

CUSTOMER MDM

RIVER & LAKE APPROACH

TO ACHIEVING A GREATER CUSTOMER EXPERIENCE

By Thomas Lucey

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The Fundamental Shift – enterprises in the past built growth strategies by looking-out at how product performed, this is now under treat because the power has shifted to the customer and “**experience**” is the new differentiator, “**Outside-Looking-In**” strategies has never been so important ...

Outside-Looking-In Strategy



Customers expect a lot more from financial institutions and they won't wait around to get it

This is how it is ...

In the world we live in ... customers now have the power, tools, resources & time to critically review, compare & select enterprises value propositions, products & services for the best deal

Every day ... customers are reviewing, comparing & selecting but not necessary telling you about it, until it is far too late in the day & they have already left you for some one else

But ... building **Outside-Looking-In** strategies are extremely complex because it's no longer about the product, but rather about the consistent customer experience throughout the value chain, where experiences are vaguely specified for actionable outcomes & direction strategies

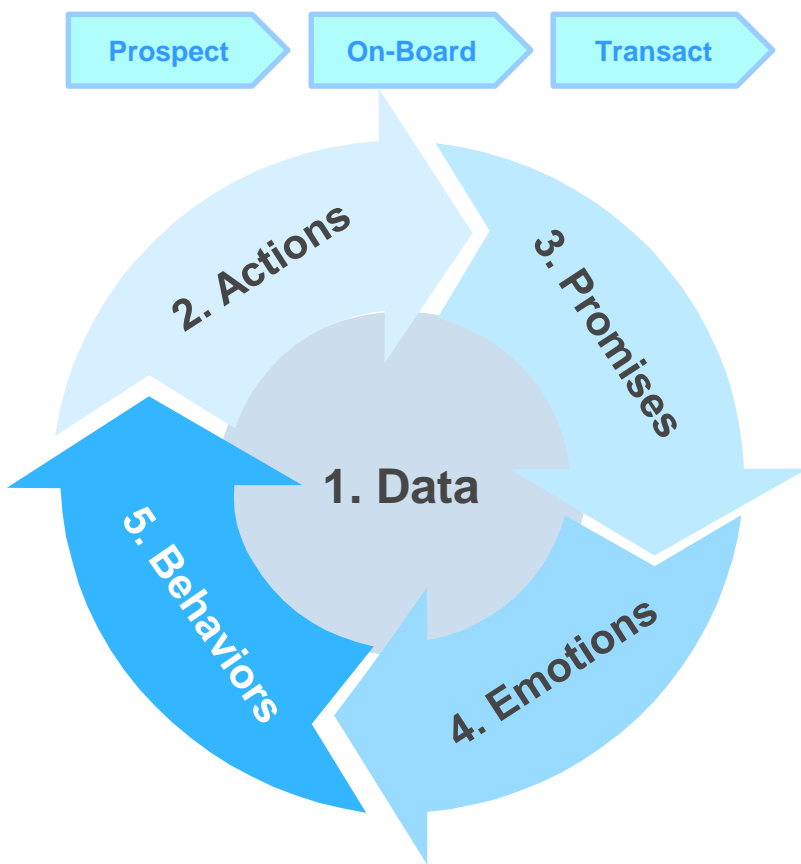
So... if you approach the **Outside-Looking-In** strategies working backwards from experience promises to journeys to actions & then to data you will ensure a structured & effective execution path through all this customer & intermediary channel & interaction complexity

This way ... you strategy will have a specified **experience** outcome delivered by a **promise** at a particular **journey** point and with it the business **action** and **data** requirement to avoid any over reach

Don't forget ... strategy is not a strategy until it is implemented and organisational cultural of the enterprise is adequately transformed and continuously improved over time

... So what is a **Customer Experience** – it is the emotional outcome of **DATA** enabled actions aimed at fulfilling customer promises that in turn determines customer behaviour towards your products, your brands and your people

