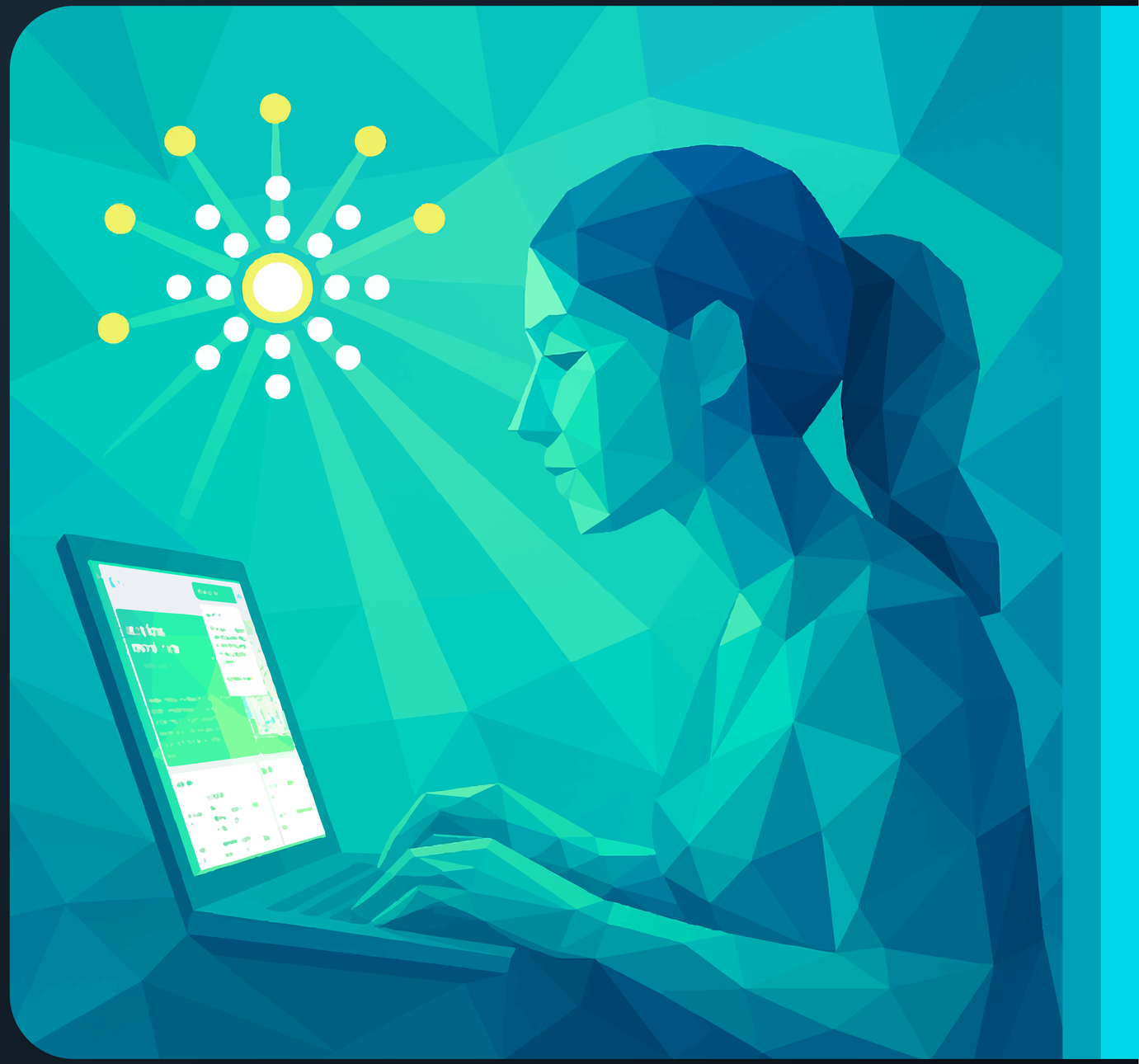
How-to Guide

Building a Business Case for AI-native MDM



Tamr

It’s no secret that the demand for real-time insights and actions is growing, intensifying the pressure on businesses to adopt AI-driven solutions that enhance data accuracy, streamline operations, and build trust.

