

# telesperience

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## Telesperience data sheet

Driving down costs through better data integration: supplementary data sheet



# Telesperience supplementary data sheet: driving down costs through better data integration

## Summary

We would like to thank everyone who took part in our ongoing research into data integration (DI). In this paper we summarise three key areas:

- the view of firms about the cost of data integration (see *Figure 1* and *2*)
- whether data integration projects are being delivered to time and budget (see *Figure 3* and *4*)
- data integration goals for 2010-11 (see *Figure 5* and *6*).

## Key findings

- One-third of companies (33%) say they don't deliver DI projects on time or to budget.
- One-quarter don't know if they can deliver them on time or to budget.
- Only one in ten are confident of delivering on time and to budget.
- North American firms are less confident of delivering to time and budget than European firms.
- Six in ten firms say they could reduce their DI costs.
- Two in ten say they don't understand their DI costs or find they are far more than anticipated.
- Decreasing human effort (increasing automation) is the number one DI goal in Europe.
- Reducing the cost of DI is the number one goal in North America.

## Telesperience opinion

A relatively small number of firms are confident that they can deliver data integration projects on time and to budget. This is at a time when businesses are demanding increasing levels of DI. Telesperience strongly believes that a firm's adeptness at managing DI projects is a strong marker of future success. Firms that can confidently deliver DI projects are able to innovate faster, move to lower cost infrastructure and act on insights and opportunities more rapidly. Complex and large DI projects are no longer a once-in-a-career occurrence, but for many firms are now a way of life – a normal business activity.

For these reasons, firms that can deliver DI projects reliably, rapidly and effectively will outperform those that can't. We believe that firms need to focus far more attention on data integration as a discipline, in order to improve their performance in this area. This is also an IT discipline where sharing expertise and experience will deliver a great deal of value.

There is now a new generation of DI software coming to market that is more capable, more flexible and lower cost than previous generations. This should support firms' needs to reduce cost, increase automation and handle the rising demand for DI. Telesperience advises all firms to choose their DI vendor with the same care and attention they would any other software vendor, since their relationship with both the vendor and the DI solution is likely to be far longer lived than might previously have been the case.

## DI projects continue to run over time and budget

A relatively small proportion of companies are confident that they can deliver their data integration projects on time and to budget. Eleven per cent of companies across all those sampled told us they were confident of delivering to time and budget, but the results from the latest sample were less optimistic than from the original sample where 27% felt they could confidently deliver to time and budget (see *Figure 1*).

There was variation between the two samples, and also between the two regions we sampled. For example, companies in North America were more likely to say they didn't deliver to time or budget than European respondents (37% against 26%). The response from North American companies was consistent with the findings from the original survey (36%). Similarly, European firms were more likely to say they delivered more or less on time or budget (35%) than North American firms (26%). In this case the European response was more in line with the findings of the original survey (36%).

On average overall performance across the two samples is split thus (see *Figure 2*):

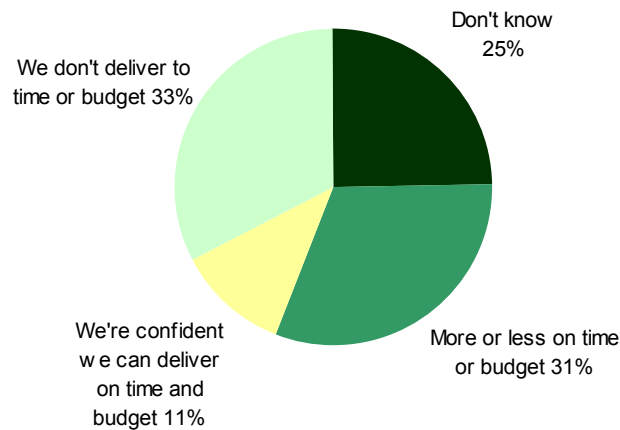
- 1 out of 10 delivers on time and budget
- 3 out of 10 deliver more or less to time and budget
- 3 out of 10 don't deliver to time or budget
- 3 out of 10 don't know whether they're delivering to time or budget.

