

Global IDs hones governance, MDM focus; looks to the cloud and appliances for growth

Analyst: Krishna Roy

12 Mar, 2012

Global IDs remains focused on data governance and MDM (master data management). But the company has more clearly defined its role within these projects around the scanning, analysis, mapping and governance of structured and semi-structured data. Management has also elucidated product development plans for the year, including the delivery of a data governance appliance and a data quality-analysis service in the cloud. It is also working on data discovery, profiling, classification and mapping enhancements. Reportedly profitable for the last six years and in growth mode, Global IDs nevertheless still has approximately 15 paying customers – roughly the same number it had two years ago – although we're told deployments are wider and deeper, and deal sizes are larger, than previously.

The 451 Take

The company has made great strides in carving out a role in governance and MDM – two hot markets segments driven by ever-burgeoning needs for corporate compliance and continued industry regulation. However, it is still playing in a crowded sector, where vendors infinitely larger, with more market reach and/or a higher market profile, are still competing for business in the same space. These rivals may not be able to do quite what it does, but they have a broader data management platform, and often an army of consultants to bring to bear. That said, we think the company's prospects are brighter than before. An appliance should simplify purchasing and installation – and the data quality-analysis service should also make it easier for a prospect to build an internal business case for using its wares.

Context

The company is now in its sixth year of operation as a software vendor, having started out in 2001 as a data management and data integration consultancy. It made the transition to a software vendor addressing data governance and MDM in 2006, having reportedly moved into profit in the prior year. We're told the game plan is to increase margins this year, when it is expecting revenue growth of 200%, in the wake of a reported 50% increase in sales in 2011.

Management wants to continue to achieve profitable growth, without taking on any venture capital. However, we're told it will start to entertain outside investment to fund the next growth phase out of the US into international territories. The New York-headquartered firm currently derives the bulk of revenue from the US, and has retained a steady headcount of 50-60 employees for the last couple of years.

Customers

Global IDs is still firmly set on addressing data governance and MDM needs – but with a clearer focus than of old. We're told most customers buy its wares for scanning typically 400-500 databases and for mapping data. That said, it also pitches the ability to automate the integration and governance of data as other core competencies, purporting to automate 90% of an organization's scanning needs, 60% of its governance and mapping requirements, and 50% of its integration needs.

Although it still has approximately the same number of paying accounts it had two years ago, management tell us use cases are broader, as it seeks to automate analysis of data, create transparency and traceability, and reduce the cost of governance and integration, primarily in large global companies. As a result, it has now reportedly landed seven-figure deals, where previously deals were \$1-2m at the upper end. Entry-level deals remain at about \$500,000, although these are likely to change with the advent of the data governance appliance (see below).

The primary industries the company targets and operates in are healthcare, financial services and telecommunications. However, we're told it has also made in-roads in to the US government segment, and is seeing interest from data services companies involved in the data supply chain, high-tech firms and publishing companies, which are shaping up as secondary markets.

Products and technology

The company has four offerings: Master Data Governance Product Suite, Data Profiling & Mapping Suite, Master Data Integration Suite and Metadata Governance Suite. They are built on fundamental components, including an agent-based platform written in Java, which uses massively parallel computing in a distributed environment. The suites also share a common foundation since the company's software platform essentially starts out by reverse-engineering physical database environments, scanning them, taking a detailed profile of the data within them, including the metadata, and then mapping them at the schema and domain level.

However, each suite also packages up requisite functionality for the particular type of project in question. The master data governance offering, therefore, contains stewardship and monitoring capabilities - as well as data discovery, profiling, classification, mapping, verification and validation features. The metadata governance product is principally concerned with the aggregation and storage of metadata, as well as the ability to search on it, monitor it and distribute it in reports, or to third-party offerings via Web services. It is also designed to handle a number of different types of metadata, including semantic metadata, metadata related to taxonomies and data quality, relationship metadata, and metadata associated with data lineage. The master data integration offering contains data modeling, movement, standardization and integration components, as well as support for hierarchies, search, analysis and metrics.

Due by the end of March, we're told the data governance appliance will provide all the capabilities of its software stack on pre-configured hardware, so customers can implement it quickly and also relatively inexpensively. One appliance will reportedly cost less than \$100,000 to get up and running - the idea is that a customer buys one box to handle around 40 databases, and then purchases a second appliance as needs grow, to handle the next 40 databases, for example. The company is working with undisclosed Linux-based super-computing hardware players to deliver the appliance, with a view to partnering with hardware big guns such as HP, IBM and Oracle, to deliver an appliance on standard hardware at a later date.

