

# BI Landscape Is A-Changin'

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New technologies and mergers put the business intelligence sector on verge of an evolution.

Adriel Lares has a lot to think about. Since joining 3PARdata in 2001, he has led the company's treasury, debt and financing activities, including equity rounds for \$32 million and \$30 million last year. At the same time, the company is growing fast, creating metrics and processes Lares needs to keep on top of.

As the chief financial officer at the eight-year-old utility storage company, Lares found he needed business intelligence and analytics capabilities, but 3PAR lacked the financial wherewithal to acquire the software and hardware needed to run a traditional BI system.

Resigned to managing financial and sales data on a spreadsheet, Lares was inadvertently introduced to LucidEra, an on-demand BI company that launched in early March. That chance meeting led to 3PAR beta testing LucidEra's services - a propitious arrangement for Lares.

"I can have my cake and eat it too. - LucidEra - won't cost a lot to get implemented, and I will have the BI and analytics I require to get the company running - customer information, how big is an order, what is the average price on those orders," said Lares, in Fremont, Calif.

"Previously it took a lot of down and dirty work to get to that information; it took a lot of time and resources. LucidEra allows me to get there quicker than I would traditionally."

On-demand BI companies like LucidEra represent one of the changing factors influencing the BI sector, which is, by many accounts, on the verge of an evolution. A convergence of newer technologies like SOA (service-oriented architecture), new ways of getting at information - unstructured data is the next frontier - and mergers and acquisitions are all quickly changing the BI landscape and the players involved. BI software makers have grappled with the same question for years: How do they push BI deeper into the enterprise and extend the technology's reach beyond a small percentage of IT and executive users? But the game is changing as platform and applications vendors - such as SAP, Oracle, Microsoft and Hewlett-Packard, with its acquisition last year of BI consultancy Knightsbridge Solutions - pump more R&D into BI capabilities.

Oracle's \$3.3 billion purchase of Hyperion Solutions is an example of the ways in which BI is changing. It merges two distinct areas - business analytics and corporate performance management - that could start a land grab for pure-play vendors by the likes of SAP, IBM and Microsoft, said analysts, who often cite Cognos and Business Objects as targets and IBM as the likely first mover.

The implications of these companies giving BI more attention and development is that the goal of ubiquitous business intelligence could happen more quickly than previous efforts of pure-play vendors.

"[With the goal of BI] becoming part of the fabric of how you get to information about your business, rather than just a tool set, the question is, how do you make that part of what you do to fit into all these places [in the enterprise]?" said John Hagerty, an analyst with AMR Research.

"Putting BI in applications will go the furthest, fastest. This is where the fight is being made between Oracle and SAP."

In acquiring Hyperion, with its expertise in analytics and financial planning and budgeting, Oracle, of Redwood Shores, Calif., is bringing together two distinct areas - BI and corporate performance management. The result is users will be able to manage their planning life-cycles more efficiently, said Rick Schultz, vice president of Oracle Fusion Middleware.

"What customers desire to do is infuse BI into the business processes they use to run their business, and also their financial business processes - planning, budgeting, financial consolidation," he said. "That's what drove the acquisition of Hyperion. Customers are looking to enable the entire cycle of performance management - planning, goal setting, modeling, monitoring and reporting back."

SAP is taking a different approach. While it's working to infuse BI capabilities at the application level, the company has also developed a BI accelerator that marries the appliance concept with analytics, using in-memory technology for much faster query capabilities. Building on its Knightsbridge acquisition, HP plans to announce April 24 a new product, Neoview, a preconfigured bundle of hardware and software from HP and its BI partners, said Ben Barnes, vice president and general manager of BI at HP.

"What's going on out there is equipment that does - BI - is too expensive - and - too hard to upgrade, and maintenance is too expensive," said Barnes, in Palo Alto, Calif.

"Another thing we've found is we've made this too complex. - Neoview - will be preconfigured to an industry or workload and application. We will size the customers' applications - how much data they have to analyze, how many users are accessing - the applications - , what type of querying - then preconfigure - an appliance - , integrate it, test it and ship it to the customer."

Neoview will have capabilities from HP and its ETL (extract, transform and load) partners Informatica, IBM and others. IBM also is working on its own BI initiatives, designed to move the company and its customers into the next wave of BI, beyond analysis and reporting, said Karen Parrish, vice president of Business Intelligence Solutions for IBM, in Armonk, N.Y.

Called the dynamics warehousing strategy, IBM is working to enable users to analyze information - including unstructured data - as part of a business process. "What sits in a repository is relational in nature; you're not able to analyze e-mail, voice and all the other data that's really relevant," said Parrish.

Microsoft has been making a BI market push for several years. The next phase, said AMR's Hagerty, is PerformancePoint Server, an analytic application environment expected to be available midyear that will bring "a whole layer of analytics" that will enable users to build their own BI-based applications through Microsoft technology.

The concept of a bunch of converging factors is bringing about what IBM's Parrish refers to as the cusp of the third generation of BI.

"We're clearly in the second generation now - it's all about query and reporting. It's where we've been for a long time," she said. "We really believe the third generation is upon us. Compliance is one of the reasons it's upon us. Banks, they don't say - compliance - is only relevant for information that sits in a relational database. It's all about data, like e-mail, that's in many forms and we have to look at all the data."

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