However, without high-quality, well-structured **golden records**, downstream generative AI (GenAI) applications can amplify inconsistencies rather than resolve them, leading to inaccurate insights, misguided decisions, or worse, reputational harm. That’s why the success of GenAI initiatives hinges on a solid master data management (MDM) foundation and AI-native MDM.

By combining AI's efficiency and scalability with business context and human expertise, AI-native MDM provides the advanced capabilities you need to deliver the best version of your data. Investing in an AI-native MDM solution can help your organization unlock insights, streamline operations, and drive innovation to accelerate your business.

It’s important to start by building the business case for AI-native MDM.

Many data leaders discover that making the business case for AI-native MDM and securing buy-in can be a challenge. That’s why you must go beyond a list of technical benefits to showcase measurable business impact. By following this how-to guide, you’ll have the building blocks you need to develop a solid business case for your investment. Let’s dig in.

The MDM Journey

1. **Assess:** Know where you are…and where you want to go
2. **Improve:** Enhance the quality of your data by cleaning, deduplicating, and enriching it
3. **Review:** Put your data in front of end users to gather feedback and build trust
4. **Operationalize:** Turn your data into a mission-critical asset by connecting it to key business systems

Building a business case is a critical precursor to The MDM Journey. To learn more about the MDM Journey, **download our ebook**.

Why Building a Business Case Matters

It's no secret that many MDM programs fall short of their intended business outcomes. And the reason they fall short is because data leaders fail to effectively link the benefits of MDM to business value. That's why, without a well-structured business case, even the most promising MDM initiatives can struggle to gain executive support.

However, building a business case for AI-native MDM is more than just a procedural task. It's your opportunity to clearly demonstrate how this investment aligns with your organization's strategic goals and can address real-world business challenges far more efficiently than traditional approaches to MDM.

To gain stakeholder buy-in, you need more than a list of technical features—you also need to articulate how those features drive tangible benefits, measurable ROI, and long-term growth. And making that connection requires a thoughtful, evidence-based approach that speaks directly to the priorities of your business and your decision-makers.

4 Essential Elements of an AI-native MDM Business Case

A clear, compelling business case connects the dots between the challenges your organization faces, the opportunities AI-native MDM provides, and the measurable impact the solution will have across the business.

Successful business cases include four essential elements:

1. **The Team:** Key stakeholders and champions
2. **The Why:** The business problem you're addressing, aligned with strategic objectives
3. **The Justification:** Evidence and scenarios that demonstrate the value
4. **The Financial Impact:** Costs, benefits, and potential ROI

When clearly defined, these core components will position you to craft a persuasive argument, quantify ROI, and build a strong case for investment that will win over even the biggest skeptics.

#1: The Team

Building a business case is a team sport that goes beyond outlining a list of technology features and costs. It must also incorporate building consensus by demonstrating how AI-native MDM aligns with your organization's strategic goals, addresses user challenges and frustrations, and delivers measurable business results. Furthermore, the business case must also align with your organization's data and analytics strategy, reassuring decision-makers that it fits into the broader data management program.

It's critical that you engage cross-departmental partners early in the business case development process to uncover hidden risks, validate assumptions, and refine projections, making the case more resilient to scrutiny. As you build your team, consider including the following experts:

- **Business partners** provide clarity into the real-world challenges they are facing, the objectives they want to achieve, and the outcomes they expect.
- **Finance professionals** help you establish a budget, validate the total cost of ownership, and forecast the project's return on investment.
- **Data experts** assess the technical feasibility of AI-native MDM and its ability to solve your organization's data-related challenges.
- **IT experts** identify integration points and determine how the solution will fit within the company's broader data and technology infrastructure.

