

## MDM Landscape Q2 2016

The master data management (MDM) market in the past year showed continued growth, confirming it as one of the fastest growing enterprise software markets. We estimate that the market for MDM software was worth \$1.4 billion, with year on year growth of 15%. This includes the MDM-related revenues of all the software companies operating in the market. It does not include systems integration and consulting revenue associated with MDM implementations (but does include the professional services revenue of the software vendors). We calculate the pure software license revenue for MDM software at \$760 million, maintenance revenue at \$235 million and MDM professional services revenue of the software vendors at \$387 million. Our research shows that on average the people costs of a MDM project are four times that of the software license cost, so there is clearly a large and separate consultancy market associated with MDM.

The master data management arose from the need for large enterprises to improve the consistency and quality of their key data, such as customer, product, asset, location etc. With a global enterprise frequently having hundreds of separate applications, only one of which is ERP, it is clear that data that crosses organizational boundaries can easily become fragmented, duplicated and out of date. When this happens it becomes very difficult to answer even the most basic questions about the performance of a company accurately. Basic questions such as “who is my most profitable customer?”, “what is my most profitable product?” or even “how many employees do we have?” become hard to answer, at least with any degree of accuracy and honesty. It is common for data audits to find duplication rates of 80% or more in systems for many types of master data. Such issues can lead to difficulty in assigning resources correctly, customer frustration, logistical problems and even major safety issues. In industries where compliance has been an area of increased focus, such as financial services and pharmaceuticals, the need to improve the status quo was pressing.

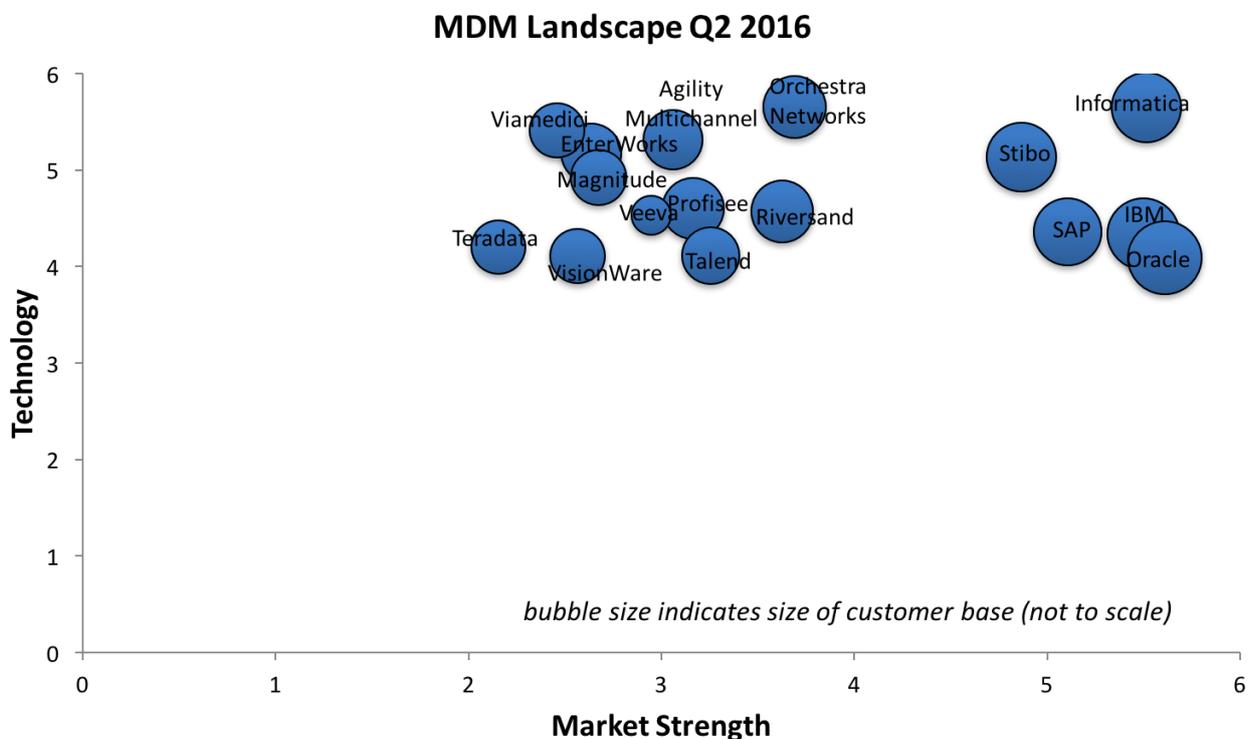
In response a whole industry has grown up to provide technology that purports to solve, at least in part, these thorny issues. The largest vendors (Oracle, IBM, Informatica, SAP etc.), who have acquired some of the early pioneers in the field, now offer their MDM solution as part of a broader platform, usually encompassing data integration and data quality, and sometimes with greater scope. These vendors argue that customers will want to avoid integration costs from having to deal with multiple point solutions. However, there are still independent vendors and new entrants to the market more than a decade after the MDM term started to be used. Some of these newer vendors specialise in particular verticals, such as Veeva in life-sciences and Viamedici in manufacturing.

