

FOR IMMEDIATE RELEASE

CONTACT:

Christy Pettey

Gartner

+ 1 408 468 8312

christy.pettey@gartner.com

Gartner Recommends Key Cost-Cutting Tactics in Data Management and Integration

Data Management and Integration Trends to be Discussed at Upcoming Gartner Business Intelligence Summit, April 1-3 in Chicago

STAMFORD, Conn., March 10, 2008 — To cope with a tightening economic environment, businesses should prepare now for cutting IT costs, and the data management discipline is one area that affords numerous opportunities for reducing and controlling costs, according to Gartner, Inc.

“When aiming to optimize costs in data management and integration initiatives, it is critical to know what steps to take and where significant savings can be realized while maintaining success in these projects,” said Ted Friedman, vice president and distinguished analyst at Gartner. “In most cases, the cost of implementing the steps will be far outweighed by the savings that can be realized.”

Gartner identified nine key areas in which CIOs can significantly reduce costs during 2008 as they continue to support data management and integration-related initiatives:

Perform Operational Database Consolidation — Through consolidation of redundant databases and database workloads, organizations have the opportunity to positively impact costs. In the typical large enterprise, these cost components can range in aggregate from hundreds of thousands of dollars to millions of dollars. Consolidation activities can potentially reduce these costs by 10 percent to 25 percent or more in some cases.

Optimize Data Integration Tools Licensing — Large organizations tend to have multiple tools and techniques that they use to achieve data integration goals. Through consolidation of overlapping and redundant tools, organizations can reduce software license and maintenance costs associated with data integration tools, while also enabling a lower investment in acquiring and maintaining the skills to operate the tools. With typical investment in data integration tools falling in the range of \$200,000 to \$500,000 for software licensing and \$50,000 to \$100,000 for annual maintenance, organizations can achieve software cost savings of \$250,000 or more through consolidating tools or replacing tools with lower-cost options.

Leverage Established Data Structures and Data Integration Process — Development of databases and data integration processes consumes a significant amount of time and effort. Traditionally, most organizations have been poor at achieving leverage and reuse of the data-related assets that they have built in the past. By forcing project teams to prove they cannot leverage established artifacts before endeavoring to create new ones, organizations can significantly reduce the costs of implementation efforts by dramatically increasing levels of reuse.

Perform Data Mart Consolidation — Consolidating siloed data marts into a single data warehouse or into a smaller set of marts, delivers the same types of benefits as operational database consolidation, but

also reduces cost and complexity of the data integration processes feeding the marts. By streamlining these data integration processes, organizations can save approximately 50 percent of the total cost allocated to supporting their disparate data marts if they consolidate those marts into an application-neutral data warehouse.

Enforce Standards to Foster Reuse and Agility — Gartner sees a significant trend toward organizations enforcing corporate standards for the use of tools (database management systems, data integration and data quality tools), schema design, naming conventions and various other dimensions of data management, which increases the ability of teams to collaborate and increases agility by enabling easier re-allocation of personnel across teams. These advantages reduce costs of implementation efforts while also allowing the organization to reduce skills and training costs since there are fewer skill sets to be supported.

Defer Replacement of Custom-Coded Architectures — The effort required to migrate away from custom code can be a significant expense on top of the software licensing costs of the tools themselves. Organizations can potentially defer these migrations if custom coded processes are meeting business needs and working appropriately today. Investment in new tools can also drive benefits, and should still be considered for new initiatives. However, deferring purchases of data integration tools will generally result in software licensing cost avoidance in the range of \$100,000 to \$500,000.

Explore Open Source Licensing — A significant component of IT budgets aligned with data management and integration initiatives goes toward software licensing and maintenance. Organizations continue to seek ways to reduce these costs, and increasingly look toward alternative models for software licensing, including open source licensing in which software users incur no upfront licensing costs at all.

Renegotiate Services Contracts — Many organizations leverage external services to augment their skills and staff when undertaking data management and integration initiatives. IT contracts with tactical deliverables should bundle planning and design services as a part of a single comprehensive implementation service, as compared with separate services contracts. Up to \$150,000 to \$300,000 of design services could be reduced in end-to-end consolidated service contracts.

Defer Low-Priority/Limited Benefit Projects — Organizations with an effective IT planning and budgeting process have a good sense of which projects or investments represent the largest potential positive impact on the business. In times when budgets are tightening, CIOs can assist in reducing IT spending by identifying and deferring to a later date those investments that have a low priority because of low potential return on investment. Specifically, organizations should limit their investment in database infrastructure, data integration activities, data quality improvement, data warehousing and other areas to those items which directly support revenue generation (or other important quantified business benefits).

Gartner analysts will further discuss data management and integration issues at the **Gartner Business Intelligence Summit** being held April 1-3 at the Hyatt Regency Chicago. The Gartner BI Summit is the only event designed to provide businesses with the knowledge required to create a visionary business intelligence strategy. Through a content-focused curriculum, attendees will learn the methodologies, strategies, technologies and architectures that will move them from the tactics of cost cutting and compliance to increasing their companies' agility and responsiveness, and improving overall business performance. Additional information is available at www.gartner.com/us/bi.

Additional information is available in the Gartner report "Cost Cutting in Data Management and Integration, 2008." This report is available on Gartner's Web site at

[www.gartner.com/DisplayDocument?ref=g_search&id=604907&subref=simplesearch.](http://www.gartner.com/DisplayDocument?ref=g_search&id=604907&subref=simplesearch)

###