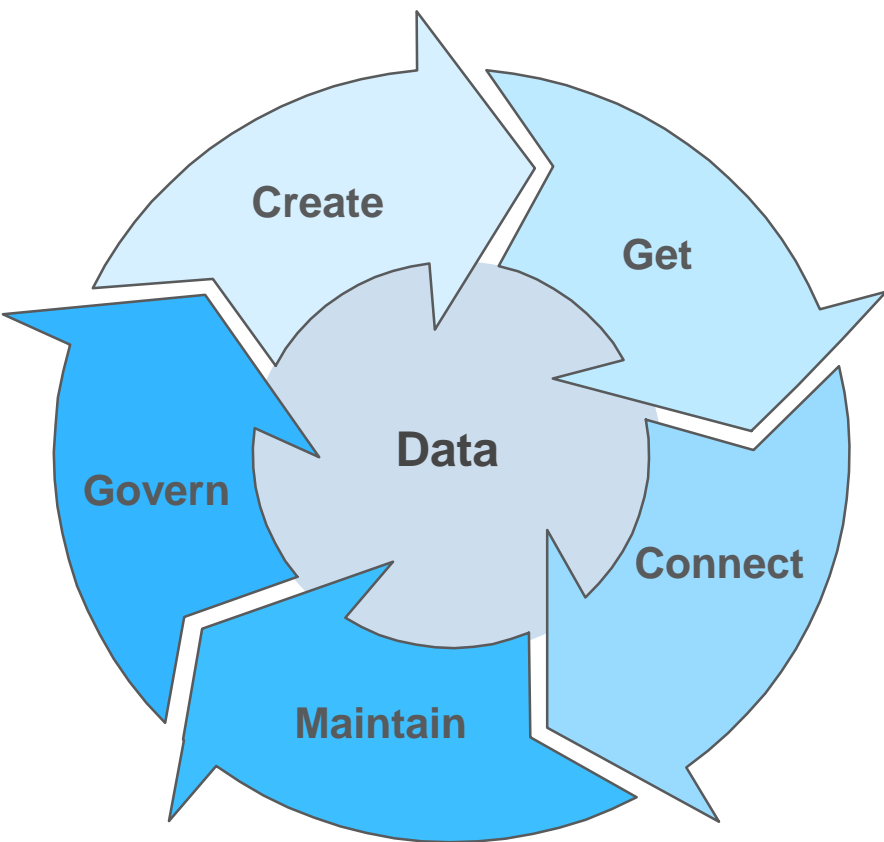
High Level Customer Journey



1. **Experience**; effectively utilising create connect & govern master data capabilities to differentiate value in the form of know me and self serve options through out each journey, allowing customers to own the interaction relationship
2. **Digital**; exposing business processes and the associated created connected & governed data (e.g. prospects, customers & brokers) in real time for them to navigate & execute their respective banking and channel journeys
3. **Compliance**; creating unique party ID and connecting it to roles (e.g. prospects & customers) and transactions (e.g. arrangements, channels, consent & preferences) to manage master & metadata exposure
4. **Risk Management**; connecting commercial customer entities to formal organisational structures to understand full extent of the bank's risk exposure
5. **Marketing**; connecting existing customers with prospects or lead lists (de-duplicating) to avoid counterproductive target marketing campaigns

Note - Customer Experience; is not one off action but rather a continuum of business activities necessary to drive business success

Problem – weaknesses in all areas of customer data mastering lifecycle from creating to searching, connecting, maintaining and governing



- 1. Created;** *Not correctly capturing or not capturing enough of data attributes up front or down stream to support retail & wholesale customer complete journey set*
 - Create process not standardised across the group*
 - Create standard service is not used across the group*
- 2. Get;** *Not maximising a search (get) function before new customer records are created*
 - Get process not standardised across the group*
 - Get standard service is not used across the group*
- 3. Connect;** *existing match rates are sitting around 80% which means the data ownership is distributed among all of the product core systems and not centralised*
 - Heavy reliant on internal knowledge to perfect matching*
 - Knowledge drain*
- 4. Maintain;** *data maintenance is carried out sporadically and ad hoc using non joined teams and processes*
- 5. Govern;** *Not controlling the quality levels of all of the data attributes required to enable positive customer journeys. Data capture governance is not automated and imbedded into the create, get, connect & maintain business process.*

Business Goal – Maximise the utility of the customer data assets for prospect & customer behaviour influencing as well as continuous prospect & customer omni-channel & device journey experiences

