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Finding Your Way in the Ever-Changing World of BI

IDC BI Roadshow 2008

SURVEY

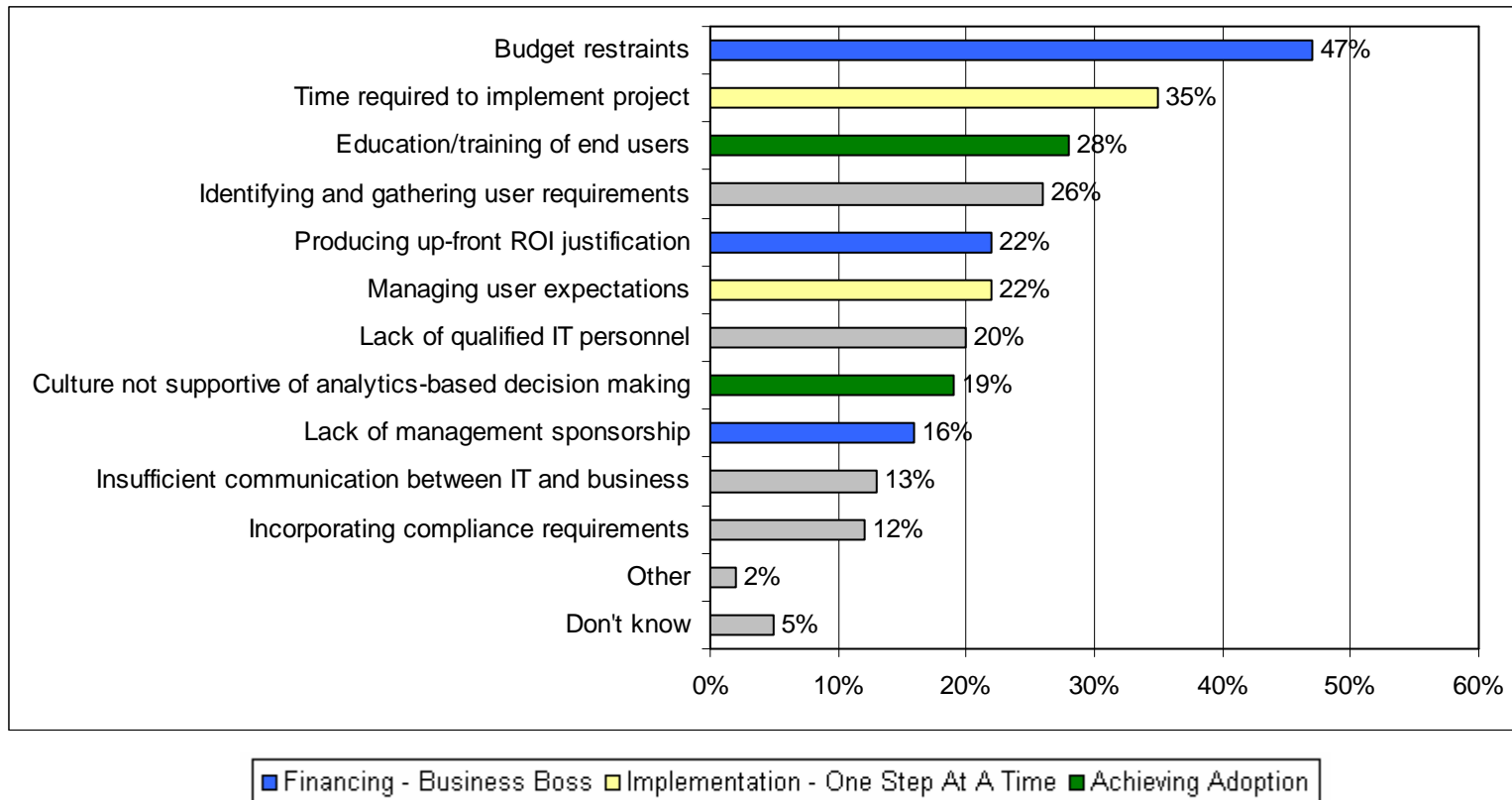
What are your three greatest BUSINESS and TECHNICAL challenges?

