



HANDSON-BI

# TechUpdate

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## Executive Summary

Leading relational database management system (RDBMS) vendors will dominate the business intelligence (BI) space by offering a strong, but foundational set of BI features and functionality. They will bundle those offerings and emphasize total cost of ownership (TCO).

All pure-play vendors in the BI space are facing ever increasing pressure from leading RDBMS vendors. It will be difficult for pure-play vendors to compete directly against the predatory pricing of the RDBMS vendors. Therefore, pure-play vendors must distinguish themselves and do so quickly.

From those companies and products evaluated in this study, Cognos and Business Objects demonstrate the most depth, breadth, and competitive capability as pure-play BI vendors. However, they are also candidates for possible acquisition. This introduces a level of risk for any company making significant investment in their technology.

At this point, of those companies evaluated, the top two companies with BI offerings are Microsoft and Oracle.





## Introduction

As the BI space continues to consolidate, it is critical that BI architects and solution strategists evaluate the changes in the major competitors. This edition of the TechUpdate is focused on evaluating ten competitors from the perspective of their ability to compete, the overall cost to implement, and the depth of BI components offered.

To that end, this author surveyed a small team of senior BI practitioners and vendor product managers. Their input is reflected in the scores of this study. While the expert survey is an acceptable method for gathering statistics, it is not as refined, and therefore, accurate as say, conducting financial audits. Nevertheless, this author believes the results provide a general view of the companies evaluated and their BI product suite offering.

It is our sincere hope that the information provided serves to supplement your own product investigations.



## Pure-play vs. RDBMS

The findings of this paper are consolidated from product suite evaluations for the following:

- Cognos 8
- MicroStrategy 8 (MS8)
- Business Objects XI r2 (BOBJ)
- Hyperion System 9 (HYP)
- Siebel Business Analytics (SBA)
- SAS 9 (SAS)
- IBM
- Oracle
- Microsoft (MS)
- SAP

Examined and compared are the core strengths and weaknesses of each product suite offering, the overall competitive strength of the company, the level of complexity to implement solutions, and pricing.

When considering BI-centric technology suites it is important to first distinguish between two segments: Pure-play companies, and leading relational data base vendors as shown in Figure 1.

Figure 1 – BI Participant Category

Category	
Pure-play	Cognos
	Business Objects
	Hyperion
	MicroStrategy
Relational Database	Oracle
	IBM
	Microsoft
Others	SAS
	SAP
	Siebel

IBM, Oracle, and Microsoft will continue to deliver BI platforms with increased capabilities including ELT, OLAP, Mining, and Reporting. They will essentially commoditize many of the traditional features and functionality of BI and focus on TCO. It will be TCO and downward pricing pressure caused by bundling that will result in a growing market share for the RDBMS vendors at the expense of traditional, pure play BI vendors.

There are several reasons that leading RDBMS wield advantage over pure-play vendors evaluated in this study, including:



- These leading vendors have significantly larger market presence driven by their relational database technology.
- Significantly larger resources for research and development, acquisitions, sales and marketing, and product support are found in the leading RDBMS companies.
- RDBMS vendors can provide a higher level of integration between technologies which affords greater implementation flexibility, from batch to real-time.
- Since the RDBMS vendors will generally be the source of most BI data, they serve as enablers for simplified data movement. This also results in greater latitude of BI solution possibilities, from batch to real-time.
- Many features and functionality for BI applications have already been defined and are widely known and adopted; thus, RDBMS vendors can now afford to commoditize those features with confidence of their applicability and therefore, value to the user communities.



## BI Components

There are several components to business intelligence. The core components are:

**OLAP** – Online Analytic Processing, whether that be implemented as a proprietary data structure (MOLAP cube), or work against a relational database (ROLAP), or in a hybrid of both. This includes not only the data management technology, but also the features for slicing and dicing the dimensional data domain.

**Q&R** – Query and reporting, including both a standard reporting capability as well as the facility to conduct ad hoc reporting functions.

**Dashboard** – Graphical means to publish metrics for monitoring business performance.

**Scorecard** – A formal process and related tools to define and establish key performance indicators (KPIs), target objectives over a time span for those KPIs, and the means to monitor and track KPIs in relation to the targets.

**Data Mining** – Packaged exploratory and predictive statistical functions and mathematical algorithms.

**MS Office Integration** – Beyond simple cutting and pasting, BI vendors must provide a means to incorporate their technology into MS Office products such as Word, Excel, and PowerPoint. Features like data synchronization between the MS Office product and the underlying BI platform are a key benefit.

