

MDM Landscape Q2 2015

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 \$1.2 billion. 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 \$660 million, maintenance revenue at \$205 million and MDM professional services revenue of the software vendors at \$335 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 MDM market is now over a decade old (there were some earlier pioneers prior to the term itself being widely used). It was based on the notion that most large companies struggle to get a single definition, let alone a single version, of business context data or “master” data such as customer, product, location, supplier and material. In global organizations such data is spread amongst ERP, customer relationship management, supply chain, marketing and logistics systems. Since a large multi-national company may well have over 500 separate applications, each with its own version of master data, getting consistency is problematic. In recent years it has become clear that successful master data projects involve a complementary data governance effort that engages the business units: getting a master data project implemented without business support is like pushing water uphill. Vendors now typically provide at least some degree of support for data governance, with such capability as data steward modules, workflow and dashboards for business users.

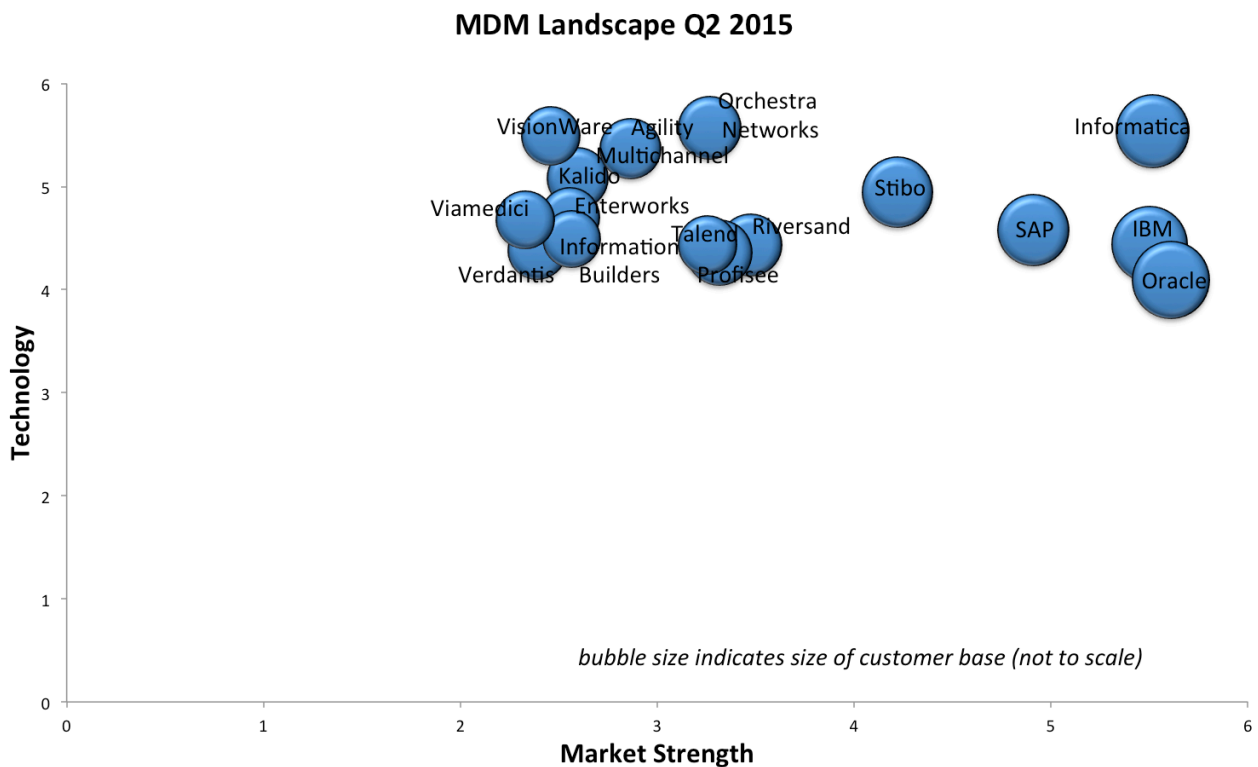
Master data stretches across the business like a web, so in a complex global organization getting full control of master data is a major exercise, often taking many years. Most companies opt to tackle this in stages, dealing with specific domains such as customer or product data, or with slowly changing master data such as currency and country codes, which is often termed reference data. Many MDM products these days provide support for multiple data domains, though in reality most were originally designed to tackle a specific data domain, usually product or customer. This matters when selecting a technology, because the functionality that you need to handle customer data (name and address validation, geocoding etc.) is quite different from that needed to deal with product or material data (complex hierarchy management, handling a very large number of attributes).