In the early days of the industry there was a distinct split between products that tackled specific data domains, usually customer or product, and “multi domain” vendors designed to handle any type of data. Clearly there are certain types of functionality that are associated with particular domains. If you have an MDM system that deals with customer data, then you probably want it to handle name and address validation. Similarly, if your MDM project deals with product data then you probably want it to be able to cope with complex classification and hierarchy management, as well as being able to parse the free-form text files that are often the sources of such data. These days most MDM technologies claim to be multi-domain, since there are in truth few projects that are exclusively about a single domain: customers have locations and buy products, products are stored in warehouses and sold through channels, etc. Nonetheless, there is a clear divide in the industry between technologies that were designed mainly for customer data or product data, and those designed at the outset to handle multiple data domains.

A major trend in the industry in general is towards cloud deployments rather than on-premise, and many MDM vendors now offer some form of cloud deployment option, even though the bulk of MDM implementations are still on-premise. Some of the newer market entrants are cloud-only, and it seems likely that more and more deployments will head this way, even though the sheer bulk of deployed operational systems means that this migration will take many years. Some vendors have also decided to cut their ties with the relational database platform that has traditionally been the core storage mechanism for master data. Certain types of analysis e.g. of relationships between data, can be well handled by other types of emerging databases, such as graph databases like Neo4J and NoSQL databases like MongoDB. One vendor has recently switched its underlying platform entirely away from relational, and others have similar plans. The worlds of MDM and “big data” are currently somewhat separate, as master data is rarely of a scale that challenges current database technologies. However, several vendors have built connectors to Hadoop in order to take into account the new types of data that are being created in such systems.

In 2016 the master data management market continues to be healthy and growing, and has moved beyond the early pioneering days into the mainstream. We see a gradual deepening of the deployment of MDM within large organizations. Companies that initially deployed MDM systems for a single data domain or particular business line are now expanding their deployments to a broader audience within their enterprises. Sometimes these build on the earlier pilot deployments, and in other cases new technologies have been used for the broader deployments. This enterprise-wide expansion of MDM creates plenty of opportunities for vendors and systems integrators, as it is clear that the basic issues that caused the MDM market to be established are every bit as relevant today as they were over a decade ago.

The main vendors in the market are summarised in the diagram below.



The landscape diagram represents the market in three dimensions. The size of the bubble represents the customer base of the vendor, i.e. the number of corporations it has sold MDM software to, adjusted for

deal size. The larger the bubble, the broader the customer base, though this is not to scale. The technology score is made up of a weighted set of scores derived from: customer satisfaction as measured by a survey of reference customers<sup>1</sup>, analyst impression of the technology, maturity of the technology in terms of its time in the market and the breadth of the technology in terms of its coverage against our functionality model. Market strength is made up of a weighted set of scores derived from: MDM revenue, growth, financial strength, size of partner ecosystem, (revenue adjusted) customer base and geographic coverage. The Information Difference maintains profiles on each vendor that go into more detail. Customers are encouraged to carefully look at their own specific requirements rather than high-level assessments such as the Landscape diagram when assessing their needs. We maintain a comprehensive MDM functionality model and evaluation approach (MDM Select) that we offer to customers.

A significant part of the “technology” dimension scoring is assigned to customer satisfaction, as determined by a survey of vendor customers. In this research cycle the vendor with the happiest customers was Agility Multichannel closely followed by Orchestra Networks, then EnterWorks, Informatica, Riversand, and Stibo, followed by Viamedici and Profisee. Our congratulations to those vendors.

Below is a list of the significant MDM vendors.

Vendor	Brief Description	Website
Agility Multichannel	MDM for product data vendor specializing in product management for commerce.	<a href="http://www.agilitymultichannel.com">www.agilitymultichannel.com</a>
Ataccama	Data quality vendor who also have an MDM hub in their software portfolio.	<a href="http://www.ataccama.com">www.ataccama.com</a>
Cadis	Enterprise data management vendor specializing in financial services industry.	<a href="http://www.cadisedm.com">www.cadisedm.com</a>
D&B Purisma	Customer hub software acquired by business services giant D&B.	<a href="http://www.pursima.com">www.pursima.com</a>
Dell Boomi	Services arm of Dell now has a cloud-based MDM software product.	<a href="http://www.boomi.com/mdm">www.boomi.com/mdm</a>
EnterWorks	Multi-domain MDM vendor with its roots in product information management.	<a href="http://www.enterworks.com">www.enterworks.com</a>
Global IDs	New York-based vendor with an emphasis on data governance.	<a href="http://www.globalids.com">www.globalids.com</a>
Golden Source	UK vendor specializing in financial services industry.	<a href="http://www.thegoldensource.com">www.thegoldensource.com</a>
GXS	Vendor specializing in product master data but which can manage other data domains.	<a href="http://www.gxs.com">www.gxs.com</a> <a href="http://www.gxsproductmasterdata.com">www.gxsproductmasterdata.com</a>
hybris	Vendor specializing in product master data and eCommerce. Now part of SAP.	<a href="http://www.hybris.com">www.hybris.com</a>
IBM	Industry giant with comprehensive MDM offerings across all data domains and implementation styles.	<a href="http://www.ibm.com">www.ibm.com</a>
Informatica	Informatica offers an end-to-end MDM solution with an offering of multidomain MDM, master data fueled business apps (Product	<a href="http://www.informatica.com">www.informatica.com</a>

