Cognizant for MDM & Big Data Governance

Monday, September 21, 2015

SUMMARY

This report is one of an ongoing series of MDM Field Reports™ that highlight the major MDM and data governance solutions providers as well as the best-of-breed software vendors that specialize in master data management (MDM), customer data integration (CDI), product information management (PIM), reference data management (RDM) and data governance.

Well managed teaming with an "implementation partner" can dramatically accelerate the success of MDM and related data governance programs. MDM leaders should use this Field Report series to identify and engage with candidate implementation partners based on their requirements, including: geographic region, vertical industry sector, master data domains to be governed, strategic software centers of gravity, and size of their enterprise.

Cognizant Technology Solutions ("Cognizant") is one of the world's leading professional services firms (a.k.a. external service providers or systems integrators) **that has a practice dedicated to MDM and Big Data Governance solutions** based in Teaneck, New Jersey. This Enterprise Data Management practice is the subject of this Field Report.

Through continuous innovation and savvy branding, Cognizant is well positioned to retain its position as an industry-leading provider of IT services for MDM in both Global 5000 and mid-market enterprises. **This is due to Cognizant's rapidly evolving depth in social, mobile, analytics, and cloud "as well as strategic partnerships with leading MDM software vendors** IBM, Informatica, Oracle and SAP. In addition, Cognizant has been very active in establishing relationships and delivery teams around emerging platforms such as Collibra, Hybris, Markit Cadis, Orchestra Networks, Reltio, Stibo, and Veeva.

The MDM market is rapidly evolving to support integrated Data Quality and Big Data governance– including sources such as social networking data, e-commerce transactional data, and (ultimately) Internet of Things data.

To remain a leader in this field, Cognizant (and other SIs and software vendors) must invest in these key areas – both through internal development of the MDM and related governance frameworks as well as partnering with best-of- breed software vendors. **IT and business management understand the need to scrutinize the future road map of strategic partners – esp. when it comes to mission critical MDM capabilities**.

Furthermore, **Cognizant must continue to differentiate itself from other Tier 1 service providers by innovating and branding, i.e., deliver on "real-time customer engagement via data-driven analytics"** to support these increasingly vital data assets for Big Data analytics.

Concurrently, Cognizant must differentiate itself from the mega software vendors' professional services offerings (i.e., IBM BAO, Informatica Professional Services, Oracle Professional Services) via more nimble and in-depth capabilities for social, mobile, analytics and cloud. This is due in great part to Cognizant's primarily North American and European experience in delivering 250+ MDM solutions. This experience allows Cognizant to showcase best practices across platforms and technology mixes.

Additionally, **Cognizant's depth of bench (1,700+ MDM/DQ professionals; 45% in North America) and ability to work with non-mega vendor-only ETL, MDM, DQ, BPM, etc. give this SI tremendous capability as a Tier 1 MDM implementation partner**.

Can an SI innovate like a start-up or mega vendor in providing future capabilities? Or is the SI savvy enough to identify and partner with those best-of-breed MDM-related vendors that meet such user requirements? SIs close to the innovating software vendors (e.g., Dell Boomi, Reltio, Tamr, Waterline, Veeva) are in the best position to learn from and influence the direction of these capabilities. Thus this advanced-MDM-tech-vendor-to-SI relationship is a very symbiotic and intimate relationship and one that is vital for systems integrators to secure and leverage.

First, note that the SI gets early access to the latest and greatest software – and also knows painfully well the failings of such software. Secondly, SIs with strong best-of-breed alliances will be better informed about the future direction of MDM and related technologies. And if the MDM software vendors are savvy, then the software vendor learns from the SI's implementation teams about requirements as well as the heartburn inherent in today's MDM capabilities.

And lastly, let's note that SIs have leverage beyond that of a singular enterprise installation as they magnify and consolidate the requirements as well as the strengths and failings of the MDM software vendors' products. As a research team, MDM Institute analysts avidly and practically look to these senior partners for such insights.

BOTTOM LINE: Given the strategic nature of MDM and Big Data Governance projects, the capabilities of partner SIs must be given close scrutiny – not only in effort to contain costs, but also to insure success of this vital infrastructure investment. **Cognizant is clearly a leader in providing MDM and Big Data Governance services** yet must define, announce and aggressively execute a more public MDM strategy centered around best-of-breed partnerships designed to flesh out its own roster of mega vendor and best-of-breed MDM technologists. **During 2015-16, Cognizant must bolster its early mover "MDM meets Big Data Governance" successes and credentials to counter the possibility of other MDM global service providers taking this role**.

