MDM & DATA GOVERNANCE READINESS ASSESSMENT:
A Summary Practical Guide to Systems Integrators & Consultancies

An MDM Institute *MarketPulse*™ In-Depth Report
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During 2009, Global 5000 (G5000) size enterprises will spend on average US$1M for master data management (MDM) software, with an additional US$3-4M for systems integration (SI) services; Global Service Providers will operate under this price floor by applying highly-customized, labor-intensive frameworks and related accelerators.

Throughout 2010, skill shortages will greatly inflame project costs as demand for data stewards, enterprise data architects, and individuals with Data Governance experience outstrip market supply; concurrently, SIs will fill this void via project management/implementation and staff augmentation.

By 2012, the market will stabilize as enterprises react by training and protecting their own MDM staff with specific product and project expertise; until then, enterprises will struggle with re-skilling the same resources multiple times as emerging/evolving data management technologies mature (e.g., Oracle Fusion, SAP NetWeaver, …).

Through 2009, most enterprises will struggle with cross-enterprise Data Governance (DG) scope as they initially focus on customer, vendor, or product; enterprise-level DG that includes the entire master data lifecycle will be mandated as a core phase 0/1 deliverable of large-scale MDM projects.

During 2010, major SIs & MDM boutique consultancies will focus on productizing DG frameworks while MDM software providers struggle to link governance processes with process hub technologies; concurrently, G5000 enterprises will struggle to evolve enterprise DG in cost-effective and practical ways from "passive" to "active" DG modes.

"The market for MDM & Data Governance services reached US$900 million during 2009 and will exceed US$1.3 billion by 2012. Systems integrators are essential to success of majority of MDM projects, yet previously incumbent SIs usually are no longer so. Data Governance assistance from SIs will remain especially critical to the success of MDM programs during 2009-10 as organizations deal with a shortage of tools, experience, and tool expertise. Given the substantial investment businesses undertake with SI partners, this area must be given scrutiny – not only to contain costs, but to insure success of this vital corporate initiative. " Aaron Zornes, Chief Research Officer, The MDM Institute

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Executive Summary

Both Data Governance and Master Data Management programs are breaking new ground when it comes to complexity and business value justification for large scale integration projects. Previously, Enterprise Resource Planning (ERP) may have attempted to integrate and transform the back office (finance, manufacturing, and distribution) while Customer Relationship Management (CRM) sought to integrate and transform the front office (sales, marketing, and service). Master Data Management (MDM) takes the notions of integration and transformation to new heights in that an enterprise MDM program proposes to integrate front office and back office, as well as (often competitive) business units within the enterprise by treating "data" as a corporate asset.

Why an "MDM & DG Readiness Assessment" guide to Systems Integrators?

Understanding the scope, diversity and churn of the solutions providers' in the market to assist with master Data Governance programs is tremendously challenging. In short, business and IT leadership chartered with defining and executing such programs need help to understand and navigate through the numerous options.

> ### Industry Terminology - Definitions
>
> **Master Data Management (MDM).** Authoritative, reliable foundation for data used across many applications and constituencies with the goal to provide a single view of the truth no matter where it lies.
>
> **Multi-Entity MDM.** An MDM solution to concurrently manage multiple, diverse master data domains (customers, accounts, products) across intra- and extra-enterprise business processes. By centralizing the most critical data to a single trusted source within a cohesive data lifecycle, multi-entity MDM provides configurable process integration across multiple data domains.
>
> **Customer Data Integration (CDI).** Processes and technologies for recognizing a customer and their relationships at any touch-point while aggregating, managing and harmonizing accurate, up-to-date knowledge about that customer to deliver it 'just in time' in an actionable form to touch-points.
>
> **Data Governance (DG).** Formal orchestration of people, process, and technology to enable an organization to leverage data as an enterprise asset.
>
> **Source: The MDM Institute**

Historically, there has been economic and political pressure to stay the course with your incumbent systems integrator (SI) for enterprise scale projects. For example, the SI partner who helped with your enterprise CRM or ERP implementation may also have been the partner for enterprise data warehouse or e-commerce. MDM and DG, however, have been evolving at a faster pace and with a more diverse set of mega vendors and pure play solutions such that the SI industry was caught somewhat off guard.

Even more challenging has been the difficulty in scaling these MDM solutions from division or LOB level to true enterprise-wide deployment. Experienced SIs are critical not just for the installation and performance tuning of such complex mission critical software, but increasingly the SI is seen as a partner in breaking new technology ground such as multi-entity MDM (e.g., customer and product master data at the same time) and the integration of master data workflows into multi-channel and other nouveau architectures.