1. As a Customer

I want to always be re-organised and understood as I interact with you or your group of companies / brands irrespective of my role, channel or device circumstance

So I have the freedom to interact how & when I choose and can maintain a continuous & relevant omni customer role channel & device conversation

In Order To have a partner who can deliver to my individual lifestyle or business circumstances

2. As A Business

I want to give customers, brokers, distributors and partners a seamless & integrated omni device / channel / system (e.g. CRM) experience as they interact with me

So it is easy for everyone to business with each other

In Order To increase customer connection attraction, retention efficiency & effectiveness as well as increase customer experience, satisfaction & advocacy ratings

3. As a Technologist

I want a future proof, containable, scalable, Interoperable, low latency, always on, n-1 mission critical customer data mastering asset

So I can evolve mastering technology at the rate best practice change while remaining in control of my mastering technology costs

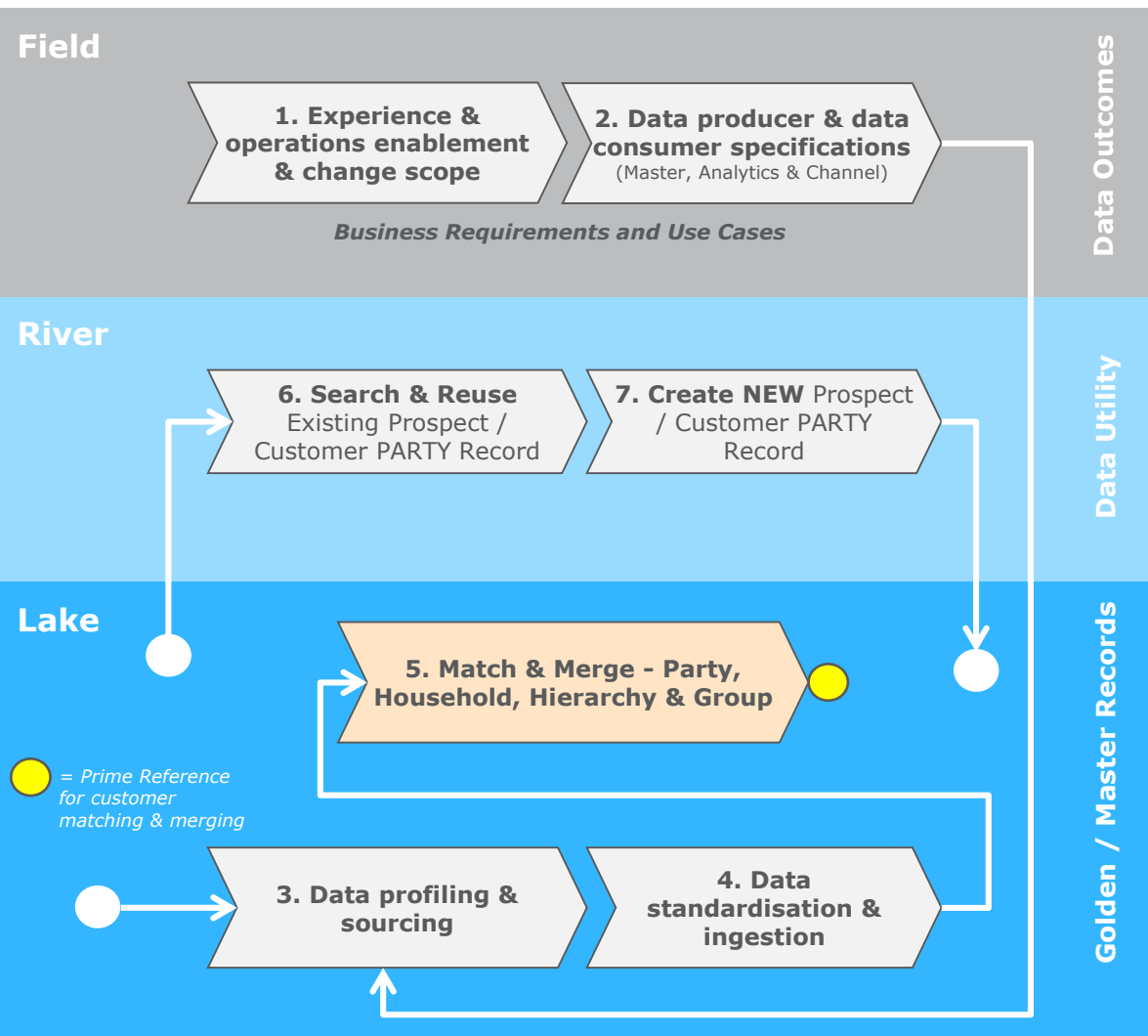
In Order To aligned to the Customer Digital & Experience evolution