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- **Cognizant's Target Markets**
- **Strategic Partnerships**
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The Importance of SIs to MDM & Big Data Governance Success

To rhapsodize on the current "group think" of the MDM Advisory Council regarding the importance of evaluating new SI partners for their MDM projects, one could summarize their views as:

- Acknowledge that SIs are essential to the success of the majority of MDM projects

- Recognize that incumbent SIs are no longer so empowered in regards to 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"

Cognizant's Target Markets

Cognizant's current markets for its Enterprise Data Management practice include:

- **Banking & Financial Services** – Compliance and risk management, legal entity masters, compliance initiatives and Security masters

- **Insurance** – Higher penetration across product lines, single view of customers to drive higher engagement

- **Life Sciences (Pharmaceuticals & Healthcare)** – Increased regulatory pressure and improved selling process

- **Retail & Consumer Goods** – Integration of brick and mortar with e-commerce (a.k.a. "omni-channel") and new accelerated/sophisticated supply chain models

- **Telecommunications** – Dynamic product lines/bundles and self-service customer view of product catalog

Near term (6-12 months), Cognizant needs to expand its markets for the below reasons:

- Maintain market dominance in MDM for Life Sciences

- Differentiate itself from other Tier 1 service providers by innovating and branding its Big Data analytics and related capabilities

- Target additional specific industries through vertical-specific solutions

    o Create higher value solutions such as "real-time customer engagement" (a.k.a. big data-driven) for Banking, Insurance, Healthcare and Telcos, e.g. similar to "Expense Tracking for Healthcare Payer" compliance solution

Longer term (12-24 months), Cognizant needs to refine its current strategies to also:

- Position Cognizant as both a "*run better, run different MDM framework for rapid time-to-value in Big Data-driven businesses*"

- Position itself as the Tier 1 global service provider of choice for best-of-breed MDM/RDM/DG solutions Collibra, Orchestra Networks and Reltio

- Position itself as the Tier 1 global service provider of choice for mega vendor MDM solutions IBM, Informatica, Oracle and SAP

Furthermore, Cognizant needs to play to its strengths in:

- Real-time "customer engagement"

- Social, mobile, big data analytics and cloud

- Omni channel business enablement

- Low total cost of ownership (TCO) for continuity and maintenance, in addition to initial deployment and customization

- Rapid time-to-value leveraging prebuilt out-of-the-box functionality based on years of experience in MDM and data governance implementations

Strategic Partnerships

Best-of-Breed MDM Partners.
Cognizant must continue to aggressively establish and grow partnerships with key best-of-breed MDM vendors who require sophisticated MDM capabilities yet are unable to invest as aggressively as IBM, Informatica, SAP, and Oracle. For example:

- **Orchestra Networks** – Cognizant could help Orchestra add extensions to data and process models to better target certain industries of mutual interest such as high tech, media, and hospitality/travel as well as add enhanced hierarchy management capabilities.

- **Reltio** – Cognizant could partner with Reltio on data-driven and Big Data analytics customers. Specifically, Reltio needs credibility and depth which Cognizant would bring to the partnership.

- **Stibo** – Cognizant could further leverage its alliance with Stibo given the successful depth of the existing partnership with them on omni-channel initiatives.

Mega Vendor MDM Partners.
Cognizant must also aggressively establish and grow partnerships with key mega MDM vendors who require additional functionality at speeds faster than available via internal R&D. For example:

- **IBM** – Given IBM's emphasis on "everything Big Data" it is a key advantage for Cognizant given their early experience with Hadoop and Big Data analytics when integrated with IBM MDM. Cognizant is well positioned to be the "go to SI" for IBM for Big Insight, etc. in addition to IBM's own professional services.

- **Informatica MDM** – Now that Informatica has totally rewritten the acquired Siperian MDM platform and given it high end operational MDM performance capabilities, Cognizant can bring to bear its own Service-Oriented Architecture high end skills to help customers engage in real-time "customer engagement" via MDM (already Cognizant has experience with one mid-sized American insurer).