Such historical momentum (or inertia) to stay with the incumbent SI partner was considered sound business logic given the good working relationship established, along with the economies of scale enjoyed by both sides of the equation due to the ongoing relationship (reduced selling costs, and ramp up time/fees due to insider status). **However, what if your preferred SI partner does not have any project experience in the rapidly evolving MDM technology arena or is tremendously short staffed in this area? What do you do?**

This MDM Institute Market Pulse™ report provides a synopsis of:

- Why SIs are essential to the success of your MDM and Data Governance (DG) projects,

- How an enterprise might evaluate the capabilities of your "new" potential SI partners

- An overview of the SI landscape regarding both who the traditional leaders are as well as a look at the new SI "dark horses".

Our gratitude and special thanks go out to those early adopters and industry leaders who shared their insights with us as we captured the "best practices" of these pioneers.

Specifically, during October-November 2009, in-depth survey interviews were held with IT management of 75 North American, European and Asia-Pacific MDM programs: 26% (20) were financial services; 16% (12) were retail/food & beverage, and, 11% (8) were healthcare/pharma/medical.

> **Industry Terminology – Phase Delineations**
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> **Phase 0.** Scoping of Phase 1; Limited proof-of-concept (POC); Requirements capture; ROI projection; Vendor & product evaluation.
>
> **Phase 1.** Limited deployment within single business division or department for single entity, e.g. customer or product.
>
> **Phase 2.** Going enterprise-wide with single master entity, e.g. customer, product, supplier, etc..
>
> **Phase 2+.** Going enterprise-wide with more than one master entity, e.g. customer, product, &/or supplier, etc.
>
> **Phase 3.** Extending master data extra-enterprise-wide with more than one master entity, e.g. customer, product, &/or business partners, e.g. strategic sourcing supply chain, outsourced call centers, etc.
>
> **Source: The MDM Institute**

All survey respondents had annual revenues in excess of US$1 billion. Based on attendee data from recent MDM SUMMIT conferences, the data from an additional 1,867 organizations were reviewed for their experiences in engaging consultancies for the multiple phases of Data Governance and MDM programs.

The most common MDM products installed in the greater online survey sample were: Oracle with 478 sites (43% - including several hundred Hyperion DRM sites); SAP with 228 sites (21%); IBM with 220 sites (20% for customer and product hubs); Initiate Systems with 122 sites (11% including more than 60% of which were enterprise master patient identification [EMPI] registry implementations); and, Siperian with 63 sites (6%).

Such projects typically incur a substantial amount of systems integration services in the first 12-24 months as businesses wire up their data sources into the enterprise's master data hub(s) and undergo both business and IT process transformation to address the future

state wherein "single trusted view" will be the norm. **During 2009, our research re-affirmed that the typical Global 5000 enterprise spent an average of US$1.2 million for MDM software solutions – with an additional investment of 3-4X this in SI services** (as have Forrester and Gartner reports on this topic confirmed). A scarcity of "hands on" MDM project and product experience currently exists which in turn is driving blended rates for such services to 3-4 times their prior rates ("rent-a-data-steward", "rent-an-enterprise-architect", etc.). Compared to a year ago, the IT industry now has an additional 2,500+ product-specific consultants who have gone through MDM product training for vendor platforms including IBM, Initiate Systems, Oracle, SAP, Siperian, etc. <u>The relative scarcity of individuals with even one MDM project under their belt is startling as are the prices for the services of such individuals</u>.

Furthermore, the next gap in the MDM lifecycle will be in the maintenance and continuity cycle. Typically, large corporations have an agreement in place to allow the tier one SIs to do first implementations but then it gets turned over to the Managed Service Providers (MSPs). When it comes to MDM, the MSPs are even further away from having any type of center of excellence or skilled expertise in this area (forget bench building – it's NOT there).

The market for MDM and Data Governance services reached US$900 million during 2009 and will exceed US$1.3 billion by 2012. In our experience with more than 1,800 such programs reviewed for this report, <u>SIs have been seen as essential to the success of the majority of MDM projects, yet previously incumbent SIs are becoming less dominant</u>. Data Governance assistance from SIs will remain especially vital to the success of MDM programs during 2009-10 as organizations deal with a shortage of MDM experience, tools and tool expertise. Given the substantial investment businesses undertake with SI partners, the selection of the appropriate SI partners must be given considerable scrutiny – not only to contain costs, but to insure success of these vital corporate MDM initiatives.

During 2009, most enterprises are struggling with cross-enterprise Data Governance scope as they initially focus on customer, vendor, or product. Moreover, in our experience we increasingly find that <u>enterprise-level Data Governance that includes the entire master data lifecycle will be mandated as a core phase zero or phase one deliverable of most large-scale MDM projects</u>.

Through 2010, major SIs and boutique consultancies will focus on productizing Data Governance frameworks while MDM software providers struggle to link governance process with process hub technologies. Concurrently, <u>Global 5000 size enterprises will struggle to evolve enterprise Data Governance both in cost-effective and practical ways that shift from "passive" to "active" Data Governance modes</u>.

