



CIO EXECUTIVE VIEWPOINT

Looking Ahead to '07

CIOs need to focus on the data integration strategies that drive business alignment

Tony Young**Vice President and CIO, Informatica**

It's time for CIOs to look toward 2007. With all the opportunities, there will be challenges, too, the greatest of which, asserts Tony Young, CIO at Informatica, is business alignment. At the end of the day, alignment can only be achieved with strategic data integration. Read on for more on the subject.

In terms of data integration, what will be the biggest business challenge for enterprises in 2007?

At a strategic level, CIOs need to think about the business imperatives that ultimately drive alignment: improved decision making, modernization, cost reductions, compliance, M&A activity, profitability and outsourcing. As it happens, data integration is core to all of these imperatives, enabling such capabilities as analytics and a single view of the customer, as well as critical data management functions like consolidation, synchronization and migration. Data integration fuels these imperatives and becomes the foundation for how you grow your architecture and your enterprise over time.

What will be the biggest data challenge?

The greatest data challenge will be fragmentation. Historically, we've worked out of silos, with separate applications for supply chain, CRM, etc. We've hired our favorite SI who hand-coded these applications in multiple formats with expensive interfaces. All of this is compounded by massive data proliferation and business events like M&A activity, globalization and the influx of unstructured content. Going forward, CIOs need to build a data services layer into their enterprise architecture—something that has often been neglected—to support the synchronization of data across all applications.

no one can afford the propagation of bad data, quality is a strong component of our program. With all of this in place, we've been able to deliver an enterprise warehouse and customer hubs with sales portals. All of our applications are interconnected, and we leverage our integration layer to phase out acquired systems within three months. The economics show that we've saved 15 percent to 20 percent in our data migration efforts. I can attribute what we've accomplished to our commitment to data integration and the architecture that supports it.

What speed bumps do most companies hit along the way?

First, CIOs must be prepared to separate the urgent from the important: How do I make continued progress on important initiatives while hitting short-term goals? Second, we all need to recognize that building an architecture with a data services layer isn't a topic for the office of the CIO alone. Rather, it's an executive-level conversation. CIOs need to keep in mind that their technology supports what the company is trying to accomplish.

What advice would you offer to a CIO facing the same challenges?

I urge CIOs to focus on building that data services layer to ensure alignment with business objectives. When you build applications for any business process, interconnection

is crucial. Data into just one application is less interesting and much less important to the enterprise. In fact, data is really only relevant when it relates into all applications across the enterprise. I also advise CIOs to build an architecture that will last. Remember, this is how you're going to get to the ideal 50/50 run rate between daily support and new initiatives. Today, most enterprises run closer to 80/20, but there are a small



number that break through. CIOs who really want to break through and drive business value must have the right architecture in place.

In terms of data integration, what's your recommendation for CIOs?

When it comes to CIO priorities, items move around on the list, but there are a few constants: doing more with less, driving enterprise value and business alignment. Of course, there are trends that come and go—they aren't enduring. In 2007, CIOs need to focus on delivering data integration that will address those key, constant imperatives without getting tangled in the trappings of the newest technology. And they need to pay attention to quality. Most CIOs agree that data is owned by the business, not IT, so they need to establish solid programs around data quality and governance.

For More Information:

Check out this white paper, "Data Governance - Why It Matters to the Business" at www.cio.com/whitepapers/informatica

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What solutions have helped you, and with what results?

At Informatica, we started with a well-defined enterprise architecture, which is very well articulated, so there are no rogue efforts going on. Specifically around the data fragmentation challenge, we took the time to define a data integration layer so that ubiquitous data flows in and out of our applications and analytics. And because

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