The Age of the Pure Play BI Vendor is Over

Simon Miller
Principal Sales Consultant
Oracle BI & Analytics
The Business Intelligence Marketplace

Market Size

<table>
<thead>
<tr>
<th>Year</th>
<th>BI Applications</th>
<th>BI Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$8B</td>
<td>$6B</td>
</tr>
<tr>
<td>2004</td>
<td>$7.5B</td>
<td>$4.1B</td>
</tr>
<tr>
<td>2005E</td>
<td>$8.1B</td>
<td>$4.6B</td>
</tr>
<tr>
<td>2006E</td>
<td>$8.8B</td>
<td>$5.1B</td>
</tr>
<tr>
<td>2007E</td>
<td>$9.6B</td>
<td>$5.6B</td>
</tr>
<tr>
<td>2008E</td>
<td>$10.3B</td>
<td>$6.2B</td>
</tr>
<tr>
<td>2010</td>
<td>$11.1B</td>
<td></td>
</tr>
</tbody>
</table>

Source: IDC, 2004

Current % User Penetration

- ERP: 66%
- SCM: 51%
- CRM: 33%
- BI Tools: 30%
- BI Apps: 10%

Estimated User Potential

- BI Tools: 98 Million
- SCM: 59 Million
- CRM: 30%
- ERP: 10%

Sources: Goldman Sachs Estimates & US Department of Labor
Where have all the BI Vendors Gone?

Magic Quadrant for Business Intelligence Platforms, 1Q07

* Magic Quadrant Disclaimer
The Magic Quadrant is copyrighted January 26, 2007 by Gartner, Inc. and is reused with permission. The Magic Quadrant is a graphical representation of a marketplace at and for a specific time period. It depicts Gartner's analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the Magic Quadrant, and does not advise technology users to select only those vendors placed in the Leaders quadrant. The Magic Quadrant is intended solely as a research tool, and is not meant to be a specific guide to action. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

This Magic Quadrant graphic was published by Gartner, Inc. as part of a larger research note and should be evaluated in the context of the entire report. The Gartner report is available upon request from Oracle.

"Gartner Magic Quadrant for Business Intelligence Platforms, 1Q07", Kurt Schlegel, Bill Hostmann, Andreas Bitterer, January 26, 2007
Recent Information Week Survey

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>78%</td>
<td>Ability to integrate with existing applications</td>
</tr>
<tr>
<td>77%</td>
<td>Service and support</td>
</tr>
<tr>
<td>57%</td>
<td>Long-term commitment to product line</td>
</tr>
<tr>
<td>56%</td>
<td>Financial strength of company</td>
</tr>
<tr>
<td>49%</td>
<td>Breadth of product line</td>
</tr>
<tr>
<td>40%</td>
<td>Ability to provide custom solutions</td>
</tr>
<tr>
<td>38%</td>
<td>Specialization within my industry</td>
</tr>
<tr>
<td>18%</td>
<td>Partnerships with other vendors</td>
</tr>
<tr>
<td>11%</td>
<td>Alternative delivery models</td>
</tr>
</tbody>
</table>

Note: Multiple responses allowed.

Data: InformationWeek Research Business Intelligence Survey of 500 business technology professionals, March 2007
Who OEM’s Informatica?

- SAP – Application Vendor
- Salesforce.com – Application Vendor
- Hyperion (Oracle) – Application & Technology Vendor
- Siebel (Oracle) – Application & Technology Vendor
- i2 – Application Vendor
- Netsuite – Application Vendor
- SQLiaison – Application Vendor
- (and other application vendors…)

... Market Trend = Application Vendors are embedding Analytical Applications into their solutions using “proper” DW techniques and approaches
Database Marketshare - 2006

Source: IDC report

Trend: 63% of DB Marketshare by companies who are also Application Vendors
BI - not just about reports anymore...

What’s in between?
How does it work together?

- Business Applications
- SOA (BI as a service)
- Security (all touchpoints)
- Application Server
- Physical Hardware
- Data Modelling
- ETL and/or ELT
- MDM
- Scorecards
- EPM & CPM
- Metadata Management
- Query Generation
- Cache Management
- Enterprise Semantic Layer
- BPEL
- BAM
- Database
- Dashboards & Ad-hoc
- Data Mining
- Disk
- Real-time Analytics

Portal

Disk
What many people don’t understand

What you see
• Where’s my report?
• Primary Focus of pure-play BI Vendor
• Everyone looks the same on the surface

What it takes to deliver properly
• “Under the Surface”
• Mappings to *multiple applications and data transformation* all take expertise and time
• Security same in OLAP & OLTP
• Data integrity
• Performance
• Low cost of ownership

