TECH CHOICES

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The Forrester Wave™: Customer Hubs, Q4 2006

by R "Ray" Wang

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IBM, Siperian, Initiate, And Oracle-Siebel Emerge As New Leaders In A Hot Market

by R "Ray" Wang
with Eric G. Brown, Rob Karel, Ian Schuler, and Emily Van Metre

EXECUTIVE SUMMARY

Forrester evaluated leading customer hub vendors across 134 criteria in a demo-based product evaluation and found that IBM's WebSphere Customer Center and Siperian's Hub established dominant customer hub leadership — thanks to their best-in-class customer hub capabilities, harmonized reference approach, and heterogeneous focus. Initiate Systems leads pure plays with the strongest overall strategy, rich data cleansing, and customer battle-tested matching capabilities. Oracle-Siebel continues to demonstrate rich industry-specific capabilities, strong architecture, and the leading product strategy. Solid overall strategy, data deduplication, and hierarchy management bring VisionWare's .NET solution into the top Strong Performer slot, albeit focused on just the public sector. Meanwhile, Oracle Customer Data Hub (CDH) remains a Strong Performer but lacks the advanced data acquisition and data deduplication capabilities required for the Leader band. Newcomer Purisma is also a Strong Performer and delivers on advanced capabilities for B2B customers but lacks the advanced data acquisition and market presence required for the Leader band. ERP Leader SAP approaches the market seeking to adapt its Master Data Management solution for a customer world, but it still has work ahead to build a true customer hub. However, SAP continues to invest considerable resources and shows resolve and potential. Finally, Dun & Bradstreet remains a Contender as it evolves from trusted content provider to differentiate into a customer hub.

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NOTES & RESOURCES

Forrester conducted demo-based product evaluations from August to October 2006 and interviewed eight vendors with nine solutions and 45 user companies. Vendors include Dun & Bradstreet, IBM, Initiate Systems, Oracle, Purisma, SAP, Siperian, and VisionWare.

Related Research Documents

"Trends 2006: Master Data Management"
March 6, 2006, Trends

"The Forrester Wave™: Customer Data Integration, Q2 2005"
June 13, 2005, Tech Choices

TARGET AUDIENCE

Business process and applications professional, information and knowledge management professional, and IT sourcing and vendor management professional

CUSTOMER HUBS MOVE BEYOND TRADITIONAL CUSTOMER DATA INTEGRATION

Over the past decade, information and knowledge management professionals have explored a variety of approaches to managing customer data across the enterprise. Some suggested that data warehouses would become "real-time" sources, yet enterprises continue to have data access issues. Another theory was that CRM applications themselves would provide companies their "single customer view." Instead, multiple instances, disparate ERP systems, and poor data integration leave enterprises with "yet another view." Others believed that business intelligence (BI) applications would provide the focal point to customer intelligence across multiple data sources. But in this scenario, the integration required to achieve insight remains costly to maintain. Meanwhile, others used trusted data sources to augment and cleanse customer data only to see the accuracy of their freshly scrubbed data quickly fade.

Despite these customer data integration (CDI) initiatives, many enterprises still struggle to assemble accurate customer data. So while Forrester believes that CRM systems, BI, trusted data sources, and data warehouses represent pieces of the story, the continuous customer management (CCM) process represents a much bigger picture around how enterprises collect, distribute, and use data in an organization to create value.[1] Customer hubs represent the intersection of technology solutions and a category of packaged application software that operationalizes the acquisition, distribution, and management of customer information for use in other systems.[2]

Markets Converge Around How Customer Hubs Approach Technology And Usage

Packaged customer hub vendors deliver solutions that combine data cleansing, data matching, and data management with integrated stewardship and administration. Because vendors approach the customer hub market from many different heritages, buyers of these solutions remain confused by the variety of choices presented. True customer hub vendors seek delicate balances between infrastructure players and customer-focused solutions on the technology axis. On the usage axis, those vendors make tradeoffs between intelligent consumption and transactional maintenance (see Figure 1). A detailed explanation of these two axes and tradeoffs describes:

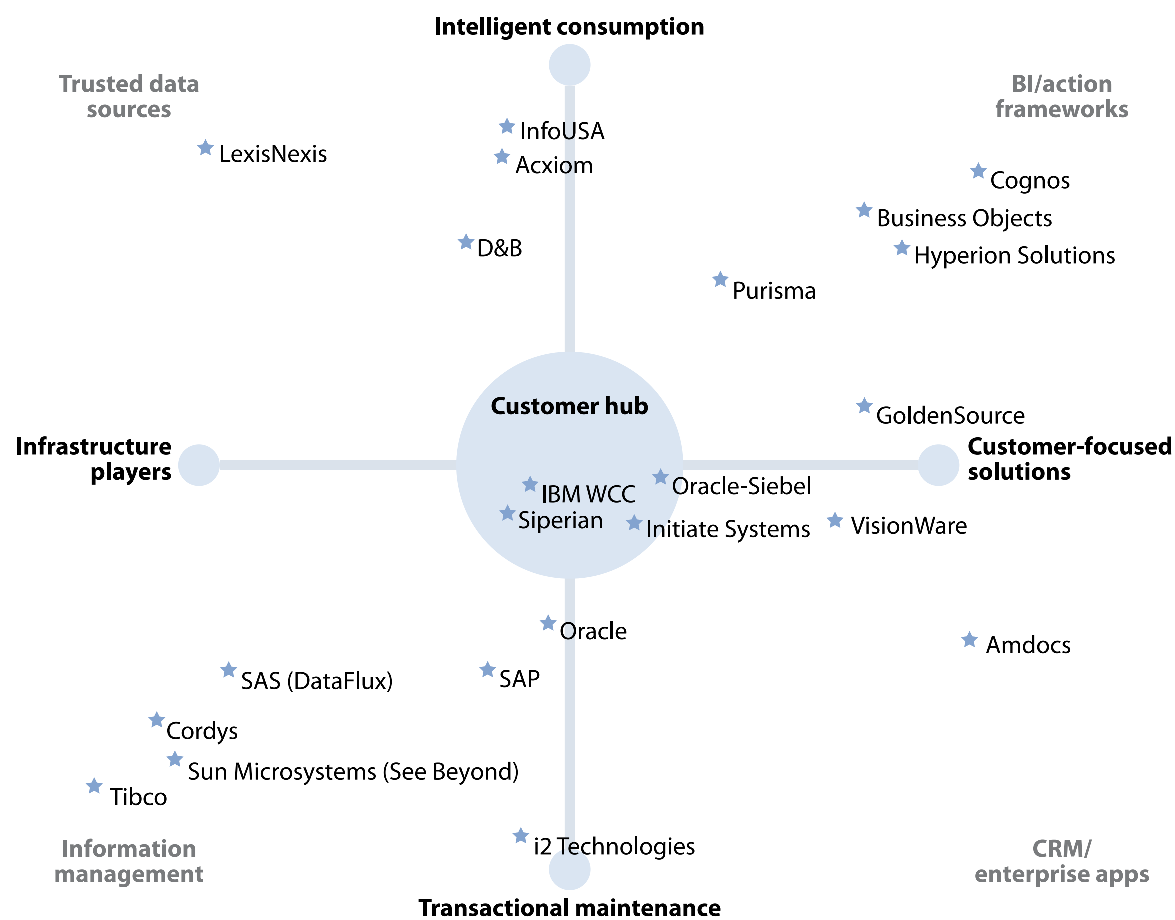
- **Infrastructure players versus customer-focused solutions.** Infrastructure players focus on the technical aspects of data integration. Characteristics include focus on data models, data acquisition, data cleansing, integration and synchronization, event management, metadata management, and architecture.

  Customer-focused solutions tend to enable improved use of customer information for usage by consuming systems such as business intelligence, action frameworks, sales operations, marketing automation, and decision support systems. Prioritized areas include data deduplication, hierarchy management, data stewardship, and event management.

- **Intelligent consumption versus transactional maintenance.** Vendors that deliver on intelligent consumption focus on how data will be used. Traditional vendors include trusted data source providers, as well as business intelligence vendors. Some solutions, like Infor Global Solution's Epiphany product, represent the action frameworks market.

  Characteristics of transactional maintenance solutions include an emphasis on data infrastructure, quality, and transactional processing. Common solutions represented include information management, data quality, data modeling, and traditional enterprise applications vendors including CRM and ERP.

Figure 1 Customer Hub Vendors Require A Delicate Balance Between Technology And Usage



39439 Source: Forrester Research, Inc.

Four Approaches Emerge To Achieving Customer Hub Functionality

While vendors come from different strengths and heritages such as CRM, ERP, data quality, data service, BI, or vertical specialties, overall customer hub capabilities are morphing (see Figure 2). As these solutions mature, Forrester sees a few overlapping dimensions in approach among potential players that aspire to be customer hubs coming from a heritage of:

- **Trusted data sources.** Vendors with a heritage in this space build on best-in-class data quality while adding the tools and support for customer hub functionality. In order to succeed in the customer hub market, these vendors will have to move toward transactional maintenance and customer-focused solutions. D&B is a vendor in this space that is actively moving toward customer hub status.

