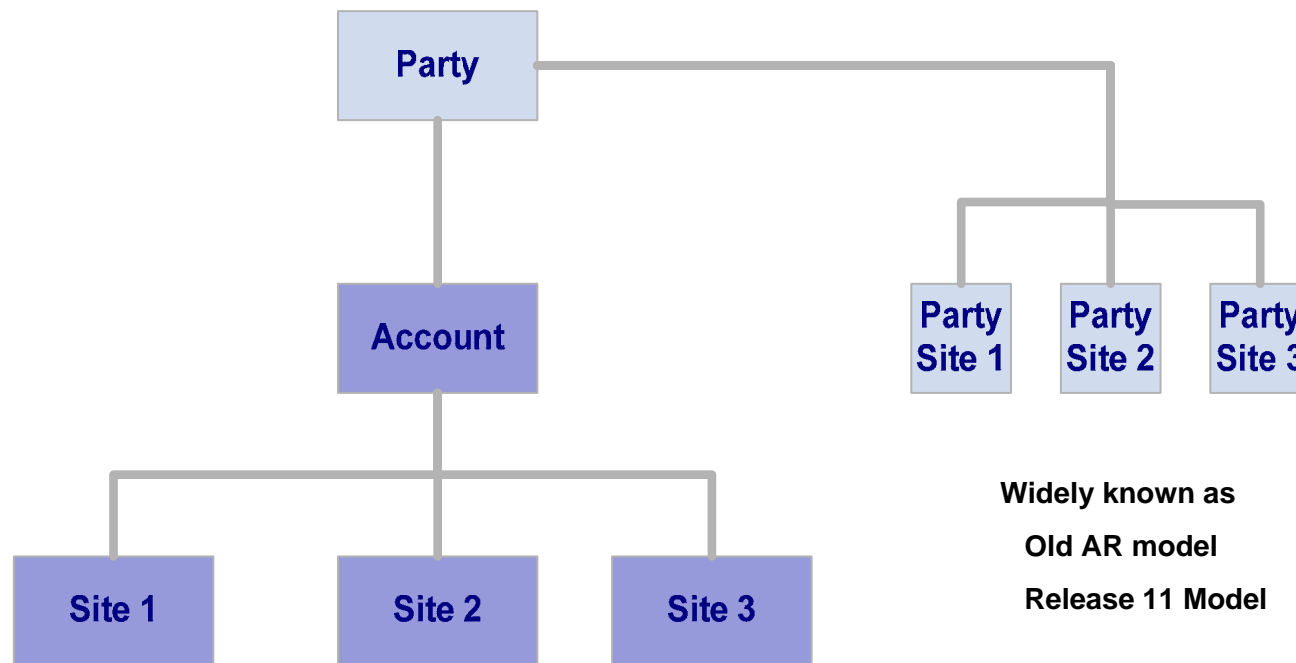
- The flexible functionality of a CDI solutions leads into the ability to create same set of customer data in multiple ways
 - For example in Oracle CDH, the TCA allows you to create customer data in many ways
 - If you have a customer with 3 locations
 - Option#1 – Site Centric Model – Create One party with 3 locations
 - Option#2 – Party Centric Model – Create Three parties with each party having one location and relate these parties to form a (corporate) hierarchy
 - Option#3 – Some where between Option #1 and Option #2



Party Centric Approach



Site Centric Approach



Widely known as
Old AR model
Release 11 Model



8. Canonical Design

- Adopt a open standard based Canonical Mapping for integrating data between Source Applications and CDH and CDH and Target Applications
 - OAGIS for example
- The Canonical format should be accommodating needs at enterprise level, not at departmental or a specific application level
 - Global Design with Phased Implementation
- If needed start with an standards based canonical model and customize it further
- Some products support open standards
 - CDH with their AIA supports OAGIS standards