*IT Organizations who only look above the water line have better luck herding cats than useable information to their business users*
Integrated, Enterprise Performance Management

Proactively Plan

Enterprise Performance Management System

Take Action

Report and Analyze
Enterprise Performance Management System
Integrates Transaction, Intelligence, Financial Systems

Financial Performance Management

Enterprise Performance Management System

Transactional Systems

Operational BI Systems

Sales & CRM | Financials | Supply Chain | HR | Procurement

Data Warehouse | Data Integration | Query & Analysis | OLAP | Dashboards | Enterprise/Operational Reporting | Alerts & Workflow
What BI Should Look Like

---

**Day Sales Outstanding by Customer**

<table>
<thead>
<tr>
<th>Customer Name</th>
<th>Credit Rating</th>
<th>Credit Limit</th>
<th>Average DSO</th>
<th>Total Revenue Due</th>
<th>Number of Orders</th>
<th>Total Order Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADR</td>
<td>GOOD</td>
<td>10,000</td>
<td>10</td>
<td>1,000</td>
<td>1</td>
<td>4,000</td>
</tr>
<tr>
<td>Mac Supplies</td>
<td>GOOD</td>
<td>5,000,000</td>
<td>20</td>
<td>5,000</td>
<td>1</td>
<td>65,000</td>
</tr>
<tr>
<td>PCS Computing</td>
<td>BAD</td>
<td>200,000</td>
<td>50</td>
<td>66,000</td>
<td>4</td>
<td>175,000</td>
</tr>
<tr>
<td>Vision</td>
<td>GOOD</td>
<td>1,500,000</td>
<td>21</td>
<td>406,000</td>
<td>2</td>
<td>610,000</td>
</tr>
<tr>
<td>iComp</td>
<td>MEDIUM</td>
<td>300,000</td>
<td>15</td>
<td>21,000</td>
<td>2</td>
<td>295,000</td>
</tr>
</tbody>
</table>

From: Oracle-BI
To: Phil Bates <phil.bates@oracle.com>
Cc: 
Subject: Day Sales Outstanding by Customer
Advanced Analysis Often Spans Heterogeneous Data Sources

- How do I proactively manage risks of my receivables portfolio?
- How does supplier performance impact customer satisfaction and revenue?
- How does call center agent tenure, training, & compensation affect efficiency and cross-selling performance?
Analytic Workflows – Supply Chain Analytics

Business Objectives / Issues

Reduce Inventory

Is Inventory Turns on target??

Is Inventory Balances trending up?

What are Top 10 Products By Inventory Value?

Gain Insights

What is the Sales Trend for these products

Drill to Inventory Location Details

Take Action

Target Efforts to reduce the inventory

Overall Inventory Turns: 7.5
Overall Inventory Value: $10,592,846
Overall In-Transit Value: $50,400
% of Products Requiring Reorder: 0

<table>
<thead>
<tr>
<th>Product Name</th>
<th>Product Number</th>
<th>Inventory Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sentinel Standard Desktop</td>
<td>AS544986</td>
<td>$6,190,731,440</td>
</tr>
<tr>
<td>Envoy Ruggedized Laptop</td>
<td>AS66029</td>
<td>$5,912,792</td>
</tr>
<tr>
<td>Envoy Standard Laptop</td>
<td>AS92699</td>
<td>$4,323,051</td>
</tr>
<tr>
<td>Sentinel Deluxe Desktop</td>
<td>AS18947</td>
<td>$778,562</td>
</tr>
<tr>
<td>Sentinel Standard Desktop - Rugged</td>
<td>AS54939</td>
<td>$746,572</td>
</tr>
<tr>
<td>Envoy Deluxe Laptop</td>
<td>AS72111</td>
<td>$628,521</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Month</th>
<th>Sales Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000 / 03</td>
<td>$3,641,560</td>
</tr>
<tr>
<td>2000 / 02</td>
<td>$3,300,962</td>
</tr>
<tr>
<td>2000 / 01</td>
<td>$2,849,734</td>
</tr>
<tr>
<td>2000 / 04</td>
<td>$2,530,496</td>
</tr>
<tr>
<td>2000 / 11</td>
<td>$1,976,708</td>
</tr>
<tr>
<td>2000 / 05</td>
<td>$1,975,859</td>
</tr>
</tbody>
</table>

Sentinel Standard Desktop

<table>
<thead>
<tr>
<th>Plant Location Name</th>
<th>Inventory Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seattle Manufacturing</td>
<td>$16,452,637</td>
</tr>
<tr>
<td>Seattle Storage</td>
<td>$16,452,637</td>
</tr>
<tr>
<td>Singapore Distribution Center</td>
<td>$16,450,956</td>
</tr>
<tr>
<td>USA, Inc</td>
<td>$16,443,765</td>
</tr>
<tr>
<td>Boston Manufacturing</td>
<td>$15,051,727</td>
</tr>
<tr>
<td>Gateway</td>
<td>$15,051,727</td>
</tr>
</tbody>
</table>
Steps Required to Build a BI Solution