- **BI/action frameworks.** With an eye toward customer-focused solutions, vendors in this category transform customer data for consumption in business intelligence, electronic master patient index (EMPI), forecasting, and specific vertical systems. For these vendors to move toward customer hub status, requirements need to support more transactional maintenance and infrastructure features such as hierarchy management and data model extensibility. Purisma is a vendor in this space. Some other vendors that could potentially move into the customer hub market include Business Objects, Cognos, and Hyperion Solutions.

- **Information managers.** These vendors focus on infrastructure and transactional maintenance features. Many deliver the infrastructure and foundation for master data solutions and often deliver broad data models that encompass objects not limited to customer, product, supplier, etc. Achieving customer hub status requires the delivery of features for intelligent consumption and customer-focused solutions. IBM, Oracle, SAP, and Siperian play in this space as they straddle between infrastructure and customer-focused solutions. Other vendors that compete in this space include Cordys, i2 Technologies, SAS (DataFlux), Sun Microsystems (SeeBeyond), and Tibco.

- **CRM and enterprise solutions.** In most cases, expertise among these vendors comes from a heritage of assembling customer data through CRM systems or financial accounts. Most vendors build on strengths in data stewardship and cleansing. In order to attain customer hub status, vendors must deliver on requirements for intelligent consumption and infrastructure. These vendors include Initiate Systems, Oracle-Siebel, and VisionWare.

Figure 2 Four Approaches To Customer Hub Solutions

Approaches	Description	Sample vendors
Trusted data sources	Build on best-in-class data quality while adding the tools and support for customer hub functionality.	Acxiom, D&B, InfoUSA
BI/action frameworks	Transform customer data for consumption in business intelligence, electronic master patient index (EMPI), forecasting, and specific vertical systems.	Business Objects, Cognos, Hyperion, Purisma
Information managers	Focus on the infrastructure and transactional maintenance features. Many deliver the infrastructure and foundation for master data solutions. These vendors often deliver broad data models that encompass objects not limited to customer, product, supplier, etc.	Cordys, i2 Technologies, IBM, Oracle, SAP, Siperian, SAS (DataFlux), Sun Microsystems (See Beyond), Tibco
CRM and enterprise solutions	Expertise among these vendors comes from a heritage of assembling customer data through CRM systems or financial accounts. Most vendors build on strengths in data stewardship and cleansing.	Initiate, Oracle-Siebel, VisionWare

39439 Source: Forrester Research, Inc.

CUSTOMER HUBS EVALUATION OVERVIEW

To assess the state of the customer hub market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of top customer hub vendors.

Evaluation Criteria

After examining past research, user needs assessments, and vendor and expert interviews, we developed and refined a comprehensive set of evaluation criteria (see Figure 3). Forrester evaluated vendors against approximately 130 criteria, which were grouped into three high-level buckets:

- **Current offering.** To assess product strength, Forrester evaluated the vendors on the full life cycle of customer hub functionality, including: data acquisition; data cleansing; data deduplication; relationship hierarchy management and mapping; integration and synchronization; event management; data models and management; security and privacy; data stewardship; and architecture. Evaluated solutions only included generally available versions.

- **Strategy.** Vendor evaluations focused on product strategy, corporate strategy, and sales and implementation strategy, as well as overall solution costs. Consideration for future products and solutions affected overall strategy scores. More important, customer references played a critical role in validating the overall strategy.

- **Market presence.** In a market of small startups and application giants, Forrester balanced information about the company overall with information about the company's penetration in the customer hub market. In the first category, we looked at number of employees, total number of customers, and total annual revenue. We also looked at momentum in the customer hub market using metrics like number of employees; number of customers (this product); number of verticals; amount of revenue (this product); amount of revenue (all products); revenue growth (this product); systems integration partnerships; global customer base; and sales and channel partnerships.

Figure 3 Evaluation Criteria

MARKET PRESENCE

Number of employees	Total number of employees, firmwide.
Number of customers (this product)	What is the total number of customers who have bought the firm's CDI product (if multiple products, give numbers for each)? How many of those customers are live? How many are in implementation? How many prospects are in POC?
Number of verticals	Please list all vertical industries where there are more than two customers of this product. How many of those customers are live? How many are in implementation? How many prospects are in POC?
Amount of revenue (this product)	How much license revenue annually is earned for this product?
Amount of revenue (all products)	How much license revenue annually is earned?
Revenue growth (this product)	What percentage of license revenue growth was achieved during the last calendar year?
Systems integration partnerships	List the major systems integration partnerships for this product, along with the depth of commitment from each SI for the partnership.
Global customer base	What percent of customers are based in North America? Europe? Asia? Latin America?
Sales and channel partnerships	How many sales and channel partners exist that sell this product? What percent of license revenue is driven through partners?