The insights, expertise, and support of these key individuals play a crucial role in the success of your business case. Using their input, you can anticipate objections, refine cost-benefit analyses, and hone your messaging so it resonates with decision-makers from their respective parts of the organization. For example:

- Executives and business partners may focus on long-term strategic impact and outcomes.
- Finance teams prioritize ROI, cost savings, and operational efficiency.
- Data and IT leaders emphasize integration, security, and overall fit within the technology stack.

By collaborating with stakeholders across the business, you'll also build advocates and foster a sense of ownership and accountability. When your team sees their priorities and outcomes reflected in the business case, they are more likely to champion your proposal and advocate for its approval with their leaders, which, in turn, sets the stage for a successful implementation of AI-native MDM when your business case is approved.

#2: The Why

Once you've established your team, the next step is to gain alignment on the problem your business case will address. This is your "why"—the core business problem your AI-native MDM initiative will solve. Defining your "why" ensures that the initiative aligns not just with your data and analytics strategy but with your broader organizational strategic goals.

Your "why" should focus on real-world business problems caused by bad data. Too often, business cases focus on technology problems such as "our data is siloed" or "our data quality is bad." And while these statements may be true, basing your business case on solving these technical pain points is a mistake. By expanding your "why" to focus on the strategic business needs and their impact, you shift the perspective from just adding a new tool to solving a business problem. And while it's important to solve the technology-related pain points, framing them in the context of challenges the business is facing is key to garnering the support you need to move forward.

This is where the perspectives of your cross-functional team can help sharpen your case. While your data may be disconnected, incomplete, and inaccurate, ask your team how that poor quality impacts their part of the business. For example, is inconsistent data obscuring upsell opportunities or creating disconnected customer experiences that impede the pathway to purchase? Or perhaps it's jeopardizing the organization's ability to meet regulatory requirements?

A clear and compelling "why" also helps you to align stakeholders, justify resource allocation, and ensure innovative solutions like AI-native MDM address the real business problems you identified with your team. Because without a well-defined purpose, even the most data-driven business cases struggle to gain traction.

How to Define Your Why:

1. **Identify Real-world Problems:** Is poor-quality data hurting revenue growth, increasing costs, or exposing the business to risk?
2. **Connect Pain Points to Objectives:** Show how addressing data issues supports strategic goals like increasing revenue, reducing costs, or mitigating risks.
3. **Use Business-focused Language:** Instead of saying "Our data is siloed," say "Disconnected data is costing us revenue by obscuring upsell opportunities."

For most organizations, their primary “why” is grounded in at least one (or ideally more) of the following objectives and use cases.

Increase revenue

Expanding market reach, improving customer retention, optimizing pricing strategies, or tapping into new revenue opportunities drives revenue growth.

- Increase revenue by X% by identifying cross-sell and upsell opportunities
- Improve customer retention and satisfaction by Y% with better customer service
- Boost conversion rates by Z% using targeted campaigns

Lower costs

Lowering costs is not just about cutting expenses—it’s about driving efficiency, optimizing resources, and ensuring financial sustainability for the organization.

- Reduce time spent on manual data curation by X hours per month
- Lower operational costs by Y%
- Harmonize data from mergers and acquisitions quickly and efficiently

Reduce risks

Reducing risk protects an organization’s long-term success—ensuring compliance and maintaining operational stability.

- Ensure compliance with industry regulations by enhancing data accuracy
- Lower potential legal exposure
- Reduce the risk of fraud by X%

Articulating the value of the AI-native MDM investment in terms of these clear business objectives and use cases lays the groundwork for a compelling argument that will connect with decision-makers and lead to their approval.

#3: The Justification

While the benefits of implementing an AI-native MDM solution may be clear to you, it's essential that you justify the case for investment with clear evidence of the solution's value, including projected benefits, potential risks, and a well-defined cost analysis. Think of this as your opportunity to articulate why you need AI-native MDM to **support your MDM journey**—and why now. By grounding your business case in a clear assessment of benefits, risks, and costs, you'll demonstrate to decision-makers that you've thoughtfully considered every factor essential to a successful implementation of AI-native MDM.

