Single Source of Truth Benefits for Data Management



The modern global economy is enormous, complex, and increasingly driven by business intelligence drawn from analysis of the seemingly infinite data streams produced by, well, doing business.

And for Chief Financial Officers (CFOs), their finance teams, and other financial professionals looking to optimize their business decisions through effective data management, mastering concepts such as *single source of truth* (SSOT) is essential.

Organizing information systems can be a challenge for even seasoned professionals.

But with a thorough understanding of core concepts such as a single source of truth, it's possible to craft a data management strategy that breaks free from outdated paradigms and provides your stakeholders with the clean, complete, and readily accessible data they need to make strategic and timely business decisions.

What Is a Single Source of Truth (SSOT)?

As with many other business processes, your company's approach to data management provides more value and savings when it's well optimized.

In this case, the value comes from easier access to data—which is also more complete and shared in an integrated, rather than siloed, data environment—and therefore more timely insights.

At the same time, process optimization and removal of several common roadblocks to efficiency and accuracy create immediate and long-term savings.

Organizations who use tools and workflows drawing from a single source of truth, i.e., a centralized, comprehensive, shared data environment shared by applications and the organization's user base, are ready to capture that value and savings.

Businesses competing in a complex and often cutthroat worldwide economy are quickly learning the importance of leveraging Big Data effectively—assuming they haven't already embraced digital transformation as part of their business process management.

SSOT is essential to managing all the data flowing in and out of your business to derive accurate and effective business intelligence.

For example, let's say Company X has cobbled together a software environment with multiple enterprise resource planning (ERP) systems.

They have accounting software, an office suite, marketing software, a customer relationship management system (CRM system), and a legacy inventory management application from the days of CRT monitors and floppy disks.

These disparate data sources provide a range of useful information, but much (or even most) of it is in silos, requiring conversion, importing, or some other method of transformation to get Application A to talk to application B.

Company X's data integrity is anything but. Different teams struggle to access business data they need to do their jobs, and spend more time trying to finagle file formats and assess data quality than they do focusing on business needs.

When it comes time for decision making, the debate rages even louder as teams try to establish which of the many data silos contains the single version of the truth.

By establishing an SSOT, companies provide a single, consolidated source that draws from different sources and organizes information so it's accessible by all the applications and users in your software environment.

It enables teams to manage and analyze financial data, customer data, vendor performance data, etc. in real time to improve performance and decisions using key performance indicators (KPIs) and other metrics.

Note: Obtaining the benefits that come with a single source of truth will also require some new software tools. A purpose-built software solution such as PLANERGY, for example, gives organizations access to artificial intelligence, advanced analytics, and process automation capabilities they can use to centralize their business data management.

By providing a central core that readily integrates with a wide range of different applications, different teams can work together, drawing on disparate but now fully integrated data elements from a single source to strategize more effectively.

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Benefits of Single Source of Truth

In many ways, the benefits of a SSOT are actually the benefits of choosing to consolidate, clean, and organize your datasphere with a comprehensive software suite built around data integration.

This close connection is reinforced by the Hackett Group's 2018 Key Issues Study, which found 60% of CFOs surveyed were already prioritizing master data management as part of their digital transformation strategy, with nearly 85% planning to make both master data management *and* advanced analytics part of their toolkits by 2021.

Consider these benefits:

- Elimination of human error, including incomplete, inaccurate, or duplicate data points.
- Improved data quality, data accuracy, and data integrity through removal of data silos and adoption of a data warehouse model, increasing data transparency.
- Real-time, role-appropriate access to data for all stakeholders.
- Management can make faster, more accurate business decisions by eliminating the need to sift through multiple data sources to determine which is the most accurate and authoritative.
- Introduction or enhancement of continuous improvement through process refinement and associated capture of greater value and savings for a healthier bottom line and greater competitive agility.

Single Source of Truth Examples

Different organizations have different goals and business needs, but a single source of truth implementation can benefit just about any company that needs to share high quality data for decision making, strategic planning, and overall operational performance.