Source: Forrester Research, Inc.

Figure 3 Evaluation Criteria (Cont.)

MARKET PRESENCE	
Number of employees	Total number of employees, firmwide.
Number of customers (this product)	What is the total number of customers who have bought the firm's CDI product (if multiple products, give numbers for each)? How many of those customers are live? How many are in implementation? How many prospects are in POC?
Number of verticals	Please list all vertical industries where there are more than two customers of this product. How many of those customers are live? How many are in implementation? How many prospects are in POC?
Amount of revenue (this product)	How much license revenue annually is earned for this product?
Amount of revenue (all products)	How much license revenue annually is earned?
Revenue growth (this product)	What percentage of license revenue growth was achieved during the last calendar year?
Systems integration partnerships	List the major systems integration partnerships for this product, along with the depth of commitment from each SI for the partnership.
Global customer base	What percent of customers are based in North America? Europe? Asia? Latin America?
Sales and channel partnerships	How many sales and channel partners exist that sell this product? What percent of license revenue is driven through partners?

Source: Forrester Research, Inc.

Evaluation Methodology

Forrester used a combination of three primary data sources to assess the strengths and weaknesses of each solution:

- **Vendor surveys.** Forrester surveyed eight vendors and nine solutions on their capabilities compared with evaluation criteria. One vendor, Oracle, submitted both Oracle-Siebel Universal Customer Master (UCM) and Oracle Customer Data Hub (CDH) for review. Once Forrester analyzed the completed vendor surveys, the team conducted vendor calls to gather details of vendor qualifications.

- **Product demos.** Forrester asked vendors to conduct demonstrations of their products using common scenarios. Findings from these product demos validated details of each vendor's product capabilities.

- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with four to six of each vendor's current customers.

Evaluated Vendors

Forrester included eight vendors and nine solutions in the assessment: Dun & Bradstreet, IBM, Initiate Systems, Oracle/Oracle-Siebel, Purisma, SAP, Siperian, and VisionWare. Each of these vendors has a:

- **Number of live customers.** In order to be evaluated, Forrester required that at least five live customers and 10 referenceable customers be provided. Customers were required to be running the generally available product.

- **Complete, packaged customer hub solution.** Because of the value of integration, Forrester limited the evaluation to vendors that provide a packaged customer hub solution that stretched across competency areas such as: data acquisition, data matching, data management, and data synchronization. This means that Forrester did not evaluate vendors like Trillium Software or IBM WebSphere Information Integration (formerly Ascential Software) that don't maintain cross-reference files and manage customer data, nor did Forrester evaluate business intelligence (BI) vendors such as Hyperion Solutions or Business Objects that did not have strong data stewardship and hierarchy management capabilities.

- **Licensed customer hub software offering.** While there are a number of vendors that provide cleansing and matching services, Forrester focused this evaluation on licensed offerings that allowed companies to manage customer data on-site. Hence, Forrester included D&B's on-site offering but did not consider hosted-only services like Acxiom or Experian.

- **Strong following among Forrester clients.** Forrester also included those vendors that were frequently mentioned or inquired upon by both user clients and tech industry clients. Some vendors such as SAS DataFlux and Cordys were not invited nor included due to minimal interest among the Forrester base.

NINE CDI SOLUTIONS WORTHY OF CONTENDING TO BECOME A CUSTOMER HUB

Many vendors assume that they have solutions that meet the requirements to become a true customer hub. However, only a limited number of vendors have the capability to deliver the right convergence between infrastructure and customer focus and intelligent consumption and transactional maintenance. Leaders in the space have emerged with aggregate scores of 4.0 or greater and can claim true customer hub status. The remaining vendors selected for this evaluation possess the innate capabilities to become true customer hubs and should be considered in shortlists as customer scenarios warrant (see Figure 4).

The evaluation uncovered a market in which (see Figure 5):

- **IBM, Siperian, Initiate, and Oracle-Siebel emerge as customer hubs.** A combination of best-in-class capabilities in data acquisition, data cleansing, data deduplication, hierarchy management, integration and synchronization, data models and management, and architecture brought these vendors into the Leader band. In addition, these vendors delivered on proven implementations, strong customer references, and compelling product strategy. Compared with the Q2 2005 CDI Forrester Wave, these vendors have expanded from their initial niche industries and now support both B2B and B2C scenarios.