To start, focus on what the business will gain. Be prepared to answer questions such as:

- What pain points will the solution address?
- Who are the stakeholders? And how will they benefit?
- How will the solution improve productivity, processes, and the overall quality of the data?

Clearly articulate the productivity improvements, process enhancements, and data quality gains that the business will realize and how these benefits align with and support your strategic goals. Provide realistic projections of revenue growth, cost savings, or risk reduction. And paint the picture as to how AI-native MDM addresses business challenges better than traditional MDM or manual approaches.

As you build your justification, include a scenario that is relevant for your business.

Let's say you work for a B2B company with 2,500 customers (companies), but because of data duplication and inaccuracies, you're actually juggling 9,750 customer records across three sources. Ideally, managing customer information would be a straightforward task without the noise from duplicates and with every data field being accurate and up-to-date.

In reality, 10% of the data fields are incorrect or missing, and you're faced with addressing issues across 39,000 attributes. With a duplication rate of 30%, each customer record would need to be compared against 9,749 ([n*[n-1]]/2) possible matches across three sources, resulting in 47M+ comparisons for all your customer records.

Obviously, this is unrealistic. So we assume that curators can compare each customer record with only 200 other records (only 4%). If each comparison takes 4 seconds, the result is at least 90 days of work. But the data isn't static, so you'll need to return to the same records again soon. Assuming the need for millions of comparisons and corrections, we're looking at an effort that translates into years of work and a potential cost of $180,000 when approached through human curation.

This example is compelling because it puts the effort and cost of improving your customer data manually into perspective. And, it shows how the costs and effort rise as data expands (which it will).

Including examples like this in your business case justify why standing still isn't an option and how investing in AI-native MDM benefits the organization by saving time, improving processes and productivity, and increasing the overall quality of the data so everyone can make better decisions.

Need help quantifying the cost of managing your data? Our **value calculator** can help.

Next, address the risks. After all, justifying an investment in new technology isn't just about improvement—it's about avoiding the costly consequences of standing still. For example, relying on legacy, rules-based MDM technology can obscure revenue opportunities, slow down operations, limit scalability, and hinder business growth. Worse, outdated technology can frustrate employees, thwart collaboration, and erode trust. And, it puts the business at risk of falling behind more agile competitors who leverage more modern AI-centric solutions to drive innovation and efficiency.

Further, as legacy systems struggle to scale, your organization could fail to meet industry regulations, exposing the business to costly fines, legal risks, and reputational damage. A well-justified business case should highlight not just how AI-native MDM ensures data remains accurate, up-to-date, and compliant, but also how maintaining that quality mitigates risks in the long term.

Finally, justify both upfront and ongoing costs. Consider not only initial expenses, maintenance, and security, but also the human and process-related costs: training employees, adapting processes and workflows, and ensuring proper support to drive adoption. A well-rounded business case should balance these costs against the potential return on investment, demonstrating how the new solution will drive value and position the organization for long-term success.

#4: The Financial Impact

When making the case for AI-native MDM, decision-makers will want to see more than just the sticker price—they will also want a full picture of upfront and ongoing costs, time and resource savings, and projected returns. That's why it's essential that you clearly outline the financial impact your organization can expect from your investment in AI-native MDM. This well-structured financial analysis will not only show that AI-native MDM is affordable, but also that it drives efficiency, reduces risk, and delivers long-term benefits in support of the organization's goals.

How to Demonstrate Financial Impact:

1. **Calculate Total Cost of Ownership (TCO):** Include upfront costs, ongoing maintenance, integration, training, and change management.
2. **Project Return on Investment (ROI):** Compare financial benefits (increased revenue, reduced costs, risk mitigation) against TCO.
3. **Estimate Time to Value:** Show how quickly the organization can expect to see results using a scenario that demonstrates value in practical terms.

Calculate TCO:
Providing decision-makers with a clear picture of the true financial impact of AI-native MDM starts with calculating the TCO. This comprehensive, well-rounded cost analysis is essential for stakeholders to make an informed decision on your proposal. TCO includes all direct and indirect costs over the solution's lifecycle, not just the initial purchase price. You should also include hidden costs such as system integrations, upskilling staff, or change management initiatives.

