

Bullish on BI

BI platforms as well as analytic applications and performance management software have performed strongly in the Indian market, writes **Nivedan Prakash**

Of late, the Indian market has witnessed increased growth of BI platforms, analytic applications and performance management software. In the Indian context, it is an ever-expanding market opportunity as organizations are increasingly focused on leveraging information for smarter business outcomes.



In today's competitive market, where customers are demanding better quality of service and lower prices and

the increased regulatory pressures create the need for greater transparency and improved corporate governance, organizations across verticals are increasingly looking towards business analytics and performance management solutions that can help them measure, manage and monitor information to ensure that they leave no stone unturned in their search for a healthier bottom line.

In such a scenario, organizations are increasingly looking at business analytics as well as performance management to provide them with timely and accurate information that decision-makers across enterprise need, to make strategic business decisions.

Over the past two years, the market has seen a strong propensity for these platforms. According to Gartner, BI platforms, analytic applications and performance management software revenues in India reached \$40.5 million in 2008, a 58.6% increase from the 2007 revenues of \$25.6 million.

Bhavish Sood, Principal Research Analyst, Gartner, commented, "As Indian enterprises are becoming more global in terms of competing with companies from other regions of the world, they are realizing that BI can certainly add value in terms of helping them increase profitability. In order to be competitive, they need to have a slightly lower cost as compared to some of their peers."

MVK Sharma, GM, Product Development–BI Solutions, Ramco Systems, said, "The awareness of BI and its potential has been significant in the Indian market and we should be seeing this resulting in increased revenues of BI platform, analytical

application and performance management solutions deployments. The market share would be—BI platforms (70%) predominately used for consolidated reporting, followed by performance management (20%) and then analytical applications (10%).”

Here, Krishnan R, GM and Head—BI/DW Practice, MindTree, is quick to point out that this category has seen phenomenal growth over the past few years. India was lagging behind other economies when it came to leveraging business intelligence for effective business management. Companies here were focused upon getting transaction platforms implemented. Of late they have started considering BI for creating the required competitive advantage.

“There were many organizations that scrapped earlier solutions to adopt the new BI 2.0 solutions. The late start is helping Indian organizations to leapfrog directly to BI 2.0 architecture, building on the learning of other early adopters. This improves the chances of success and hence again is enhancing the adoption of BI,” added Krishnan.

Factors driving demand

ERP systems are predominantly data capturing systems and fall short of meeting the information needs of senior management for identifying areas of improving the bottom or the top line. Whereas, BI systems are focused towards improving the effectiveness and competitiveness, and therefore there is a thrust to adopt the same.

Ashit Panjwani, Executive Director—Marketing, Sales, and Alliances, SAS, commented, “Organizations need to continuously track their own performance as well as ways to increase competitive capabilities vis-à-vis the competition. This is possible by embracing both business analytics for current and future market direction, innovation, customer needs and competitive differentiation as well as performance management for increasing efficiency and optimizing resources.”

“From a technological standpoint, organizations have invested in multiple systems which have resulted in the creation of a fragmented IT environment that presents additional challenge in fact-based decision making. A Business Analytics framework allows an organization to consolidate its IT infrastructure, apply advanced analytics which not only provides hindsight but more importantly foresight and allows an organization to compete in today’s challenging environment,” added Panjwani.

The other factors driving demand include a single version of the truth for quick decision-making, which is facilitated by data integration. There is a need to see enterprise-wide data and the capability of BI platforms, particularly OLAP tools, to offer instant analytical answers based on scenarios, is of great value. The empowerment of decision-makers with the ability to seamlessly browse data and drill into detail; self service reporting where there is the diminished reliance on skilled personnel to satisfy reporting needs; and the ability to scientifically manage a company through a browser are all factors facilitating the growth of BI.



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Robin Wesley Kulasekararaj, Practice Head-BI and DW, Congruent, said, "The growth, to an extent, is contributed by companies who have gone in for some form of BI platform, movers driving demand

ing towards performance management and/or analytic applications. Companies have found that BI is not a technology rather an art after the initial implementation. Some part of the growth is also attributed to the fact that product companies have begun to embed analytics in their offering. Finally, BI that was once reserved for large enterprises with million dollar budgets is now within the reach of SMBs, with the changing business models like on demand and BI as a Service."