Figure 4 Evaluated Vendors: Product Information And Selection Criteria

Vendor	Product evaluated	Product version evaluated	Version release date
Dun & Bradstreet	Integration Manager	4.0	December 2005
IBM	WebSphere Customer Center	6.5	June 2006
Initiate Systems	Identity Hub	7.2	September 2006
Oracle	Customer Data Hub	11/10	November 2004
Oracle-Siebel	Universal Customer Master	7.8	April 2005
Purisma	Purisma Data Hub	2.5	October 2006
SAP	Master Data Management	5.5 SP4	August 2006
Siperian	Siperian Hub/MRM.HM.AM	XT Service Pack 1	May 2006
VisionWare	MultiVue	1.7.1	September 2006

Vendor selection criteria
• Provided least five live customers and 10 referenceable customers running the generally available product.
• Provide a packaged customer hub solution that stretches across competency areas such as data acquisition, data matching, data management, and data synchronization.
• Have a licensed customer hub software offering.
• Indicate a strong following among Forrester clients.

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Source: Forrester Research, Inc.

IBM WebSphere Customer Center (WCC) (formerly DWL), received top honors for its Web services architecture; multi-industry, battle-tested solution; and compelling overall MDM strategy while in the midst of a merger with the IBM MDM team. Meanwhile, Siperian Hub XT demonstrated the most improvement in support for third-party solutions, flexible data model design, hierarchy management, and new B2C capabilities. In spite of these significant engineering investments, go-to-market performance remains an area of opportunity for software veteran and recently appointed Siperian CEO Peter Caswell to address. Rival Initiate continues to take markets by storm and prove success beyond healthcare and EMPI, with Bill

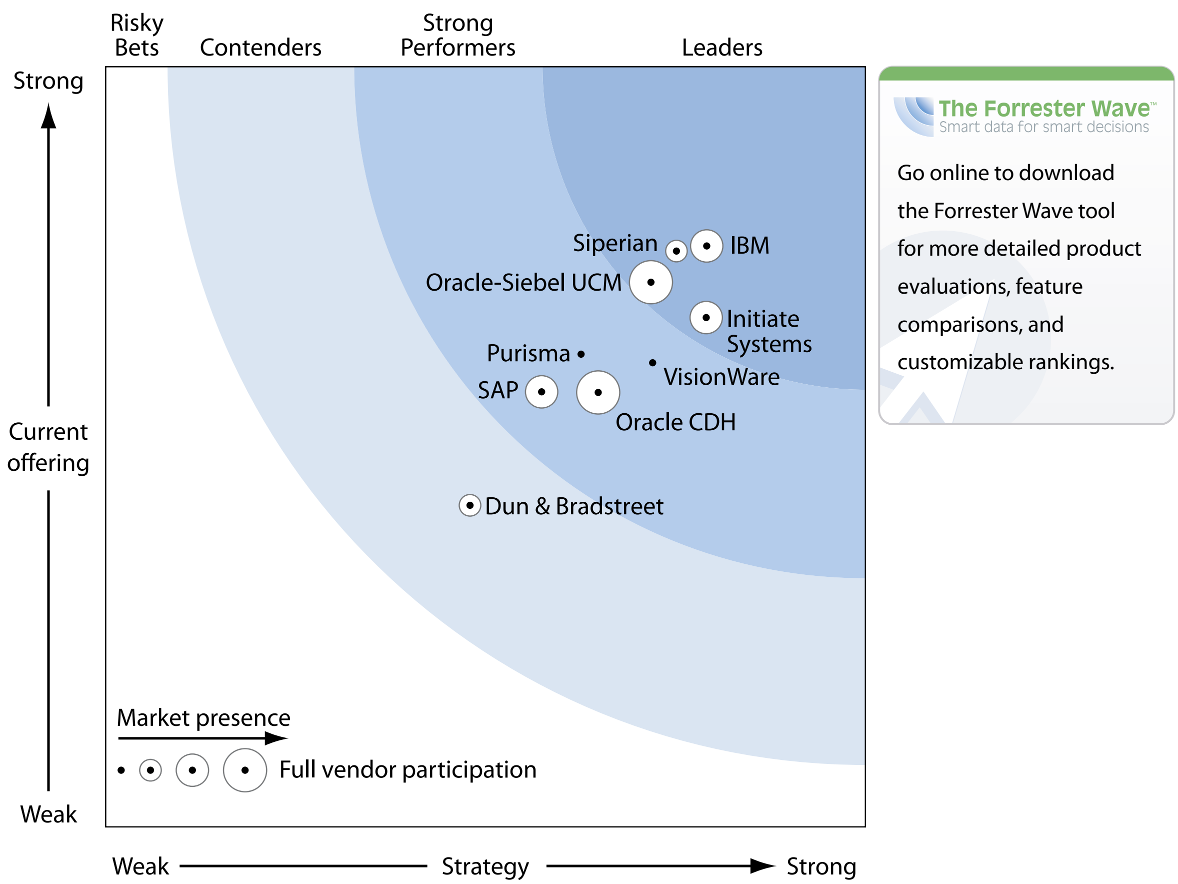
Conroy leading one of the strongest management teams in the industry. Advances in hierarchy management and the move toward a harmonized reference model helped move Initiate into the Leader band. Finally, Oracle-Siebel's UCM 7.8 delivered advancements in its current offering and market success in industries despite the Siebel acquisition by Oracle and some departures of key Siebel talent.