Figure 2 summarizes the core components offered by the vendor product suites. Using the following scale:

**LOW** (1) – Basic features of the component exist or no component features are provided.

**MED**ium (2) – Some features of the core component exist.

**HIGH** (3) – A competitive level of features and functionality exist.

A score is assessed each product suite per core component. An overall score is found based on the sum of the individual scores.

Figure 2 – BI Product Features

Suite	OLAP	Q&R	Dashboard	Scorecard	Data Mining	MS Office Integration	Overall Score
Cognos 8	MED	HIGH	MED	HIGH	LOW	MED	13
BOBJ	MED	HIGH	HIGH	HIGH	LOW	MED	14
Hyperion	HIGH	MED	MED	HIGH	MED	MED	14
MicroStrategy	HIGH	MED	LOW	LOW	LOW	MED	10
Microsoft	HIGH	MED	MED	MED	MED	HIGH	14
SBA	MED	MED	LOW	LOW	LOW	LOW	8
SAS	MED	LOW	LOW	HIGH	HIGH	MED	12
IBM	LOW	LOW	LOW	LOW	MED	LOW	7
Oracle	MED	MED	LOW	MED	MED	LOW	10
SAP	MED	MED	LOW	LOW	LOW	LOW	8

## The Company and Product Pricing

Here we quantify the competitive capability of the company and its product pricing and licensing. Each aspect is defined and evaluated as follows:

**Competitive Capability** – The score reflects the company’s ability to compete, execute its vision, and grow market share.

**Cost** – An overall rating of the BI product suite with regard to pricing, licensing, and the cost of implementation and resources.

**Overall Score** – This is the composite score based on the specific areas measured.

Each aspect is quantified using LOW (1), MEDIUM (2), and HIGH (3). With regard to pricing, the assessment is assigned as a negative value. Consequently, a HIGH score suggests pricing and implementation costs are relatively high and therefore a -3 is included in the overall score aggregation. The net result is an overall score that reflects the positive, competitive capability of the company, offset by the relative pricing and licensing policies.

Figure 3 outlines the individual and overall scores.

Figure 3 – Company and Product Pricing

	Competitive Capability	Cost	Overall
Cognos 8	MED	MED	0
MicroStrategy 8	LOW	MED	-1
Business Objects XI r2	MED	MED	0
Hyperion System 9	MED	HIGH	-1
Siebel Business Analytics	HIGH	HIGH	0
SAS 9	HIGH	HIGH	0
Oracle	HIGH	LOW	2
IBM	HIGH	LOW	2
Microsoft	HIGH	LOW	2
SAP	HIGH	HIGH	0



## Core Strengths and Weaknesses

Figure 4 outlines the key product and company strengths, and weaknesses. Also identified are any recent significant moves the vendor was involved in and an overall perspective.

Figure 4 – General Strengths and Weaknesses

	Strengths	Weaknesses	Recent Moves	Perspective
Cognos 8	Strong competitor in the BI space.  Good common reporting front-end.	No dominating product features to distance itself.		Strong common reporting front-end and potential buy-out target.
BOBJ	Strong competitor in the BI space.  Good common reporting front-end.	Brand Confusion, Metadata Silos	Purchase Excelsius Purchase FirstLogic	Strong common reporting front-end and potential buy-out target.
Hyperion	Good competitor in the BI space.  Clear focus on Business Performance Management (BPM).	Less overall resources than competitors such as Cognos and BOBJ.		The key is whether they can execute their BPM vision.
MS8	Fills a niche	Small Company		Good ROLAP technology that supports large audiences. But a weak overall competitor with a limited future.
Microsoft	Strong competitor and a leading RDBMS provider.  Depth and breadth of BI components  TCO leverage	Windows Based  Lacks any formal development and production processes.	Purchase ProClarity	Is a leading RDBMS with a BI suite that all other competitors must integrate into their solutions specifically, Microsoft Office. It is well positioned to exploit any growth in the BI market.
SBA	Strong competitor in the CRM space.  The BI tool suite for Oracle			SBA was recently purchased by Oracle and is being positioned as their overall BI tool technology.
SAS	Strong Competitor in the Data Mining space.	Difficulty moving beyond SAS community.		SAS will continue to struggle with growth beyond its community.
IBM	Strong Competitor and a leading RDBMS provider.  TCO leverage	Lacks Q&R, Lacks OLAP	Purchase Ascential	Must purchase a Q&R suite in order to remain competitive with Oracle and Microsoft.
Oracle	Strong Competitor and a leading RDBMS provider  TCO leverage	Product and brand confusion.	Purchase PeopleSoft Purchase Siebel	With the scale of its recent purchases, Oracle lacks clear direction.
SAP	Strong Competitor	Lacks depth and breadth in BI.		Its presence in the BI space is due to its presence in the ERP market and not necessarily the quality of its BI tools.