Figure 1 **Companies' performance in delivering data integration projects**

	<i>Europe May 2010 sample</i>	<i>North America May 2010 sample</i>	<i>Average May 2010 sample</i>	<i>Average December 2009 sample</i>	<b>Average across all respondents</b>
We deliver on time and budget	9%	7%	8%	27%	<b>11%</b>
We more or less deliver on time and budget	35%	26%	30%	36%	<b>31%</b>
No we don't deliver on time or budget	26%	37%	32%	36%	<b>33%</b>
Don't know	30%	30%	30%	0%	<b>25%</b>

Source: Telesperience 2010

Figure 2 **Most firms are still not confident they can deliver DI projects on time or to budget**



Source: Telesperience 2010

## Firms recognise that DI costs are too high

Only 11% of firms across both samples believe they have optimised their DI costs, and around 60% told us there is scope to trim their DI costs further (see *Figure 3*). There was considerably less confidence in North America than in Europe that DI costs had been optimised (3% as opposed to 17%). The findings from the original sample were roughly in line with the European average, with 18% saying they had optimised their DI costs. Few companies said they had minimal DI costs.

Quite worryingly about a quarter of firms across the whole sample said that they either didn't fully understand their DI costs or that these costs were often far more than anticipated. North American respondents were more likely to say this than European respondents (34% versus 17%). The findings from the original sample were in line with the European average, with 18% of respondents saying they didn't fully understand their DI costs or found they were far more than anticipated.

On average respondents' attitudes to DI costs were as follows (see *Figure 4*):

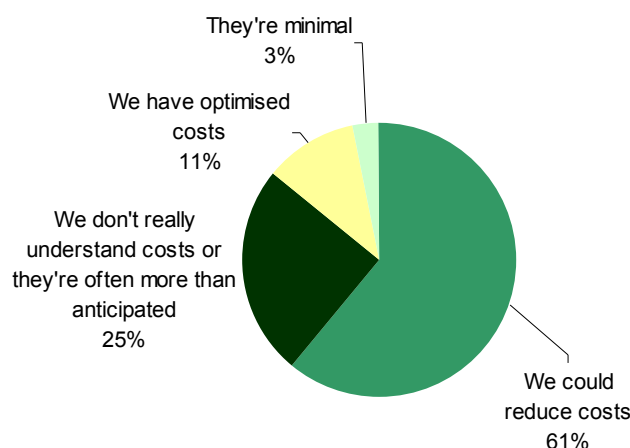
- 1 in 10 say they have optimised them
- 1 in 10 have minimal costs
- 6 in 10 say they have scope to reduce DI costs further
- 2 in 10 say they don't understand their DI costs or find they are much more than anticipated.

Figure 3 **Companies' scope to reduce DI costs**

	Europe May 2010 sample	North America May 2010 sample	Average May 2010 sample	Average December 2009 sample	Average across all respondents
We've optimised our DI costs	17%	3%	9%	18%	<b>11%</b>
Our DI costs are minimal	4%	0%	2%	9%	<b>3%</b>
We could reduce DI costs further	63%	62%	62%	55%	<b>61%</b>
We don't understand our DI costs/they're often more than anticipated	17%	34%	26%	18%	<b>25%</b>

Source: Telesperience 2010

Figure 4 **Most firms think they have scope to reduce their DI costs**



Source: Telesperience 2010

## Increasing automation & decreasing cost are key DI goals

We asked firms what their key DI goal was for the next 24 months. As can be seen from *Figure 5* there is some regional variation in goals, which tends to get hidden in the average of the entire sample. For example, decreasing the cost of projects was far more important to North American respondents (29%) than to European respondents (12%); on the other hand, decreasing human effort was far more important to European respondents (41%) than North American respondents (23%).