9. Define and Enforce Data Security

- Data security is important for a global CDI solution
- Carefully evaluate users in terms of their access requirements
- Utilize built in security functions of the tool
 - Data Sharing and Security (DSS) functionality in CDH
- Make sure to identify all regulatory requirements for data Security
 - Doing otherwise will lead the firm into regulatory nightmare
 - Recent Examples
 - Lost data
 - Hacks



10. Data Privacy

- Data Privacy in a digital age is very important
 - Personally Identifiable Information
 - Laws
 - US
 - Federal Laws
 - Privacy Act of 2005 – Attempts to strictly limit the display, purchase or sale of PII without the person’s consent
 - Anti-Phishing Act of 2005 – To prevent the acquiring of PII through phishing.
 - HIPAA – Health Insurance Portability and Accountability Act – Patient Information
 - Social Security Number Protect Act 2005 – Limit the distribution of SSN
 - Identity Theft Protect Act 2005 – Limit the distribution of SSN
 - Information Protection and Security Act of 2005
 - Consumer Privacy Protection Act of 2005
 - Wireless 411 Privacy Act
 - US ‘Safe Harbor’ Rules (EU Harmonization)
 - Title 18 of United States Code, Section 1028d(7)
 - State Laws
 - California – OPPIA – Online Privacy Protection Act of 2003

11. Regulatory Compliance

- Fair Credit Reporting Act

- SOX

- The Section 404 of Sarbanes-Oxley Act requires Organizations to take an active interest in the accuracy, consistency and timeliness of the data

- BASAL II

- SEC

- Requires public companies to report risk exposure for bottom-line and top line numbers

12. DPL Compliance

■ US

- Department of Treasury
 - Specially Designated Nationals and Blocked Persons (SDN)
 - Narcotics Trafficking Sanctions
 - Anti-Terrorism Sanctions
 - Non-proliferation Sanctions
- Bureau of Industry and Security
 - Denied Persons List
 - The Entities List
- FBI
 - Most wanted list
 - Issued Watch List
- US Department of State
 - Debarred Parties List
 - Designated Terrorist Organizations

12. DPL Compliance ...

■ US ...

- Financial Crimes Enforcement Act
 - The Bank Secrecy Act
 - US Patriot Act
 - Anti-Money Laundering (AML)
 - Know Your Customer (KYC)
- US General Services Administration
 - Parties Excluded form Federal Procurement Programs
 - Parties Excluded from Federal non-procurement Programs
 - Parties Excluded from Federal Reciprocal Programs
- US Office of the Inspector General
 - Individuals/Entities excluded from Federal Health and Medicare Programs

12. DPL Compliance ...

■ International

□ Canada

- OSFI Consolidated List – Entities
- OSFI Consolidated List – Individuals
- OSFI Warning List
- OCC List of Unauthorized Banks
- Royal Canadian Mounted Police (RCMP) - Wanted

□ Japan

- Japan Foreign End-Users of Concern

□ European Union

- European Union (EU) Council Regulation on Restrictive Measures to Combat Terrorism (Designated Persons, Groups, and Entities)

□ Other

- Politically Exposed Persons in Money Laundering Risk Countries (CIA)
- Interpol Recently Wanted
- United Nations (UN) Consolidated List
- World Bank Listing of Ineligible Firms



13. Implementation Approach

■ CDH – Stand Alone

- Decisions can be made independent of operational system
- Can apply patches when needed
- Implementation cycle not dependant upon operational application

■ CDH – Operational eBusiness Suite

- Reduced Licensing Costs
- Inability to apply patches when needed
- Implementation cycle is influenced by operational needs of other modules
- Modeling impact