Lately, the large stack vendors, both application and database vendors, have put a lot of focus and sales power behind their newly acquired BI products, with accelerated migrations and upgrades in the installed base as a result. This aspect is also being seen as one of the reasons behind the increased growth.

Sanjay Mehta, CEO of MAIA Intelligence, said that the consolidation of the BI market itself was simply the natural maturation of this segment. There are many reasons for the increased growth of the BI market such as reducing exposure to risk, cost reduction, competitive advantage, market characteristics, increasing productivity, and increasing employee efficiency, amongst others.

Strong even in a bearish economy

As discussed earlier, these three areas are performing strongly and their demand is relatively strong even in a bearish economy. It is because decision-makers need facts and the provision of these facts is facilitated by a BI solution. This is further enhanced by analytic applications and performance management solutions.

Managing growth, increasing profitability and complying with regulations are always high on the organizational radar and enterprises constantly look at ways to measure and monitor their performance vis-à-vis the competition. This has accentuated the need for performance measurement and monitoring. Business analytics and intelligence play a strategic role in

delivering on an organization's performance management initiatives.

"The way you drive down costs is by trying to identify areas or patterns where you can reduce costs. Enterprises have realized this aspect and have started implementing these technologies in these times of economic downturn. BI, as a technology, will not only help in reducing cost but also in increasing profitability," added Sood.

Moreover, BI allows enterprises to make more fact-based decisions. It promotes revenue growth and faster innovation through shorter product and service life cycles and the ability to find where value is being created in the business. This is also another reason behind the increased demand for BI, analytics and performance management, even in a bearish economy.

Mehta asserted, "Decision-making has traditionally been based either on gut feeling or the business experience of managers. The 'gut feel' decisions that were successful in the bull market bring suboptimal results in this bearish market. Managers need an effective means of putting the power of information analysis in their hands and effective BI solutions help in accomplishing that."

Meanwhile, industry consolidation has also contributed towards this growth, in spite of product rationalization and organizational changes. The four pillars in this space (IBM, Oracle, SAP and Microsoft) have been able to bring considerable marketing muscle to improve the visibility and availability of solutions.

Chandrashekhar R Sankholkar, Country Manager, Cognos Software Group, IBM India, highlighted, "Consolidation within the industry brings about different challenges while product rationalization and organizational alignment initiatives continue to happen. The consolidation within the IT Industry in consonance with performance management software has given such solutions greater reach into the market, backed by stronger organizations while customers have benefited with respect to their confidence levels."

Product rationalization has helped by bringing in solution bundling, which is also helping improve the TCO of solutions, and this in turn is helping in the spurt of demand. With increasing saturation in the enterprise space, vendors are now focusing on SMEs and this has certainly contributed to growth.

Contribution of vendors

Here, we will look at the contributions of some of the major vendors who bring better visibility through their marketing and sales muscle and this has clearly been the case in the BI segment. With the four strong pillars (IBM, Oracle, SAP and Microsoft) in the BI space emerging, they are not leaving any stone unturned in communicating the importance of BI and stimulating demand.

The other big players such as SAS have been focused on creating the right awareness on strategic imperatives of using business analytics and the benefits which organizations derive from embracing the same.

Kulasekararaj opines that vendors have listened to market needs from both customers and partners and have incorporated competition, future business and delivery models in the product offering. A clear road map and investments in R&D have kept solution providers tuned in and helped them hop onto the growth bandwagon.



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Meanwhile, BI, analytics and performance management solutions are increasingly being adopted by organizations in manufacturing, retail, government, BFSI, and telecom amongst others, where the transactional and operational systems are already in place.

For MAIA Intelligence, companies in manufacturing (process, discreet and automotive), BFSI, healthcare and pharmaceutical industries have largely adopted its 1KEY BI software.

With the competition growing by the day, it is imperative for any organization—be it large, medium sized or small, to leapfrog ahead of others for which they need to measure and monitor their organizational performance and take intelligent business decisions.

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