This has led to the market splitting into large platform vendors claiming to cover all a customer’s needs, along with other vendors that specialise in a particular industry, data domain or use case. Examples are areas such as materials mastering or even more specific areas such as spare parts data, or use cases like multi-channel retailing. The giant vendors have acquired technology to cover all bases and to gain customers, and usually have multiple underlying technology products. The degree of integration between these products varies, and customers need to weigh up the cost of integrating such separate technologies versus buying specialist technologies.

Many vendors have some form of cloud offering these days. In reality the vast majority of MDM projects are still on-premise, though there is no doubt that as more and more applications migrate to the cloud, then MDM will have to follow.

In the current market we see a significant trend towards a second generation of MDM projects. Many companies that started one or two specific initiatives some years ago in particular domains or business units are now pushing for a more joined-up approach whereby the scope of the master data initiative is expanded. This is usually in conjunction with a data governance program, and means that in the coming years we can expect to see MDM becoming more mainstream, as well as more ambitious.

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 customers¹, 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.

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

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 vendors with the happiest customers were Agility Multichannel closely followed by VisionWare, then Orchestra Networks, Informatica, Stibo, Riversand 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.	www.agilitymultichannel.com
Ataccama	Data quality vendor who also have an MDM hub in their software portfolio.	www.ataccama.com
Cadis	Enterprise data management vendor specializing in financial services industry.	www.cadisedm.com
D&B Purisma	Customer hub software acquired by business services giant D&B.	www.pursima.com
Dell Boomi	Services arm of Dell now has a cloud-based MDM software product.	www.boomi.com/mdm
EnterWorks	Multi-domain MDM vendor with its roots in product information management.	www.enterworks.com
Global IDs	New York-based vendor with an emphasis on data governance.	www.globalids.com
Golden Source	UK vendor specializing in financial services industry.	www.thegoldensource.com
GXS	Vendor specializing in product master data but which can manage other data domains.	www.gxs.com www.gxsproductmasterdata.com
hybris	Vendor specializing in product master data and eCommerce. Now part of SAP.	www.hybris.com
IBM	Industry giant with comprehensive MDM offerings across all data domains and implementation styles.	www.ibm.com
Informatica	Data management vendor with multi-domain MDM solution, including former Heiler PIM vendor that it acquired last year. The Heiler product, now called Informatica PIM, specializes in master data management of products, supplier and media assets for multichannel.	www.informatica.com
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.	www.informationbuilders.com
Indus Valley Partners (IVP)	Enterprise data management vendor specializing in the buy side of the capital markets.	www.ivp.in

InterSystems	Vendor using an object database combined with an application integration platform to provide MDM.	www.intersystems.co.uk
Kalido	Information management vendor (now part of Magnitude Software) with emphasis on data governance.	www.kalido.com
Liaison	Cloud-based MDM software with an emphasis on product data.	www.liaison.com
Oracle	Database and applications giant with several MDM solutions.	www.oracle.com
Orchestra Networks	A model-driven, multi-domain MDM vendor with an emphasis on data governance.	www.orchestranetworks.com
Pitney Bowes Software	A large vendor that in late July 2012 launched an MDM product based on a graphical database.	www.pb.com
Profisee	Vendor with an offering complementary to, and based upon, the Microsoft MDS platform.	www.profisee.com
QAD	Vendor specializing in product master data.	www.qad.com
Reltio	Master data solution specializing in life sciences	www.reltio.com
Riversand	Multi-domain master data provider specializing in product data.	www.riversand.com
Rollstream	Vendor specializing in supplier master data.	www.rollstream.com
SAP	Applications giant with its own MDM solution.	www.sap.com
SAS	The privately held software giant has a multi-domain MDM solution.	www.sas.com
Semarchy	French vendor with an MDM product launched in late 2011, with a theme of “evolutionary MDM”.	www.semarchy.com
Software AG	Vendor of multi-domain MDM, BPM, and SOA solutions.	www.softwareag.com/mdm
Smartco	Enterprise data management vendor specializing in financial services industry.	www.smartco.com
sparesfinder	Vendor specializing in the mastering of spares part data.	www.sparesfinder.com
Stibo Systems	Vendor specializing in product, supplier and location master data.	www.stibosystems.com
Talend	Open source vendor with an MDM suite.	www.talend.com
Teradata	Database giant with its own MDM solution.	www.teradata.com
Tibco	Integration vendor with product data-oriented MDM hub.	www.tibco.com
Verdantis	Provides cloud-based MDM software for the material and product domains with self-	www.verdantis.com

	service and turnkey delivery models.	
Viamedici	German MDM vendor specializing in MDM for manufacturing.	www.viamedici.de
VisionWare	MDM vendor based in UK and US specializing in healthcare, financial services and local government with their MultiVue product.	www.visionwareplc.com