Project ROI:
Presenting a strong ROI is another important step that helps decision-makers understand the long-term financial impact and strategic value of the investment. To calculate ROI, start with the TCO, including both direct and indirect costs. Then, assess the financial benefits such as increased productivity, cost savings from automation, reduced risk, or revenue growth. Your finance team member can help you validate the information you collect, ensuring that the projected gains, when compared against the total investment provide a clear picture of the ROI for AI-native MDM.

Estimate Time to Value:
Your ROI projections should also include a time-to-value element, giving decision-makers insight into how quickly they can expect to see results. Keep in mind that some stakeholders may have preconceived notions based on previous MDM initiatives, so it's important to dispel these myths with realistic timelines that align with AI-native MDM.

While it's important to tie value to business objectives, a **value calculator** can help you to estimate financial benefits, cost savings, and time to value. For example, comparing the time it takes to implement AI-native MDM with the time needed to deploy traditional MDM and/or manual human curation will boost your business case significantly because (spoiler alert!) implementing AI-native MDM is possible within weeks or months, rather than years. Take a look at the following B2C company scenario.

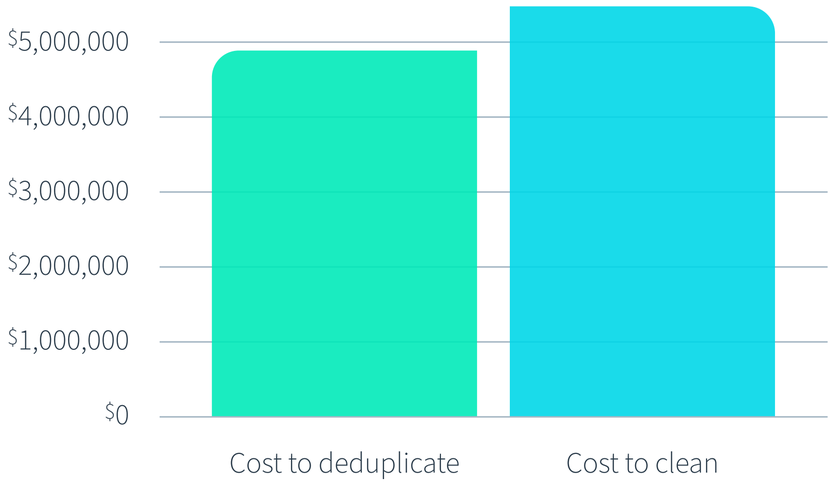
In this example, the B2C company has 1,700,000 actual customers. However, they end up managing a total of 12,240,000 customer records across six data sources. In a perfect world, the company would only have 10,200,000 records to manage, without the noise from 2,040,000 duplicates. And with 18% of the 25 fields in each record missing or incorrect, 55,080,000 attributes require attention to improve the quality of the data.

Number of data sources with customer data	**6**
Total number of customers (not records)	**1.7 million**
Average duplication rate of customer data across and within data sources	**20%**
Number of attributes per customer record	**25**
Percentage of attributes with missing or incorrect values	**18%**

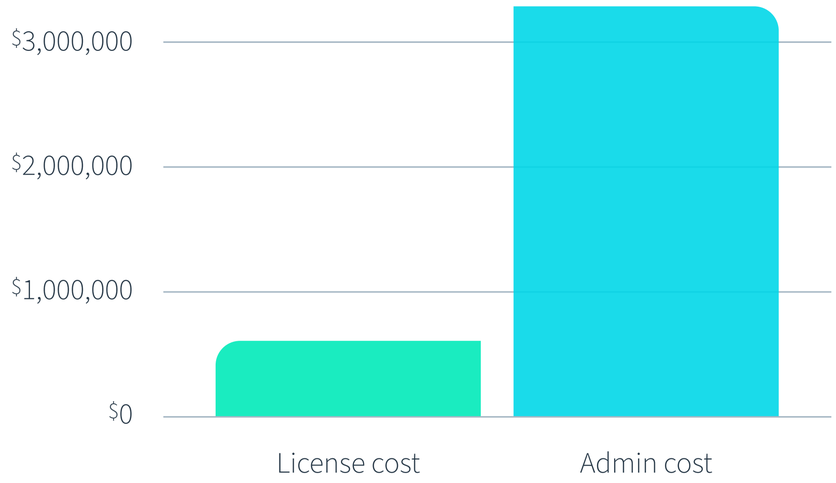
In this B2C company example, addressing these challenges with human curation or a legacy MDM solution is not practical. Not only do they both require a longer timeline, but they also cost significantly more than AI-native MDM.

