

## WHITE PAPER

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### **Intuitive Business Intelligence: Strategy Companion Responds with Analyzer 2007**

Sponsored by: Strategy Companion

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### **IDC OPINION**

Over the last several years, business intelligence (BI) has emerged as one of the top priorities for organizations of all sizes. In the short term, IDC research shows that approximately 75% of organizations expect their BI budgets to increase over the next 12 months. In the intermediate term, IDC forecasts the BI market to continue to grow at a 10% compound annual growth rate over the next five years. The essential, and elusive, driver in the BI market is to empower *all stakeholders* with the *right information* at the *right time*. To achieve the goal of the pervasive use of BI solutions both inside and outside the organization, software vendors and organizations must be cognizant of the demand that a larger business user base will place on IT resources. One of the key BI solution characteristics has become self-service, which enables:

- ☒ End users to access and analyze data through interactive and personalized BI interfaces without being dependent on IT for responses to each iterative question and presentation decision.
- ☒ IT to manage data integration, security, and user access rights without using their limited resources on constant customization of end-user interfaces and addressing users' ad hoc queries.

### **IN THIS WHITE PAPER**

In this study IDC outlines the trends in the business intelligence market, describes the challenges facing organizations deploying BI software, and examines one vendor's strategy and offering within the BI market.

The content in this study is based on IDC's ongoing research and analysis into the BI software market, including end-user surveys, software vendor briefings, and interviews with selected customers of Strategy Companion.

## SITUATION OVERVIEW

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### Market Definition

Business intelligence includes software for tracking, analyzing, modeling, and delivering information in support of decision-making and reporting processes. Over the past two decades, the BI market has grown to \$5.4 billion in worldwide software revenue and is expected to continue to grow at a 10% compound annual growth rate over the next 5 years.

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### Market Drivers

The essential driver in the BI market is to empower *all stakeholders* with the *right information* at the *right time*. Current market trends indicate that reasons for the high priority of BI among organizations of all sizes and in all industries are influenced by three factors:

- ☒ **All stakeholders.** The number of users both inside and outside an organization continues to expand from traditional users of BI tools, such as business and quantitative analysts, to line-of-business managers, staff, and external stakeholders, such as suppliers, customers, partners and government agencies.
  - ❑ IDC surveys show that 70% of organizations are planning to increase the number of internal BI users over the next 12 months. Of these organizations, 33% plan to provide direct BI tool access to suppliers, 40% to customers or members, and 20% to government agencies.
  
- ☒ **The right information.** Providing all these user groups with the right information is no small task. The amount of data from traditional transaction-processing sources continues to rise and is increasingly being supplemented with unstructured content and subtransactional data (the latter being data-reflecting events in the processes leading up to the completion of a business transaction, such as click-stream data leading up to the placing of an order).
  - ❑ IDC surveys show that 40% of all data warehouses are over 1TB in size, and 18% of organizations expect their largest data warehouses to at least double in the next 12 months. At the same time, the upper range of the largest data warehouses continues to expand with 100, 200 and even 500TB data warehouses becoming a common occurrence in industries such as telecommunications, financial services, retail, and public sector.
  - ❑ At the same time, organizations are beginning to explore methods of improving process visibility. This requires the collection of sub-transactional data, leading to ever-growing amounts of data. Improved process visibility is enabling organizations to provide context around BI data as it is used to optimize specific business processes and decisions.

❑ However, right information is not only about delivering higher volumes of data. In certain analytic applications, end users are looking to supplement core BI functionality such as query, reporting, and OLAP with advanced analytics for data mining and statistics.

☒ **The right time.** The third component of the new wave of BI is the expansion of BI from providing primarily historical information at fixed intervals (typically quarterly, monthly, or daily) to right-time information delivery methods. Event monitoring, alerting, and notification tools are enabling organizations to track and deliver relevant information to end-user computers as well as mobile devices. At the same time, BI solutions are becoming increasingly operational by supporting the ongoing decision-making needs of users.

❑ Of the organizations surveyed, 45% already indicate that if their BI solution was to be down for more than a few hours, it would have severely adverse effects on business operations.

As the market trends point to continued growth in the use of BI solutions, both end users and IT departments face several challenges in addressing their organizations' needs for improved information access and analysis.