- **Oracle** – Cognizant should pursue helping make Siebel UCM (a.k.a. Oracle MDM) gain wider acceptance outside of its traditional strong holds. Additionally, Cognizant could help Oracle better launch the 2H2015 reincarnation of Fusion Customer Hub (FCH) MDM product given that Cognizant is one of the handful of SIs that have successfully helped deploy it at customer sites. The new incarnation of FCH will be aggressively marketed by Oracle as "Cloud MDM for Customer" or some such branding. Additionally, Cognizant could bolster Oracle's partner community for its DRM product by leveraging Cognizant's strengths in large enterprises (beyond Oracle DRM's already good success in the Finance departments of large companies).

- **SAP** – Cognizant should pursue the opportunity to add industry specific extensions to the SAP MDG data models by leveraging SAP's renewed commitment to support "Custom Objects". This would be similar to Utopia's successful partnership with SAP for Enterprise Asset Management (EAM) in the Oil & Gas industry. We believe this would be a mutually beneficial relationship for both Cognizant and SAP

Overall, Cognizant can help bolster and accelerate mega MDM vendors (IBM, Informatica, Oracle, SAP) efforts into Big Data given Cognizant's own customer experiences in deploying MDM solutions tightly coupled with social, mobile analytics, and cloud integration/deployment.

MDM & Data Governance Readiness Assessment

During 2015-16, enterprises would do well to evaluate potential implementation partners using the "Top 5" SI evaluation criteria as determined by the MDM Institute's Customer Advisory Council. **On all of the below major evaluation measures, we find Cognizant is executing on a credible market-leading roadmap (especially with regards to the Top Tier consultancies' similar efforts)**:

#1 – Data governance methodology & accelerators – Cognizant provides maturity assessment, strategy creation and roadmap execution that leverage acceleration frameworks to ensure predictable outcomes, with minimized risks. Cognizant's data governance framework and methodology encompass policy development and adoption, process optimization and integration, and organizational change management. Cognizant has made a good partnership with Collibra to help expand customer capabilities into business user vocabulary and other process-driven governance flows.

#2 – Industry-specific data model experience and ETL mappings – Cognizant's industry depth in data and process models is buttressed by over 1,700 MDM team members around the world. Few other SIs have such depth of experience in such a broad number of industries.   This approach ensures comprehensive alignment between the data model, business processes, source applications and data targets, and trusted third party data sources such as Dun & Bradstreet DUNS hierarchies and Veeva Customer Master for Life Sciences.

#3 – MDM & data governance platform experience – While the other top tier SIs (e.g., Accenture, Deloitte, E&Y, and IBM BAO/GBS) also have considerable experience across the majority of commercial MDM platforms, few other SIs have the breadth and depth to similar claims. In our view, Cognizant joined this top tier over five years ago via its level of breadth and depth given their project experience in successfully delivering solutions that utilize these major MDM platforms: IBM MDM Server Standard Edition (Initiate Systems), IBM MDM Server Advanced Edition (WCC), Informatica MDM, Oracle Hyperion DRM, Oracle Customer MDM (UCM and CDH) and SAP MDG as well as Collibra for specific data governance requirements. This coupled with the fact that Cognizant is perhaps the only large SI with a dedicated MDM practice has allowed the company to establish a healthy lead over its competitors

#4 – MDM project experience (industry, geography) – Cognizant has an excellent history of delivery success with experience across many industries. Initially, Cognizant's MDM practice matured through projects in the Pharma/Life Sciences, Healthcare payer/provider and Financial Services industries. However, as of YE2014, such MDM programs were increasingly being delivered by Cognizant to the Hospitality/Travel and Manufacturing industries. Recently, Cognizant has expanded its portfolio to include qualifications in Retail, Healthcare and Government. Additionally, there is now an added focus in the Enterprise Data Management team within Cognizant on performing maturity and readiness assessments.

#5 – Next-generation MDM readiness architecture & design (Big Data, social MDM, mobile MDM, real-time info) – Cognizant's SMAC (social, mobile, analytics, cloud) positioning and technology approach defines the complete alignment of the service-oriented architecture (SOA) data model, business process, source application and data targets in enterprise-scale canonical models, and centralized transformation maps for both traditional MDM and MDM-empowered Big Data analytics.

