Master Data Governance
Find Out How SAP® Business Suite powered by SAP HANA® Delivers Business Value in Real Time
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Master Data Governance

Keep master data consistent and accurate across your enterprise by using robust data governance functions to create, maintain, and replicate master data. Reliable master data governance helps you to better perform key activities, such as financial consolidation, new product introduction, and supplier onboarding. You can:

- Centrally maintain financial, supplier, customer, material and other master data for consistency across the enterprise
- Benefit from a verifiable audit trail indicating when, why, and by whom master data is changed
- Use prebuilt workflows and user interfaces on proven data models
- Apply, reuse, and integrate existing business logic and infrastructure to validate data
- Replicate master data to SAP and non-SAP systems

By facilitating creation and maintenance of a single point of truth, master data governance supports SAP® Business Suite powered by SAP HANA® software in leading the way to new real-time business practices.
Master Data Governance Across Lines of Business

Because complete and accurate master data is the prerequisite for competitive and agile business operations across all lines of business, putting all relevant stakeholders in the driver's seat is crucial. This means integrating them seamlessly into a data maintenance workflow that is based on responsibilities according to domain expertise, use of business rules, and full process transparency.

Business Practices and Challenges Today

Financial Accounting

When financial master data is spread inconsistently across the enterprise, the amount of manual effort needed to update the data in local financial systems increases. In turn, this not only increases the risk of noncompliance with international financial reporting standards (IFRS), the Sarbanes-Oxley act (SOX), and more, but slows down group closes. CFO's are asking these key questions:
- How can I speed up the financial close through harmonized master data across different systems?
- How can I reduce manual work when updating financial master data and at the same time increase data quality in my multisystem environment?
- How can I efficiently and safely execute and track required changes (that is, who changed what, when, and why)?

Supply Chain and Procurement

In the supply chain, the lack of visibility into suppliers and materials impacts a company's overall performance. Key decision makers are asking questions like:
- How can correct and complete supplier data help me maximize financial benefits (for example, discounts, conditions, and central contracts)?
- How can I get an accurate view of supplies and suppliers (for example, evaluate performance, detect duplicates, and analyze spend) to improve procurement decisions?
- How can I introduce new products faster?

Customer Relations (Marketing, Sales, and Service)

In customer relations, misaligned data compromises all customer-facing transactions. For example, the heads of Sales or Marketing organizations need to answer questions like:
- How can I help ensure that my order-to-cash processes are not disruptive?
- How can I make my marketing campaigns more effective?
Innovation in Detail

When it comes to handling the complexities of master data management while optimizing the current SAP investment, SAP Master Data Governance offers many advantages.

The application provides preconfigured data models, role-based user interfaces, validations, and predefined workflows for the creation and maintenance of central master data. The workflows can be extended with minimal effort, enabling multiple people to add their expertise to the management of complex master data. For example, one person can edit classification information in a material master, and another person can add alternative units of measurement and their conversions.

The workflows also include steps for approval of the changed data. Until approved, the data resides in a staging area that is separate from productive master data. Only after approval is the data posted to the productive master data tables and distributed to all systems that subscribe to these master data changes. This way, SAP Master Data Governance delivers consistent definition, authorization, and replication of data to SAP Business Suite software and non-SAP software systems. Through tracking all changes and approvals, SAP MDG supports compliance and a complete audit trail.

SAP Master Data Governance also provides the flexibility to extend the delivered models or to build completely new master data governance applications based on custom-defined master data models with appropriate workflows, roles, user interfaces, and validations.

