

Climb the mountain of your data

Why the future of data management starts now

In the recent years, the term 'Big Data' shifted from being a hype to one of the main important challenges in global business. Even if the idea of Big Data was first mentioned in an article in 1997, it took 15 years until it got the attention it deserves (you can read about the history of Big Data in an article by Forbes [here](#)). But one thing is clear, it will not take another 15 years until Big Data will have an impact on the central processes of businesses.

Mount Everest is the Earth's highest mountain and that will not change for some time. Its peak is nearly 9000m high and grows 4mm every year. Now, imagine the highest mountain of the world would suddenly grow from 9000m to 18000m, just in the next two years. This is exactly the growth rate of our Digital Universe, which the IDC (International Data Corporation) [forecasted](#). Most data is created by consumers, but enterprises are responsible for managing/using 85% of it. In the coming years, the amount of data will also increase by the growth of 'The Internet of Things', especially for global companies. Since 2007, the IDC is publishing the only study to estimate and forecast the amount of digital data created annually – and so far the predictions of these studies are very accurate.

So, what does it mean for our way to make business if the Digital Universe is doubling in size every two years? To come back to Mount Everest, it is up to us to make a simple decision for our future success: "Do you want to climb 9000m today, or wait and take the 18000m tour to the summit?"

The Internet of Things (IoT)

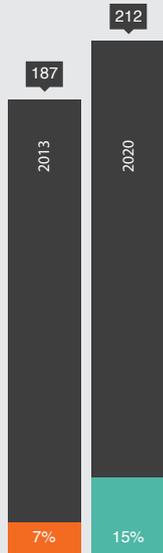
The principle of the 'Internet of Things' is simple: Every electronic device can be modified to connect to the Internet via Wi-Fi. [Gartner says](#), that by 2020 there will be over 26 billion connected devices. The IoT is a huge network, which connects people with people, people with things and things with things, in order to communicate and interact together.



In 2015, there will probably be more bits in our Digital Universe than stars in the physical universe.

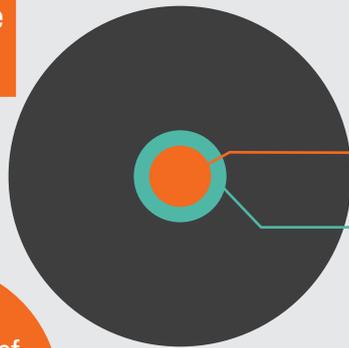
THE INTERNET OF THINGS IS EXPLODING

Mobility is a key driver of the digital universe



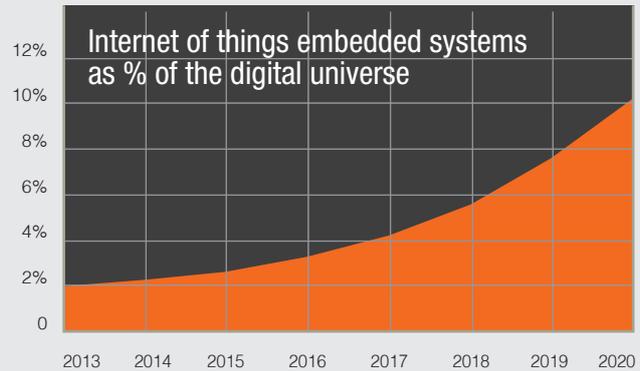
Total number of connectable things (billions)

In 2013, connected things were **7%** of the total. By 2020, that number will grow to **15%**.



Generated by mobile connected things:

- 2014
- 2020
- Rest of the digital universe



THE DIGITAL UNIVERSE OF OPPORTUNITIES, EMC/IDC, 04/2014

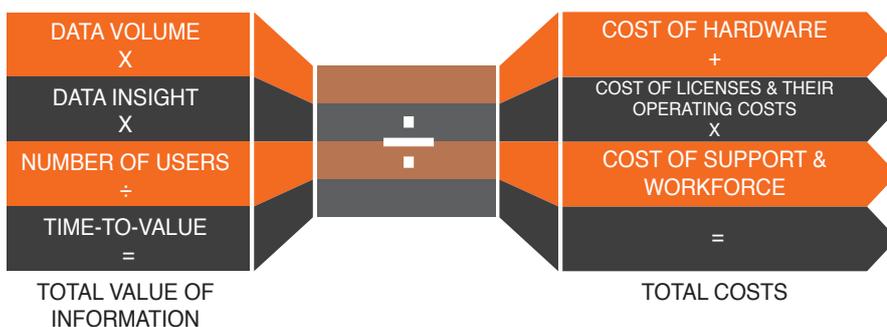
If we think about how we want to manage our data in the future, we can learn something from climbing a mountain:

Step one:

Getting to know the area – then focussing on the summit

Today, companies own a variety of different data, located in different places. In order to fully exploit the potential of this data, it is necessary to bring together all existing data in a first step. Only then, there is a chance to reach the summit and get a 360-degree view of all your corporate assets. Also, only this way the actual Return on Information (ROI) of the company can be determined: The challenge is that the mountain of data is permanently in motion – and so is the summit. It is not enough to

collect all of the company's data in one source, which already is an enormous task in itself. Only if a Master Data Management (MDM) tool/software is implemented – which structures the data, guarantees the correctness of data and enables the company's various departments access to relevant data – the company can generate profits from MDM. And only then the safest way to the summit can be found.



Return on Information (ROI)

The term ROI (Return On Information) refers to the common term "Return On Investment" and describes a method for companies to determine the actual monetary value of their data. The presented method is based on the BITCOM formula and represents only the concept of ROI. Each company must determine for itself how it can measure the specific value of data in detail.

Step two: Minimising calculable risks – identify options in time

While climbing a mountain, you always move between two strategies. On the one hand, there is the major plan, which marks the way to the summit. On the other hand, you must be situationally flexible enough for quick decisions, to be able to sort out unexpected problems and particularly to respond to threats. Regarding the data mountain, today's competitiveness also means some sort of 'real time capability'.

Firstly, master data must be organised in the long term. But it is not just about managing the future data mountain. By working with available, accurate data that is updated in real time, risks can be identified as well as opportunities for corporate governance. Only when MDM can achieve this, the existing data will be strategically valuable. Hardly anything is more flexible and dynamic than data. So if your company wants to remain competitive, the basis for the flexibility and adaptability of the company must be created by using data itself. Especially with regard to customer satisfaction and marketing, enterprises should have a highly pronounced responsiveness today.

The co-benefits of such flexibility are that resources and time can be saved. If, for example, all marketing content is centrally available for the global enterprise, this will prevent that marketing departments of different countries have to do the same job twice.

Step three: Do not underestimate the (data) mountain – know the challenges

It is not enough just to recognise data as a corporate asset, you also have to deal with it accordingly. Therefore, it needs not only IT solutions. Standards, policies and clearly defined decision-making processes are necessary measures in order to establish a future-oriented Master Data Management and to be able to sustainably benefit from it. Such Data Governance is just as important as the MDM software itself is. An aspect, which is often underestimated. According to a [MDM study by PwC International](#) for example, one of the main reasons for lack of master data quality is wrong organised Data Ownership.

For the management of corporate data it is important, that each team member knows his job – just as everyone needs to know what to do while mountaineering. Who is responsible for navigation, who has the resources in mind, who the security? Only if everyone knows and fulfils his function, it is possible to think of data strategy as part of the corporate strategy in a profitable way.

Data Steward

A Data Steward is responsible for the day-to-day business of Data Governance. Depending on company size, a Data Steward may be responsible for the data of a specific department or for the data in general. They help the team implement the policies and procedures in dealing with data. As a consequence, the Data Steward should ensure the quality of the data they are responsible for.

Ready for the journey?

Find out if you have sufficiently considered all the challenges and opportunities of an MDM implementation by using our [checklist](#), and start your journey to the summit today!

About Stibo Systems

Stibo Systems is the global leader in multi-domain Master Data Management (MDM) solutions. Industry leaders rely on Stibo Systems to provide cross-channel consistency by linking product, customer, supplier data and other organisational data. This enables businesses to make more effective decisions, improve sales and build value. During the last 30 years, Stibo Systems has helped leading companies to develop a trusted source of strategic information. A privately held subsidiary of the Stibo A/S group, which was originally founded in 1794, Stibo Systems' corporate headquarters is located in Aarhus, Denmark.

For more information visit www.stibosystems.co.uk