MDM Budgets & Skills
2015-16 Strategic Planning Assumption

Given the substantial investment businesses undertake with SI partners, this must be scrutinized– not only in effort to contain costs, but also to insure success of this vital infrastructure investment. During 2015, the raw number of IT professionals trained in a specific MDM solution will increase 20% Y2Y, however, IT organizations and consultancies will struggle to recruit and retain MDM veterans who have had a major role in a successful MDM deployment (and data governance professionals will command even higher compensation packages).

Through 2015-16, enterprises will continue to spend 3X to 4X in "plan" and "build" services vs. MDM software acquisition costs.

By 2016-17, the supply of MDM-experienced consultants will catch up with demand and SIs will scramble to find new opportunities for their expensively recruited and trained talent.

2015-16 MDM & Data Governance Planning Assumptions
An MDM Institute MarketPulse™ Report 1Q2015

Field Report: Cognizant for MDM & Big Data Governance

STRENGTHS

- Classical MDM use case implementation partner with more than 200 global successes and over 1,700 MDM and data quality technologists
- Strong "early mover" position in intersection of MDM and Big Data Governance use cases to help enterprises stage for the "digital enterprise" and accelerate their adoption of Big Data for the data-driven enterprise
- Multi-domain platform experience – Parties (Customers, Citizens, Employees, Suppliers), Hierarchies, Products (PIM Hub), Locations (Site Hub), and enterprise Reference Data Management (RDM)
- Advanced multi-domain MDM solutions using market-leading MDM platforms – Informatica MDM, IBM MDM Server Standard Edition and Advanced Edition, Orchestra Networks EBX, Oracle Data Relationship Management (DRM), Oracle Fusion Customer Hub (a.k.a. Cloud MDM for Customer) and Oracle Customer Master (Siebel Universal Customer Master) as well as emerging platforms such as Orchestra Networks, Reltio, and Stibo
- Broad industry references and deep expertise for key "early adopter" industries – Financial Services, Healthcare, Media, Pharmaceutical/Life Sciences
- Advanced architecture experience – e.g., federated, Service-Oriented Architecture approach via Cognizant's EEM (Enterprise Entity Master) methodology and related software assets
- Strong, early experience deploying MDM-leveraged Big Data solutions across wide range of industries– not just early adopter customers
- Business value engineering combined with technology expertise to deliver advanced analytics to blend MDM with Big Data, i.e., indexing for "monster marts" (Hadoop, Hortonworks) as well as successful IBM Big Match (Vivisimo) program experience
- Significant expertise with Collibra for glossary-driven data governance

WEAKNESSES

- Fair-to-meek global reach for enterprises requiring international business/technology depth and support (primarily North America and Northern Europe to date, with very minor beach heads in the Middle-East and Australia)
- "Perceived" as MDM specialists for classical user cases and mega vendor software platforms, and as a "victim of their own success" given the size of its large MDM team (1,700+ technologists)
- As a brand, Cognizant under spends in marketing in comparison to other Tier 1 consultancies such as Accenture, Capgemini, Deloitte and IBM BAO/GBS
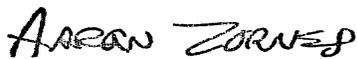
BOTTOM LINE (Redux)

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Cognizant is clearly a leader in providing MDM and Big Data Governance services yet must define, announce and aggressively execute a more public MDM strategy centered around best-of-breed partnerships designed to flesh out its own roster of mega vendor and best-of-breed MDM technologists.

Through continuous innovation, strategic partnering with best-of-breed market entrants and savvy branding, Cognizant is well positioned to remain an industry-leading provider of IT services for MDM and Big Data Governance in both mid-market and Global 5000 enterprises.

During 2015-16, Cognizant must bolster its early mover "MDM meets Big Data Governance" successes and credentials to counter the possibility of other MDM global service providers taking this role.

See you at MDM & Data Governance Summit 2015 in your hemisphere (London, New York City, San Francisco, Sydney, Tokyo and Toronto).
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- MDM & Data Governance Summit Europe 2016 – Radisson Portman BLU – London ▪ May 16-19, 2016
- MDM & Data Governance Summit San Francisco 2016 – Hyatt Regency San Francisco ▪ July 2016
- MDM & Data Governance Summit Asia-Pacific 2016 – Doltone House Darling Island Wharf – Sydney ▪ July 2016
- MDM & Data Governance Summit Tokyo 2016 – Belle Salle Iidabashi First – Tokyo ▪ August 2016

Wikiography

1. Aaron Zornes' conference session "Avoiding the MDM, RDM & Data Governance Money Pit"

2. Market Guide for MDM External Service Providers – Gartner research report

MDM Implementation Sites Known to the MDM Institute as Cognizant projects

Approximately, 3,000 IT professionals attend the MDM Institute's annual MDM & Data Governance Summits held around the world since 2005.