Summary Findings from Survey of 75 Large-Scale Programs
- The top five areas where enterprises look to SIs for assistance with MDM and Data Governance are: (a) Multi-organizational adoption to a common MDM solution/framework (83%); (b) Data Quality measurements for transparency & trust

(69%); (c) Common enterprise definitions of customer, or (d) Shared definitions defined by LOB (69%)' on program governance, policies and processes (67%); and, (e) Total cost of ownership and return on investment (64%).

- The leading SIs in marketshare for MDM & Data Governance implementation assistance were: Accenture (19%); IBM GBS (18%); Cognizant (15%); Deloitte (13%); Tata (13%); BackOffice Associates (11%); EMC Consulting (7%); Infosys (5%); CSC (4%); and Wipro (3%)

- For enterprise MDM life cycles during the previous 18 months, an average of 2.8 consultancy firms were engaged, and for their Data Governance life cycle an average of 1.2 consultancies were engaged. This shows the frequency with which many enterprise organizations have needed to "change out" SIs when the program falters due to lack of experience, leadership, etc. on the part of the consultancies

> **Key Survey Finding =** *For enterprise MDM life cycles during the previous 18 months, an average of 2.8 consultancy firms were engaged, and for their DG life cycle an average of 1.2 consultancies*

- 95% cited "business adoption to the MDM/DG program" as critical; as 90% also stated they strongly agreed that it is "important to leverage an SI/consultancy to drive this adoption"

- 80% cited "increase top line & bottom line revenue from cross-sell/upsell"as their top business justification for MDM, in second place at 24% was "Identify & reduce customer fraud; facilitate compliance"

- Fully 95% of IT executives strongly believe that "Systems integrators are essential to the success of the majority of MDM projects" and 72% strongly agree that "Systems integrators are often necessary to sell C-level executives".

- While 91% agree or strongly agree that ""Systems integrators are needed to coordinate IT & Business", only 13% strongly believe that ""Systems integrators are needed to help transform IT organizations".

- The "top 5"evalation criteria for selecting an SI partner for MDM and Data Governance programs are: (a) Specific MDM project experience (industry, geography (99%); (b) Specific MDM product experience (96%); (c) Extensible Data Governance methodology & accelerators (91%); (d) Industry-specific data model experience & ETL mappings (67%); and (e) SOA architecture experience & accelerators (27%).

BOTTOM LINE: Given the substantial investment businesses undertake with their SI partners for their MDM projects, this cost component must be given close scrutiny – not only in effort to contain costs, but also to insure success of this vital corporate initiative.

What are the Major Benefits of Partnering with Systems Integrators for MDM & DG?

Overall Business Benefits

#1 – SIs Are Often Necessary to Sell C-Level Executives. Without C-level support, lines of business (LOBs) will find it difficult to contribute the funding and resources necessary to launch an MDM initiative – resulting in status quo with each business unit continuing to address the issue at the division-level (if at all). Politically speaking, creating a "coalition of the willing LOB managers" is a prerequisite to getting C-level buy-in. It is often difficult, due to political sensitivities and a lack of objectivity, for organizations to establish this coalition without external assistance. CxOs don't have time for details, however, if a CxO's direct reports are lobbying for a solution to a particular problem such as a "unified view of the customer" for cross-selling or regulatory compliance, then the CxO will listen and take action.
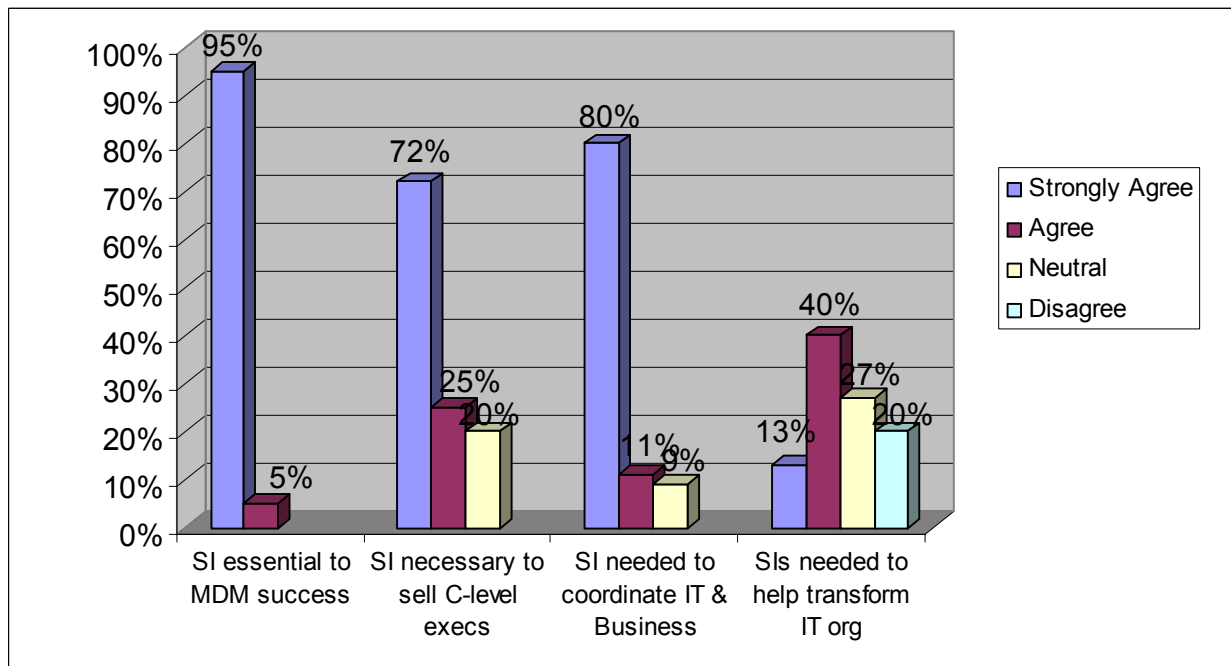

