

Introduction

This document provides a snapshot of the current state of the Master Data Management (MDM) market. Master data is data that is shared between computer systems: data domains such as “customer”, “product”, “location” and “asset”. Large organisations have many systems which store such information and the management of multiple and competing definitions of this data is known as master data management.

In this document we deliberately include the full spectrum of MDM products; some have a heritage of either CDI (customer data integration) or PIM (product information management), while others were designed to deal with multiple data domains.

Key Market Issues

The last twelve months have been healthy ones for the MDM market, with vendors large and small experiencing revenue growth. The market has matured to the extent that there is a clear divide appearing between MDM solutions offered as part of a broader platform, and specialist vendors. The larger players emphasise the importance of MDM as part of a broader solution involving data integration and data quality. This is seen with IBM, Informatica, Oracle, SAP, SAS, Software AG, and Teradata. The pure play multi-domain vendors remaining independent in the market are Orchestra Networks and Kalido, whilst the product-data oriented vendor market has shrunk with the acquisition of Heiler by Informatica and hybris by SAP. The main remaining independent players here are Stibo Systems and Riversand. In addition, VisionWare has carved out a niche in the public sector, initially in the UK and now increasingly in the USA.

The MDM market has seen consolidation, but also new entrants that are not at a level of maturity are yet to make the Bullseye chart. There are some start-ups and also products appearing from more established vendors e.g. Pitney Bowes Software has launched an MDM offering to complement its data quality technology, whilst Profisee has started to gain ground by building a technology that is complementary to Microsoft’s rather bare-bones MDS product, which is given away with SQL Server. Semarchy is another new multi-domain market entrant. A further niche that is emerging is that of cloud-based MDM, with some of the more established vendors such as Orchestra Networks now having an MDM cloud offering to complement their on-premise software. Informatica has a cloud MDM offering aimed at managing Salesforce instances.

Data governance is becoming increasingly recognised as crucial to success in MDM, although data governance in itself not a technology but rather a set of business processes. MDM vendors have been adding functionality to support data governance with dashboards, workflow and data stewardship

