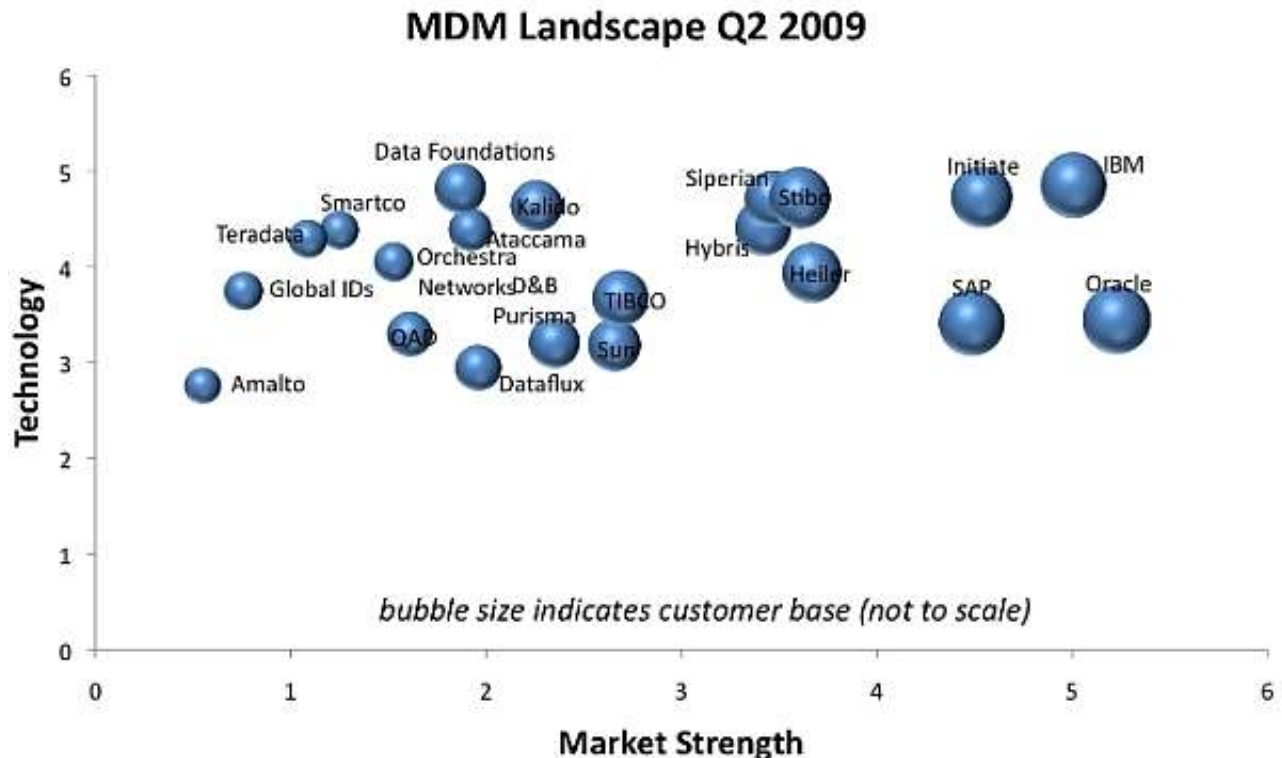


The MDM Landscape Q2 2009

Master Data Management (MDM) deals with the life-cycle of data that is shared across computer systems, such as customer, product, asset and location. It encompasses the business processes associated with the management of that data (data governance) as well as technology. The Information Difference MDM Landscape is a high level assessment of the main vendors in the MDM market at a particular point in time.



The Landscape diagram represents three dimensions. The size of the bubble represents the customer base of the vendor i.e. the number of corporations it has sold 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 of a weighted set of scores made up from: customer satisfaction as measured by a survey of reference customers (*), analyst impression of the technology, maturity of the technology in terms of its length of time in the market and the breadth of the technology in terms of its coverage against our functionality model.

In this version of the landscape we have made a significant change to the methodology, surveying customers of the vendors covered, and assigning a significant weight to their feedback in the “technology” dimension. Market strength is made up of weighted scores of MDM revenue, growth, financial strength, size of partner ecosystem and geographic coverage. The Information Difference maintains detailed profiles of each vendor which go

into these aspects in more detail. Customers are encouraged to carefully look at their own specific functional requirements rather than simplistic vendor assessments such as the Landscape diagram position when assessing their needs. Indeed we maintain a comprehensive functionality model and evaluation approach which we offer to customers.

In our current Landscape we have expanded the coverage of MDM vendors to include Ataccama, Data Foundations, Global IDs and Smartco (which specializes in financial services but is a technically broader solution). There are also some MDM vendors which operate entirely in a particular vertical, specifically Visionware in local government and Golden Source in securities and investment management. Because of their specialist nature we do not include them in the main diagram. In due course there will be a major new entrant in the form of Microsoft, which is basing its offering on the technology it acquired from Stratature.

The Information Difference estimates that the MDM market in 2008 was worth around USD 530M, with annual growth of just under 30%. This figure includes the total revenues of the software companies operating within this market, but does not include the services revenues of the systems integrators and consultants involved with implementing MDM, which we believe to around three times that size.

The MDM market is maturing gradually, with an increasing acceptance that MDM is an enterprise-wide issue, with the consequence that products need to be able to handle multiple business data domains. Clearly there are quite different characteristics between different data domains: customer data is well-structured, relatively simple and may be high in volume, whereas product data may be less structured, and have hundreds of attributes. Many of the vendors in the MDM market have started by specialising in one particular data domain, but customers are increasingly demanding a more integrated approach (66% expressed this view in a 2009 Information Difference survey).

One factor which we see gaining ground is the increasing demand for data quality functionality within MDM projects. Some MDM vendors provide this themselves, or do so by either an OEM arrangement or other partnerships with data quality vendors. We see this increasing, and expect MDM platform vendors to make acquisitions of data quality providers in some cases, or at the least bolstering their partnerships with data quality vendors in response to customer demand.

The other recent trend which we observe is the increased role that data governance plays in MDM projects, particularly as companies move beyond pilot implementations into broader deployments. MDM vendors have varying capabilities to support data governance activities, but are increasingly being expected by customers to provide such functionality.

Changes in the positions of the vendors in this Landscape compared to the previous one reflect the changes in the market, but in this particular case also the change in methodology in incorporating customer feedback as a significant factor in the “technology” dimension. This largely explains some changes from the previous diagram in this dimension. In this Landscape, the vendors with the highest customer feedback scores

were Stibo and Smartco, followed by IBM, Kalido, Data Foundations and Ataccama.

(*) If a vendor did not provide sufficient customer references, a moderate default score was assigned.