Figure 1 – How Important are SIs to MDM & Data Governance Program Success

 #2 – SIs Are Needed to Help Transform IT Organizations. To a greater degree than traditional IT initiatives, organizational readiness and acceptance of the new MDM technologies (SOA/shared services, hierarchy mapping/management, etc.) has a huge impact on the successful sustainability of large-scale MDM initiatives. As noted in our MDM Alerts on "Data Governance," most IT organizations live in a state of "anarchy" where very few processes are shared across system domains; and IT organizations are functioning as "IT monarchies" that dictate shared technology resources and processes across a limited set of applications. Ideally, most enterprises would like to have their IT organizations progressing to an enlightened stage of "business monarchy" (where LOBs

are actually sharing master data and processes) or a "Federalist/Union" stage wherein the processes are truly integrated end-to-end for the lifecycle management of corporate master data and metrics are in place to manage this.

#3 – SIs Are Needed to Align IT & Business. The SI partner is a critical ambassadorial function to plan for IT organizational change management to support the "cross-LOB" MDM efforts. Moreover, the SI team can work with business leadership to design and refine the "future state" business processes associated with new MDM commitments in the progression to a more centralized approach to managing master data as a corporate asset. And after initial development of a MDM system, SIs can help IT and the business better coordinate by facilitating: (a) mutual participation in the definition of business heuristics/ rules for the resolution of master data match/merge/collision issues, and, (b) ongoing commitment to update both applications and business processes to leverage the shared corporate asset via master data stored in data hub(s).

Understanding the "Top 5" Evaluation Criteria for Selecting an SI Partner

Other than the softer criteria for evaluating partners, such as reputation, ease of doing business, etc., <u>**the more important criteria for evaluating SI partners is the focus of their key areas in expertise and competency**</u>, whether it be industry-specific or technology-specific. The ideal MDM or Data Governance practice partner is able to draw upon resources that have insights and expertise from competitive, cross-discipline centers of excellence (CoEs) or centers of competency (CoCs). As expected, these MDM partners have often evolved from the business intelligence, ERP, and CRM specialty practices. And just as often, multi-disciplinary teams assembled to work on

> **"Top 5" Evaluation Criteria Systems Integrators**
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> #1 – Extensible Data Governance methodology and accelerators
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> #2 – Industry-specific data model experience and ETL mappings
>
> #3 – SOA architecture experience and accelerators
>
> #4 – MDM product experience
>
> #5 – MDM project experience
>
> **Source: The MDM Institute**

project(s) are pulled from other areas, such as: enterprise architecture planning, especially service-oriented architecture (SOA) experts; enterprise data modeling; legacy application reengineering; data conversion and application migration; data quality; data integration middleware and business process management (BPM) experts; analytics and ETL experts; testing and QA; systems infrastructure management; performance engineering; as well as ROI ,business value articulation, and cost model generation.

"Top 5" Areas that Enterprises Look to SIs for Assistance
75 Global 5000 Size Enterprises (Oct-Nov 2009)