- **VisionWare, Purisma, Oracle, and SAP deliver support for highly focused scenarios.** VisionWare's MultiVue product debuts with a strong following in the public sector and an appealing technology stack based on the .NET framework. Purisma Data Hub enters the market with rapid customer identity solutions, strong hierarchy management capabilities, and key partnerships with business intelligence vendors. Oracle CDH and SAP MDM continue to succeed mostly among install bases. Oracle's solution fares well with B2B companies seeking strong D&B integration and hierarchy management. SAP's MDM approach attracts install-base customers seeking product information management and supplier management.

- **Dun & Bradstreet differentiates from data providers with a hybrid approach.** As the only vendor with a dual offering of customer hub and trusted B2B data provider, D&B has made significant investments in moving toward the B2C market, but it will require data model extensibility, open APIs to third-party data cleansing, and hierarchy management solutions to move into the Strong Performers band.

This evaluation of the customer hub market is intended to be a starting point only. Readers are encouraged to view detailed product evaluations and adapt the criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool.

Figure 5 Forrester Wave™: Customer Hubs, Q4 '06



Source: Forrester Research, Inc.

Figure 5 Forrester Wave™: Customer Hubs Q4'06 (Cont.)

	Forrester's Weighting	Dun & Bradstreet	IBM	Initiate Systems	Oracle CDH	Oracle-Siebel UCM	Purisma	SAP	Siperian	VisionWare
CURRENT OFFERING	50%	2.52	4.23	3.75	3.27	3.98	3.50	3.26	4.19	3.45
Data acquisition	5%	2.25	4.80	3.55	3.35	4.40	3.30	3.05	4.70	2.30
Data cleansing	10%	2.20	3.75	3.75	2.70	3.30	2.15	3.30	4.15	2.90
Data deduplication	10%	3.30	4.10	3.98	2.89	4.11	3.74	3.53	4.70	3.41
Relationship hierarchy mapping/management	10%	2.40	4.30	4.00	3.50	3.65	3.95	3.00	4.80	3.85
Integration and synchronization	10%	2.65	4.65	3.95	3.15	4.25	2.90	2.85	4.15	3.50
Event management	5%	1.70	3.35	3.25	3.45	3.50	3.00	2.80	2.00	2.85
Data models and management	15%	2.10	4.50	3.30	3.40	4.40	4.30	3.50	4.80	3.60
Security and privacy	5%	2.30	4.35	4.40	2.75	4.15	2.70	3.30	3.50	3.80
Data stewardship	15%	2.80	3.63	3.63	3.53	3.43	3.99	2.64	3.87	3.71
Architecture	15%	2.76	4.70	3.88	3.51	4.51	3.56	4.07	3.99	3.59
STRATEGY	50%	2.80	4.36	4.35	3.64	3.98	3.53	3.28	4.16	4.00
Product strategy	30%	2.15	3.90	3.95	4.13	4.45	3.55	3.40	3.70	3.90
Corporate strategy	45%	3.20	4.70	5.00	3.30	4.00	4.10	2.90	5.00	4.80
Sales and implementation strategy	15%	2.20	4.60	3.00	4.20	3.90	1.40	4.10	2.80	1.40
Cost	10%	3.80	3.80	4.60	2.90	2.60	4.10	3.40	3.80	4.60
MARKET PRESENCE	0%	2.55	3.80	3.65	4.25	4.20	1.60	4.00	2.70	2.00
Number of employees	5%	4.00	2.00	2.00	5.00	5.00	0.00	5.00	2.00	0.00
Number of customers (this product)	20%	2.00	3.00	4.00	5.00	4.00	2.00	5.00	3.00	4.00
Number of verticals	10%	5.00	5.00	5.00	5.00	5.00	3.00	3.00	4.00	3.00
Amount of revenue (this product)	20%	1.00	4.00	3.00	2.00	3.00	1.00	4.00	2.00	0.00
Amount of revenue (all products)	5%	5.00	3.00	3.00	5.00	5.00	0.00	5.00	1.00	0.00
Revenue growth (this product)	5%	3.00	4.00	3.00	4.00	3.00	5.00	3.00	4.00	1.00
Systems integration partnerships	20%	3.00	5.00	5.00	5.00	5.00	1.00	3.00	3.00	3.00
Global customer base	10%	2.00	3.00	2.00	5.00	5.00	1.00	5.00	2.00	1.00
Sales and channel partnerships	5%	1.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

All scores are based on a scale of 0 (weak) to 5 (strong).