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## **End-User Frustration and IT Challenges**

In a 2007 survey, IDC discovered only 9% of the IT buyers stated they were very confident that the majority of reports developed by their organization deliver relevant data to the right person at the right time. Clearly, there is significant room for improvement in increasing the number of positive responses to this question.

At the same time, when asked about what would lead to wider adoption, users indicate (in the order of response frequency) that they are looking for:

- ☒ Executive focus around managing by fact and building a performance management culture
- ☒ Faster implementation of changes requested by end users, such as requests for access to new data sources or new views
- ☒ More ad hoc query and analysis functionality rather than static or prebuilt views and reports

The first of these responses is a key business issue that must be addressed by upper-level management, but the other two points highlight end-user frustration with the inability of IT to address their BI needs. To be fair, IT is trying its best with limited resources to deal with continuously growing volumes of both users and data in the context of BI and data warehousing projects.

It is, therefore, in the interest of both end users and IT to deploy BI solutions that create a self-service environment where end users have the flexibility to perform their own ad hoc queries and interactive analysis, and create and modify reports independently.

In this environment, IT would be able to focus on data integration, data quality, meta- and master-data management, and other issues, such as user rights management, without needing to be consistently involved in addressing individual end-user requests for new reports or information views.

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## **Strategy Companion Offers Analyzer 2007**

Strategy Companion, with headquarters in El Segundo, California, was launched in 2001 with the goal of providing intuitive, easy-to-use BI software that took advantage of the latest in Microsoft development tools and platforms. Strategy Companion's Analyzer product provides analytical and decision-support capabilities, including interactive reports, ad hoc query and analysis, and a wide range of online analytical processing (OLAP) functionality. Analyzer is designed around its zero-footprint browser-based interface, which delivers enhanced capabilities when paired with Microsoft SQL Server 2005 Analysis Services. The company sells to both end-user organizations as well as application providers within the Microsoft ecosystem that are seeking to provide enhanced BI functions within their applications. Analyzer 2007, the next major release, is scheduled for general availability in May 2007.

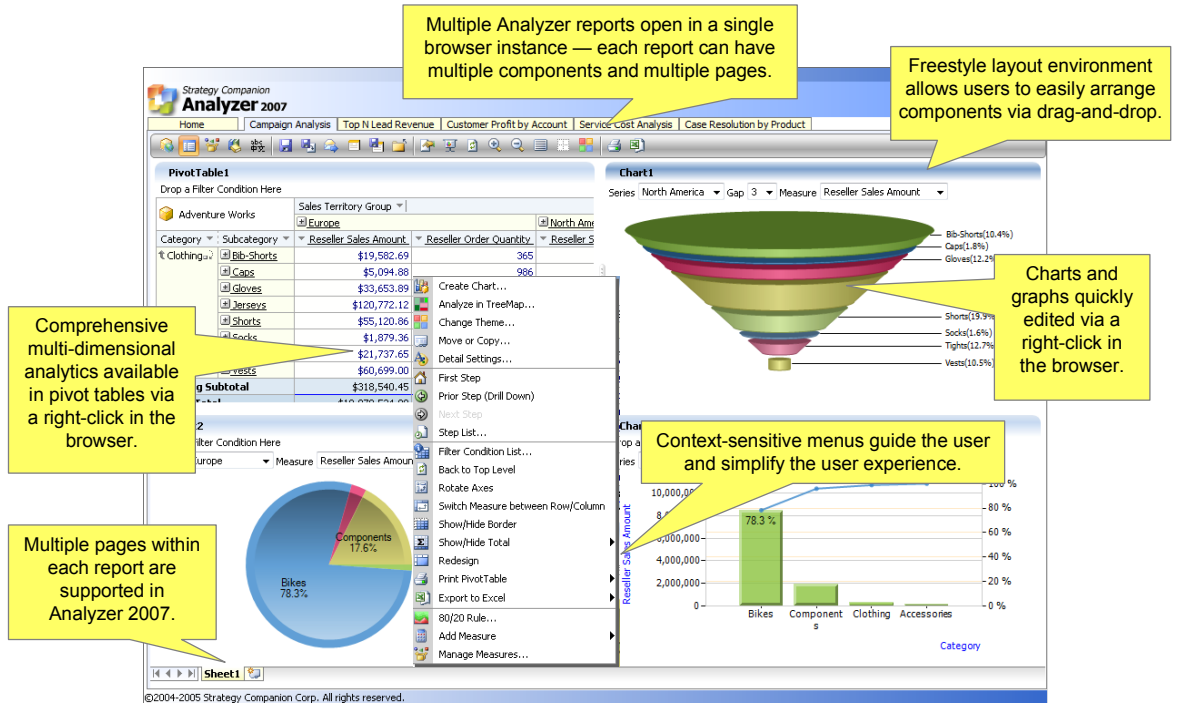
Built using the Microsoft ASP.NET framework, Strategy Companion's approach to delivering an appealing BI solution centers on offering the following usability and technology characteristics within Analyzer 2007.