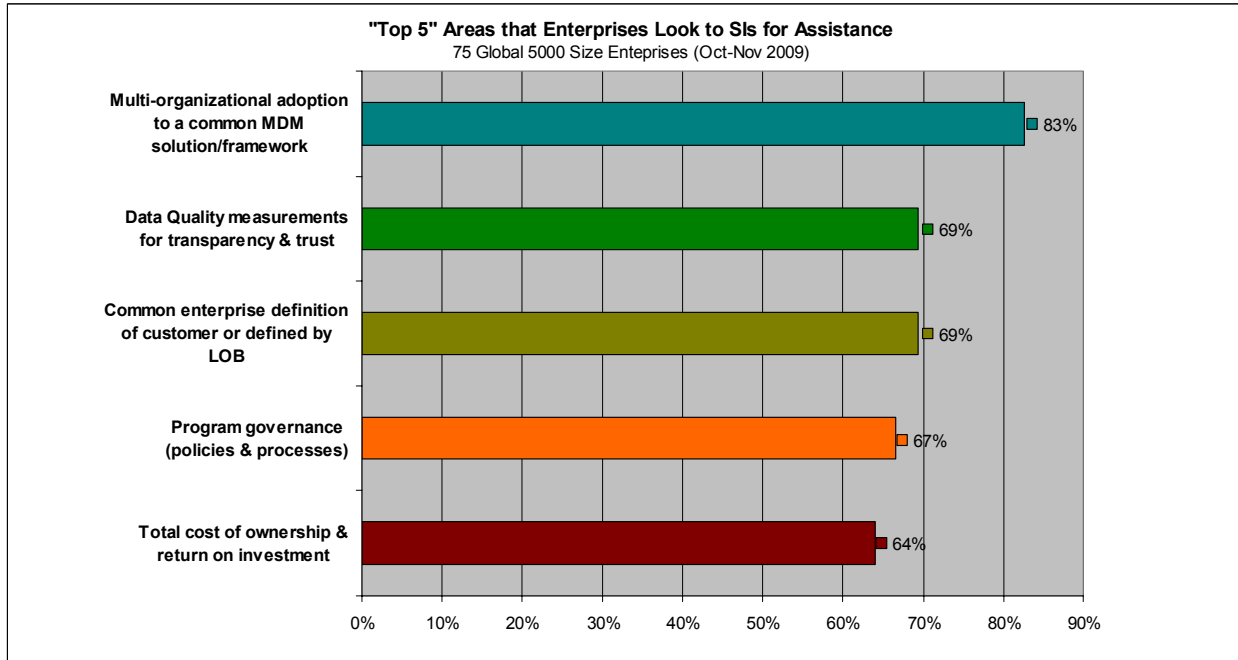| Area	Percent
Multi-organizational adoption to a common MDM solution/framework	83%
Data Quality measurements for transparency & trust	69%
Common enterprise definition of customer or defined by LOB	69%
Program governance (policies & processes)	67%
Total cost of ownership & return on investment	64%

Figure 2 – "Top 5" Areas that Enterprises Look to SIs for Assistance

What are the "top 5" technical evaluation criteria for the services of systems integrators on MDM projects? An overarching consideration is that few SIs have experience with one major MDM project – let alone more than one in our industry. "In flight" projects are no substitute for proven experience, but do represent a vote of confidence for SI partner commitment to the industry.

"Top 5" MDM & DG Technical Evaluation Criteria for Systems Integrators

#1 – Extensible Data Governance Methodology & Accelerators. Too many times, our clients report to us that "our SI doesn't understand us" which translates to "we asked for an MDM proposal and what our SI gave us was a rehash of their enterprise data warehouse (EDW) method". Yes, EDWs and business intelligence systems in general are often feeder systems into a MDM solution, however MDM solutions are much more near real-time than the batch-style data warehouses that are endemic in the corporate IT world. Moreover, MDM solutions both straddle and bridge the front- and back-office systems to provide shared services for master data CRUD[1] functions such as enterprise-wide customer address/marital/phone changes.

A key area of differentiation for methodologies is the level of integration between the visually-oriented process mapping tools, and the actual "process generators" which feed the rules engine to drive master data policies. Increasingly, we can expect the best-of-

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[1] CRUD – create, read, update, and delete

breed MDM software vendors to promote a notion of "Data Governance console/methodology" by using their tools to support a front end design alternative to the much more cumbersome "Mack truck" approach of IBM WCC and Oracle-Siebel UCM. Given the current lack of integration among the various MDM platform design and methodology tools, evaluators of SI's offerings need to pay close attention to the software platform roadmap plans for those platforms that SIs leverage, in order to gage the level of integration that will be available..

#2 – Industry-Specific Data Model Experience & ETL Mappings. Data models are often the top technical evaluation criteria of MDM software solutions, so it follows that the technical skills and expertise of the SI candidates must match your data model center of gravity – e.g., CSC Hogan, IBM Banking Data Warehouse, Oracle Trading Community Architecture, Siebel CRM, etc. Moreover, the SI must have the prerequisite understanding of the data models of the key feeder systems into the MDM hub. That is, the SI must be able to map the primary data sources into the hub either through leveraging ETL tools with their associated mappings, or by bringing their own custom mappings of Oracle, PeopleSoft, SAP, Teradata, etc. application data models.

