IBM InfoSphere MDM Reference Data Management Hub for banking and financial services

Highlights

- Manage the increasing proliferation of code tables within the enterprise by using a master data management approach

- Streamline the acquisition and incorporation of reference data in applications through centralized maintenance and publication

- Reduce business risk through governance processes, security and audit controls

- Improve business agility and effectiveness by enabling business users to manage and change reference data, thus reducing workload for IT departments

- Decrease the high maintenance costs associated with siloed reference data by upgrading to a centralized data management model

Banks, insurers and other financial services organizations are under pressure to comply with increasingly rigorous standards for data accuracy, security and provenance. At the same time, their executives require more accurate business intelligence (BI) and reporting to drive key decisions.

Huge strides have been made in establishing better practices for addressing the provenance and integrity of key business data—including customer, product and account information—but code table reference data continues to be a major source of data quality problems within financial services organizations. The IBM® InfoSphere® Master Data Management (MDM) Reference Data Management Hub addresses this challenge with a centralized, intuitive approach to reference data management.

Define the reference data challenge

Reference data—which may include country, currency, state and standard industrial classification (SIC) codes—is data that is used to classify other data.

As the overall amount of information in today's financial and business market continues to rise, the amount of reference data that an organization must handle grows along with it. Code tables for reference data exist in every enterprise application, and each can have its own set of values and its own way of representing the codes.

Traditionally, financial institutions relied on manual or ad hoc methods (such as spreadsheets and other rudimentary custom-built applications) to maintain and update reference data and reconcile variations within it. However, the processes are inherently error-prone, resulting in reference data values, mappings and relationships that are out of sync across enterprise applications.

When reference data is out of sync, data integration can break down, and IT departments must constantly be on point to react to any possible failures. If application data is mapped to the wrong reference data categories in the data warehouse, internal and external reports will be inaccurate and BI analyses may be incomplete or incorrect. These problems can lead to badly informed decision making at the executive level. As a result, IT departments face an increasing burden to keep in-house data up to date with reference data and in sync between applications so it can be used and analyzed effectively.

Ad hoc approaches to managing reference data also make it difficult to enforce security and policies, while complicating the process of figuring out who has made what changes to the data and why. Without accurate reporting, organizations face increased business risk and liability related to auditing and regulatory compliance.

Streamline reference data management with an MDM approach

MDM has become a de facto best practice within banking and financial services. Organizations use it to provide a single trusted view of customers, products, accounts and other entities critical to financial and business operations. The same MDM approach can be applied to reference data, enabling centralized governance and stewardship that helps ensure the quality of data used for enterprise business processes and reporting.

InfoSphere MDM Reference Data Management Hub is a purpose-built reference data solution that offers an MDM approach to managing reference data. It extends the IBM InfoSphere MDM portfolio with a ready-to-run hub and stewardship application that incorporates role-based user interfaces and supports complex structures within reference data.

IBM leverages proven MDM technology and services to centralize the stewardship, auditing, security and life-cycle processes for reference data management and distribution to systems that require it. This can result in fewer manual errors and reduced business risk. Locating data centrally also helps reduce the costs associated with data silos and drives more efficient business processes.

Simplify management of industry standards

InfoSphere MDM Reference Data Management Hub supports advanced mapping scenarios, capturing the complex relationships between the different reference data standards common within the financial services sector. It also supports the mapping and translation of external reference data sets provided by standards bodies.

For example, with industry classification codes, European banks are often required to support local reporting within a country of operation using one version of the Statistical Classification of Economic Activities in the European Community (NACE) standard, while reporting at the corporate level using a different version of the standard. A global bank may also need to map reference data between different versions of North American Industry Classification System (NAICS) codes, as well as map NAICS to both SIC and NACE codes. By managing the ongoing reconciliation and mapping between different versions of the standards with InfoSphere MDM Reference Data Management Hub, banks remove the need to handle those processes manually with phones, spreadsheets and email—which also reduces the opportunity to introduce errors.

Centralize reference data management and distribution across the enterprise

InfoSphere MDM Reference Data Management Hub centralizes audit, security, search functions and workflow processes that are linked to reference data management and distribution—all while maintaining mappings among different application-specific representations of reference

data used within the enterprise. This includes mapping the reference data codes necessary for loading data into data warehouses. Furthermore, the platform fully integrates with the IBM Business Glossary and the broader portfolio of IBM information management products.

The platform also supports versioning and life-cycle management for reference data sets and mappings. To help reduce the workload for IT departments, it uses role-based user interfaces for the review, approval and publication of data changes. Placing management of reference data into the hands of business users not only relieves the burden on IT but also improves the overall quality of data used across the organization.

Take a smarter approach to reference data management for banking and financial services

The journey to sustainable banking and financial services systems starts with a smarter approach to managing and sharing reference data. InfoSphere MDM Reference Data Management Hub delivers a way to manage reference data that helps stakeholders connect and share reference data accurately, securely and cost-effectively. It provides a single, unified, trusted version of the truth for sharing and reconciling reference data information across the entire enterprise—ultimately helping banking and financial services organizations maintain higher data quality for streamlined compliance and enhanced business processes.

For more information

To learn more about InfoSphere MDM Reference Data Management Hub, please contact your IBM representative or visit: **ibm.com**/software/data/infosphere/mdm/ reference-data-management-hub

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