IDC DAT-A-GLANCE

Ullrich Loeffler
Program Manager Software, IDC Australia and New Zealand

Information Integration and Master Data Management – Getting it Right

January 2009

Data integration and access software (DIA) brings together data sets for use by other software or for presentation to end users and also enables access of applications to databases without requiring a direct API connection. The purpose of data integration is to ensure the consistency of information where there is a logical overlap of the information contents of two or more discrete systems. To achieve a total solution, data integration software employs a wide range of technologies, including, but not limited to, data profiling; data quality; extract, transform, and load (ETL); semantic mediation; and associated metadata management.

> *Data quality and data integration challenges will continue to plague many organisations faced with growing data volumes, growing number of end users with access to business analytics technology, and the demand for more granular and timely data.*

Market Trends

- Despite the challenging economic circumstances, the DIA market is forecast to show strong growth fuelled by both governance and business drivers. The fact that businesses tend to focus on operational efficiencies during turbulent times makes DIA relatively insulated due to its high relevance to effective performance management and business optimisation frameworks.

- Over the past years, consolidation has progressed in the DIA market, assimilating smaller specialised niche technology vendors into broader solution portfolios. By the same token, certain technologies, such as data quality, which had languished due to the small number of customers that understood its value, are growing rapidly now that they are sold in the context of comprehensive, strategic data integration product suites.

- A global IDC study revealed that while business decision making is becoming increasingly complex, 37% of all decisions made are based on "gut feel" or intuition. At the same time 98% of decision makers place business intelligence in the Top 10 of their organisational priorities. These statistics underline the growing requirements and yet under-utilisation of information management technologies.

Market Accelerators

- Business executives are showing a growing awareness and recognition of information as a core asset to the business operation. This trend will continue to spur enterprise information management initiatives around master data management, information governance, and information life-cycle management on a strategic level.

- With constantly changing business requirements more and more organisations embrace the concept of event-driven architectures in order to enable a complex "always-on" and agile business practice. To do so, trusted and coherent data values that are relevant to the problem domain need to be provided to the domain state on a continuous basis from all the owning data sources, including databases, applications, and files. Resulting is a growing demand for coherent data systems to support application functions integrated by business process automation.

- The enterprise workplace will offer a quick route to composite applications, which will be viewed by buyers as superior solution alternatives to old-fashioned "module" applications. Such flexible "business integration on the glass" technologies flatten the path towards more mature and integrated cross-system environments, driving the adoption of DIA technologies.

- Organisations continue to move their business activities on the Web as an enabler for new market coverage, business models, and unified user interfaces for accessing applications and information. To accommodate the adoption of the internet as a trusted and consistent business channel, organisations increasingly invest in building a coherent information infrastructure.

Adoption Trends

- IDC research shows that business intelligence and related data warehousing initiative are top of mind concerns for ANZ CIOs in their battle to improve the overall knowledge management within their organisations. On the back of these initiatives, DIA is gaining mindshare as an enabler for effective and coherent information management and utilisation.

- Banking, insurance, financial services and telecommunications are the leading adopters of DIA solutions – accounting for 63.9% of the overall market in 1H 2008. Nevertheless, other industries such as manufacturing and retail show growing interest as they recognise the strategic value to the business operation.

- Companies adopt the framework of metadata management (collecting information about information) in their attempt to improve the information lifecycle management. The ever increasing flood of digital content has prompted ANZ businesses to action in the way they manage and utilise intellectual property assets – or simpler - information.

- Organisations in the ANZ region show growing demand for real-time or near-real-time data integration. There have been processes requiring real-time data capture and monitoring within specialised business processes of certain industries. Examples include trade monitoring and analysis in financial services, quality control in manufacturing, logistics optimisation in transportation, and so forth. However, latest trends suggest a much broader demand for immediate information availability across various operational, sales, marketing, and financial business process in all industries.

- In today's environment business decisions are more often made by the front line staff than around the boardroom table. This includes call centre agents, cashiers, public servants and many other common trade occupations. Getting these "day-to-day" decisions right is becoming increasingly crucial to success as companies quest for marginal differentiators that give them the competitive edge.

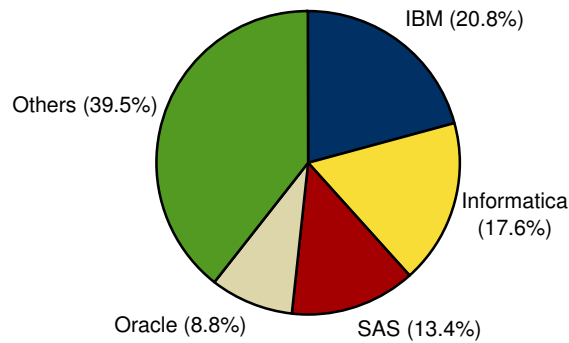## F I G U R E   1

Methods of Dealing with Real-Time Data
(% Respondents; Companies with $500M Revenues, n = 1,072)
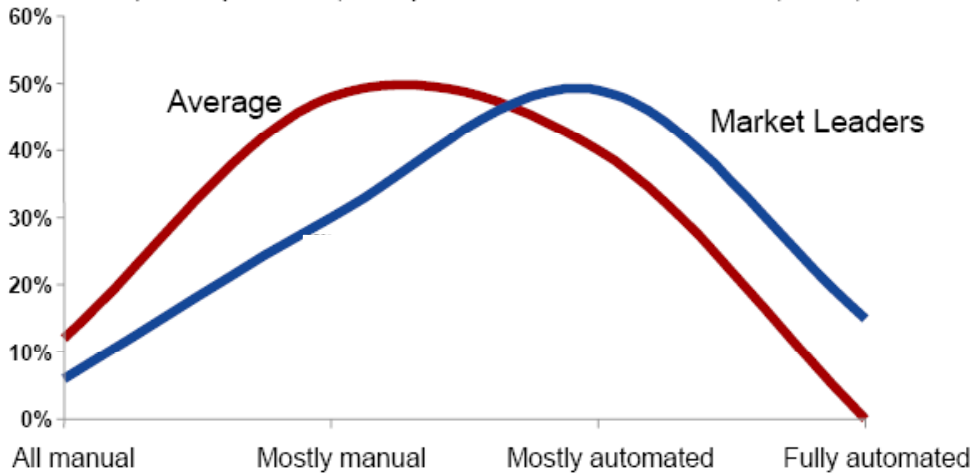
Source: Taming Information Chaos: A State of the Art Report on the Use of Business Intelligence for Decision Making, 2007

F I G U R E   2

Data Integration and Access Software ANZ: Market Share, 1H 2008

IBM (20.8%)
Others (39.5%)
Informatica (17.6%)
Oracle (8.8%)
SAS (13.4%)

Source: IDC Semi-Annual Software Tracker 1H 2008

ABOUT THIS ANALYST

Ullrich Loeffler is Program Manager for IDC's software research unit in the Pacific region. In his role, Ullrich is responsible for management, coordination and further development of the software research programs across Australia & New Zealand.

In addition, Ullrich analyses the market for Information Management Solutions. His responsibilities include conducting vendor, business partner, and end-user studies and producing knowledgeable insights and analysis into dynamic and coherent information environments. This comprises all components of dynamic infrastructure, information and application platforms.

Ullrich is also a regular speaker at IDC and industry events across Australia and New Zealand and he is frequently quoted in IT and trade publications throughout the Asia/Pacific region.