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CDI-MDM Field Report™

The CDI-MDM Institute
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“Pick Your Partners”: Evaluation Criteria for CDI-MDM Systems Integrators

Subtitle: “Time to ‘Change Partners?’” ... sung to the tune by Stephen Stills/CSN&Y

Monday, January 8, 2007

(Note: If you have trouble accessing the hyperlinked articles, please go directly to [CDI-MDM Alerts](#))

This newsletter focuses on analysis of product strategies and best practices rather than the vendor press releases. The intent is to provide ongoing advice for enterprise data architects, data stewards, CIOs, CTOs and CDI-MDM project leads in helping develop their CDI-MDM strategies – via independent, authoritative, and relevant analysis.

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Preparing for CDI-MDM talent shortages now is the savvy way to avoid the systems integrator “money pit” later. As we noted in prior CDI-MDM newsletter [“Is Now the Time for ‘Regime Change’ in Your Incumbent Systems Integrator\(s\)?”](#), **historically there has been economic and political pressure to stay the course with your incumbent systems integrator (SI) for enterprise scale projects.** **However, what if your preferred SI partner does not have any project experience in the rapidly evolving CDI-MDM technology arena or is tremendously short staffed in this area?** What do you do? In this month’s column, we provide a synopsis of how one might evaluate the capabilities of your “new” potential SI partners.

Bottom line: Given the strategic nature of CDI-MDM projects, the capabilities of partner SIs must be given close scrutiny – not only in an effort to contain costs, but also to insure the success of this vital infrastructure investment. As stated in our September 2005 DM Review column [“Avoiding the CDI ‘Money Pit’ - Pick Your \(Systems Integration\) Partner Wisely”](#), preparing for CDI-MDM talent shortages now is the savvy way to avoiding the CDI-MDM “money pit” later.

“Top 5” Technical Evaluation Criteria for CDI-MDM Systems Integrators

The focus of this CDI-MDM Alert is to outline the “top 5” technical evaluation criteria used by large IT enterprises to identify their SI partner(s) to help implement their next generation of customer data integration (CDI), master data management (MDM), and/or data governance initiatives.

During first quarter 2007, the CDI-MDM Institute is wrapping up the final stage of a large scale survey of 350+ enterprises and their views on how to identify, evaluate, and manage SI partners for CDI-MDM initiatives. To sample this 10 minute survey (“take a survey, get a scorecard”), follow this [link](#).

It is assumed that most SIs have the same underlying business model whereby “partners” maintain strengths in key areas of expertise (industry-specific or technology-specific) and maintain varying degrees of competency in others. In any case, the CDI-MDM practice partner is able to draw upon resources from centers of excellence (CoEs) or centers of competency (CoCs) maintained by other partners. As expected, the CDI-MDM partners often evolved from the business intelligence, ERP, and CRM specialty practices. And just as often, the multi-disciplinary teams assembled to work on your project(s) will be pulled from these same areas: enterprise architecture planning, esp. SOA experts; enterprise data modeling; legacy application reengineering; data conversion and application migration; data quality; EAI middleware and BPM experts; analytics and ETL experts; testing and QA; systems infrastructure management; performance engineering; and, ROI and cost-model generation (business value articulation).

What are the “top 5” technical evaluation criteria for the services of systems integrators on CDI-MDM projects? An overarching consideration is that we need to be flexible in our understanding that few SIs have experience with one major CDI-MDM project – let alone more than one in our industry. “In flight” projects are no substitute for experience, but do represent a vote of confidence by your industry in that SI’s capabilities as well as a commitment by your SI partner that they are committed to your industry.

