

# Master Data Management, Data Quality and Validation

## Data & Analytics

FTI Consulting has extensive experience helping clients solve complex data quality challenges that occur due to historical mergers and acquisitions, technology migrations, siloed business units, employee turnover and lack of reliable documentation. Companies must understand their data and ensure its consistency, accuracy, completeness and availability across their ecosystem to efficiently operate, maximize impact and effectively protect against security and regulatory concerns. We help our clients to better manage their data by implementing Master Data Management (“MDM”) programs, performing data quality assessments and identifying opportunities to improve and automate the data validation process.

While data is typically maintained by a handful of teams or individuals within a company, the consumption and application of data reaches far and wide within any organization. Increasingly, ensuring data quality is more challenging given the volume and disparate nature of data managed by organizations. As they rely more on data to derive accurate insights and make sound decisions, ensuring data quality becomes a critical imperative.

Strong stewardship to create and maintain high quality data needs to be complemented with robust processes that are updated as the business evolves to maintain high standards of data quality. Systems and tools need to be updated as technology and businesses evolve over time. Data quality assessments and timely data validation mechanisms provide confidence that data integrity is retained during any kind of business transition. Standardized, consistent, accurate and well-protected data enhances decision-making and corporate governance, while enabling superior privacy controls and protection from security risks.

### Our Approach to MDM, Data Quality & Validation

**Data Stewardship:** To fully comprehend the impact and reach of data and establish a strong data stewardship program, the first step is to bring together key stakeholders from the business, IT, Legal and Privacy. These stakeholders should work together to develop a data governance plan that meets the needs of the organization. To ensure effective data management, it is important to identify the executive steering committee and functional leads who will be responsible for overseeing the process. Our team can assist the executive steering committee in creating a blueprint and setting the overall direction for data governance, technology assessment (selecting existing vs. off-the-shelf vs. customized options) and working with the functional leads in developing and implementing processes within their respective areas.

We understand that in addition to an active and well-represented data stewardship program, developing well-defined processes is critical for sustained success. These processes include reviewing scope, estimating resources, establishing communication

channels, setting project tracking mechanisms, prioritizing tasks and assessing the impact of data management on various aspects of the business. Our experts help companies establish a regular cadence of communication and review to keep the data stewardship process in alignment with business goals and objectives while also adapting to changes in the business environment. Overall, effective data stewardship requires a proactive and collaborative approach that involves stakeholders from across the organization.

**Data Assessment and Validation:** Assessing the current state of data provides an understanding of current strengths and opportunities to further enhance the quality of data. Our team creates a structured approach to review the quality of data by focusing on attributes and entity levels. We conduct hierarchy-level reviews to ensure that data values are congruent across the workflow logic and develop automated processes to keep hierarchies evergreen. We also assist clients in performing what-if analysis to identify efficiencies, helping them implement changes and validating that the changes are capturing efficiencies as expected. Our five-step approach to data validation includes:

1. Assess scope and understanding of business processes. Review and/or develop mapping between the environments where the data currently exists and the future state.
2. Secure a testing environment and establish connectivity to facilitate testing processes.
3. Develop automation scripts, using a combination of tools such as Python and SQL to automate the data download and upload into the testing environment.
4. Develop testing plans by defining acceptable thresholds and automating scripts to evaluate completeness and accuracy of data. Our team reviews these plans with the relevant business functions and obtains buy-in from stakeholders.
5. Perform the tests and document results to evaluate the data migration process. We present the testing results to stakeholders, address discrepancies and document the final outcomes.



**Single Source of Truth (Golden Records):** Once the quality of data is assessed and data is validated, the next step is to create a standard, consistent and accurate version of the data. We help our clients identify and retain active data while removing obsolete data. Duplicate data across multiple entities and business processes poses a significant threat to standardization and maintenance. Deduplication, hierarchy and taxonomy go hand-in-hand to ensure data is available across multiple functional areas. Our team has experience creating custom text analytics packages to automate data deduplication and update data hierarchy. We can also develop analytics tools to compare data across systems to enrich the master data and to make further determination on streamlining data within the organization. These custom packages work with existing relational databases to improve efficiency and accuracy and reduce errors. We produce strong documentation of data processes that is used to develop and enhance standard operating processes and data dictionaries, ensuring that “Golden Records” (clean, deduplicated and streamlined data) are created and sustainably maintained.

## — WHY FTI CONSULTING?

We are a team of technologists and data science professionals that draws on years of experience in highly regulated industries to advise clients on how to best manage their data. As the regulatory landscape continues to change, we deliver solutions flexible enough to scale and adjust based on emerging data privacy laws, regulatory scrutiny, technical advancement, and digital transformation. We also understand that data can be a profit center and differentiator, if handled properly.

FTI Consulting offers a full suite of capabilities including program design, strategic assessments, data classification, automation, data management and validation, and the development of tailored technical solutions. Our focus is to operationalize Data Governance within an organization to unlock the full value of its data. We take a technology-driven approach to keep Data Governance initiatives current, with a focus on solutions that can be continually managed with demands on personnel.



### CASE STUDY

## BUILDING DATA RELIABILITY FOR HOSPITALITY CLIENT

A multinational hospitality company was struggling with data quality issues across several departments. There was no “single source of the truth” data set, which resulted in data integrity and reliability issues across the organization. Accounting and finance personnel spent most of their time consolidating and verifying data rather than performing value-added analysis. As the company managed a massive systems implementation project, the client project team lacked the technical expertise to build an automated data reconciliation tool, requiring a manual and inefficient process to identify, research and resolve data integrity issues between source and target systems.

FTI Consulting developed an auditable and sustainable approach that leveraged our technology expertise to replace a flawed process that relied heavily on spreadsheets and a 24-hour cycle to produce updated data for review. Our knowledge of the data and systems combined with our technical expertise enabled us to gain the trust of several stakeholders from more than a dozen functional groups throughout the company. We performed multiple reconciliations of complex financial and operational data at the base level of numerous source data systems (general ledger, consolidation, reporting and budgeting/forecasting) to ensure valid results in the target systems. Given our team’s reconciliation role and understanding of underlying data, the client sought out advice on implementation planning, hierarchy of accounts and other elements, report design and resolving inconsistencies across stakeholder groups.



**CASE STUDY**

**SUPPORTING ACQUISITIONS FOR CUSTOMER SERVICE CLIENT**

At a fast-paced customer service business, the sales and service cycle required customer details to be either accessed or entered in real-time to quickly process orders with the customer on the phone. Due to the need for speed, the business deprioritized rigor around entering and maintaining customer records. The company expanded quickly through acquisitions and integrating newly acquired customer records proved to be a significant challenge, requiring the assistance of FTI Consulting.

We identified and extracted about 400,000 master customer records and analyzed all of them to identify inactive, duplicate and potentially invalid customers by using a series of tests to detect recent revenue activity, accounts receivable balances, possible name and address matches based on text analytics, candidates for parent-child relationships, invalid data types and disagreeing relational data fields. Our team presented customer analysis results to business stakeholders in an easily digestible flow chart format including recommended changes. Upon approval, we facilitated updates to customer master records with the client’s IT team. Using learnings developed during analysis and review of common issues, we recommended governance procedures to maintain customer data integrity while respecting the need to quickly access and edit customer details during the sales process. Leaner, more accurate customer data enabled customer analytics and targeted collections activity that lowered Days Sales Outstanding by 30 percent.

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