Source: Forrester Research, Inc.

VENDOR PROFILES

Leaders: IBM, Siperian, Initiate Systems, And Oracle-Siebel Emerge As Customer Hubs

- **IBM.** WebSphere Customer Center epitomizes the customer hub and ranks as a Leader in this year's Customer Hub Forrester Wave. IBM leads or is among the top three for most current offering categories. In addition, Forrester believes that IBM executes on the best overall strategy for customer hubs. Relationships with Acxiom, Trillium, and Firstlogic augment its integration to IBM Quality Stage and IBM Entity Analytics for data quality processing. Strong system integrator support delivers scarce skill resources to customers implementing customer hubs. The company remains best-suited to high-volume B2C implementations in industries like financial services, telecommunications, and retail, but it has shown success in the B2B market as a result of recent wins at a large manufacturing and defense company and healthcare customer. Overall, IBM represents a strong fit for committed, heterogeneous deployments.[3]

- **Siperian.** Siperian's Hub XT not only exemplifies best-in-class hierarchy management, data model flexibility, and strong data stewardship — it also ranks among the top three in seven out of 10 current offering categories. Despite delivering one of the most feature-rich solutions, product management and engineering teams have invested the past 12 months into advancing their technology leadership. Among the vendors evaluated, Siperian's overall offering places second. After evaluating Siperian's support of customer hubs, we ranked it as a Leader. The solution remains best-suited for enterprises with complex relationships in B2B, such as life sciences and high-tech. In addition, Hub XT supports B2C enterprises such as retail and service companies with many-to-many relationships and complex stewardship processes. Overall, Siperian plays well in many industries among established ERP and legacy data scenarios.[4]

- **Initiate.** Cross-reference-registry-style Leader Initiate enters the market with Version 7 marking one step closer to a harmonized reference approach. Customers gain the option to federate data, and improved hierarchy management now supports complex B2B requirements. A strong management team and rock-solid execution places Initiate's overall strategy second among vendors evaluated. Consequently, we rank Initiate as a Leader in the 2006 Customer Hub Forrester Wave. The solution remains best-suited for enterprises with real-time matching and quick deployment requirements. In addition, Initiate remains well-suited for B2C public sector industries such as healthcare, law enforcement, governmental agencies, and intelligence. Recent high-profile wins in high-technology showcase new hierarchy management features and overall B2B support. Initiate succeeds among established ERP and CRM environments and should be considered in shortlists for most industries.[5]

- **Oracle-Siebel.** Siebel synonymies CRM and its market leadership, loyal customer base, and strong partnerships brought customers to the Universal Customer Master (UCM) product. As part of Oracle, Oracle-Siebel UCM continues to deliver solid capabilities, improved performance, and unique success in a multitude of verticals. Strong internationalization and localization support compliment Oracle's global reach. While the product is built on Siebel's proprietary tool set, a planned move to Fusion Middleware will take UCM into the J2EE world. Subsequently, Oracle-Siebel is now a Leader in the 2006 Forrester Wave evaluation of customer hubs. The solution remains best-suited for service industries with global requirements and Siebel CRM.[6]

Strong Performers: VisionWare, Purisma, Oracle, And SAP Support Focused Scenarios

- **VisionWare.** Significant success in the UK public sector markets, strong Microsoft partnerships, and a brilliant engineering team bring data integration to citizens, patients, and children. Data stewardship, match/merge capabilities, and lineage features were among the top three of vendors evaluated. However, other areas such as data acquisition, survivorship, and proactive data deduplication and cleansing represent areas of improvement required to bring VisonWare into the Leader band. Subsequently, VisionWare's MultiVue product debuts as a Strong Performer in this Forrester Wave evaluation of customer hubs. The product is best-suited for the public sector and enterprises that standardize on Microsoft technology.[7]

- **Purisma.** New to the customer hub market, Purisma brings a solutions-focused approach to customer hubs. Purisma Data Hub delivers strong B2B, internationalization, and data stewardship capabilities. However, lack of key B2C features, data cleansing improvements, and support only for the Oracle database are among several areas that prevent Purisma from becoming a Leader. Purisma debuts as a Strong Performer in this year's Forrester Wave evaluation of customer hubs. The product is best-suited for global B2B shops seeking quick impact in a cross-reference registry style hub.[8]