Traditional/Legacy Approach

Human Curation



Legacy MDM



AI-native MDM changes the game when it comes to delivering clean, consolidated, enriched data and real-time APIs. Not only does it significantly reduce the time to value, but it does so for a fraction of the cost.

Implementation Time

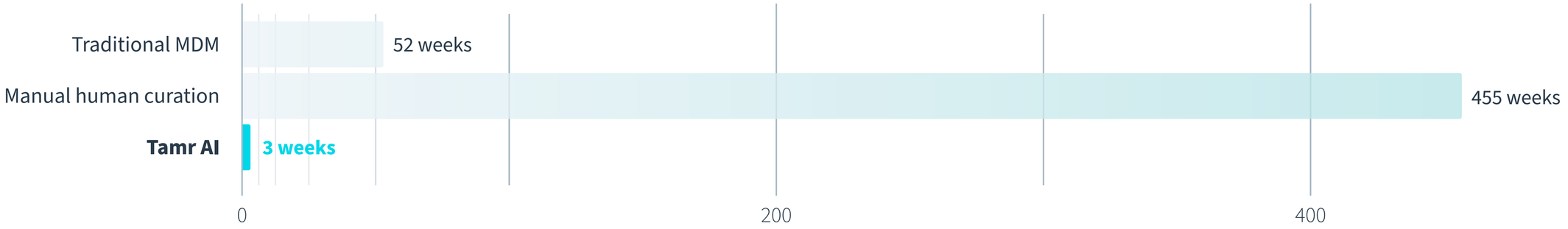


Chart assumes traditional MDM implementation time of 52 weeks. Tamr implementation time of 3 weeks. For manual human curation, we assume deduplicating data would take 404 weeks and cleaning attributes would take 455 weeks.

Whether the key entities you're looking to master are customers, suppliers, providers, or students, you can quantify the potential value of AI-native MDM for your company and generate charts like these (and others!) using our **value calculator**.

Overcoming Objections

No matter how strong your business case is, decision-makers will have concerns—whether about costs, potential risks, or, if you've already implemented a legacy MDM solution, what's different this time around. Anticipating and addressing these objections head-on strengthens your case and increases the likelihood of approval.

Cost is often the biggest hurdle when assembling a business case, which is why you must shift the focus from price to value. Instead of justifying the expense, emphasize the ROI, including long-term cost savings, revenue growth opportunities, and efficiencies the solution provides. Break down the TCO to show how costs are balanced by increased productivity, better decision-making, and risk mitigation. You've already done this work—now is the time to make it shine!

As an example, AI-native MDM solutions like Tamr deliver faster time to value (days or weeks, not months or years). Using AI-driven automation, Tamr reduces project and ongoing operational costs by up to 40%. These cost and efficiency savings also result in higher-quality data and better decisions for the organization. By framing the cost as a strategic investment in your data and analytics strategy rather than just another technology expense, you can help decision-makers see the bigger picture.

Risk of implementation is another common concern when adopting new technology. However, the key to overcoming this objection is demonstrating not just how to identify and mitigate risks, but also reframing the concerns to show the risks of not taking action. Start by acknowledging stakeholder concerns, and then provide clear strategies to address them.

