

As Master Data Management Matures, Its Availability Improves

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With an average cost of \$1 million, MDM deployments used to be relegated to only the largest companies in the world. But now new companies are now stepping into the market with creative products and services.

Master data management is gaining traction as companies continue to look for new ways to keep data safe, while also allowing access for those who need to view it.

Without customer and supply data that is at all times accurate and updated, an enterprise will only spin its wheels. MDM and CDI (customer data integration) software and services aim to help an enterprise align its master data assets - documents, Internet and intranet sites, e-mail, spreadsheets, charts and graphs, audio, video - across multiple systems and departments, and maintain them on an ongoing basis.

An MDM platform offers a consolidated view of a company's data assets and a consistent way of aggregating and distributing the data, which has proven to accelerate processes, projects and products through their various channels.

The problem has been that the cost to put an MDM or CDI deployment in place can reach as much as \$1 million, which is out of reach for most companies that aren't among the Fortune Global 500, according to attendees at the CDI-MDM Spring Summit here March 25-27.

However, that's beginning to change. To this point, the MDM-CDI market has been dominated by IBM, SAP and Oracle. The top-selling software and service packages include IBM WebSphere Customer Center, Oracle-Siebel Customer Data Hub and Universal Customer Master and SAP's NetWeaver MDM.

But other companies are looking to make a move in this space and bring availability of these products to a much wider market, according to industry observers. Teradata, of Dayton, Ohio, which is in the process of breaking out from its parent, NCR, also has products on the market, including its own master data management platform and offerings based on it, such as Teradata Product Information Management.

In addition, a number of smaller vendors are rolling out offerings, including DataFlux, i2, Initiate Systems, Kalido, Purisma and Siperian. Some of these companies are thriving in specific industries and horizontal or corporate applications, according to Aaron Zornes, founder and chief research officer of the CDI-MDM Institute, in Burlingame, Calif.

At the event March 27, Chicago-based Initiate unveiled Version 7.5 of its Identity Hub software, an MDM product offering enhanced monitoring features, support for record sets of more than 2 billion records and multilingual capabilities to help customers expand into international markets.

MDM 'for the masses'?

For its part, Purisma on March 26 rolled out Business Data Appliances, which officials said was the first set of so-called "software appliances" for the MDM market. In addition, the Redwood Shores, Calif., company also announced Purisma Data Hub 3.0, which offers greater team-based data governance capabilities and "what if" scenario planning to help

users analyze the impact of major changes on data.

"We like to think that we're bringing MDM to the masses," Purisma co-founder and vice president of products and corporate development Bob Hagenau told eWEEK.

"IT systems have all this fragmented master data across all these systems ... managers are now saying, 'We need to re-engineer our systems and our architecture to manage this, and have a central location and definition and storage location for all our master data.' It's a grandiose vision, frankly, and it's the correct strategic way to go. But that's a long path - anywhere from five to 10 years to really make that happen."

In many ways, this is a similar view to that of "we're going to solve our problems with SAP everywhere - the story of the late '90s," Hagenau said. "It makes sense in some places, but it's a long journey - and it's not a journey for every company, or the feint of heart.

Hagenau said that what Purisma has done is taken a version of its flagship data hub, which it can install, configure and get up and running in anywhere from two and half to four months, and scaled it down for a specific business problem that the customer wants to address.

"This is easy enough for a sales or marketing officer or director to download and get up and going," Hagenau said.

An early Purisma customer, Infor - a \$2.5 billion company - identified \$5 million of unbilled revenue three months after getting all their master data under control, Hagenau said. Infor had acquired about 40 companies over several years' time and had not had good control over all the new data that came pouring into its system.

"So we're just making - MDM - easy enough so that business people can

make use of this on a daily basis, and not have to bother IT people," Hagenau said.

Breaking data free from its confines

Zornes of the CDI-MDM Institute said businesses are demanding products to help them with their data management, and MDM - which decouples master information from individual applications - is one way of doing that.

"Data is constantly changing, so your IT infrastructure and processes should be flexible," Zornes said. "The key is filling your applications up with clean and trusted data ... and - making - sure it's protected. However, the real value for this kind of software is in its integration ability."

Pathology Associates Medical Laboratories, in Spokane, Wash., was an early adopter of IBM's WebSphere package, using it to protect critical data such as patient records. CIO Mark Johnston said that since using IBM's offering, the lab has cut the number of critical errors by 70 percent.

"Every year, about 100,000 people die in the United States as the result of human error involving incorrect care, records or medication," Johnston said. "The importance of clean, accurate master data in health care systems cannot be overemphasized."

Intel, of Santa Clara, Calif., installed SAP's MDM system six years ago, said Jolene Jonas, Intel data architect and MDM product manager.

"Installing the MDM project got Intel departments talking to each other - about common goals - ," Jonas said. "We saw that MDM is a critical asset. We had to change our behavior to make better use of it. But we're

glad we did; our productivity has improved immeasurably since then."

Jonas added that "MDM has its own life-cycle that has to be managed. It drives all your capabilities, but not from the back end. It has to be independent from all other data. Definitely a stand-alone thing.

"Intel takes a top-down approach - we're not a one-stop shop," Jonas said. "Not all of our MDM will go into one application. Each enterprise needs to decide what kinds of MDM you will use on a daily basis; then, after that discussion, you can figure out where to put it. Only then will it all come together and be delivered through services."

Fast facts on master data management

-- Definition: MDM software uses components from an IT system's customer, partner, supplier, and product databases plus business intelligence to derive a common view of reference data - definitions of customers, suppliers, products and parts - and synchronizes that data for better overall performance and return on investment.

-- How it works: MDM integrates both the data and the applications that support business processes. In the mix are analytical and search capabilities that let users identify identical or similar data objects across systems. At the same time, the software "cleanses" objects to keep the master data consistent.

-- Origination of the term: In 2003 as an add-on module for SAP's NetWeaver CRM (customer relationship management) stack. It has since blossomed into an industry-wide initiative involving about 50 companies. It also spawned the CDI-MDM Institute in Burlingame, Calif. Certainly, parts of MDM and CDI have been in existence for decades.

-- Overall MDM market size : Approximately \$2 billion 2007; projected

to surpass \$5 billion in 2008, and the market will reach \$10 billion by 2009, according to IDC

-- Key products available now: IBM WebSphere Customer Center, Oracle-Siebel Customer Data Hub and Universal Customer Master, and SAP NetWeaver MDM.

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