

Delaney: Hi, I'm Delaney Turner with IBM and today I'm speaking with Madan Sheina. Madan is the principal analyst BI technologies for the UK research firm Ovum. Madan, welcome to the show.

Madan: Thanks for having me.

Delaney: I'd like to get your perspective on a lot of broad general topics because you have a kind of unique and broad perspective on the industry that you followed for quite a while. The BI industry at one point seemed to be about metadata. It seemed to be about performance tuning and the applications, really down in the weeds kind of stuff. What we're hearing now is more about people, process changes, culture changes – I was wondering if that would be a fair assessment and if you could give us your perspective on that.

Madan: Yeah, I think that's a pretty fair assessment. I think it all stems down from two factors. First factor is related to users and the second one is related to vendors. From the end user perspective, the BI discussion used to be an IT discussion which is why, probably, we had all these discussions about the plumbing of how you get the metadata in there, the services that are required, the performance aspects of running BI queries, how it's going to impact the network, stuff like that. So it's very low level discussions, probably down on an IT perspective. I think that's changed now because the way the technology is advanced and the way people are looking at business intelligence as a business application, as opposed to an IT controlled application, that they are taking more control. So that's reflected in the types of applications and tools we're seeing which are more business users. In many ways take IT out of the equation in terms of implementation and even running and maintaining and managing it as well. So from that perspective that's why, you know, the focus is on, rather than the plumbing issues, is really to how we can use these tools to get business advantages and value from our business processes and how we can effect business change and that also reflects to the business culture in terms of the decision making culture.

So the second aspect is really related to vendors and I think it really comes down to the fact that vendors like Cognos, some of your competitors as well that have been acquired, have really shifted the focus from having, you know, to provide an integrated platform. So a lot of you guys have been preoccupied with making sure you have consistent platform, rationalizing technology, and I think now the focus is, now that that's mostly done, a lot of the focus is now on, you know, how we can, what are some of the applications that we can do to really transform businesses. So again the discussion again shifts from the IT side to the business side.

Delaney: Companies, we've heard this morning, are going back to the basics and looking for ways to manage risk, improve profitability, find new opportunities and really, really focus on that. How do you see companies using BI performance management in those efforts?

Madan: Yeah, that's a great question and I think it's very topical at the moment. You know, I always thought that BI was a tool for the best of times and the worst of times. Um, for many companies it is your best recession fighting tool at the moment. In good times, BI helps you to, you know, to grow, to get ahead of your competitors. In bad times, it helps you save, you know, cut costs which is what everybody is trying to do here, but also to optimize and leverage what you have in place already, to squeeze as much efficiency and value from your existing IT infrastructure, but also your existing processes, etc. So I think companies are really looking at business intelligence, not just as a cost savings tool, but also as an opportunity to, in many ways the recession not only makes companies hunker down, but for the smarter companies they really see an opportunity, you know, there's always opportunities out there, and particularly when other companies, your competitors are struggling and I think BI can really help companies to move ahead of the pack in that sense.

Delaney: I'd like to talk more about the future now. We heard this morning about some key trends that are making themselves felt in companies. Cloud computing is one, predictive analytics, social networks. How do you see these trends playing out in companies and then what is their connection or influence on BI.

Madan: Yeah, another good question. I think having looked at the industry now for 10-15 years, the market is a wash with buzz words and I think companies have to be a little bit careful of that. I call it separating the wheat from the chaff and there's a lot of good stuff out there, but there's a lot of stuff that is, you know, companies aren't really ready for yet, it hasn't been a proven technology. Why marry BI with social networking because the two are topical and hot the moment? I think a lot of the trends that we're seeing around, say the integration of BI with unstructured data and web 2.0, people have talked about it for quite a long time, but it's difficult to do that. It's very easy to put on a powerpoint slide. So my first thing would be take all the trends that you see with a pinch of salt. Having said that, there are some bonified trends there. Most of the trends, I think the important ones that companies really have to look for, are the ones that help them to lower the costs of ownership and of their IT investments and it relates again to the previous question where everybody is operating in a tightening economy, with tightening budgets. So, you know, trends around cloud computing are very good that way in the sense of, you know, their ability to save costs. Appliances, prepackages appliance bundles, open source technologies, those I think are the trends that are perhaps more important than the more sort of sexier trends that we are seeing around social networking and BI. That's important as well. I mean, I think that BI needs to get more collaborative and more pervasive and technologies that come from the consumer side – so facebook, for applying principles of facebook and google to BI, that's going to continue to happen and it has value, but I still think a lot of the stuff is, there's still a lot of buzz ahead of it's time. I don't think companies have really thought out, you know, a proven business case of why somebody would want to invest in this.

Delaney: Final question now. If you look back to economic downturns in the past we see that a lot of innovative or new successful companies come out of these challenging times because it forces people to think differently or think outside the box, new ways of doing

things. We're in those times now. From what you've seen what are some of the innovative companies, practices, application approaches that you've seen.

Madan: Yeah, I mean I think, there has been, like I said before, a lot of focus now from, I'm speaking from the BI perspective here, is, you know, the focus on "Okay we've got the platform in place, we've got it stable, now let's focus on getting some really applications out there". So again, companies are looking more towards, I think, areas of unstructured data, how they can bring that into the decision mix. I think it is a tricky area because data integration is the single most complex topic.

Delaney: Right

Madan: New types of data, for example location based data, I think you're providing some really innovative new opportunities for analyzing information that previously or an information dimension that's previously been ignored. We're seeing a lot of good use cases coming out of that. Other areas, I think, are more sort of forward looking, predictive type analytics. Maybe automating more decisions so that companies are less preoccupied with, you know, the mundane transactional decisions and they can focus on their real value add decisions as well. So I think there is innovation that's coming out. Innovation though is not, doesn't come from a BI tool. You have to remember it still comes from the creativity and minds of people and I think BI can only be a supporting aspect of that.

Delaney: Well it's an excellent perspective on a dynamic industry and some interesting times. Madam Sheina of Ovum, thank you very much.

Madam: My pleasure. Thank you.