#3 – SOA Architecture Experience & Accelerators. As noted above, the architectural design point for 3rd generation MDM solutions is not batch, and is not isolated in either the operational or analytical division of the enterprise. Rather, a key design feature of such MDM software is its service-oriented architecture (SOA) and the component-based application approach. Quite commonly, a commercial MDM product is an IT organization's first "foray into SOA". And like anything major attempted a first time, it mandates an SI partner who has SOA experience. Most SIs (a) provide their own SOA framework as an accelerator, and/or (b) leverage the SOA frameworks provided by the mega vendors (IBM WBI, Oracle-Siebel UAN, SAP NetWeaver) as well as the "pure play" MDM platforms (Initiate Systems, Purisma, Siperian, et al). In any case, the SI must remain current with MDM software platform capabilities in terms of their support for process flow integration. This further demonstrates the increasing relevance of "process hubs" as promoted by IBM and SAP, and not just to "Type A" early adopters. Experience with the underlying rules engine of commercial MDM software and/or Business Process Execution Language (BPEL) is also required.
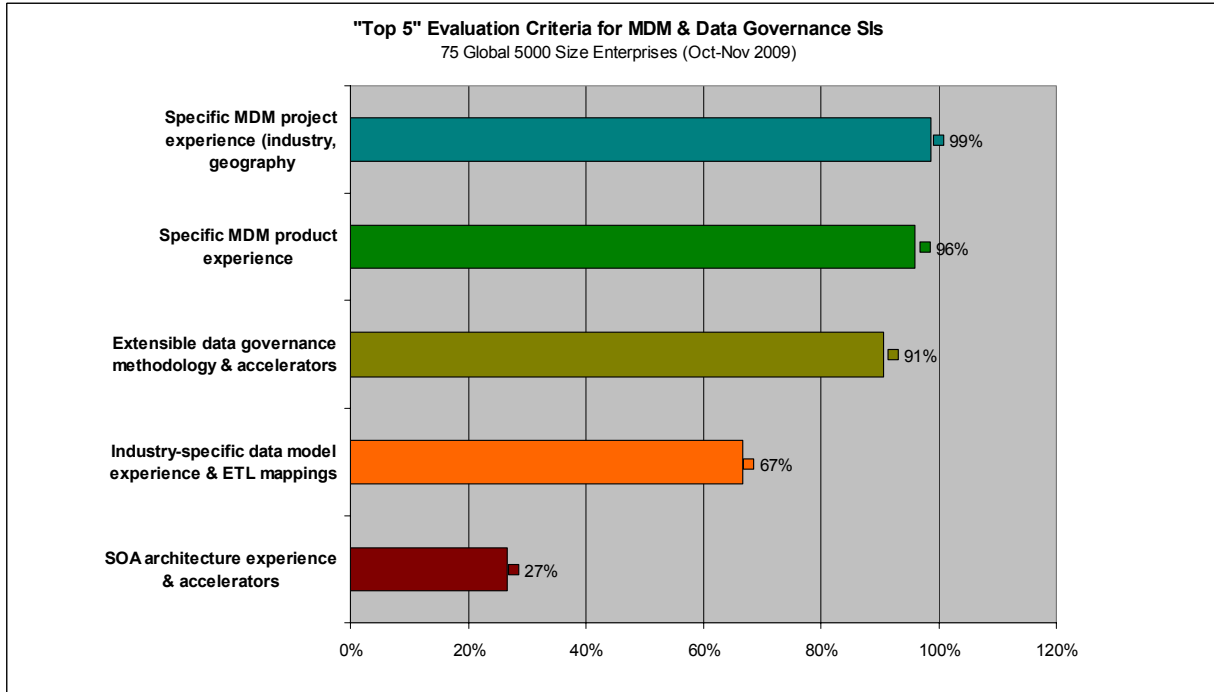
Figure 3 – "Top 5" Evaluation Criteria for MDM & Data Governance SIs

#4 – MDM Product Experience. As IT executives may have noticed, costs for MDM product-specific consulting are often out of line with other rank and file IT skill sets. During 2007-08, acute skill shortages in multiple vendor products such as IBM WCC, Oracle MDM (a.k.a. Siebel UCM), and SAP NetWeaver MDM, significantly exacerbated project costs. While "vendor product certification" is good, "product experience" is also vital. Notably, such key features as hierarchy management support vary widely from one MDM product to another. This is a key consideration, along with the need for experience with Acxiom and D&B, etc. hierarchy management solutions. Ideally, the SI partner brings process templates and tools (e.g., product evaluation matrix, gap analysis, etc.) to assist in the evaluation and selection of "build vs. buy" as well as "MDM product selection" for 'buy' scenarios.

#5 – MDM Project Experience. Additionally, shortages of MDM project and process skill sets will drive up costs for enterprise data architects, data stewards, and other individuals with strong affinity for Data Governance. Clearly, demand will outstrip the market supply for individuals with actual experience as few individuals have one project under their belt, let alone more than one project. This will create demand for such SI innovations as "rent-an-architect" and "rent-a-data-steward". The SI partner should be expected to assist in the project ROI justification as a standard matter via pre-loaded economic models to help IT and business leadership engage in MDM justification processes.

Who are the Leading Systems Integrators?

In our ongoing survey of 1,800+ MDM and DG programs, certain trends stand out regarding the ascendancy of relative new SI upstarts (and the decline of former incumbents) for large scale IT programs regarding this new area.

Clearly, a large number of engagements remain a blend of both offshore implementation services with strategic consultancy. In particular, no one SI is currently doing it all well. For example, tier 1 Systems Integrators such as Accenture and IBM have considerable investments in offshore competency centers as well as simple trained staff in Bangalore. In addition, while 2-3 years ago a North American or European enterprise might only consider an offshore provider for MDM product installation and customization, in the past two years it has not been uncommon to find Cognizant, Infosys or Tata actually being selected to lead strategic phase zero tasks such as strategy, roadmap, ROI calculation, etc.