- **Oracle.** Oracle's success as a customer hub stems from a strong B2B install base and tight D&B integration. International support, localization capabilities, hierarchy management, and 30 supported languages appeal to global manufacturers and high-tech companies. However, lack of key B2C features, data cleansing improvements, and support for third-party tools prevent CDH from becoming a Leader, and it remains a Strong Performer in this year's Forrester Wave evaluation of customer hubs. The product is best-suited to Oracle's E-Business Suite customers and serves as a critical steppingstone for PeopleSoft and Retek users on the way to a converged Oracle application architecture.[9]

- **SAP.** SAP's goal of delivering on an overall master data management (MDM) strategy is in line with IBM and Oracle, which seek to provide one comprehensive approach. Though SAP was one of the first to coin the notion of MDM, SAP has been late to the game in delivery and is in rapid catch-up mode. Existing "SAP-only" shops appear to be the first wave of customers adopting the solution. Given that senior leadership supports investment in this key area and the SAP customer base is quite vast, Forrester expects SAP to have a competitive solution in one or two more releases. Acquisition of or partnership with key technology vendors in hierarchy management, data cleansing, data stewardship, and industry data models will add long-term credibility and meet more complicated requirements among the SAP base. SAP's overall customer hub architecture on NetWeaver scored among the top three vendors and provides a foundation for future growth and success.[10]

Contender: Dun & Bradstreet Differentiates From Data Providers With A Hybrid Approach

- **Dun & Bradstreet.** Although best-known for its hosted services and leading business data, multibillion-dollar Dun & Bradstreet also provides an on-site customer hub solution. The product comes with implementation services and automatic monthly refreshes of D&B data, made possible through D&B's DUNSRight Quality Process, making it best-suited for companies that are light on IT resources and primarily interested in matching their own B2B data against D&B's gold standard. D&B's lucrative position as a hosted service and data provider means that it is more likely to invest in deeper integration of its own services than in best-in-class on-site features. Hence, D&B offers a solid product optimized for its own B2B data. The solution does not offer vertical industry versions or support much extensibility, making it most appropriate for companies that want to compare their data to D&B data rather than create or manage new "best source of truth" information.[11]

Risky Bets

- **There is no one bet that is riskier than another at this time.** All the vendors evaluated are growing rapidly, and adoption rates and industry penetration over the next 18 to 24 months will be critical to determine survivors, laggards — and potentially, acquirers and the acquired.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 5 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave

Forrester used a combination of three data sources to assess the strengths and weaknesses of each solution:

- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.

- **Product demos.** We asked vendors to conduct demonstrations of their product's functionality. We used findings from these product demos to validate details of each vendor's product capabilities.

- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with four to six of each vendor's current customers and discussions with Forrester clients who were also customers.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and readers are encouraged to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

ENDNOTES

1 Forrester describes the inner working of continuous customer management in past research. See the December 30, 2004, Big Idea "Continuous Customer Management."

2 Customer data integration/customer hubs are a key technology component of delivering on continuous customer management. See the April 20, 2005, Best Practices, "CDI: A Path To Continuous Customer Management."

3 View the vendor summary for more detailed analysis on how IBM fared in this evaluation. See the December 22, 2006, Tech Choices "IBM Emerges As The Customer Hub Leader."

4 View the vendor summary for more detailed analysis on how Siperian fared in this evaluation. See the December 22, 2006, Tech Choices "Siperian Attains Leadership In Customer Hubs."

5 View the vendor summary for more detailed analysis on how Initiate Systems fared in this evaluation. See the December 22, 2006, Tech Choices "Initiate Systems Achieves Leadership In Customer Hubs."

[6] View the vendor summary for more detailed analysis on how Oracle-Siebel fared in this evaluation. See the December 22, 2006, Tech Choices "Oracle-Siebel Is Now A Leader In Customer Hubs."

[7] View the vendor summary for more detailed analysis on how VisionWare fared in this evaluation. See the December 22, 2006, Tech Choices "VisionWare Debuts As A Strong Performer In Customer Hubs."

[8] View the vendor summary for more detailed analysis on how Purisma fared in this evaluation. See the December 22, 2006, Tech Choices "Purisma Emerges As A Strong Performer In Customer Hubs."

[9] View the vendor summary for more detailed analysis on how Oracle fared in this evaluation. See the December 22, 2006, Tech Choices "Oracle Is A Strong Performer In Customer Hubs."

[10] View the vendor summary for more detailed analysis on how SAP fared in this evaluation. See the December 22, 2006, Tech Choices "SAP Debuts As A Strong Performer In Customer Hubs."

[11] View the vendor summary for more detailed analysis on how D&B fared in this evaluation. See the December 22, 2006, Tech Choices "D&B Is A Contender For Customer Hubs."

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