IDC survey with InfoWorld, March 2008

Base: IT/Tech Professionals or Corporate/Business Management involved in the acquisition of business intelligence solutions

N = 405

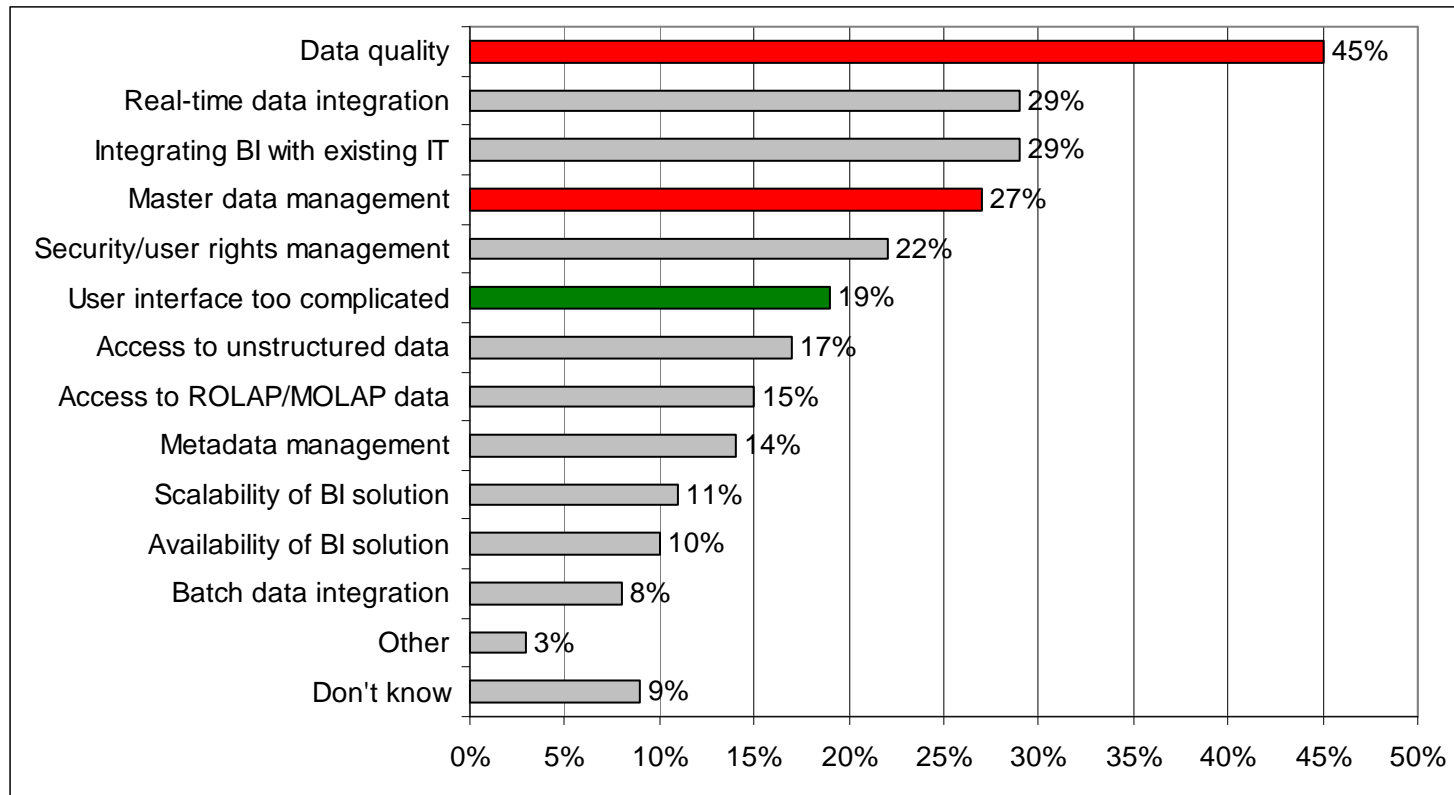
What are the 3 greatest BUSINESS challenges to your BI projects?



N=405

Source: IDC and InfoWorld, March 2008

What are the 3 biggest TECHNICAL challenges to your BI projects?