Significant Investment, Skills and Time Required

<table>
<thead>
<tr>
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<tr>
<td>Develop detailed understanding of operational data sources</td>
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<tr>
<td>Design a data warehouse by subject area</td>
</tr>
<tr>
<td>License an ETL tool to move data from operational systems to this DW</td>
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<tr>
<td>Build ETL programs for every data source</td>
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<tr>
<td>License interactive user access tools</td>
</tr>
<tr>
<td>Research / understand analytic needs of each user community</td>
</tr>
<tr>
<td>Build analytics for each audience</td>
</tr>
<tr>
<td>License / create information delivery tools</td>
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<tr>
<td>Set up user security &amp; visibility rules</td>
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These steps require multiple different BI and DW technology investments.
**Steps Required to Build a BI Solution**

**Significant Investment, Skills and Time Required**

<table>
<thead>
<tr>
<th>Step Description</th>
<th>Required Investments</th>
<th>Required Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop detailed understanding of operational data sources</td>
<td>INVESTMENTS</td>
<td>SKILLS</td>
</tr>
<tr>
<td>Design a data warehouse by subject area</td>
<td></td>
<td></td>
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<tr>
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</tr>
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These steps require multiple different BI and DW technology

These steps require IT or BI staff resources with specialized SKILLS
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These steps require multiple different BI and DW technology INVESTMENTS

These steps require IT or BI staff resources with specialized SKILLS

These steps take TIME to understand and perfect as knowledge of best practices is learned
## BI Approaches: Tools vs Applications

### Oracle BI Platform & Metadata

### Federated Data Sources

<table>
<thead>
<tr>
<th>Comparison Points</th>
<th>Prebuilt BI Applications Approach</th>
<th>Tools &amp; Build Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>BI Content</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Metadata</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Data Warehouse</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>ETL</td>
<td>✔</td>
<td></td>
</tr>
</tbody>
</table>

**Tools & Applications**
- Oracle BI Platform
- SAP R/3
- Siebel
- PSFT
- EDW
- Other
Build from Scratch with Traditional BI Tools

Pre-built BI Applications

- Faster deployment
- Lower TCO
- Assured business value

Training / Roll-out

Define Metrics & Dashboards

DW Design

Back-end ETL and Mapping

Quarters or Years

Weeks or Months

Training / Rollout

Define Metrics & Dashboards

DW Design

Back-end ETL and Mapping

Options:
1. Build custom BI apps
2. Buy BI Apps
3. Do a mix of both

Easy to use, easy to adapt
Role-based dashboards and thousands of pre-defined metrics
Prebuilt DW design, adapts to your EDW
Prebuilt Business Adapters for Oracle, PeopleSoft, Siebel, SAP, others

Source: Patricia Seybold Research, Gartner, Merrill Lynch, Oracle Analysis
Enterprise BI at Cisco Systems

Pervasive Intelligence

- Started with Top 500 Executives, providing real-time global picture of business performance.
- Continued to expand use to Marketing, HR, Sales, Engineering
- Leveraging Terabytes of data from multiple systems
- 30% employee productivity gain in some areas

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>500</td>
</tr>
<tr>
<td>2002</td>
<td>1,500</td>
</tr>
<tr>
<td>2003</td>
<td>3,000</td>
</tr>
<tr>
<td>2004</td>
<td>8,000</td>
</tr>
<tr>
<td>2005</td>
<td>20,000 +</td>
</tr>
</tbody>
</table>
Oracle’s BI Strategy

Oracle Fusion Middleware
- Oracle Portal, Content, Search
- J2EE: Oracle Application Server
- BPEL, SOA: Application Integration Architecture
- Oracle Enterprise Mgmt
- Security: Oracle Identity Mgmt
- Oracle Grid, Clusters

Oracle Analytical Applications
- Order Mgmt & Fulfillment
- Financial Analytics
- Supply Chain
- Human Resources
- Sales Analytics
- Contact Center & Service
- Marketing

Oracle Business Intelligence Suite Enterprise Edition Plus
- Dashboards
- Reporting
- Ad-Hoc
- Proactive Alerting
- Disconnected
- Desktop Tools
- Gadgets
- Search

OBI Server: Simplified Business View

Oracle Operational & Enterprise Performance Management Applications
- Oracle EBS
- PeopleSoft
- Siebel
- JD Edwards
- Hyperion