Recommendations – Adopt a SMART customer data mastering strategy

1. Deploy and embed a holistic customer data mastering process within the business processes that will encourage / enable the enterprise to remediate & standardise customer data beginning up stream at the system of record and ending at the customer data system of consumption
2. Deploy fully integrated “n-1” Information Management ecosystem that is on a solid evolution path by being cloud compatible and will provide information management features that are seamless and in real-time to the end user, and are enabled through an Omni channel / device interfaces
3. Put in place an operating model that concentrates data integrity & governance accountability to where it is best accomplished

Customer Data Mastering Process – sets out correct sequence of activities to be performed in order to successfully master customer data within the Banks complex system landscape

Data Mastering Level 2 Process



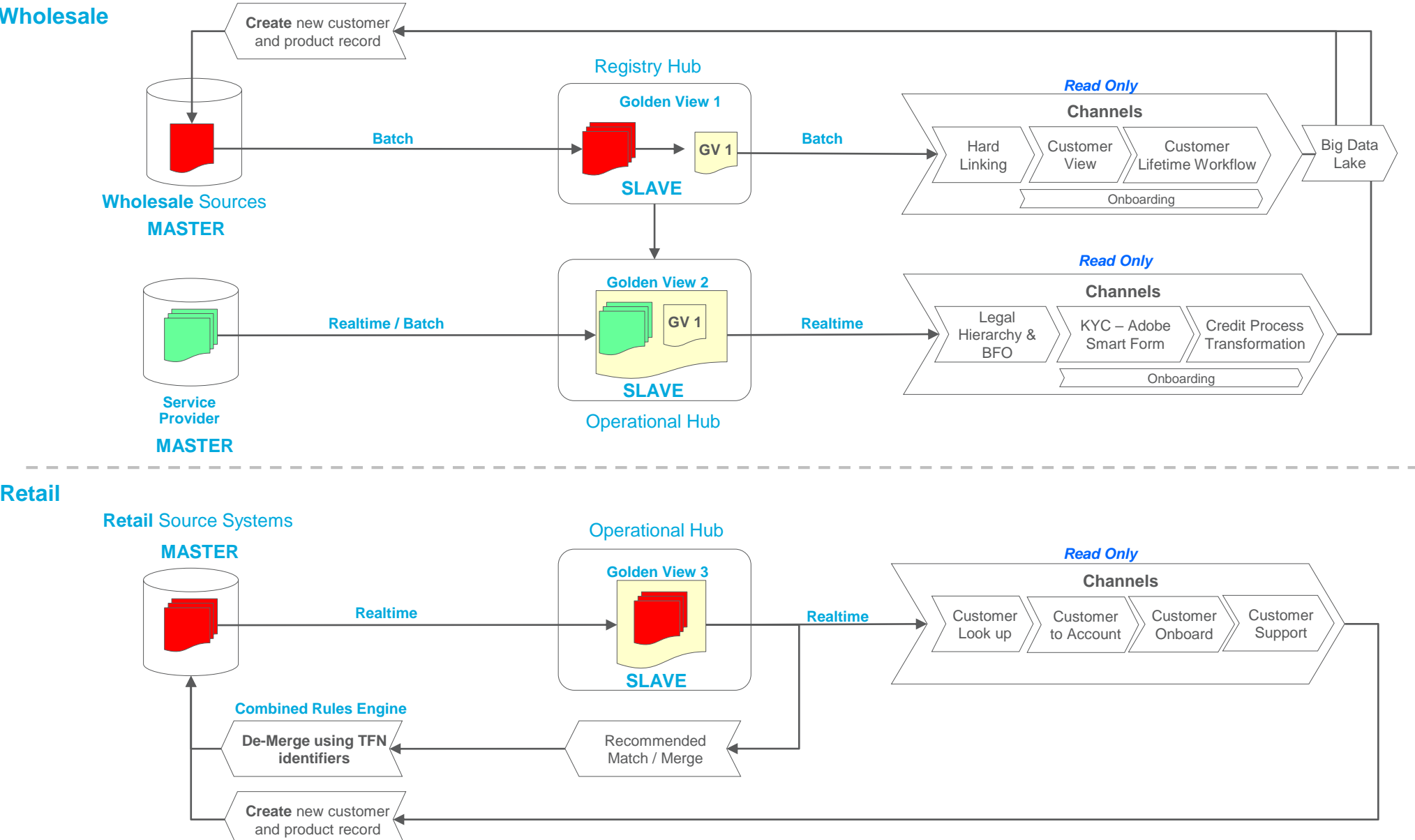
Guiding Principals

- **Field** – Establish & plan the current & future data scope to be mastered within a customer experience & operations context
 1. Clear Customer Experience and Business Operations scope, benefits and downstream expected change
 2. Aligned data mastering, data analytics and interaction channel data consuming and producing scope

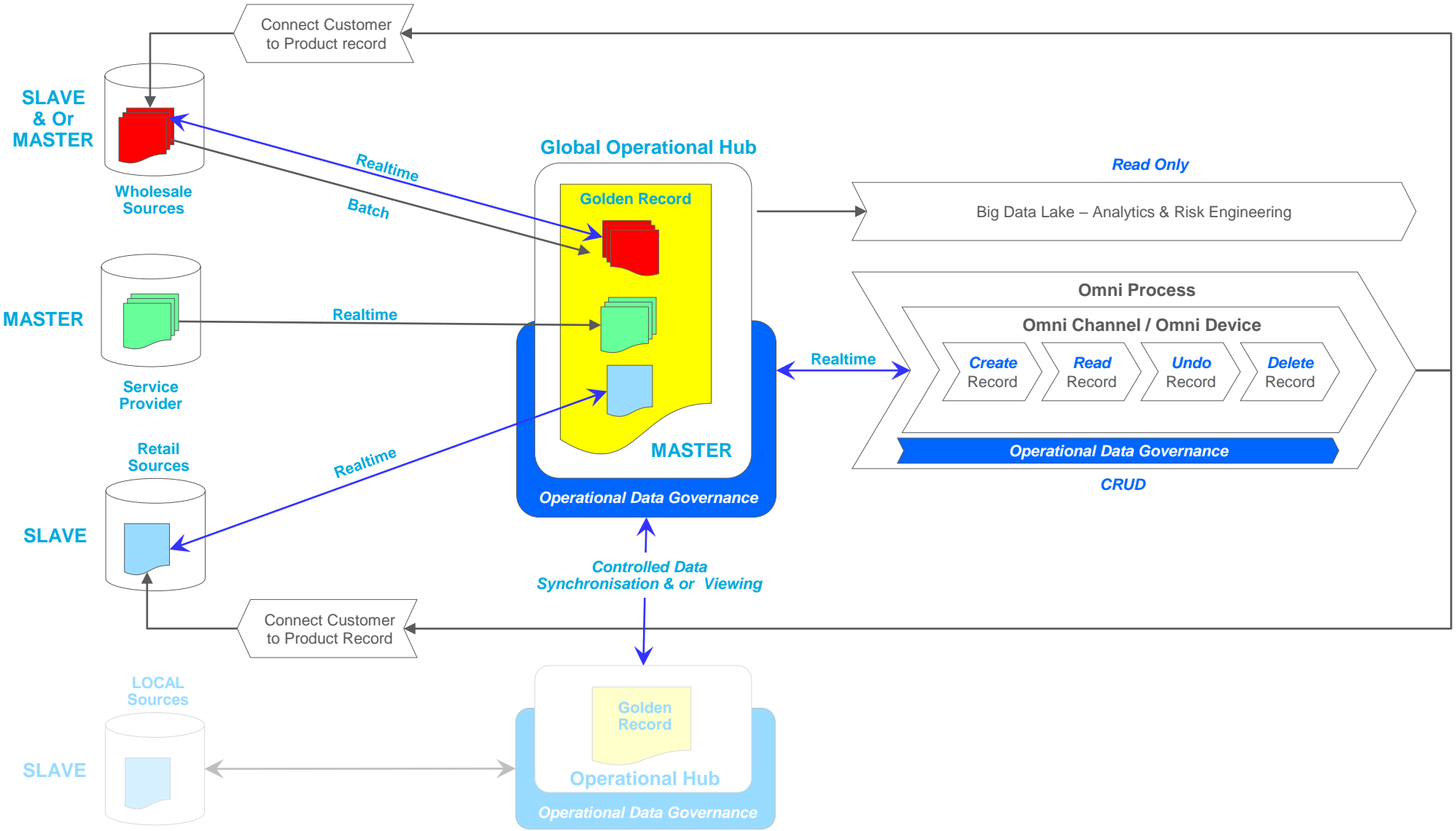
- **River** – Utilise customer golden record along multiple journeys, processes and systems without creating duplicate records
 1. Utilise the golden record for transact with prospects & customers, while connecting the unique & non-volatile ID to each interaction channel and transaction process
 2. Compulsory golden record LAKE search before prospect / customer and or broker onboarding to omit record duplication