Data quality is the key technical issue
Achieving Adoption is both a business and a technical challenge

N=405

Source: IDC and InfoWorld, March 2008

Challenges of Delivering BI

Budget constraints

Producing up-front ROI justification

Lack of management sponsorship

Time taken to deliver project

Managing user expectations

Education/training of end users

Culture not supportive of analytics-based decision-making

User interface too complicated

Data quality

BI Purchase Criteria and Perceived Solution Benefits



SURVEY

Importance of product criteria when considering purchasing a BI solution

Importance of benefits that a BI solution could provide the organization

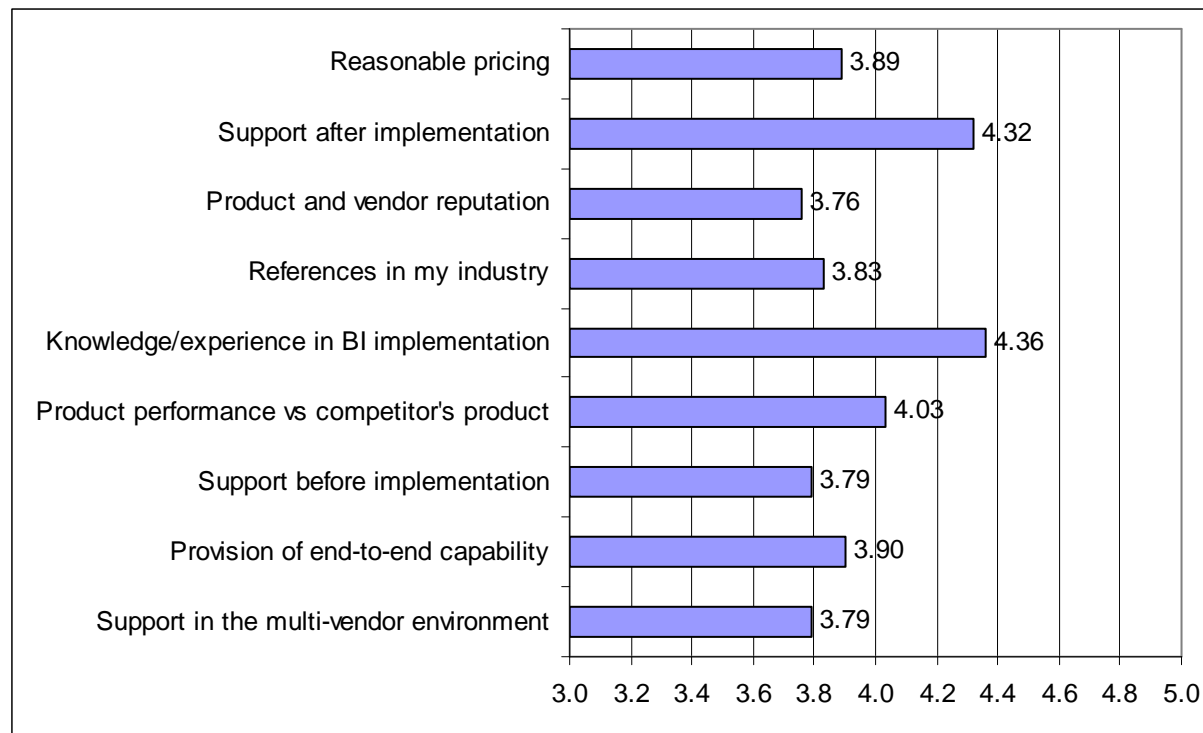
Planned future BI investments

IDC CEMA BI Roadshow 2007

Base: IDC CEMA BI Roadshow 2007 attendees

Countries: BU, CRO, CZ, HU, RO, RU, SER, SK, SL, TK

Importance of product criteria when considering purchasing a BI solution

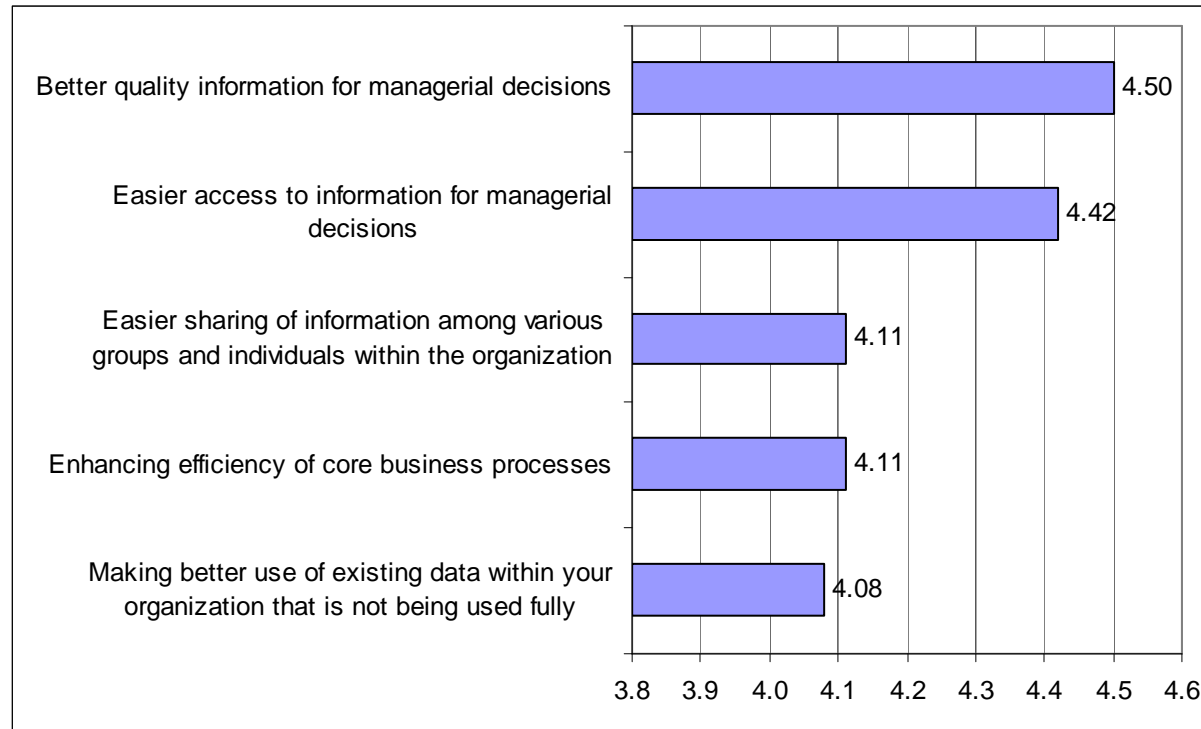


Q. On a scale of 1 to 5 (1 being not important at all and 5 being very important), please rank in importance the following key product criteria when considering purchasing a BI solution.