<sup>1</sup> In the absence of sufficient completed references, a neutral score was assigned to this factor.

	360, Supplier 360), Big Data Relationship Management, DaaS, Data Quality and Business Process Management.	
Information Builders (IBI)	Provider of Enterprise BI, MDM, Data Quality and Integration. Offers iWay Master Data Suite, OMNI packaged solutions for healthcare, and OMNI-Gen MDM automation technology.	<a href="http://www.informationbuilders.com">www.informationbuilders.com</a>
Indus Valley Partners (IVP)	Enterprise data management vendor specializing in the buy side of the capital markets.	<a href="http://www.ivp.in">www.ivp.in</a>
InterSystems	Vendor using an object database combined with an application integration platform to provide MDM.	<a href="http://www.intersystems.co.uk">www.intersystems.co.uk</a>
Liaison	Cloud-based MDM software with an emphasis on product data.	<a href="http://www.liaison.com">www.liaison.com</a>
Magnitude	Model-driven multi-domain MDM vendor (formerly called Kalido) with increasing emphasis on operational MDM use cases.	<a href="http://www.kalido.com">www.kalido.com</a>
Oracle	Database and applications giant with several MDM solutions.	<a href="http://www.oracle.com">www.oracle.com</a>
Orchestra Networks	A model-driven, multi-domain MDM vendor with an emphasis on data governance.	<a href="http://www.orchestranetworks.com">www.orchestranetworks.com</a>
Pitney Bowes Software	A large vendor that in 2012 launched an MDM product based on a graphical database.	<a href="http://www.pb.com">www.pb.com</a>
Profisee	Vendor with an offering complementary to, and based upon, the Microsoft MDS platform.	<a href="http://www.profisee.com">www.profisee.com</a>
QAD	Vendor specializing in product master data.	<a href="http://www.qad.com">www.qad.com</a>
Reltio	Master data solution specializing in life sciences	<a href="http://www.reltio.com">www.reltio.com</a>
Riversand	Multi-domain master data provider specializing in product data.	<a href="http://www.riversand.com">www.riversand.com</a>
Rollstream	Vendor specializing in supplier master data.	<a href="http://www.rollstream.com">www.rollstream.com</a>
SAP	Applications giant with its own MDM solution.	<a href="http://www.sap.com">www.sap.com</a>
SAS	The privately held software giant has a multi-domain MDM solution.	<a href="http://www.sas.com">www.sas.com</a>
Semarchy	French vendor with an MDM product launched in late 2011, with a theme of “evolutionary MDM”.	<a href="http://www.semarchy.com">www.semarchy.com</a>
Software AG	Vendor of multi-domain MDM, BPM, and SOA solutions.	<a href="http://www.softwareag.com/mdm">www.softwareag.com/mdm</a>
Smartco	Enterprise data management vendor	<a href="http://www.smartco.com">www.smartco.com</a>

	specializing in financial services industry.	
sparesfinder	Vendor specializing in the mastering of spares part data.	<a href="http://www.sparesfinder.com">www.sparesfinder.com</a>
Stibo Systems	Vendor specializing in product, supplier and location master data.	<a href="http://www.stibosystems.com">www.stibosystems.com</a>
Talend	Open source vendor with an MDM suite.	<a href="http://www.talend.com">www.talend.com</a>
Teradata	Database giant with its own MDM solution.	<a href="http://www.teradata.com">www.teradata.com</a>
Tibco	Integration vendor with product data-oriented MDM hub.	<a href="http://www.tibco.com">www.tibco.com</a>
Veeva	Provides cloud-based multi-domain MDM software to the life sciences industry	<a href="http://www.veeva.com">www.veeva.com</a>
verato	Provide identity management software and data, crossing the boundaries between MDM, data quality and data broker.	<a href="http://www.verato.com">www.verato.com</a>
Verdantis	Provides cloud-based MDM software for the material and product domains with self-service and turnkey delivery models.	<a href="http://www.verdantis.com">www.verdantis.com</a>
Viamedici	German MDM vendor specializing in MDM for manufacturing.	<a href="http://viamedici.com">viamedici.com</a>
VisionWare	MDM vendor based in UK and US specializing in healthcare, financial services and local government with their MultiVue product.	<a href="http://www.visionwareplc.com">www.visionwareplc.com</a>