- **Lake** – Transfer data ownership and accountability from source systems to a central hub where seamless & integrated mastering process is applied
 1. Understanding the condition of data at each source so data completeness and correctness actions can be deployed
 2. Standardising and transforming data attributes to conform with a PARTY data model & ROLE construct and ingest the data into the MDM system
 3. Connect common records to Parties, Households, Corporate Hierarchies and pre defined Groups. Merge records into an overarching Golden Record and then synchronise the golden record back into the source system

Current State – two separate Wholesale and Retail MDM silos providing the business with read only features



Target State – Single GLOBAL Operational Hub with a LOCAL Virtual Hub as an Exception to resolve strict Data Sovereignty requirements



Virtual / Local Hub by Exception - Local Data Sovereignty Requirement

Key Lessons Learned

1. There is no point in having excellent customer data integrity and not have a plan or a strategy to maximise its value
2. Measure the effect of the business problem early in the form of a Data Quality Score as the catharsis for change
3. C Level sponsorship and accountability with solid data integrity KPI's
4. Do not expect the business to know enough about data mastering to articulate a business requirement
5. Everyone focuses on matching rules and not on source data profiling and data standardisation
6. Focus on data mastering processes before making decisions on data mastering tooling
7. Achieve smaller successes that are referenceable as opposed to major MDM transformation programs
8. Operational Data Governance is very complex and is always pushed out
9. MDM on its own will not deliver real benefits without being integrated to channels & supported by analytics
10. Engage Data Councils and Data Stewardship when the MDM Asset is established and is producing outputs
11. Align the MDM Platform as close as possible to the vendors evolution path to evolve with the vendor
12. Customer Master Data Management does not need to be a Bank or an Insurance company core competency

Thomas Lucey's Profile



Managing Director of TLC Intelligent Solutions
Executive Consultant,

Thomas is a qualified Management Consultant and talented business strategist with over 20 years' experience in business strategy development within the areas of Enterprise Resource Planning (ERP) Master Data Management (MDM) and Customer Relationship Management CRM). Thomas has been leading ERP MDM & CRM consulting projects for multinational clients across the Financial Services Sectors as well as Manufacturing and Oil & Gas industries within Europe and Australia.

Thomas's track record in both business and IT has resulted in him successfully supporting companies achieve great results in solution adoption by playing a key role as the conduit between business and IT from Strategy development to Solution implementation

Key Strengths

- Developed a cross-industry customer & distributor management framework that evaluates value-propositions, business capabilities and management structures against enterprise strategic goals
- Strong leader and can **communicate** throughout the management hierarchy while working well with ambiguity & complex environments
- Understands the underlying need for change & identifies identifying change agents
- Able to think conceptually and out of the box while remaining focused on the task at hand
- Determines the exact requirements needed to make the change happen
- Demonstrates focus and determination in achieving results
- Working with solution providers during service purchasing and contract negotiating

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