

ANSWERING THE CALL OF DATA DIVERSITY WITH BEST-IN-CLASS MDM

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As the complexion of today's enterprise data environments evolve, companies are increasingly focused on data management to help exploit more information for analytics. Out of necessity, Best-in-Class companies have adapted their approach to master data management (MDM) to survive and thrive in this new normal of data diversity.



How often does a critical decision rest upon data from one area of the business or one data source?

Increasingly, business leaders are looking to combine data from multiple areas of the company, and in multiple flavors and formats as well.

MDM has long been a technology strategy aimed at centralizing and organizing data, but top companies today are leveraging this approach to make better use of their data than ever before. In a [recent Aberdeen report](#), Best-in-Class companies were defined in part by their ability to improve data quality and organizational trust in data. They were able to make those improvements out of responsible oversight, but also out of necessity. Research findings demonstrate that Best-in-Class companies are dealing with elevated challenges in their data environments, including:

- ➔ **More rapid data growth.** Just about every company is dealing with some form of substantial data growth, but ultimately not all of it is used for analysis. Some could be characterized as “data exhaust”, and some is stored away for compliance purposes. Best-in-Class companies are dealing with an average 61% year-over-year growth in data used for analysis, compared with 50% for All Others.

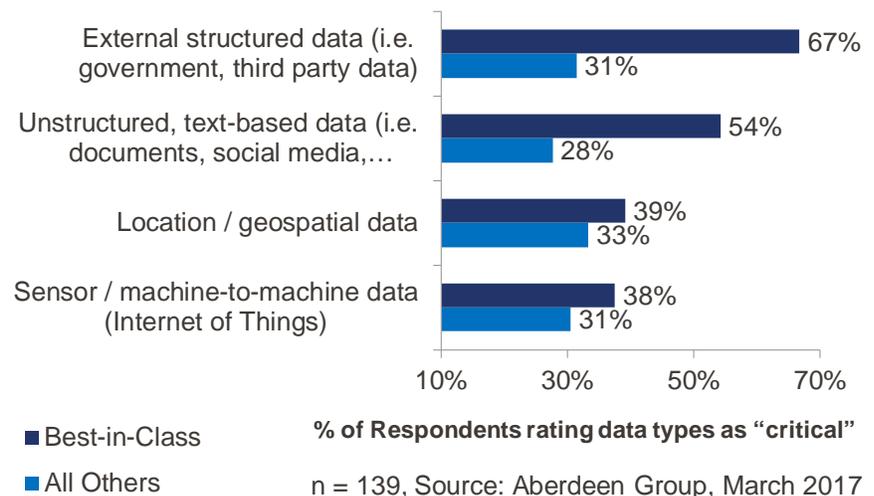
71%

**of Best-in-Class
companies have a process
in place to share data
across business functions.**

External data from 3rd party sources (e.g. demographic or firmographic data, weather data, aggregated consumer data) have become more enticing for today's data-driven companies.

- ➔ **Wider disparity of data sources.** As more users bring more aspects of their everyday lives into the digital realm, there are more automated software applications designed to meet their needs, each of which acts as its own data source housing useful information. Those applications, along with traditional data warehouses, data stores, and even the ubiquitous spreadsheet, all represent pools of potential insight that companies look to tap into. Best-in-Class companies are managing an average of 36 unique data sources used for analysis.
- ➔ **Greater data diversity.** The concept of variety, as it relates to data, has multiple parameters. That variety could come in the form of different data sources, or in the form of multiple different types of data. Outside of traditional, structured application-based data, Best-in-Class companies report a wider variety of data as being critical to their analyses (Figure 1).

Figure 1: Top Companies Crave a Diversity of Data



Advancements in technology have made data more portable, both inside and outside of the typical organization. As a result, external data from third-party sources (e.g., demographic or firmographic

data, weather data, aggregated consumer data) have become more enticing for today's data-driven companies.

Additionally, companies are seeing value in incorporating unstructured text-based data from social media and other online outlets to help enrich their analyses. Best-in-Class companies are more likely to use these types of information, as well as location-based geospatial data and IoT data as well.

Conclusion

Companies can approach MDM in a variety of different ways. Some see it as a simple technology platform for managing a very specific type of data, such as customer data or product data. Others see it as a centralized hub and accompanying philosophy for handling data from multiple different domains and data types. In one sense, Best-in-Class companies are obligated to have a more formalized and wide-ranging MDM strategy simply because they typically deal with more challenging data environments. However, they also view these efforts as an opportunity to create more strategic business value from their expanding foundation of data. These top companies not only enjoy a higher degree of data quality and trust, but also experience substantial growth in profitability and organic revenue as well.

For more information, explore the full report [*Modern MDM: The Hub of Enterprise Data Excellence*](#).

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