Master Data Governance for Financial Data

SAP Master Data Governance:

- Helps Finance organizations speed up financial close
- Enables organizations to centrally create financial data entities and distribute these entities to decentralized systems. This helps to ensure the consistent use of entities across all financial systems – including operational, planning, reporting, and financial consolidation systems
- Provides a collaborative environment in which financial experts can discuss new entities, avoid creating unnecessary entities, and get the complete audit trail for all changes
- Accounts for time requirements for data changes and groups change requests accordingly

Master Data Governance for Supplier Data

SAP Master Data Governance:

- Enables organizations to control and coordinate the complex process of creating and updating supplier data. The process requires different people with different expertise to contribute in the right order and at the right time to ensure timely availability and accuracy of the information
Incorporates a flexible rule-based framework for data validations to help ensure the utmost data quality in the creation process

- Helps to eliminate data redundancy through duplicate detection and merge functions

**Master Data Governance for Material Data**

SAP Master Data Governance:
- Organizes the process of data maintenance across multiple users, helping to ensure that data is complete, consistent, and accurate at the point of creation
- Improves the consistency of product and material master data across the entire business network
- Documents changes along the lifecycle of a material to help ensure compliance
- Enables collaborative and traceable material master data management, providing a single version of material master data for greater efficiency

**MDG for Customer Data**

SAP Master Data Governance:
- Enables companies gain a deeper, richer understanding of their customers based on complete, nonredundant and up-to-date information
- Helps to streamline all customer-bound business transactions, including marketing, sales, and service
- Helps to maximize revenue and profits and facilitates cross-sales opportunities

**Business Innovation with the SAP HANA Platform**

**Better Quality in Master Data Creation**

In master data management, the data creation process typically starts with searching for existing data. The SAP HANA platform accelerates the process by supporting fuzzy search. This permits both free-style Google-like searches (using search terms) as well as attribute-based searches (using dedicated thresholds for each search attribute). For all search hits, SAP HANA calculates a similarity rank and allows the result to be sorted by a weighted score across all attributes. The calculated similarity score speeds identification and sorting of potential duplicates.

**Accelerating Master Data Access**

SAP HANA transforms the process of accessing master data. Because it’s column-based and resides in memory, the SAP HANA database permits access to all different values of a master data attribute (for example, all states in a selected country in all customers’ addresses).
To accomplish this, the SAP HANA database uses a column dictionary that lists all values for an attribute. Each individual database entry points to the dictionary. Because the dictionary resides in memory, information access (that is, a display of all attribute values of all master data) occurs almost instantaneously, and drill down and filtering by attribute values can be performed extremely fast.

**Multiattribute drill down** enables filtering as well as analysis of intrinsic master data structures. For example, you can easily find attribute values that need company-wide harmonization. Let’s assume you find 62 different values in the attribute State for customers in the United States. Because the United States has only 50 states, this reveals spelling mistakes in the attribute values.

This unique approach to master data access (where the system displays only existing attributes and objects) eliminates the guess work inherent in typical data searches because it results in actual data finds – not simply search results. This drill-down search can be combined with fuzzy search (that is, users can enter a search term to filter the entire collection of master data based on similarity thresholds). Users can then drill down and filter all remaining master data by attribute values.

**Road Map and Outlook**

Based on the strong customer demand, SAP plans to continuously drive new functionality in SAP Master Data Governance. This includes plans for several innovations based on SAP HANA (for example, using SAP Master Data Governance with SAP HANA for master data consolidation).

SAP is also planning enhancements in the core areas of data model completion, extensibility, usability, and ease of consumption (for example, user access based on SAP Fiori™ apps).

**Product Landscape Requirements**

Release 7.0 of SAP Master Data Governance can either be installed on top of enhancement package 6 or enhancement package 7 for release 6.0 of the SAP ERP application. If installed on enhancement package 7, SAP Master Data Governance can run with SAP HANA as the primary database.

Regardless of which enhancement package SAP Master Data Governance is installed on, an SAP HANA database can always be used side-by-side with SAP Master Data Governance. In this case, you would set up near-real-time replication of the information from the primary database to the SAP HANA database in order to make use of the information in SAP HANA.

Generally, SAP Master Data Governance can be deployed on top of existing SAP ERP software or deployed as a separate master data hub based on SAP ERP.