N=755

Source: IDC CEMA BI Roadshow 2007 Attendee Survey

Importance of benefits that a BI solution could provide your organization

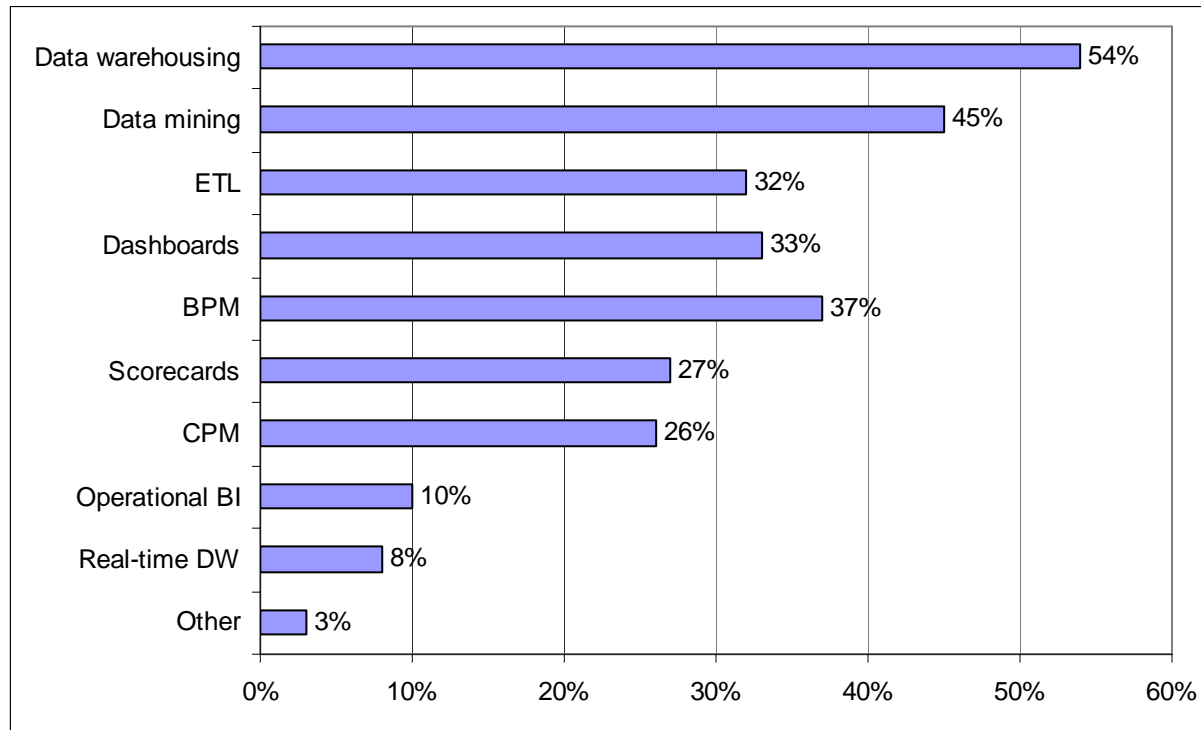


Q. On a scale of 1 to 5 (1 being not important at all and 5 being very important), please rank in importance the following benefits that a BI solution could provide your organization.