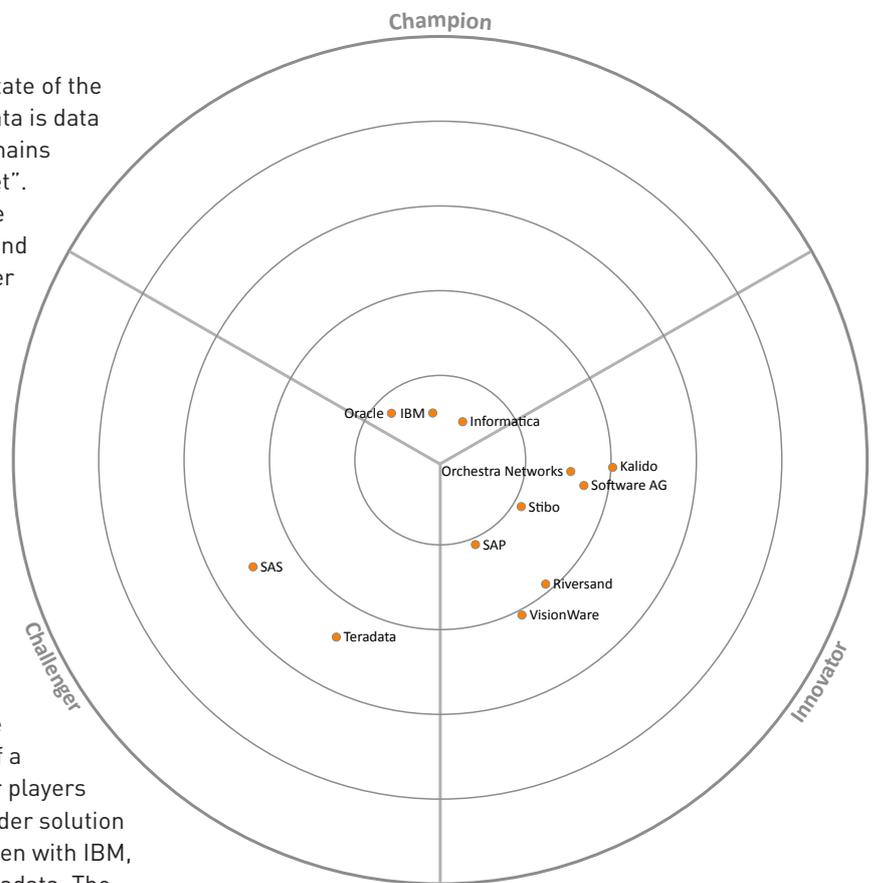


Figure 1: The highest scoring companies are nearest the centre. The analyst then defines a benchmark score for a domain leading company from their overall ratings and all those above that are in the champions segment. Those that remain are placed in the Innovator segment if their innovation rating is over 2.5 and Challenger if it is less than 2.5. The exact position in each segment is calculated based on their combined innovation and overall score.

modules; some of these being substantially more complete than others. The management of reference data, such as currency and country codes, is an area that is seeing considerable interest, with some vendors offering more kindly priced offerings of their MDM software limited to reference data, in the hope that this will lead to greater things in due course.

Customer implementations continue to show a move towards broad implementation of data domains, after an initial phase that was commonly based solely around either customer or product data. In practice even MDM projects that start around one type of data need to deal with other master data e.g. a customer data project will need to deal with location data. More and more companies are expanding their initial MDM projects into other data domains, in some cases using the same technology as used in initial projects but in other cases acquiring separate technology. This reflects the origins of the MDM industry, which grew up with a cluster of products devoted to customer data and another cluster to product data, before the introduction of broader multi-domain products. Customers need to take a broad approach to the management of master data if they are to avoid setting up further data silos of unconnected master data.

The MDM Market

Figure 1 is an overview of the current state of the MDM market, showing the main participants. IBM and Oracle have large installed customer bases, and this year Informatica has made progress within the “champions” segment, reflecting significant growth in revenues and customers, and the acquisition of Heiler, which has substantially increased their customer base. It can be seen that, despite numerous acquisitions in recent years, the latest being that of hybris by SAP, the MDM market continues to be vibrant, with plenty of vendors providing effective solutions to customers.

The market through 2012 and early 2013 showed healthy revenue growth, considerably more than the growth in the market last year. This occurred throughout the market, which suggests that MDM is getting increasing traction amongst customers, and is moving from a niche area into the mainstream.

Summary

The MDM software industry showed signs of increasing maturity in 2012 and early 2013. There was healthy revenue growth and further merger and acquisitions activity, as well as several brand new entrants to the market. Customers are increasingly taking a broader approach to MDM, realising that they need to tackle the management of data beyond the cases of customer and product data. They also need to consider other data domains such as location, asset, organisation and various types of financial data, as well as reference data. Customers are also realising that the business ownership of data in the form of data governance is important to the success of MDM projects. This is reflected in the greater support for data governance activities in MDM software, and is a further sign of the maturing of the market.

Note

The positioning/scoring of vendors is based on assessments of their standing in the dimensions of: financial viability, customer base, revenues, growth, technology breadth, technology depth, geographic coverage and breadth of partner network, within the Bullseye methodology. The overall score determines how near a vendor is to the bull: the nearer the centre, the better. The ‘clock position’ is a secondary measure related to the level of innovation of the software.

It is important to understand that the overall scores for a vendor are a weighted average of these factors into a summary score, and may not reflect the specific needs of your project. Some products are more proven at dealing with “customer” than “product”, or vice versa, some are strong at data governance, others weak, while scalability varies significantly. You are recommended to discuss your specific project needs with a Bloor analyst in order to match your needs to a vendor shortlist.

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