Additionally, we have found that RFPs have various subprograms farmed out to different consultancies which further adds to the diversification in the mix of consultancies that comprise an MDM implementation program. Note also that while Accenture and IBM GBS were often managed to do it all historically, in today's economic model, however, they must often subcontract out various aspects.

In the following chart, it is important to note that these apportionments represent "relative" market share in the sample of projects know to the MDM Institute – which in turn are heavily skewed towards commercial-off-the-shelf software rather than custom-built MDM solutions. Other observations and qualifications that will help the reader differentiate among the ten mindshare leaders:

1. While we believe that Accenture and IBM GBS are at parity in the market in terms of number of MDM and DG projects each has underway, our sample had 10% more for Accenture due to the number of IBM GBS outside of North America which we have little visibility into. It is important also to note that both Accenture and IBM GBS are engaged in a sizable number of large SAP MDM installations. When large conservative enterprises look for assistance with MDM and DG, they most commonly turn to these two. CSC also tends to be a favorite among conservative companies and also provides hosted solutions.

2. BackOffice Associates is relatively unknown outside their core constituency of SAP R/3 installations, but arguably have several hundred DG implementations focused on the migration of data into SAP applications – not necessarily SAP MDM, but DG nonetheless.

3. Cognizant, Infosys, and Tata lead among the global service providers who originated as offshore outsourcers. Moreover, these three SIs not only provide implementation services, but are increasingly being given the nod for strategy and planning as well. Wipro on the other hand tends to be associated with

maintenance of MDM implementations rather than the actual implementation and customization.

4. It is important to note that Deloitte and EMC Consulting are typically the two preferred SIs when an enterprise is looking for an SI partner to help define and evolve an MDM program rather than pure offshore implementation assistance – i.e., services for the sake of services. For example, if the business is looking for enrichment or continuous refinement of the MDM program (e.g., more sophisticated hierarchy management or more sophisticated integration of DG components into the hub itself) then these two SIs are usually considered more capable of providing such solutions-centric programs rather than pure technology implementations. Note that the preceding statement should not imply that either Deloitte or EMC Consulting are not major forces in the standard MDM implementation business. In fact, both SIs do a lot of business dealing with the development of business cases, creation of business alignment, and pure play data governance to complement an implementation.

5. Many of the "mainstream" SIs (Accenture, Deloitte, EMC Consulting, IBM GBS, etc.) also partner with SIs like Cognizant, Infosys, and Tata to do the technical implementation while they manage the overall implementation program as the "prime".
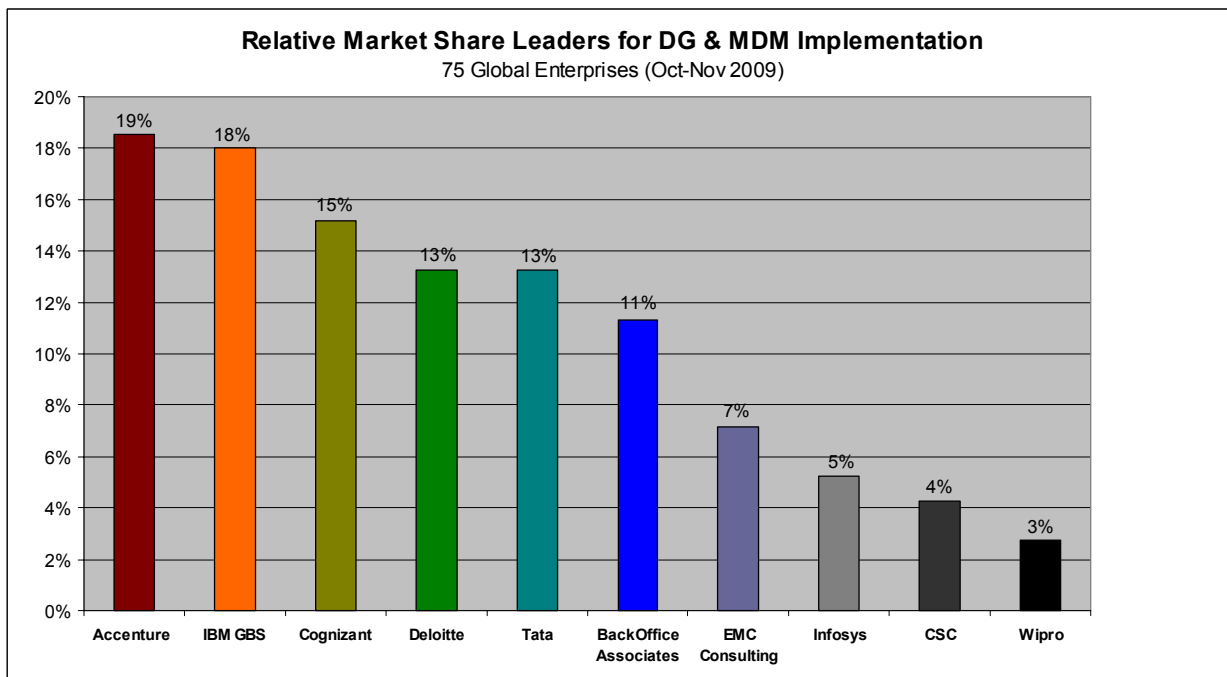