The data quality offering in the cloud is scheduled for release in the second quarter. It is all about providing a data quality analysis service using a SaaS delivery model, so that customers don't have to install hardware or software. Security will be handled by a secure tunnel to the Global IDs datacenter, so that customers can essentially send encrypted data via the tunnel, which is then analyzed, and sent back through the tunnel to the customer.

Roadmap

This year's focus on enhancements in the data discovery, profiling, classification and mapping realms is geared to improving data transparency and data quality. The debut of a SAS scanning module is, in essence, aimed at providing existing customers with SAS database environments with scanning capabilities, so they can find out what data is in them. The company is also working on a scanning module that is reportedly able to scan thousands of Microsoft Access databases – again for data discovery purposes, and a counterpart for desktop environments. The latter will employ a software agent, which runs on desktop machines, and scan through all the content on the desktop, in a manner akin to antivirus software.

Profiling enhancements in the works include better cluster profiling via the ability to take a column of data, break it into a cluster, and profile it separately. The ability to better support variables in text – as opposed to fixed text – is also under development; we're told it has the capability to directly profile files and XML databases, without bringing them into its own database environment. Enhancing facilities to better understand the context of numerical data, and expanding support for outlier analysis, are also under way in support of beefing up profiling capabilities, which the company already regards as a core competency.

The company also plans to build on reported strengths in computational algorithms and mapping to improve recognition logic, and the ability to classify industry-specific domain data. Improvements to data lineage-analysis capabilities and enhancements to its software's ability to map XML to files, XML to databases, and files to databases, is also on the cards.

Competition

Global IDs says its wares are complementary to data management platforms from heavyweights IBM, Informatica, SAS Institute's DataFlux division and SAP BusinessObjects. We're told it hasn't displaced vendors with a particular focus on one data management arena, such as Harte-Hanks Trillium Software data-quality unit, data integration player Ab Initio Software, or MDM and data warehousing player, Kalido either.

We understand, on one level, that there can be peaceful coexistence between Global IDs software and ETL/integration offerings, since the company can take mappings and feed them into a third-party ETL tool, in recognition that many companies will already have an integration platform that they don't want to junk. It also has a tie-up with Revelytix for data federation; and partnerships with Dun & Bradstreet and Pitney Bowes for global company identifiers and global location

integration respectively.

But Global IDs also provides integration features around data modeling, data movement (ETL) and data standardization, for organizations without an existing integration platform, so we think it is a competitor to data management platforms provided by IBM, Informatica, etc., and smaller vendors such as Talend, which seek to offer up data integration, data quality and MDM in one stack. Furthermore, a honed focused on scanning, mapping, analysis and governance of data does somewhat distinguish it from Kalido and its Data Governance Director application, which is more focused on applying governance policies. But we still think IBM has the closest comparable lineup, with Informatica and DataFlux also providing some tough competition.

We also believe Oracle, Microsoft, Orchestra Networks, TIBCO Software and Software AG's Data Foundation's business provide MDM and/or data quality competition and are therefore competitive to one degree or another. That said, we recognize Global IDs shines in particular areas such as sophisticated data profiling. We also take management's point that it approaches data governance from an data-audit perspective by running controls on a company's software environment and seeing how far it complies with those controls – a different take to some in the data governance space.

SWOT Analysis

Strengths

Global IDs appears particularly good at scanning a wide variety of environments – both structured and unstructured – and handling the mapping and profiling of those environments. It continues to be run judiciously by an experienced management team with an eye to profitable growth.

Opportunities

The data quality services in the cloud and data governance appliance should broaden its appeal and act as growth spurs to all-important new customer acquisition.

Weaknesses

Although the company seems to be getting deeper into existing accounts, it doesn't seem to be exhibiting much growth outside of its installed base. It has a low market profile for a company that has been in operation for over 10 years.

Threats

Despite clearly elucidating its market positioning and therefore dispelling any confusion prospects may have, it still faces stiff competition from the plethora of vendors also looking to serve data governance and MDM needs including big guns such as IBM, Informatica, and smaller players such as Talend and Kalido.

Reproduced by permission of The 451 Group; © 2013. This report was originally published within 451 Research,Âs Market Insight Service. For additional information on 451 Research or to apply for trial access, go to: www.451research.com