14. Data Quality Metrics

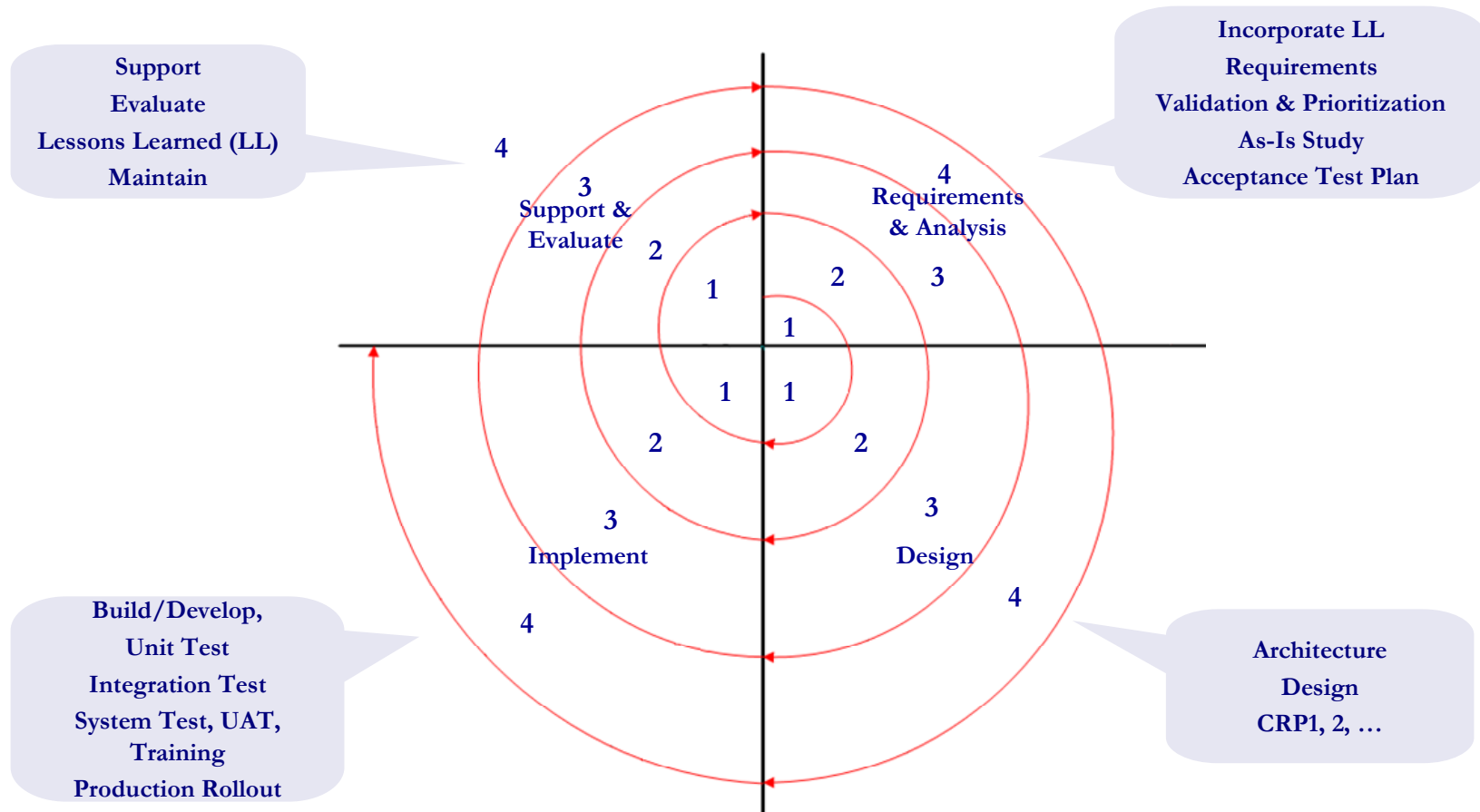
- No CDI initiative will be fully successful, unless
 - Data Quality objectives are set upfront
 - The quality of the initial data is measured
 - The data can be monitored over a period of time to identify the increase in data quality
- The project must include the time and resources for defining Data Quality Metrics, Procedures that facilitate the tracking Data Quality Metrics and reporting of improvement in data quality