### ***Usability Characteristics***

As shown in Figure 1, Strategy Companion offers an easy-to-use, intuitive product aimed at non-technical users. Putting the right information in the hands of those who need it most demands a product that doesn't require significant training, support, or overly complicated features. A query and reporting tool that provides flexible, intuitive navigation will increase user satisfaction, usage rates, and, ultimately, corporate performance.

**FIGURE 1**

**Strategy Companion's Zero-Footerprint, Intuitive User Interface for Business Intelligence**



Source: Strategy Companion and IDC, 2007

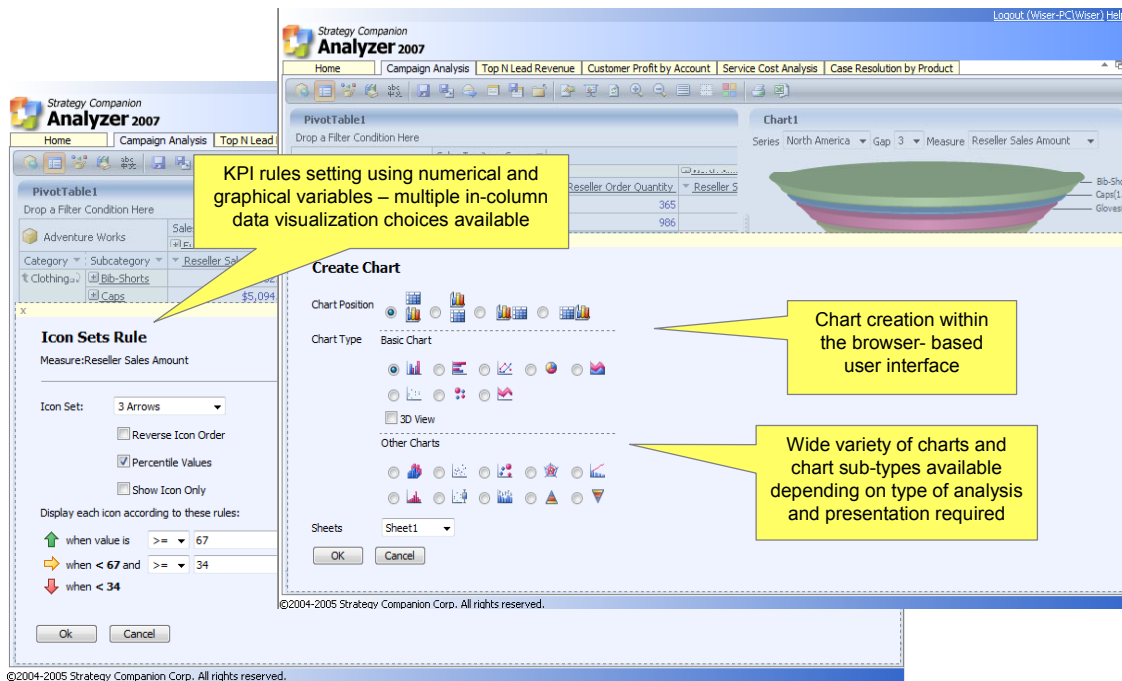
- ☒ Keeping Business Intelligence simple but effective can be quite a difficult feat to accomplish. The company provides a 100% zero-footprint client for all users including end users, report creators, and administrators (refer back to Figure 1). Using browser-based tools for accessing BI, creating interactive reports, and maintaining the software means less time spent with desktop support and easier, more cost-effective initial deployments and ongoing operations and support.
- ☒ Each Analyzer 2007 report can contain multiple tabbed pages, with each page containing multiple components such as pivot tables, charts, dashboards, scorecards, Web pages, and Reporting Services reports. Components on all pages of an Analyzer 2007 report are linked together (i.e., they function as a unit and share common data, filters, groups, etc.). Reports are not simply tables output to a page view in Analyzer 2007. They can be created using a freestyle-layout approach with drag-and-drop functionality to place charts, tables, dashboards, scorecards, and other components from multiple sources into a single page or report.