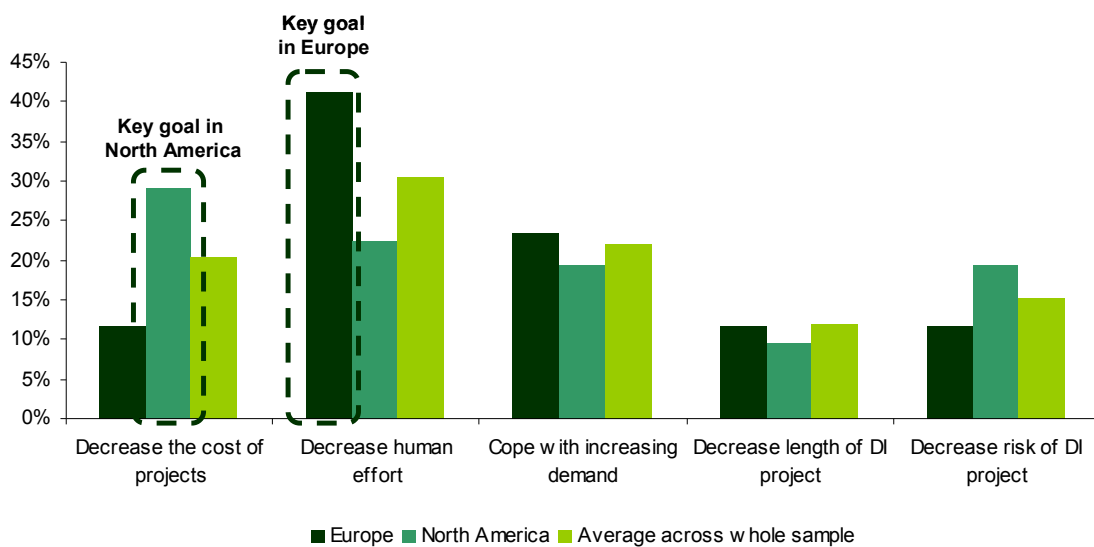
Regional variation can be seen quite clearly in *Figure 6*, which shows responses from European and North American respondents, and compares this to the average across all respondents.

Figure 5 Companies' DI goals 2010-11

	Europe May 2010 sample	North America May 2010 sample	Average May 2010 sample	Average December 2009 sample	Average across all respondents
Decrease the cost of projects	12%	29%	20%	9%	<b>20%</b>
Decrease human effort	41%	23%	32%	36%	<b>31%</b>
Cope with increased demand for DI	24%	19%	21%	27%	<b>22%</b>
Decrease length of the DI project	12%	10%	11%	18%	<b>12%</b>
Decrease the risk of the DI project	12%	19%	16%	9%	<b>15%</b>

Source: Telesperience 2010

Figure 6 Companies' DI goals 2010-11, showing key regional goals



Source: Telesperience 2010

## **Methodology**

This data sheet summarises the findings across two Telesperience surveys. The first was conducted in December 2009 across respondents in highly transactive industries. The second was conducted in April 2010 as part of a webinar of DI professionals. Respondents came from a wide range of industries including: automotive, telecoms, banking, insurance, software, computing/IT, government, medical, pharmaceuticals, biotechnology, education, manufacturing, non-governmental agencies and charities. Sixty-four companies took part in the study overall.

## **About Telesperience**

Telesperience is a UK-based telecoms analyst firm focused on how technology impacts both the commercial and customer experience. It is wholly-owned by Babworth Ltd, a provider of research, publications and writing services to the global Internet, Communications and IT markets.

The scope and focus of Telesperience is as follows:

- the commercial telesperience – to analyse how key IT technologies impact on telecoms service providers' businesses and commercial agility
- the customer telesperience - analysing how key IT technologies impact on the end customer experience.

Telesperience was founded in 2008 by an experienced team of telecoms IT analysts who wanted to provide a more convergent view of the telecoms market, focusing on business and customer issues. We consider where the problems lie with legacy technology, and how companies can transition to provide a more positive telesperience for their customers and a more profitable business for themselves.

Telesperience's open source research programme relies on the goodwill of companies who fund research in order to make it free at the point of delivery. We endeavour to ensure that our research remains objective and independent – the steps we take to do this are outlined on our website, but the most significant is using experienced and respected analysts who have a track record within our industry. Report sponsors are always acknowledged, so readers are aware who is funding the research programme. Find out more about Telesperience at [www.telesperience.com](http://www.telesperience.com) and [www.microsperience.com](http://www.microsperience.com).

## **About Talend**

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