Oracle Databases & Options
- OBI DW
- App OLTPs
- Oracle DB11g
- OWB & ODI
- Oracle DW
- Oracle Spatial
- Oracle Content
- Oracle Data Mining
- Oracle OLAP
- Essbase

More Oracle...
- Oracle Consulting
- Oracle Applications Unlimited
- Oracle OnDemand
- Oracle Partner Network
- Oracle Lifetime Support
### Oracle BI Applications

**Multi-Source Analytics with Single Architecture**

<table>
<thead>
<tr>
<th>Auto</th>
<th>Comms &amp; Media</th>
<th>Complex Mfg</th>
<th>Consumer Sector</th>
<th>Energy</th>
<th>Financial Services</th>
<th>High Tech</th>
<th>Insurance &amp; Health</th>
<th>Life Sciences</th>
<th>Public Sector</th>
<th>Travel &amp; Trans</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Sales</strong></th>
<th><strong>Service &amp; Contact Center</strong></th>
<th><strong>Marketing</strong></th>
<th><strong>Order Management &amp; Fulfillment</strong></th>
<th><strong>Supply Chain</strong></th>
<th><strong>Financials</strong></th>
<th><strong>Human Resources</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pipeline Analysis</td>
<td>Churn Propensity</td>
<td>Campaign Scorecard</td>
<td>Order Linearity</td>
<td>Supplier Performance</td>
<td>A/R &amp; A/P Analysis</td>
<td>Employee Productivity</td>
</tr>
<tr>
<td>Triangulated Forecasting</td>
<td>Customer Satisfaction</td>
<td>Response Rates</td>
<td>Orders vs. Available Inventory</td>
<td>Spend Analysis</td>
<td>GL / Balance Sheet Analysis</td>
<td>Compensation Analysis</td>
</tr>
<tr>
<td>Sales Team Effectiveness</td>
<td>Resolution Rates</td>
<td>Product Propensity</td>
<td>Cycle Time Analysis</td>
<td>Procurement Cycle Times</td>
<td>Customer &amp; Product Profitability</td>
<td>HR Compliance Reporting</td>
</tr>
<tr>
<td>Up-sell / Cross-sell</td>
<td>Service Rep Effectiveness</td>
<td>Loyalty and Attrition</td>
<td>Backlog Analysis</td>
<td>Inventory Availability</td>
<td>P&amp;L Analysis</td>
<td>Workforce Profile</td>
</tr>
<tr>
<td>Cycle Time Analysis</td>
<td>Service Cost Analysis</td>
<td>Market Basket Analysis</td>
<td>Fulfillment Status</td>
<td>Employee Expenses</td>
<td>Expense Management</td>
<td>Turnover Trends</td>
</tr>
<tr>
<td>Lead Conversion</td>
<td>Service Trends</td>
<td>Campaign ROI</td>
<td>Customer Receivables</td>
<td>BOM Analysis</td>
<td>Cash Flow Analysis</td>
<td>Return on Human Capital</td>
</tr>
</tbody>
</table>

### Oracle BI Suite Enterprise Edition

Prebuilt adapters: [Oracle], [PeopleSoft], [Siebel], [SAP]

Other Operational & Analytic Sources
Example: Oracle BI Supply Chain Analytics

1. Pre-built warehouse with more than 15 star-schemas designed for analysis and reporting on Supply Chain Analytics.

2. Pre-built ETL to extract data from over 3,000 operational tables and load it into the DW, sourced from SAP, PSFT, Oracle Applications and other sources.

3. Pre-mapped metadata, including embedded best practice calculations and metrics for Supply Chain, Supplier, and other Business Users.
   - Presentation Layer
   - Logical Business Model
   - Physical Sources

4. A “best practice” library of over 330 pre-built metrics, Intelligent Dashboards, and over 150 Reports and alerts for Buyers, Cost center Managers, Suppliers, Supplier AP Managers and Supply Chain Executives.
Leverage Prebuilt Oracle BI Applications

*Proven Rapid Time To Value*

**Deployed to 800 users in under 90 days**
*Finance, Service & Sales Analytics (SAP/SEBL)*

**Live in 120 days**
*Sales Analytics (SEBL)*

**Deployed to 100+ users in 3 months**
*Finance Analytics (Oracle EBS)*

**4 months from decision to live for 1200 users**
*Pharma Analytics (SEBL)*

**Live in 100 days, 9000+ users**
*Finance, Sales, Help Desk and Marketing Analytics (MSFT, SEBL)*

*Having had experience of Siebel Business Analytics, I can vouch that it can be deployed as rapidly as they claim...It is a product that really delivers.*
ORACLE IS THE INFORMATION COMPANY