- ☒ Collaboration is supported through messaging, annotations, and notes. Users viewing and interpreting BI objects such as charts and tables can post annotations and notes through their browser to reports in Analyzer 2007. Other users are then able to see questions, comments, or interpretations of the data contributed by their colleagues and incorporate the feedback into their decision-making process. Report-centric, annotated messages can be emailed to other users via Analyzer or other email systems, including Microsoft Outlook.

Analyzer 2007 focuses on enabling end users in two important areas: analysis and presentation. End users are able to not only analyze the data, but also easily personalize their reports and dashboards by rearranging objects, setting their own KPI dashboards and scorecards, and changing chart types on the fly (see Figure 2).

**FIGURE 2**

Strategy Companion User Interface Customization



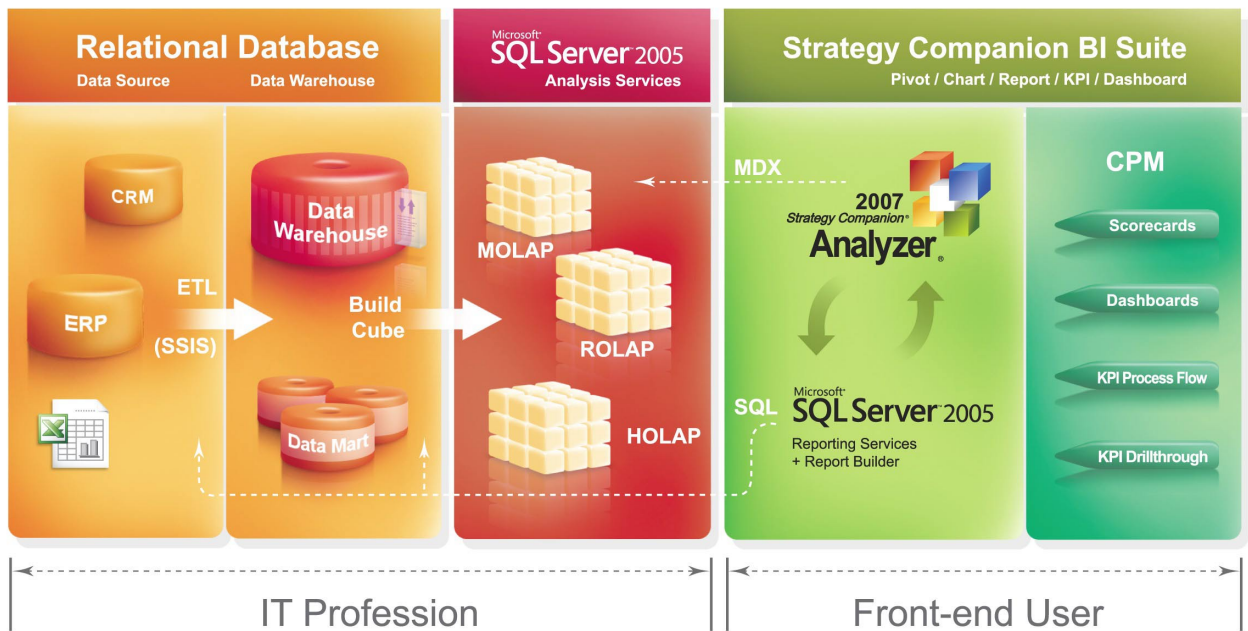
Source: Strategy Companion and IDC, 2007

### Technology Characteristics

- ☒ Built from the ground up using C# and the Microsoft .NET application development framework, Strategy Companion's Analyzer 2007 is a pure ASP.NET application. The goal of Strategy Companion was to offer impressively seamless integration between Analyzer 2007 and the latest server-side BI features of MS SQL Server 2005 (and SQL Server 2000), including Analysis Services and Reporting Services. Taking advantage of SQL Server's Unified Dimensional Model (UDM), Analyzer 2007 exposes the functionality and features of the analytic and reporting engines (e.g., MDX scripting, KPIs, attribute-based dimensions, security control, multi-language support, perspectives) to end users through its suite of information access and analysis tools. As Figure 3 shows, Analyzer 2007 operates as a key part of an organization's existing Microsoft-centric BI stack deployment — a key consideration when evaluating potential end user-facing BI tools and applications.
- ☒ MS SQL Server 2005 also provides Strategy Companion deployments with a platform for scalability, security, and extensibility. Carefully designed to scale with both Microsoft SQL Server and the network, Analyzer 2007 does not create new bottlenecks in an enterprise's BI environment. Analyzer 2007 also supports load balancing and multi-tenant capabilities for deployment in a software-as-a-service (SaaS) model. The product can also be deployed within SharePoint portal and benefits from user access rights established during the deployment of this portal.