N=750

Source: IDC CEMA BI Roadshow 2007 Attendee Survey

Planned BI functionality investments

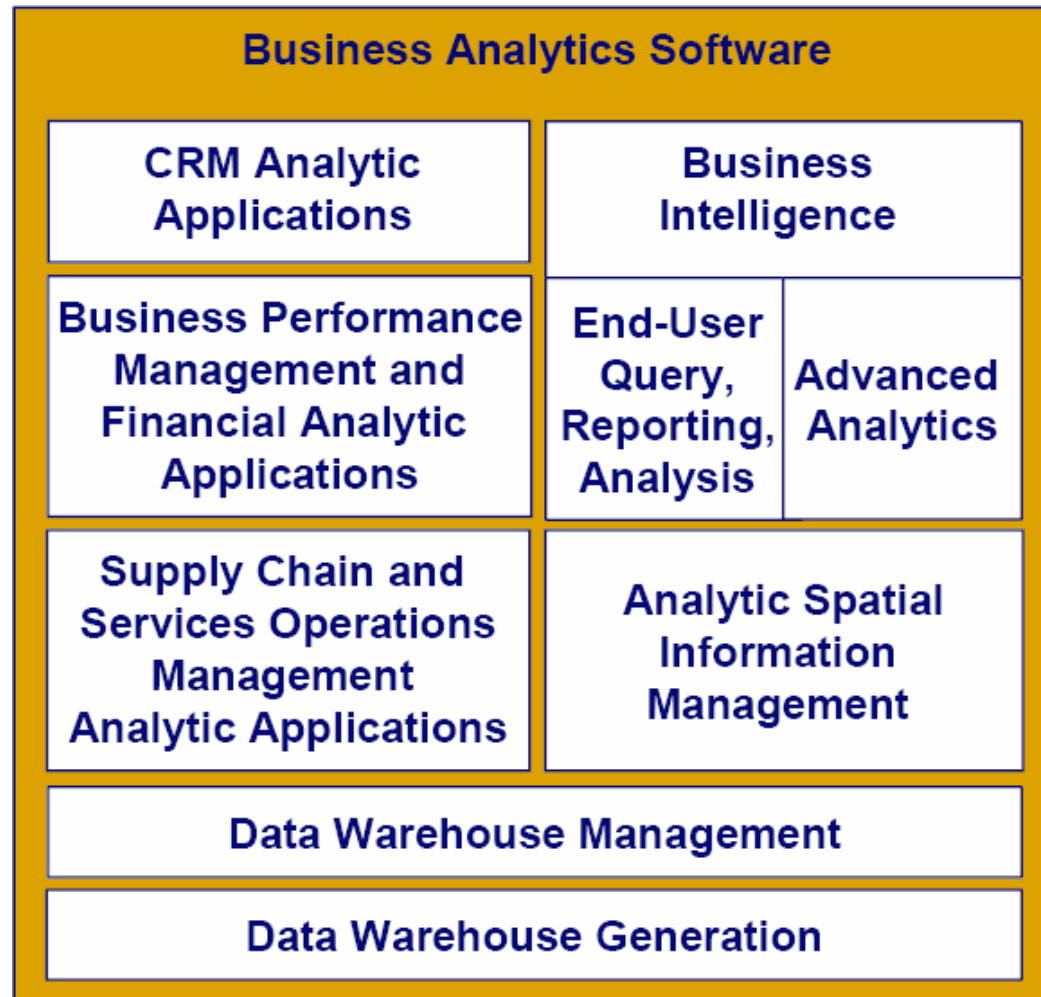


Q. What functionalities are you looking to add to your BI capabilities in the next 12 months?

N=653

Source: IDC CEMA BI Roadshow 2007 Attendee Survey

The IDC Taxonomy



Global trends for BI and analytical applications

- shift in emphasis from transaction-based to information-centric or meaning-based computing
- move from managing and validating separate data points to synthesis and analysis
- new applications provide more real-time, ad hoc query, analysis, and reporting functionality
- text analytics converging with data analysis to create a more comprehensive view

Possibilities and implications of text-data convergence

Solutions may be required to:	Creating system demands such as:
<ul style="list-style-type: none">• locate and merge contract information with analyses of customer financial soundness or history• analyze customer churn by mining call center calls• predict ecommerce purchases based on clicks or purchases of customers with similar profiles and interests	<ul style="list-style-type: none">• solutions must resolve ambiguity and effectively visualize large amounts of text• crunch greater volumes of data, from multiple sources• combine technologies

Vendor Reaction: Acquisitions in 2007

- Oracle acquired Hyperion to add performance management tools to its own BI tools and analytical applications
- Business Objects bought Inxight for its text analytics capabilities, Cartesis for financial performance management and Fuzzy Informatik for data quality management; in turn, the vendor was then bought by SAP
- Cognos bought Celequest for its real-time monitoring capabilities and then was snapped up by IBM
- Iron Mountain acquired Stratify, a categorization and ediscovery vendor
- Autonomy acquired Zantaz, an email archiving vendor, to round out its compliance applications
- Reuters acquired ClearForest to provide analytics on unstructured text

What next for consolidation?

- Most of the large independent players in the BI space have now been acquired by even larger companies
- Next phase of acquisitions is likely to be characterized by large players snapping up small, innovative start-ups for specific tools and functionalities to round out their offerings
- Some mid-sized vendors will also get in on the acquisition of small players in a bid to avoid becoming buyout fodder themselves
- A few large software players may make unexpected forays into the information access and analysis markets and try to fence off some territory from the more conventional BI players; think HP, EMC, Symantec, Cisco, Adobe etc.

