

# Global Conglomerate Case Study



## Getting Ahead of Data Governance

### Background

Founded in the European iron and steel industry in 1836, **Schneider Electric** today is a global conglomerate specializing in electricity and automation management. Through a series of strategic acquisitions, the company has grown and transformed itself into a leader in energy management with over 140,000 employees operating in more than 100 countries with sales in excess of €24 billion in 2012.

After almost 180 years of history and over 90 years of acquisitions, however, Schneider Electric's customer data, like that of many large, global enterprises, was fragmented across numerous disparate systems, impacting the company's ability to establish a unified view of the customer and limiting its ability to cross-sell across business lines. The company sought to address these issues with a Salesforce automation project, which they termed Bridge Front Office (bFO)

During implementation of this project, a number of data-related issues surfaced and still others were created as a direct result of the project. While many instances of inconsistent and incomplete records were uncovered—50 to 60% of the data being migrated to bFO had issues—the data migration process itself resulted in widespread account duplication. The extent of the duplication varied from country to country but averaged 10 to 20% of total records—during U.S. deployment alone, 30,000 records out of 100,000 were duplicated. Moreover, identifying the true "master" record among duplicates posed a significant challenge as no clear rules existed for its determination. Re-work to address and fix these data issues was time-consuming, occupying 40 to 50% of total time spent working on bFO. Compliance-related concerns surfaced, as well.

In attempting to resolve the data issues, it became evident that there was no clear data owner across the customer domain, as well as a lack of clear and consistent Data Governance rules and guidelines to globally manage the lifecycle of the customer data across the enterprise.

Schneider Electric realized that these issues were having a measurable impact on its business operations.



*First San Francisco Partners delivered a Data Governance Operating Model that brought together the global stakeholders of the customer data, creating a virtual Data Governance working group.*

*- Mark Nadeau, Director of Data Governance, Schneider Electric*

# Global Marketing Steps up to the Challenge

Schneider Electric's Global Marketing (SEGM) group, the unit ultimately tasked with ownership of customer data, recognized that the company needed a Master Data Management (MDM) solution along with a more formal Data Governance program. Specifically, they sought to improve their global customer data management policies and practices to:



Ensure the successful design, planning and deployment of new projects



Address compliance-related concerns



Establish accountability and responsibility for identifying and implementing these policies and practices



Manage customer data as an enterprise asset

The SEGM team knew they needed expertise in global Data Governance programs and master data architectures. It was at this point that the group enlisted the help of First San Francisco Partners.

## Enter First San Francisco Partners

First San Francisco Partners (FSFP) was initially tasked with analyzing Schneider Electric's current data and business environment and preparing recommendations for an MDM solution and a Data Governance program with a focus on customer data. Schneider Electric management subsequently requested that the derived governance model be portable to other areas of the company. Management also asked FSFP to develop MDM requirements for the development of a "next generation" Customer Master Data Hub.

Over the course of several weeks, FSFP conducted structured interviews with business and IT stakeholders and assessed Schneider Electric's current data practices, business policies and processes, technology architecture and data management capabilities. FSFP also compared their findings to industry best practices and identified gaps to the desired future state.

### FSFP's assessment revealed the following key points:

- Although some Data Governance structure was in place at Schneider Electric, it was in its infancy—it was disjointed and lacked common language and this made the program much less productive than it could be.
- Schneider Electric was a consensus-driven organization that appreciated diverse viewpoints which, in turn, stimulated well-founded decision making. As such, it was clear that Data Governance and MDM would be best addressed on an incremental basis to support new initiatives within a virtual and cross-functional governance model.
- Throughout the organization, there was a perception that Data Governance was essential for providing rules for data utilization and dispute resolution, management of the customer lifecycle across processes and the capability to limit and control duplicate records (specifically within customer information).