**FIGURE 3**

Analyzer 2007 in an Enterprise Computing Environment



Source: IDC, 2007

Beyond the core technical and usability goals that Strategy Companion pursues in development of its Analyzer product, the company also focuses strongly on providing superior customer service along with its delivery of an extended, comprehensive set of BI functionality.

- ☒ The company believes that the success or failure of many BI projects often hinges on the timely availability of certain key new features and capabilities, many of which can be difficult for customers to anticipate far in advance. Consequently, the company focuses on maximizing its flexibility and responsiveness to customer requests for new features within the software. The company's culture, internal organization, product architecture, and development capabilities allow it to work closely with customers to quickly satisfy their ongoing project requirements.
- ☒ Strategy Companion's successes in the market are also dependent on its ability to provide the BI functionality that buyers want in a Microsoft-centric computing environment. Developed in C# on the ASP.NET platform, the Analyzer product is built upon, and takes advantage of, the very latest Microsoft technologies, including the newest BI features of SQL Server 2005.
- ☒ The company has packaged an extensive set of BI functionality, all of which it includes within its Analyzer product, including KPI support, dashboards, scorecards, business process diagrams, advanced filtering, collaboration, drilldown and drillthrough, an array of sorting, ranking, percentage, growth rate, and other functions, and some very compelling visualization tools, including data bars, color gradients, icon sets, 80/20, top/bottom, alerts, geospatial information system (GIS) mapping, heat maps, and many types of highly customizable charts.
- ☒ Strategy Companion has focused from its inception on delivering all functionality through a 100% zero-footprint client. This has given the company a significant advantage in Web-centric competitive situations, where many BI vendors do not have 100% Web-based BI product offerings for end users, report designers, and administrators.
- ☒ In keeping with its emphasis on usability for non-technical business managers and analysts, the company continues to enforce its "single browser instance" rule, which couples zero-footprint delivery of all functionality within a single Web browser instance (i.e., one Internet Explorer window delivers multiple Analyzer reports, each with multiple linked pages, with each page containing one or more components such as pivot tables, charts, dashboards, scorecards, embedded Web pages, GIS maps, heat maps, and Reporting Services reports).
- ☒ The BI market is both a growing and increasingly competitive market. The company has adopted aggressive pricing models for corporate customers and OEM partners, and the product has been architected to support a variety of deployment options, including the SaaS model.



Customers interviewed by IDC, using Analyzer 2005, cited Strategy Companion's deep technical expertise and its flexibility as key benefits in working with the company. Not only was the company responsive to implementation inquiries, but it also responded with valuable suggestions and feature enhancements. The interoperability with Microsoft was an important driver for purchase as well. Microsoft's rapid growth in the BI market with their SQL Server database paves the way for end user-focused BI solutions like those from Strategy Companion to enable organizations to benefit from the full stack of the solution, including data warehousing to dashboards (see Figure 4) and packaged analytic applications. The customers further cited the intuitive features, such as dragging and dropping components, to create reports and interactivity within a report as appealing to their end users.

Business.com provides search and directory services for businesses seeking corporate news, products, or services. The company has standardized on Microsoft SQL Server for its database and, in 2006, conducted an extensive evaluation of several available tools, including the offerings of market leaders, before purchasing from Strategy Companion. Business.com's inside sales force and financial departments were the initial target audience for a new ad hoc query and reporting system based on Strategy Companion's offering. Rich Galan, senior manager of business intelligence at Business.com said, "We were very impressed with how intuitive it was to create interactive reports in a short time frame with limited resources." In fact, Business.com was able to roll out its first version of the reporting tool in less than three months with two non-technical analysts and one part-time technical resource. Strategy Companion provided direct, hands-on support during the implementation to ensure a successful deployment.