At these events as well as at other MDM user groups (Informatica World, IBM Information On Demand, Oracle Open World, and SAP SAPPHIRE/ASUG) analysts at the MDM Institute meet with and discuss both use cases and best practices with an additional 1,500+ IT professionals who's programs are closely aligned with MDM and Data Governance.

At these events, an ongoing registry database is evergreened to track the successes of both the MDM software vendors and the implementation partners. Here is a partial listing of the known Cognizant MDM and Data Governance installations of note: *3M; AAA of NorCal (CSAA); Abbott Laboratories; Ace Hardware; ADP (payroll side); Alltel; Ally (GMAC); AMEX; Amgen; Apple; Aspen Insurance (UK); AstraZeneca ; Autodesk; Bank of England (Federal Reserve); Barclays Private Banking; Barclays; BCBS of Louisiana; BCBS of Michigan; Biogen Idec; Blackstone; BMC Software; Boehringer-Ingelheim; Boots (UK); Brinkers; British Airways; Burger King; Cabella's; Capital One Card Services; CBRE (CB Richard Ellis) (LA); Cendant; Charles River Development; CitiGroup; Citi Mortgage; Citirix; City National Bank (Los Angeles); Costco; Covidien; CVS Caremark; D&B; Danone; Dean Foods; Dell; Devon Energy; DHL; Depository Trust Clearing Corporation (DTCC); Echo Entertainment / Star Casino (AU); Eli Lilly; Financial Services Authority (FSA) (UK); First American Title; First Data; Foodstuffs (NZ); Galderma Laboratories; GAP; GE; Good Guys (AU); Guy Carpenter; Hemscott; Hess; Horizon BCBS of NJ; IMS Health; Intelsat; Intuit; KeyBank; Kohl's; JPMC (UK); Liberty Insurance (Safeco); Logitech; Lowes; Marks & Spencer; Mattel; Merck; Millennium; Mohawk (DalTiles - Dallas Tiles); Monsanto; Nielsen Media Research; Nike; Nordstrom; Novartis; NovoNordisk (NL); OmniCom Corp; Organon; Optum (UHC); Paramount; PepsiCo; PetSmart; Pfizer; Pfizer Asia Pacific; Pfizer Europe; Philadelphia Stock Exchange; Prudential (NJ); REI; Rentokil-Initial; Royal Caribbean; RR Donnelley; SBC/Atlanta; Schneider National; Saint-Gobain; Santander; Sealed Air; Société Générale (SocGen); St. Paul - Travelers; Staples; Stryker; Syngenta; The Hartford; The New York Times; Thrivent; TIAA-CREF; TNT Express; TNZ; Travelers Insurance; TravelPort (US & UK); UnitedHealthcare Group & Optum; Visa Int'l; Wachovia; Walgreens; Walmart; Wellington Financials; Wellpoint; Wells Fargo; Wyndham Resorts; and Yellow Pages/Book (Hibu).*

About the MDM Institute

The MDM Institute is the world's leading research and advisory consultancy exclusively focused on master data management. As chief research officer, Aaron Zornes delivers the technology-related insight necessary for its clients to make the right decisions in their use of master data management (MDM), customer data integration (CDI), reference data management (RDM) and data governance solutions to achieve their customer-centric business goals. The MDM Institute provides authoritative, independent and relevant consulting advice to senior IT leaders in corporations and government agencies, to business leaders in high-tech enterprises and professional services firms, and to technology investors. The MDM Institute delivers its research and advice to more than 60,000 clients in 10,500 distinct enterprises via Twitter, Linked In, Xing, Google+ and email newsletters. Additionally, each year more than 2,500 paid delegates attend its MDM & Data Governance Summit conference series held in London, New York City, San Francisco, Singapore, Sydney, Tokyo and Toronto (now in its tenth year). Founded in 2004, the MDM Institute is headquartered in San Francisco and has clients primarily in North America, Europe and Asia-Pacific.

For more information, visit www.the-mdm-institute.com.

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