“Top 5” Evaluation Criteria for CDI-MDM Systems Integrators

- #1 – Extensible data governance methodology & accelerators*
- #2 – Industry-specific data model experience & ETL mappings*
- #3 – SOA architecture experience & accelerators*
- #4 – CDI-MDM product experience*
- #5 – CDI-MDM project experience*

Source: The CDI-MDM Institute

#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 a CDI or MDM proposal and what our SI gave us was a rehash of their enterprise data warehouse method*”. Yes, EDWs and business intelligence systems in general are often feeder systems into a CDI-MDM solution, however CDI-MDM solutions are much more near real-time than the batch-style data warehouses that are endemic in the corporate IT world. Moreover, CDI-MDM solutions both straddle and bridge the front- and back-office systems to provide shared services for master data CRUD functions such as enterprise-wide replicated 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 the master data policies captured in the methodology. Increasingly, we can expect the best-of-breed CDI-MDM software vendors to promote this notion of “data governance console/methodology” to use their tools as a front end design tool to the much more cumbersome “Mack truck” approach of IBM WCC and Oracle-Siebel UCM. Given the current lack of integration among the various CDI-MDM design and methodology tools with the actual CDI-MDM platforms, evaluators of SI’s offerings need to pay close attention to the level of integration today as well as the future roadmap for any such data governance tools on the SI’s roadmap (or how the SI plans to leverage future tools from the software partners). See also our recent [whitepaper on Data Governance](#).

#2 – Industry-Specific Data Model Experience & ETL Mappings. Data models are often the top technical evaluation criteria of CDI-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. See also the DM Review special report [“Which Technical Evaluation Criteria are Most Important to Your CDI Strategy?”](#). Moreover, the SI must have the prerequisite understanding of the data models of the key feeder systems into the CDI-MDM hub. That is, the SI must be able to map the primary data sources into the hub either through leverage of ETL tools with their associated mappings, or by bringing to the engagement their own custom mappings of Oracle, PeopleSoft, SAP, Teradata, etc. application data models.

#3 – SOA Architecture Experience & Accelerators. As noted in the above extensible methodology requirement, the architecture design point for 3rd generation CDI-MDM solutions is not batch, and is not isolated in either the operational or analytical (left brain/right brain) division of our enterprise. Rather, the design point of such CDI-MDM software is typically shared services/policies/processes – a.k.a. service-oriented architecture (SOA) and the component-based application approach. Quite commonly, a commercial CDI-MDM product is often an IT organization’s first “foray into SOA”. And like anything major attempted a first time, it mandates an SI partner who has experience. Most SIs take an approach wherein they: (a) provide their own SOA framework as an accelerator, and (b) leverage the SOA frameworks provided by the mega vendors (IBM WBI, Oracle-Siebel UAN, SAP NetWeaver) as well as the best-of-breed CDI-MDM platforms (Initiate Systems, Purisma, Siperian, et al). In any case, the SI has to keep up to date regarding the current and future capabilities of the CDI-MDM software partners in terms of their support for process flow integration, which is why the notion of “process hubs” as promoted by IBM and SAP is increasingly relevant – not just to “Type A” early adopters. Experience with the underling rules engine of commercial CDI-MDM software and/or BPEL is also required. See also [“Dysfunctional Data Hubs: 2006-07 Strategic Planning Assumptions for CDI-MDM & Business Services”](#).

#4 – CDI-MDM Product Experience. As IT executives may have noticed, costs for CDI-MDM product-specific consulting are often out of line with other rank and file IT skill sets. During 2007-08, acute skill shortages in mega vendor products such as IBM WCC, Oracle MDM (a.k.a. Siebel UCM), and SAP NetWeaver MDM will significantly exacerbate project costs. While “vendor product certification” is good, of course “product experience” is also vital. Notably, such key features as hierarchy management support vary widely from one CD-MDM product to another. That key component, along with 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 “CDI-MDM product selection” (if “buy”). See also [“Which Technical Evaluation Criteria are Most Important to Your CDI Strategy?”](#).

#5 – CDI-MDM Project Experience. Additionally, shortages of CDI-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 CDI-MDM justification processes. For more discussion, see also [“CDI Increasingly Seen As ‘Career Durability Insurance’”](#).