WebTrends develops solutions that enable companies to use the Web as the hub of their marketing strategy. The integrated suite of WebTrends digital marketing solutions delivers insight that can be used to optimize marketing performance and better understand and target the needs and motivations of each company's customers and prospects. WebTrends draws connection points between the enterprise and its online customers, allowing each company to provide the right services and products, delivered to the right customers, at the right time.

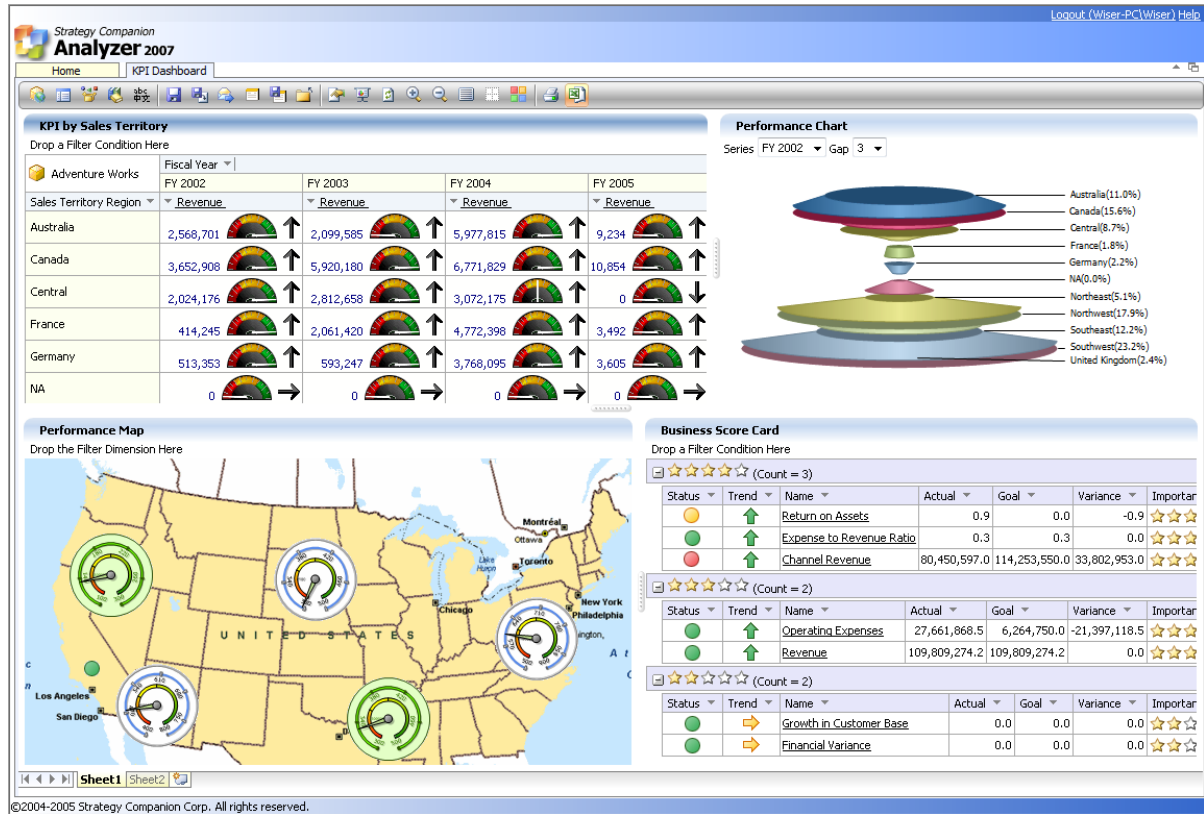
WebTrends conducted an extensive investigation of Microsoft-based BI vendors seeking a reporting tool that could be delivered in a software and on-demand environment. As a result of their evaluations, WebTrends found that Strategy Companion's Analyzer product was intuitive and technologically advanced relative to comparable products on the market.

Strategy Companion's willingness to accommodate evolving project requirements and flexibility were key determining factors in their selection process. Tim Pettibone, director of engineering at WebTrends said, "Our engagement with Strategy Companion has just been phenomenal. They are a great partner to work with and have been a real asset to our team."