Relative Market Share Leaders for DG & MDM Implementation
75 Global Enterprises (Oct-Nov 2009)

Company	Share
Accenture	19%
IBM GBS	18%
Cognizant	15%
Deloitte	13%
Tata	13%
BackOffice Associates	11%
EMC Consulting	7%
Infosys	5%
CSC	4%
Wipro	3%

Figure 4 – Relative Market Share for MDM & Data Governance Implementation

Bottom Line

Acknowledge that SIs are essential to success of majority of MDM projects. MDM and DG are not easy, and even "type A" IT organizations benefit from the experience of veteran enterprise architects and MDM platform-specific expertise.

Recognize that incumbent SIs are no longer necessarily so. Finding, nurturing and keeping MDM and DG expertise is often a challenge for the large, more established SIs. Meanwhile, many boutiques over commit and fail to scale.

Identify which SIs are market leaders in your industry and your chosen software technologies. It is not sufficient to be a generic or pedantic MDM expert, as industry expertise (data models, data sources, regulatory compliance, etc.) all are important factors in the ultimate success of the program.

Proactively manage key IT positions. Too often IT organizations cycle their best people through the latest technology wave (client/server, data warehouse, ecommerce, MDM) only to find those expensively trained (and business process savvy) experts hired away by the same consultancies who then sell that expertise back at considerable mark-up. Make sure there exist strong financial incentives tied to project completion, longevity with the firm, etc. plus well-defined career tracks (data warehouse manager to enterprise architect to director of DG, etc) and not just the fear of "burn out, then turn out".

Leverage SIs for their "value add". Outside experts are critical as "transformation agents" as well as their ability to bring together diverse political factions to make difficult group decisions – i.e., enterprise Data Governance of master data assets. SIs also represent a key channel to further the business's MDM and Data Governance requirements back into the vendor's product marketing and executive management ranks. Not only does the SI represent your requirements (for enhancements, bug fixes, product roadmaps, etc.) – the SI is the ombudsman and group advocate for a much larger buying constituency than just your specific MDM program. The SI's leverage is not just a stick to force attention to problem resolution but also a focus group of MDM consumers who can help vendors better course correct their product rollout plans, etc.

BOTTOM LINE: **Systems integrators are essential to success of majority of MDM projects, yet previously incumbent SIs usually are no longer so. DG assistance from SIs will remain especially critical to the success of MDM programs during 2009-10 as organizations deal with a shortage of tools, experience, and tool expertise. Given the substantial investment businesses undertake with SI partners, this area must be given scrutiny – not only to contain costs, but to insure success of this vital corporate initiative.**

About the MDM Institute

Aaron Zornes is chief research officer of the MDM Institute. For additional info on this topic or other MDM Institute offerings, please contact info@tcdii.com.

To provide feedback on our client's MDM initiatives we have two levels of sponsorship for IT organizations: (1) free membership (by invitation) in our MDM Institute Advisory Council providing unlimited MDM consultation by phone, and (2) free membership in our MDM Institute Business Council (survey base) which provides bi-weekly updates on key MDM trends and issues via an email newsletter.

- **MDM Advisory Council**™ of one hundred organizations who receive unlimited MDM advice to key individuals, e.g. CTOs, CIOs, and MDM project leads

- **MDM Business Council**™ of 15,000+ Global 5000 IT executives who receive a limited distribution, bi-weekly newsletter with MDM industry updates

- **MDM Alert**™ bi-weekly newsletter provides IT organizations, MDM vendors, and investors hard-hitting insights into best practices as well as market observations derived from interactions with the MDM Advisory Council™ and the MDM Business Council™. Initially free to qualified individuals, the MDM Alert™ is expected to become a fee-based product 1H2010. The intended audience includes: enterprise architects, MDM project managers, CIOs, CISOs, CTOs, chief customer officers, chief privacy officers, data quality managers, data stewards, and project teams responsible for MDM solutions and infrastructure.

- **MDM MarketPulse**™ monthly survey results, e.g. budgets, success/failure rates, mindshare based on ongoing surveys of the MDM Advisory Council and the MDM Business Council

- **MDM Fast Track**™ quarterly 1-day workshop – fee-based and rotating through the major North American, European and Asia-Pacific metropolitan areas

- **MDM SUMMIT**™ quarterly 3-day conference and exposition – rotating through east and west coast North America, Frankfurt, London, Madrid, and Sydney.