MDM Landscape Q2 2017

Master data management (MDM) is the software and processes to support the handling of data that crosses an organization: customer, product, supplier, location and asset are all "domains" of master data that span an enterprise. Such data is typically required in many line of business applications, and most companies end up having to deal with multiple, inconsistent version of such data, spread between ERP, supply chain, sales, marketing and logistics applications. Our research has shown that an enterprise has a median of 15 different systems generating master data, so maintaining a common picture of customers and products, which are often classified differently by different lines of business, across all these source systems is challenging. MDM software endeavours to tackle this issue by maintaining either a consolidated version of such data or a means of mapping the differences between these assorted versions of data, so that a trusted single view of entities such as customer and product can be managed and analysed. In order to answer basic business questions like "who are my most profitable customers, products and channels?" you clearly need some way of resolving the inconsistencies in the way that this data is stored and classified.

In the early days of MDM over a decade ago, the software solution tended to focus on either tackling customer or product data, which are arguably the two most common data domains (every company has customers and products). However it became clear that the same issues around inconsistency and accuracy of customer and product data also applied to other data domains such as location, asset, supplier, contract and even "employee". This spawned the development of "multi-domain" MDM solutions that could in principle handle any class of master data. Vendors with roots in customer and product data started expanding their coverage – customers have locations for example, so location data is relevant to many customer data projects. Over time most vendors claimed that they were multi domain, even if their software was not originally designed that way. Our own research shows that the average MDM project spans four different data domains, even if its focus is one of these. MDM solutions may also be extended to handle so-called "reference data", such as currencies and country codes, which is arguably just a type of master data that changes more slowly that customer or product data (there are occasionally new countries created like South Sudan, just not very often). Vendors frequently market a reference data version of their product, often at a lower price, in order to get a foothold within a customer account, hoping to expand out from that into broader MDM projects.

Recently the MDM software market has had to adapt to a number of challenges, such as catering for deployment of solutions in the cloud as well as on-premise. New data sources, often stored in alternative file systems such as Hadoop, have sprung up, and some of these contain data about customers and products that needs to be somehow extracted and mapped on to existing customer master data. The need to ensure the accuracy of data has seen many MDM vendors either partnering with or purchasing data quality vendors, which for example may offer customer name and address validation, or enrichment of that data.
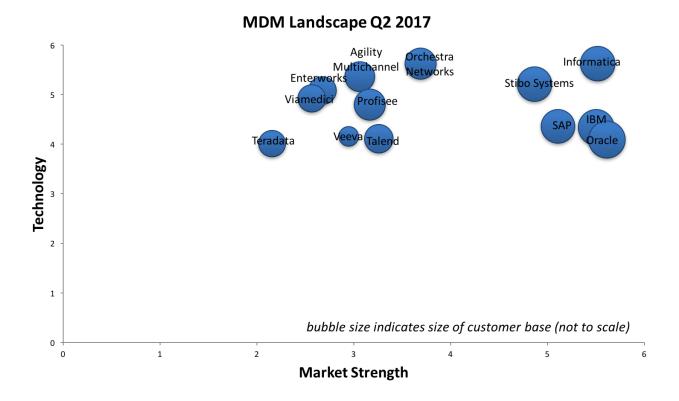
The MDM market, despite some consolidation, continues to spawn new vendors in recent years, some of these specialising in a particular industry, others skipping directly to cloud-only offerings. Some of these vendors are utilising graph databases or other NoSQL databases rather than traditional databases, and touting these as having advantages over traditional storage mechanisms.

The fact that the market can support new entrants more than a dozen years after its creation suggests both that the MDM market is healthy but also that existing solutions have not fully addressed all the needs of the market. Certainly we see many customers tackling MDM projects which are either broader in scope than their initial forays, or replacing early MDM attempts that were only partially successful. The MDM market is certainly a long way from being saturated.

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 $1.45 billion, with year on year growth of 6%. 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 $798 million, maintenance revenue at $247 million and MDM professional services revenue of the software vendors at $406 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 main vendors in the market are summarised in the diagram below.

MDM Landscape Q2 2017

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[1], 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

---

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

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, followed closely by EnterWorks, then Stibo Systems, then Orchestra Networks and Informatica. 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
AllSight	Not pure MDM but rather a customer intelligence management vendor.	www.allsight.com
Ataccama	Data quality vendor who also have an MDM hub in their software portfolio.	www.attacama.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
InRiver	Product Information Management vendor with its HQ in Sweden.	www.inriver.com
Informatica	Informatica offers an end-to-end MDM solution with an offering of multidomain MDM, master data fueled business apps (Product 360, Supplier 360), Big Data Relationship	www.informatica.com

	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.	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
Lansa	Vendor with PIM and eCommerce tool amongst a broader software portfolio.	www.lansa.com
Liaison	Cloud-based MDM software with an emphasis on product data.	www.liaison.com
Magnitude	Model-driven multi-domain MDM vendor (formerly called Kalido) with increasing emphasis on operational MDM use cases.	www.kalido.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 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 cloud 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
Salsify	Product content management vendor.	www.salsify.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

Sigma Systems	Vendor with catalogue management, order management and provisioning software.	sigma-systems.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	Stibo Systems provide a flexible, multidomain solution that supports large data sets at scale. It has a strong presence in Manufacturing, Distribution, and Retail.	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
Veeva	Provides cloud-based multi-domain MDM software to the life sciences industry.	www.veeva.com
verato	Provide identity management software and data, crossing the boundaries between MDM, data quality and data broker.	www.verato.com
Verdantis	Provides cloud-based MDM software for the material and product domains with self-service and turnkey delivery models.	www.verdantis.com
Viamedici	German MDM vendor specializing in MDM for manufacturing.	viamedici.com
VisionWare	MDM vendor based in UK and US specializing in healthcare, financial services and local government with their MultiVue product.	www.visionwareplc.com