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**FIGURE 4**

Strategy Companion's Analyzer 2007 Corporate Performance Management (CPM)



Source: Strategy Companion, 2007

Many business users are accustomed to working with data in spreadsheets. Their familiarity with this format is taken into consideration in Strategy Companion's Analyzer 2007 pivot table functionality as shown in the upper half of Figure 2 (which is expandable into a full view on its own tab, within the single browser instance). Through this view, business users are able to pivot data based on available dimensions and perform ad hoc queries and analysis. Familiar methods for accessing corporate data will reduce learning curves and improve user satisfaction. Unlike traditional spreadsheets, however, the data is pulled from a single source residing on a database server and interacted with through a Web browser-based interface.

## **FUTURE OUTLOOK**

Over the last several years, BI has emerged as one of the top priorities for organizations of all sizes. In the short term, IDC research shows that approximately 75% of organizations expect their BI budget to increase over the next 12 months, and 34% expect it to increase more than 10%. In the intermediate term, IDC forecasts the BI market to continue to grow at a 10% compound annual growth rate over the next five years — a growth rate that exceeds that of the overall IT market.

As companies deploy more BI functionality to more users, they may begin pursuing additional investments in other technologies that support all of the related functions involved in making a decision. These can include more advanced analytics for decision optimization, collaboration, workflow and business activity monitoring and alerting. But organizational priorities should be focused on first providing users access to BI before tackling more complex initiatives with higher costs and risks.

## **CHALLENGES/OPPORTUNITIES**

Strategy Companion faces many opportunities as it competes in the rapidly growing BI software market. It has positioned itself as a provider of the new generation of BI software (based on development and deployment technology) suitable for users with varying skill sets and BI experience within a Microsoft-centric and Web-centric computing environment. Strategy Companion will continue to pursue OEM agreements with the many providers of applications that need improved BI functionality in their products, as well as IT buyers seeking a BI solution that can satisfy business users without adding tremendous resource requirements to manage. The company's focus on Microsoft technologies will benefit from the multitude of organizations that have skilled IT professionals trained and experienced in these technologies. Continued demand for Microsoft platforms is expected and should yield further opportunities for their partners.

The company has also recently expanded its product line with a new offering aimed at the rapidly growing Microsoft Dynamics CRM market. To further simplify the deployment of BI functionality within client organizations, Strategy Companion has created a collection of more than 25 prebuilt analytic reports for Microsoft Dynamics CRM. These customizable, prebuilt reports and components enable organizations to quickly (within 10 minutes, the company claims) deploy advanced analytical charting and analysis tools to their Microsoft CRM implementations, without having to create the underlying OLAP data sources from scratch, thus saving scarce IT resources. Some examples of the CRM Analytics include the Opportunity \$ by Sales Person report, Lead Status Analysis report, Open Leads by Rep report, and the Pipeline report.

In addition to its foray into the Microsoft CRM market, the company has its sights set on additional enterprise applications and BI platforms where it believes it can add significant value. It is too early to tell how successful such efforts will be, but the addition of its advanced BI analysis and presentation tools will fill an obvious gap in many of today's enterprise application offerings.

At the same time, Strategy Companion faces the challenge of creating name recognition for itself in a crowded market. Its primary technology partner, Microsoft, will also be a potential competitor as it seeks to expand its presence in the BI software market. Strategy Companion won't be the first vendor to deal with this challenge and should find ample opportunities by continuing to focus on the combination of user-friendly, Web-centric advanced BI capabilities and superior customer service.

The marketplace is now highly receptive to BI concepts and understands the value of such software. Customer education hurdles have largely been overcome, so Strategy Companion must focus on increasing its name recognition while continuing to differentiate itself through a commitment to customer responsiveness, a singular technology platform, and easy-to-use, comprehensive, Web-based BI software.

## **CONCLUSION**

When organizations consider purchasing a BI tool, whether for OEM use in packaged applications or as an IT purchase to support decision making among business users, several factors should be considered. The underlying platform and technologies with which the BI tool will need to interoperate can narrow the list of suitable tools. Careful examination of the usability aspects of a BI tool will lead to expanded use and higher user satisfaction rates. Organizations must understand their BI needs and purchase tools that can meet those needs.

Too often, large, complex suites of functionality may prove unwieldy to resource-constrained IT departments and prove too costly in the long run. Strategy Companion offers a very competitive alternative that takes advantage of the latest Microsoft platforms and technologies. Furthermore, its strategic focus on responsive customer service should continue to prove a differentiator and yield many satisfied customers as it competes in the BI software market.

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