

Customer data is a comprehensive representation of a client within multiple channels, business lines, and enterprises. Properly gathered and analyzed information gives mission critical knowledge on how to attract, retain and motivate customers.

In a large-scale company client relative information is typically distributed across multiple application systems and databases. As companies become more relied on information technology for managing customer data, the new challenge comes up - to provide seamless customer data integration (CDI) between heterogeneous IT systems within a single IT infrastructure. For example, in the financial services industry it becomes common for large banks to run separate checking, brokerage and insurance customer systems with no visibility to track a customer from one system to the next. This leads to missed up-sell and cross-sell opportunities, inconsistent and often poor customer service, inability to differentiate profitable customers from less profitable ones, and an overall loss in brand value. Once the right CDI solution is found, operations' efficiency and business performance soar.

According to Gartner research, through 2010, the creation of an accurate, timely and rich single view of the customer across channels and lines of business will be a key enabler for reducing costs, managing risk, and increasing revenue and profitability in customer-centric organizations and as soon as by 2008, 50 percent of large organizations with a heterogeneous customer data environment will begin to implement a solution for CDI.

Three types of information systems that are essential for normal business operation of large enterprise include ERP, DSS (Decision Support Systems) and MDM (Master Data Management). The last, but not least important, refers to the practice of synchronizing and standardizing critical data across organization. Master data management is not only required to coordinate different ERP systems, but also necessary to supply meta-data for aggregating and integrating transactional data.

Master Data Management solutions tackle the rapidly escalating issues of dimension coordination, integration and reconciliation that enterprises face with each incremental year of systems evolution.

An easy to use, web-based master data management system is the missing link between operational/transactional systems, business intelligence and Performance Management systems.

Customer and product are two most common MDM domains. CDI (or CDM) is a subset of Master Data Management that refers to synchronizing and standardizing master data within customer domain.

Today big companies' investments in CRM and ERP solutions backfire in the form of millions of records created everyday that should be properly processed and correlated. As more and more information is gathered around the company, what was critical customer data is gradually transformed into information silo.

Recent Gartner's report has identified some enterprise clients utilize up to 26 different business intelligence technologies within a single IT infrastructure. Clearly it is hard to control customer data consistency in such systems.

To establish a single view of customer companies adopt either CDI initiative or full-blown MDM strategy that includes CDM as well as product, location, employee, asset, and financial entities management.

Buy VS Build

Organizations that respond to the challenge have 2 options: to buy a packaged customer data integration product or build custom developed solution in-house. In general, companies find that packaged solutions provide greater flexibility, offer a lower total cost of ownership, and generate a higher