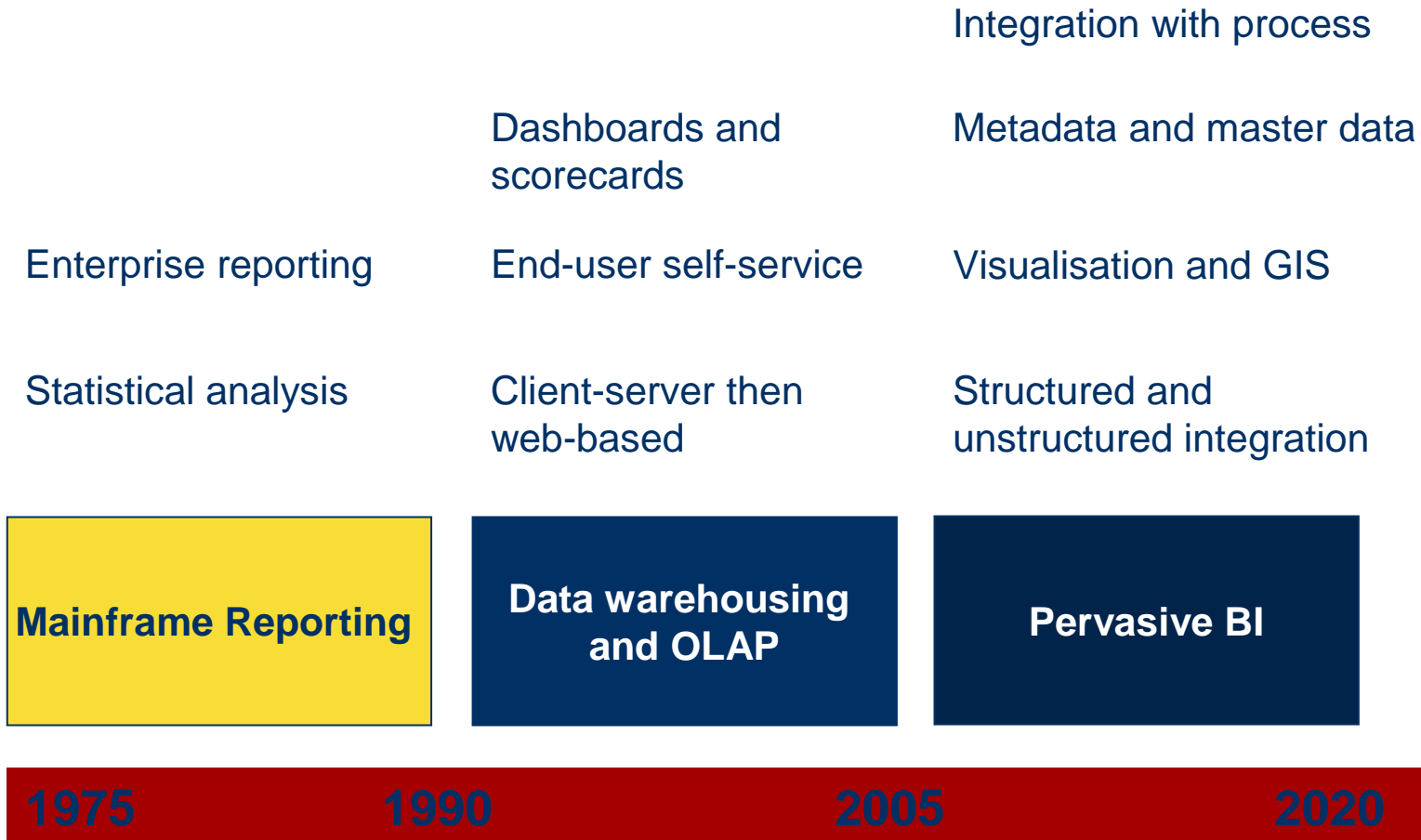
What could this mean for the customer?

- Less worrying about whether their BI solution from a mid-size vendor is going to be acquired and development/support disrupted
- Potential for incremental functional and feature gains as their now-large provider adds elements to its portfolio

The Role of Search

- ultimate value of search tools and technologies comes from their combination with other features and functions
- linguistic understanding of search tools provides a basis for improving human-computer interaction and integrating multiple applications via a search box as a single interface
- search thus becomes a pervasive interface to underlying enterprise applications such as ERP or CRM

The Three Waves of BI



Two parallel trends in some countries where BI uptake is at an early stage:

- Companies take the “traditional BI route”, utilizing well-known integration tools and technologies to pool corporate data and make better use of it
- A second, growing trend is showing the implementation of analytical applications that help companies find the answers they are looking for right in the application itself - a “closed loop” of information in one single application

What's coming on the market?

IDC expects development trends along the following lines:

- The operational BI market will develop along two paths:
 - "BI lite" solutions with limited but just-enough functionality for the masses
 - More high-performance, interactive, and visual analytical tools for expert users
- Accelerated growth in mid-market applications, typically aimed at small to midsize businesses or at departments within larger organizations; solutions will tend to be less expensive and quick to install and configure
- Innovative software and hardware technologies will reduce system constraints or increase processing power and could be the best option for small companies with big demands
- Real-time data capture in BI and real-time index updates for search will become the norm
- 64-bit architecture and the falling price of memory will stimulate development of new BI technology that maintains large data structures in memory
- OLAP and advanced analytics such as data mining engines will increasingly be embedded in databases, resulting in higher performance

Pervasive BI results when organizational culture, business processes and technologies are aligned with the goal of improving the strategic and operational decision-making capabilities of a wide range of internal and external stakeholders.

1. More users
2. More data
3. Process integration
4. Cultural focus on analytics

Pervasive BI is the true potential of BI

- BI people need to be technical, business-aware, political, managerial horse whisperers
- Companies need to appreciate the true benefit of BI as a truly transformational technology which can help achieve competitive edge
- The management and business-related challenges of BI are the same as they were 20 years ago
- The challenges for BI increase with the information explosion
- However the technical opportunities are great – we can handle greater volumes and more diverse sources than ever before

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The challenges of BI are great – only outweighed by its benefits

Thank you

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