Data Mart Consolidation

Reduce costs. Increase value.

Sometimes, less truly is more. That's what companies consolidating their disparate data marts are discovering. In fact, Teradata® customers who have consolidated their "islands of data" are seeing significant cost savings in their data warehouse environment. Many are saving millions of dollars.

Our Data Mart Consolidation program does more than simply reduce redundant costs. It provides a strong foundation for analysis and business insight. It's a program designed to help companies just like yours integrate and centralize your enterprise information so you can get fast, accurate answers to the questions that concern you and your business the most.

Teradata's suite of assessment services, migration tools, customer education and business impact models (BIMs) can help you calculate the ROI of combining your disparate data marts into a central, integrated data warehouse. The result: we can show you how to seamlessly consolidate your separate systems. You'll see dramatic increases in system performance, as well as a 360-degree view of both your business and your customers, a view that will help to integrate every facet of your operations – from web data to purchasing information, from sales trends to supply chain activities. And Teradata will provide you with clearly measured cost savings of your consolidation project.

Is it time to change?

There was a time when data marts seemed to provide a quick and inexpensive solution. A single data mart appeared easier to implement and less expensive to run than a larger, centralized system. Those times have changed. Today, companies have discovered a different reality. In many cases, as each functional area, department, or group develops its own mart, IT costs and complexity increase. These marts are not connected and frequently interpret or gather information from source systems differently. And too often that leads to conflicting information that potentially affects critical decisions.

Having multiple independent data marts leads to redundant Extract, Transform, and Load (ETL) processes. All of these processes must be administered and maintained separately, requiring experienced IT staff to spend time on basic level processes rather than higher value-added activities such as new query and reporting development.

That's why companies are discovering that the costs associated with synchronizing multiple data marts and building queries that cross data mart boundaries quickly outpace any savings that came with the initial implementation. Instead, many are finding that operating centralized data warehouses allows them to recover their consolidation costs in the first year.

How much could you save by consolidating your data marts?

Our research found that 59 percent of companies maintain up to 30 data marts – and some companies have as many as 100 or more. It costs from $1.5 to $2 million annually to maintain a data mart. Anywhere from 35% – 70% of those costs are redundant. How much could *your* organization save by consolidating?

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Consider the costs...

> **Multiple ETL processes**
> **Hardware platform and its maintenance**
> **Software licenses**
> **Storing redundant data**
> **Tuning multiple parameters**

Independent   **Dependent**   **Enterprise**
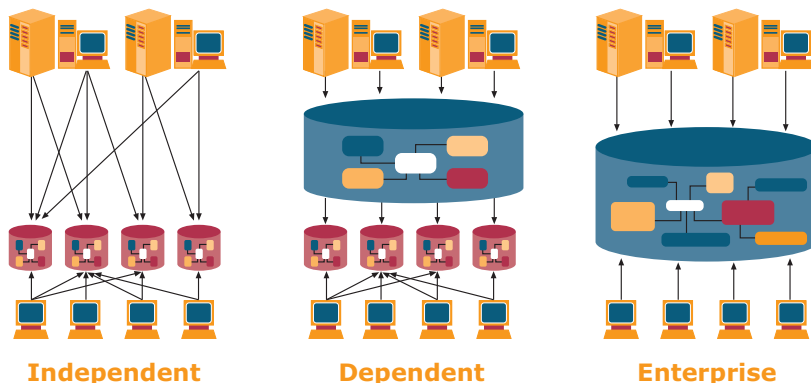
What *is* the built-in benefit of data mart consolidation?

Data mart consolidation differs from company to company. For some, it means a cost-saving initiative. Consolidating marts into a centralized data warehouse reduces the total cost of ownership associated with redundant hardware, software, tools, and processes. For others, consolidation offers a single, integrated view of data, providing more accurate information and better decisions. And for still other companies, it's all about cost *avoidance*. That is, as demands arise for more information and more applications, a centralized data warehouse will provide new solutions faster and more cost-effectively than building additional data marts.

But the real truth is that despite the original objective, data mart consolidation delivers *all* these benefits.

Business Impact Model

Teradata Corporation delivers those built-in benefits, in large part, because of our years of data warehousing experience and customer successes. But we also have a patent-pending business impact model (BIM) that accurately measures the cost savings and shows you the value of consolidating data marts into a robust, integrated, centralized data warehouse.

The BIM reliably and accurately identifies the annual support costs of your current multiple mart environment, projects the investment in a new Teradata solution – including ongoing maintenance costs – and develops cash flow, Net Present Value (NPV) and Return on Investment (ROI) projections. That means you have an accurate financial forecast of your consolidation program *before* it begins.

Our Data Mart Consolidation BIM is a predictive model that outlines anticipated cost savings. Plus, you can use it in conjunction with industry-specific BIMs to predict new revenues after consolidation is complete. The business impact models created by Teradata can provide customer ROI projections based on the size and number of data marts consolidated and the speed of implementation. Again, it's *your* existing data that drives your specific solution and spotlights your potential cost savings.

Enterprise Data Warehouse Benefits

> **Complete, integrated, 360-degree view of your business**
> **Direct user access to detailed data**
> **Single system to administer**
> **Fewer resources deployed means lower costs**
> **Any question by anybody of any data at any time**

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The Right Process for You

Teradata will work closely with you to determine the most effective way to manage your consolidation challenges. We'll show you how to achieve immediate performance improvements and cost savings, with little or no disruption for users.