**2006-07 Strategic Planning Assumption
for CDI-MDM Budgets & Skills**

During 2006-07, the typical Global 2000 size enterprise will budget/spend US\$1.2M for CDI-MDM software solutions, with an additional US\$4M for systems integration services

During 2007-08, CDI-MDM skill shortages will greatly inflame project costs as demand for data stewards, enterprise data architects, & other individuals with strong affinity for data governance will outstrip the market for individuals with actual experience; concurrently, systems integrators will fill the void in their classic style by baiting & switching senior veterans for junior rookies

By 2008-09, the market will have stabilized as enterprises react by training & protecting their own data governance staff with specific software product expertise

Source: [Milestones on the CDI-MDM Road Map](#); The CDI-MDM Institute

Key Business Factors in SI Evaluations

Our prior CDI-MDM Alert on SIs ("[Is Now the Time for 'Regime Change' in Your Incumbent Systems Integrator\(s\)?](#)") highlighted why SIs are vital to the success of CDI-MDM projects (summary below):

- SIs are often necessary to sell C-level execs
- SIs are needed to help transform IT organizations
- SIs are needed to coordinate IT and business

In any discussion of SIs, however, there still remain three key business factors that need appropriate weighting in any evaluation process:

- Status of current incumbent relationships at the executive level
- Status of current contracts, and pending contract negotiations (for other projects)
- Business size, partnership direction, and ongoing viability of the SI/consultancy

The Importance of SIs to CDI-MDM Success

To rhapsodize on the current “group think” of the CDI-MDM Advisory Council regarding the importance of evaluating new SI partners for their CDI-MDM projects, one could summarize their advice as:

- Acknowledge that SIs are essential to the success of the majority of CDI-MDM projects
- Recognize that incumbent SIs are no longer so empowered in regards to CDI-MDM projects
- Identify which SIs are market leaders in your industry and your chosen software technologies
- Proactively manage key IT positions to secure internal talent
- Leverage SIs for their “value add”

Alternatives abound to your historical SI partners. During 2Q2007, the CDI-MDM Institute will release its MarketPulse™ report titled “*CDI-MDM Systems Integration Services: 2007-08 Market Review & Forecast*” which will include ratings for both 1st and 2nd tier consultancies as well as evaluation criteria and other findings based on surveys of the CDI-MDM Institute Advisory Council. For a preview of the SIs and consultancies to be reviewed, browse our “[Top 50](#)” list.

Bottom Line (Redux)

Given the strategic nature of CDI-MDM projects, the capabilities of partner SIs must be given close scrutiny – not only in an effort to contain costs, but also to insure the success of this vital infrastructure investment. Preparing for CDI-MDM talent shortages now is the savvy way to avoiding the CDI-MDM “money pit” later.

See you at CDI-MDM SUMMIT 2007 spring conference series this [March 25 – 27 in San Francisco](#) and [April 30 – May 2 in London](#)!

About the CDI-MDM Institute

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

- **CDI-MDM Advisory Council™** of fifty organizations who receive unlimited CDI-MDM advice to key individuals, e.g. CTOs, CIOs, and CDI-MDM project leads
- **CDI-MDM Business Council™** of 3,500+ Global 5000 IT executives who receive a limited distribution, bi-weekly newsletter with CDI-MDM industry updates
- **CDI-MDM Alert™** bi-weekly newsletter provides IT organizations, CDI-MDM vendors, and investors hard-hitting insights into best practices as well as market observations derived from interactions with the CDI-MDM Advisory Council™ and the CDI-MDM Business Council™. Initially free to qualified individuals, the CDI-MDM Alert™ is expected to become a fee-based product 1H2006. The intended audience includes: enterprise architects, CDI-MDM project managers, CIOs, CISOs, CTOs, chief customer officers, chief privacy officers, data quality managers, data stewards, and project teams responsible for CDI-MDM solutions and infrastructure.
- **CDI-MDM MarketPulse™** monthly survey results, e.g. budgets, success/failure rates, mindshare based on ongoing surveys of the CDI-MDM Advisory Council and the CDI-MDM Business Council
- **CDI-MDM Fast Track™** quarterly 1-day workshop – fee-based and rotating through the major North American, European and Asia-Pacific metropolitan areas
- **CDI-MDM SUMMIT™** quarterly 3-day conference and exposition – rotating through east and west coast North America, London, Amsterdam, and Sydney.

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