15. Hybrid Project Implementation Approach

- Many CDI projects often take years to complete to obtain the vision of 3600 view, if at all one reaches that destination
- Risk of losing executive and/or user support
- Approach the project with global design but phased implementation
- Mature the CDI initiative in an incremental manner



Project Implementation Approach – Spiral Methodology



16. Go beyond Identity Data – In Stages

- Identity data is a must to achieve the single view of the Customer
 - Even then – Bring One source at a time into CDI
- Data for which CDI is also suitable is
 - Account Layer
 - Industry specific information
 - Healthcare
 - Hospital information such as specialties, number of beds, physicians, ...
 - Segmentation
- Make sure that the CDI instance matures over a period of time in multiple phases



17. Data Profiling

- Data Profiling is a must do task
 - Done prior to Conversion
 - Done during earlier stages of Analysis
- Invest in a third party tool to facilitate the data profiling
- Helps in identifying
 - The good data that can be brought over to CDI Application
 - Bad data that can be ignored or fixed prior to conversion
 - Attributes that can be Standardized
 - Identify the data that is misrepresented

18. Enrich Data

- Data enrichment is often necessary step for many businesses
 - D&B data to build hierarchies
- Industry specific content providers
 - Healthcare
 - Verispan
 - Solucient
 - Sherlock
- Multiple providers may be needed often times

19. Data Standardization

- It is important to standardize the data for better data quality
 - Use third party tools for data standardization
 - Or build custom routines to standardize the data prior to or as part of conversion
- Not all tools can help you standardize
 - CDH can not standardize the data
 - But can standardize the data for identifying duplicates only

20. Validate Addresses

- It is critical to validate and standardize the address data to facilitate better duplicate identification
- Use the Vendor whose solution is pre-integrated with the tool (For example – Trillium and First Logic for CDH)



21. Classify, Classify, Classify !!!

- It is important to identify all classification requirements of all consuming applications
- Classify data as many ways as important to the business
- Classify at an appropriate level
 - Party Level classification is not suitable for Account level entities
- Classification will facilitate the better intelligence of numbers such as Sales, Receivables, etc.

22. Analytical Use Cases

- It is important to take into consideration of requirements (in other words use cases) of Business Intelligence and Data warehousing applications, which are downstream applications to CDI application
- Could be as simple as data that is basis for Segmentation
- May Influence other analytical requirements



23. Certify Data

- Provide a means to identify the data that has been reviewed and validated
- Search results should show indicate the certification status of the data
- Various capabilities in tools
 - CDH allows to mark the data with custom defined certification levels and reasons
 - Not all tools have this capability

24. Latest Versions

- The overall MDM is still maturing resulting in change in approaches and functionalities in a product
- The products in this space are rapidly increasing their functionality as well as fixing bugs
- Must upgrade to a latest Version
 - Upgrading to R12 of CDH
 - Latest versions provide new capabilities
 - Business Object level integration vs. granular integration
- Must also apply all latest patches
 - High level of Bugs requiring frequent patch application
 - Spend time upfront in identifying patches in the functionality that you plan to utilize



25. Search UI with robust parameters

- Should be able to query based on all key attributes
- Common perception is to provide key identity attributes
- You should also provide the ability to search based on Source System References
- Ability to filter the result set by source systems
- Role based Search Parameters



CDM SIG – To Become a Member

Do one of

- Send a blank email to cdmsig-subscribe@yahoogroups.com
- Go to CDMSIG Yahoo group at <http://groups.yahoo.com/group/cdmsig> and click on 'Join this Group':
- Or send an email to mmanda@rhaptech.com expressing your interest in becoming CDMSIG member.

You will receive membership application in reply. Upon sending the completed form to mmanda@rhaptech.com, your membership will be enabled.

- Members can post their questions, comments, etc., by sending an email to cdmsig@yahoogroups.com. You will have to become member in order to post to this forum.





QUESTIONS
ANSWERS



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■ <http://www.rhaptech.com/resources.html>