We offer a two-tiered assessment program. First, our Quick Assessment provides a web-based tool that uses your data to make some basic assumptions about the consolidation. Don't have the necessary data? No problem. We can fill in the blanks of missing data using industry averages for comparison purposes, then prepare a fast look at the level of expected cost savings. Once the initial determination is made – will you save $15,000 or $15 *million*? – we'll work with your business and IT users to provide a more detailed assessment. We'll also begin building a project plan for implementing your consolidation program. When your project plan is complete, you'll have a roadmap for the actual migration of your data, processes, and applications to your centralized warehouse. We'll also provide you with a highly customized cost savings model measuring the savings using *your* data and *your* consolidation plan.
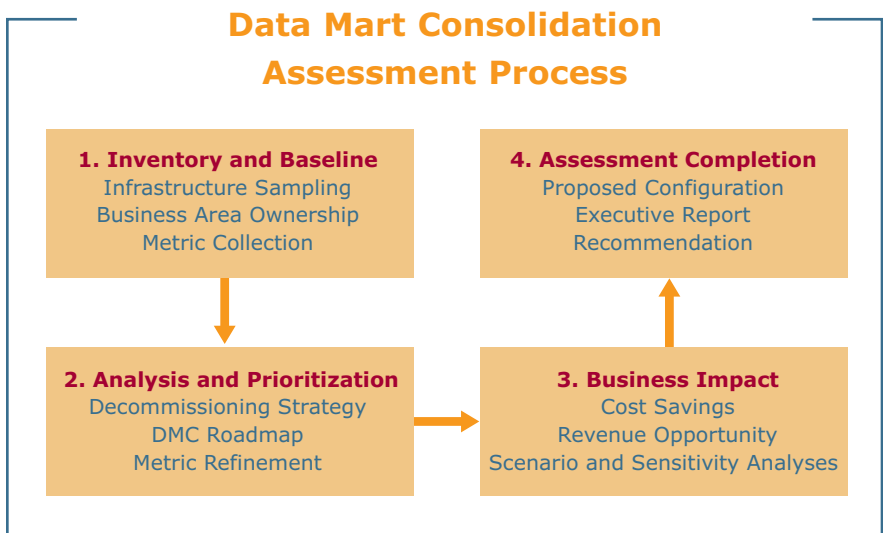
Bank of America

Bank of America (BofA) has seen the benefits of data mart consolidation from both sides of the equation. Through its consolidation efforts, BofA reduced its maintenance costs by $7 million per year. While it was dramatically slashing costs, the bank realized significant business improvement. Prior to its data mart consolidation program, customer service representatives had no way of knowing how "important" callers to the bank's customer service department were. That is, they did not know how many accounts the caller held or if he or she was considered a key customer.

Today, those same representatives have all the vital information right at their fingertips. They know immediately what accounts callers have with the bank and can quickly track personal banking, mortgages, auto loans, personal loans, credit card accounts, savings, and CDs all at the same time.

The Teradata Difference

Why Teradata Corporation? Because we offer a blend of technology and experience unavailable from any other source. We've been providing innovative, best-in-class business solutions and technologies to some of the world's most successful data warehouses for nearly 20 years. We've also consolidated hundreds of data marts. That's why our Global Consulting Services can bring the benefits of our experience and expertise to even the most demanding environments and complete the consolidation process quickly and efficiently.

Data Mart Consolidation Assessment Process

1. Inventory and Baseline
Infrastructure Sampling
Business Area Ownership
Metric Collection

4. Assessment Completion
Proposed Configuration
Executive Report
Recommendation

2. Analysis and Prioritization
Decommissioning Strategy
DMC Roadmap
Metric Refinement

3. Business Impact
Cost Savings
Revenue Opportunity
Scenario and Sensitivity Analyses

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Teradata brings you the power to proactively manage your business and drive growth. And Teradata solutions help provide analysis to expedite fast, accurate, and consistent decision-making across your entire enterprise. And because we can help you integrate data from across your organization. Teradata brings you a built-in foundation of industry knowledge, consulting expertise, global customer support services, and world-leading hardware technology – a combination of strengths unmatched in the industry.

For More Information

To find out more about how you can save time and money and grow a stronger, more productive business by consolidating your data marts with Teradata, contact your local Teradata representative or visit Teradata.com.

3M Focuses on Value

3M had an array of challenges. As a decentralized organization, its data was equally far flung. In fact, even its own customers and suppliers looked at 3M as 50 separate companies. 3M wanted a more holistic view of its business, but couldn't get it with its existing IT architecture. Teradata proposed a global enterprise data warehouse (EDW) that would store more than 5 Terabytes of data and allow more than 5,000 users to access the data at any time.

The results were dramatic. 3M saved tens of millions of dollars by consolidating to a single EDW. Plus, the company eliminated services that were being duplicated needlessly, standardized reporting and query tools, and ultimately improved productivity. And here is the real value created – 3M became easier to work with for both its suppliers and customers. The company was able to launch products faster and generate profits quicker. And that led to:

> a 10% increase in sales per employee in the first year

> reduced inventory levels, due to better communication with customers and suppliers, added $437 million in cash flow

> reduced data volume

> a reduction of data related support staff from 200 to 85 FTEs

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