Highlight the MDM journey to illustrate the thoughtful and deliberate approach you're taking to the adoption of AI-native MDM, including the strong foundation of high-quality data you are building along the way. If possible, share **case studies** or testimonials from similar organizations that have successfully navigated these concerns—and lived to tell the tale!

- **Cost:** Shift the conversation from price to value.
- **Complexity and Disruption:** Highlight AI-native MDM's seamless integration and faster time to value.
- **Risk Aversion:** Compare the risks of adopting AI-native MDM to the risks of maintaining outdated systems.
- **Skepticism About AI-native MDM:** Articulate what makes AI-native MDM different from legacy solutions.

Next, you'll want to flip the concern to address the risks of staying the course with a traditional, rules-based MDM solution. For example, rules-based MDM takes years to reconcile and create trustworthy data (if it delivers at all!). And, it incurs higher project costs because of the extensive, manual intervention and higher governance, policy, and operational costs.

Further, traditional MDM relies on manual rules and frequent maintenance, risking inconsistencies and data errors. Related manual processes and extensive data manipulations are laborious and time-consuming, impeding efficiency and accuracy and delaying the receipt of timely insights. And, their search capabilities struggle with the complexity of multi-system, multi-domain entity identification, requiring manual updates and limiting adaptability to changing data.

Finally, stakeholders may be asked "what's different this time around?" If your organization has struggled with a legacy MDM implementation, this is a fair question. The key is to showcase what makes AI-native MDM different from legacy MDM solutions. Frame your argument by reinforcing the following benefits:

- **Speed and Savings:** Faster time to value (days or weeks, not months or years) coupled with lower infrastructure, licensing, and personnel costs.
- **Accuracy:** Clean, matched trustworthy data that's ready for consumption, reducing data curation needs by 90%, and shortening report and dashboard creation time by 80%.
- **Comprehensiveness:** Extensive and complete high-value data that is verified in real time against a massive master database for accuracy.
- **Durability:** "Search before create" workflows keep source system data clean, ensuring accurate and complete golden records in real time.

To discover more ways AI-native MDM outperforms traditional MDM, download our ebook **Golden Records 2.0: The AI-native MDM Advantage**.

Business Case Checklist

- **Identify Your Team**
  - Include key stakeholders: finance, data, IT, business
  - Solicit input and feedback
- **Define Your "Why"**
  - Present challenges as real-world business problems, not technology issues
  - Connect your "why" to strategic objectives: increase revenue, reduce costs, lower risk
- **Justify the Investment**
  - Why **AI-native MDM**—and why now?
  - Outline the benefits, risks, and costs
- **Evaluate the Financial Impact**
  - Estimate total cost of ownership (TCO)
  - Calculate return on investment (ROI)
- **Overcome Objections**
  - Anticipate concerns related to cost, complexity, and disruption.
  - Offer clear responses to alleviate decision-maker doubts.
  - Provide data and evidence such as **case studies**
  - **Quantify the value**

Building a strong business case for AI-native MDM requires a strategic blend of value, benefits, financial justification, and risk management. By clearly outlining the benefits, addressing potential objections, and demonstrating a solid ROI, you can give decision-makers the confidence to move forward.

AI-native MDM has the power to drive efficiency, innovation, and competitive advantage—but only if its value is communicated effectively. As you finalize your business case, focus on aligning the solution with the MDM journey, showcasing a clear roadmap for trustworthy data, more confident decision-making, and improved business outcomes. With a well-crafted case, you're not just advocating for new technology—you're shaping the future of your organization with better data.

Tamr

Tamr provides the only AI-native Master Data Management (MDM) solution that delivers real-time master data for every dashboard, application, and person in your business. Tamr accelerates the discovery, enrichment, and maintenance of golden records, enabling informed decision-making, improved revenue growth, and better customer experiences.

Tamr's patented, AI-centric approach – with human refinement and oversight – delivers value in days or weeks, not months or years like traditional rules-based MDM and DIY solutions. And with intuitive Customer 360 pages, your business can improve data accessibility across the organization and leverage the best, most accurate data to support analytical and operational use cases in real time.

Learn more at **tamr.com**