One of the most common examples is a content management system, such as those used by publications like magazines. Centralizing assets in a single data warehouse makes it easier to establish the “canon” versions of different media, share assets, and assemble collaborative works more efficiently.

If this system is integrated with a publisher’s sales and marketing software, as well as external sources such as social media feeds, it can also provide a single source of data management.

The sales team can analyze all relevant data to form sales strategies, the marketing team can identify new demographics to pursue or adjust their campaigns to strengthen existing subscriptions, and the editorial team can farm content ideas for future issues.

Another example is the use of a comprehensive procure-to-pay software solution.

By capturing all spend data, automating essential processes, and introducing advanced vendor management capabilities, along with powerful analytics, these applications make it possible to transform spend data into actionable insights, more accurate and audit-friendly financial statements, and strategically sound budgets in real time.

Research firms also make heavy use of SSOTs, as they draw massive amounts of data from a substantial range of sources to identify trends, analyze and meet client needs, and predict everything from consumer behavior to environmental changes.

Without a centralized data integration and management system, they'd quickly drown in a sea of big data.

Putting SSOT to Work for Your Business

Implementing a single source of truth for your organization can be a straightforward process if you follow a few simple steps.

1. Identify Data Sources

Knowing which data you want to use is the first step in managing it more effectively.

2. Choose Your Data Integration Tool

This process will be much more efficient, and effective, if you begin with a software implementation plan.

Regardless, remember to choose a purpose-built solution that offers full integration capabilities with your existing software environment (and, ideally, the ability to connect with any future applications and data sources you'll add).

Make sure, too, that it has strong data analysis, artificial intelligence, and process automation capabilities that support iterative improvement, ongoing data centralization and management, and accessible, mobile-friendly analysis tools with strong security and role-appropriate access for all users.

3. Clean and Organize Your Data

After integration, it’s time to scour your data to remove redundancies and eliminate errors.

Once you “go live,” make sure everyone on your team understands good data maintenance procedures and follows the protocols you’ve set for ensuring full data capture and minimal human error.

4. Create a Primary Data Source (A Master Record)

Once it’s been cleaned and optimized, you can create a single source of truth (also called a *master record*) which draws from various systems across your datastreams and provides a universal point of reference for data access and analysis.

Addressing Potential Roadblocks to SSOT

Because it is part of a larger discussion about digital transformation within an organization, achieving a single source of truth may be more difficult in some organizations than others.

This is particularly true for businesses where corporate culture may be at odds with extensive digitization and other digital transformation initiatives.

However, these obstacles can be overcome with a bit of tenacity and preparation.

- **Obtaining full buy-in** may prove difficult if there’s resistance to data integration and the accompanying process and workflow changes. However, providing hard data on the value and savings potential can help secure buy-in and assistance from the C-Suite. In addition, choosing a software vendor who provides comprehensive training and education assistance is invaluable in helping different teams come together to develop a shared source of authority for data and encourage everyone to follow the new data management and access protocols.
- **Freeing business information from data silos** improves data accessibility, accuracy, and quality. Accounting for the diverse data

sources in your existing datasphere when crafting your software implementation plan will help you eliminate low-quality or irrelevant data, formalize approved data sources, and centralize your data to a single platform shared by all team members to prevent future silos from forming.

- **Robust data analysis tools** are essential to making optimal use of your new clean, high-quality data. Choose a data integration solution that provides you with the analytic capabilities required to review and analyze *all* your system data to generate reports, forecasts, etc. in real time so your business leaders can implement process improvements, invest intelligently in new initiatives, capture opportunities to boost competitive strength, etc.

One Source to Inform Them All

Do your decision makers have access to the business intelligence they need for effective risk management, strategic sourcing, and long-term financial planning? If not, it's time to consolidate, concentrate, and communicate more effectively with data integration.

With a data management plan built around a single source of truth and the right software tools, your team will have everything they need to harvest actionable insights and make strategic and profitable business decisions.

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