# FSFP's Assessment Revealed the Following Key Points, cont.

- The current state of customer information—inaccurate, incomplete, and often conflicting—had hindered customer satisfaction and created internal frustration by not providing a holistic view of the customer.
- The bFO program was capturing customer information from multiple global sources, but it did not contain the entire set of customer data and this was impacting customer satisfaction and loyalty.
- There were a number of different viewpoints relating to data entity/attribute definitions across the enterprise which meant Schneider Electric needed to address taxonomies and business rules surrounding data (e.g., What is a “customer,” and how does one relate to distributors, wholesalers and other company types?).
- Overall, data accuracy, consistency and completeness issues were negatively impacting the organization.

Upon completion of the analysis phase, FSFP developed a **Data Governance Operating Model** that established a virtual working group comprised of key stakeholders of Schneider Electric's customer data. The Operating Model also identified a single owner for customer data and customer Data Governance to ensure both the success of the program and accountability for consistent, high-quality customer data. In this way, the diverse customer data complexities of the global, geographically distributed company could be aggregated and addressed by a single, unified Data Governance approach.

## The establishment of the Customer Data Governance Program enabled:



Improved prioritization of data issues in the bFO implementation



Consistent data clean-up and data management activities for customer data



Optimization of limited resources by streamlining data processes



Greater alignment of business and IT goals

The newly formed **Data Governance** team also provided a forum for socializing the newly documented MDM requirements. The cross-functional team, lead by a strong Data Governance Director, was able to discuss, prioritize and approve the requirements to upgrade the existing customer MDM solution to provide more value to the business processes.

## DATA GOVERNANCE

### Change Management

- Business Impact & Readiness
- IT Operations & Readiness
- Training & Awareness
- Stakeholder Management & Communication
- Defining Ownership & Accountability

### Strategy

- Vision & Mission
- Objectives & Goals
- Alignment w/Business Strategy
- Guiding Principles

### Organization

- Operating Model
- Arbiters & Escalation Points
- Data Gov. Organization Members
- Roles & Responsibilities
- Data Ownership & Accountability

### Policies, Processes & Standards

- Policies & Rules
- Processes
- Controls
- Data Standards & Definitions
- Metadata, Taxonomy, Cataloging and Classification

### Measurement & Monitoring

- Statistics & Analysis
- Tracking of Progress
- Monitoring of Issues
- Continuous Improvement
- Score-carding

### Technology

- Collaboration & Info. Life Cycle Tools
- Data Mastering & Sharing
- Data Architecture & Security
- Data Quality & Stewardship Workflow
- Metadata Repository

### Communication

- Communication Plan
- Mass Communication
- Individual Updates
- Mechanisms
- Training Strategy



## Summary

Establishing a Data Governance program is challenging to any large company and Schneider Electric was no exception. With a significant global presence and offices throughout the U.S., Europe and Asia, Schneider Electric was faced with not only language and time zone differences but also conflicting holiday schedules. This created delays in addressing customer data issues. Taking the initiative, the Schneider Electric Global Marketing team brought in the guidance needed to create a plan that would enable them to effectively manage and govern data across the company. With the establishment of a Customer Data Governance Program and the identification of a global Customer Data Governance Lead, the Schneider Electric Global Marketing group lead the way in improving the quality of customer data and realizing the ultimate value of the Bridge Front Office Program.

- ✓ **Established Customer Data Governance Program and identified global Customer Data Governance Lead**
- ✓ **Improved the quality of customer data**



For more information on **First San Francisco Partners** and our data governance, data management, and other capabilities – and our work with other industry-leading global conglomerate clients – call 888-612-9879 or email [gregg@firstsanfranciscopartners.com](mailto:gregg@firstsanfranciscopartners.com)



### About the Author

Kelle is Founder and CEO of First San Francisco Partners. A veteran leader and accomplished advisor in the information management sector, as well as a speaker and author, Kelle is passionate about helping organizations apply data and intelligence to gain a true competitive advantage.