



## BUYER CASE STUDY

### Business Analytics Software-as-a-Service Case Study: Market Research Provider Delivers Data Through the Cloud

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#### IDC OPINION

Business analytics software as a service (SaaS) is gaining attention and traction in the market. Successful on-demand software vendors have been instrumental in educating the marketplace on the benefits of accessing software functionality through such a model. More and more business analytics software providers are moving to address increasing market demand for software that is updated frequently, hosted offsite, and purchased on a subscription basis. In the bullet points that follow, IDC cites several factors that will spur growth for business analytics software offered as a service. The same factors moved the organization, discussed in this Buyer Case Study, to implement a business analytics SaaS offering — TIBCO Silver Spotfire — from TIBCO Spotfire. The factors are:

- ☒ Budget constraints and corporate capital expenditure policies faced by many departments make it time consuming and costly to pursue large software purchases. SaaS offerings can help reduce this bottleneck by enabling departments to subscribe to software services using operational budgets.
- ☒ The IT department, whose resources are constrained, may not have time to build, evaluate, or buy specific solutions for every business problem. SaaS offerings put control over technology decisions into the hands of the business user.
- ☒ Mature software functionality built on newer technology platforms is suitable for SaaS delivery because years of functionality definition and development have established widely accepted best practices that can be configured, rather than customized, through a flexible platform to suit most business needs.

#### IN THIS BUYER CASE STUDY

This IDC Buyer Case Study highlights the experience of one customer of a business analytics SaaS offering. It discusses why the technology was chosen and what the experience of using the platform has been like, and it also examines the lessons learned from the experience.

## SITUATION OVERVIEW

The business analytics software-as-a-service (SaaS) market is forecast to grow three times faster than the total business analytics software market (see *Worldwide Business Analytics Software as a Service 2009–2013 Forecast*, IDC #221320, December 2009). The analytic applications SaaS segment is expected to be a bright spot over the next five years as customers seek out application services that optimize specific business processes and because the supply side is heavily weighted toward these offerings.

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## Organization Overview

IndustryBuildingBlocks.com (IBB) is a start-up that delivers market research to help inform the corporate planning and market intelligence process. Its founder, Alan S. Michaels, began by creating an industry taxonomy that defines the global economy at a granular level and then added market intelligence about each of the nearly 12,000 industries. The market intelligence gathered is rooted in Michael Porter's competitive analysis research that outlines the five forces that define industry dynamics. The data comprises both structured and unstructured content.

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## Challenges and Solution

IBB was faced with the need to present a large array of data for each of the industries to its customers. The company had a limited budget, limited IT skills, and no previous experience in data warehousing or business intelligence development, so it turned to the cloud for a solution. It discovered TIBCO Silver Spotfire, a relatively new SaaS offering that debuted in July 2010. It is offered free for up to a year with registration. A monthly hosting fee is expected to be announced sometime before the summer of 2011, but TIBCO has not finalized its pricing model at the time of this writing.

IBB was able to load its data relatively quickly and design and implement a solution within four weeks. The company expects to make ongoing improvements to the user's experience in terms of visualizations and navigation methods, but overall the customer is very pleased with the solution for several reasons:

- ☒ IBB considers the interface to be intuitive with filters and sliders for navigating through data. The service also features a search bar so that customers can find industries of interest by entering a word or phrase key to the industry they want to analyze.
- ☒ The service provides visualization tools that automatically re-render as data is filtered or new queries performed. IBB appreciated the ease with which it could add charts and graphs to its dashboard by simply dragging and dropping the graphic icons into the desired location on the Web page.
- ☒ The interaction with the data is quick because the technology uses in-memory analytics. Users can apply multiple filters or data constraints and see results nearly instantly.

- ☒ IBB's IT skill sets were limited, and the designer of the solution had no previous business analytics solution development experience, which was not a barrier to successfully implementing a solution through the service.
- ☒ IBB's budget was limited, and while the solution is free for a limited time, the client expects the solution to remain affordable once pricing is established. If this isn't the case, IBB will evaluate other cloud-based solutions with the confidence that it can move its already-cleaned and related data easily.
- ☒ IBB's founder had previous experience at another firm where it attempted to build a proprietary data warehouse and user-friendly front end for similar market intelligence data but failed to do so successfully after several years. After this experience, IBB's founder was even more impressed with the technology's capabilities and well-thought-out design.

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## Results

IBB is still continuing to attract customers and further develop and refine its market intelligence service. The results it wanted to achieve early on have been realized with an online service delivering market intelligence to a growing user base. The company achieved its primary goal of delivering its market intelligence through an online service that requires little to no end-user support. Furthermore, the company met several preexisting requirements with the solution:

- ☒ Provision of a graphically rich, intuitive analytic dashboard that would simplify the industry market research process
- ☒ Rapid implementation of a solution without the need to invest in internal or external IT resources (Michaels said, "It's great being able to build a global information system with advanced business intelligence and interactive dashboards without requiring an IT department.")
- ☒ A solution that could provide access to both structured data and text-based content

## ESSENTIAL GUIDANCE

Although the business analytics SaaS market is small, a number of solutions are available to suit data warehousing, reporting, ad hoc query, and process analysis for a variety of cross-industry needs, such as supply chain analytics or credit risk assessment. Business users in larger organizations will likely turn to SaaS offerings to solve problems not adequately addressed by IT. Fighting adoption to retain control over IT policies will ultimately be unsuccessful, but IT departments can be more involved in the selection process for new SaaS offerings and in the ongoing IT supplier relationship management. Organizations considering adoption of business analytics SaaS offerings should take into account the following:

- ☒ **Service-level agreements.** Business users may not be aware that SaaS offerings could be made unavailable through both scheduled and unscheduled outages. Reviewing and explaining the service-level agreement to business users will ensure that their expectations for availability and support are in alignment with reality.
- ☒ **Departmental adoption.** Business analytics SaaS will most likely be adopted based on the specific needs of individual departments. The risk of proliferation of business analytics offerings with their own unique data models, data definitions, and restricted access can cause confusion when cross-departmental decisions need to be made. Strict policies on technology adoption may be too difficult to enforce, but they can deter some potential offenders. Involving multiple departments in any purchase decision can slow adoption but also create consensus for a particular solution. Data governance as a formal, ongoing practice within end-user organizations should be elevated onto project priority lists as a way to alleviate risks associated with running siloed applications.
- ☒ **Business analytics as a complement to other SaaS applications offerings.** Adopters of CRM SaaS may find the reporting and query functionality lacking for their needs — especially if adoption was a grassroots effort that has since expanded to catch the eye of other departments, such as finance, and now requires reports from the system for compliance and planning purposes. Business users will seek out partners of SaaS operational applications already in use (e.g., CRM) to provide additional functionality (e.g., business analytics). The IT department must be involved in making sure add-on functionality can meet the requirements of other corporate stakeholders.
- ☒ **IT strategy communication.** Business users may opt for SaaS offerings because they are unaware that IT is already working on solving their problems. Constantly updated communications on IT strategy can help make business users aware of the projects slated for solving business problems through technology adoption.

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### Related Research

- ☒ *Worldwide Spatial Information Management Software 2010–2014 Forecast and 2009 Vendor Shares* (IDC #224740, September 2010)
- ☒ *Worldwide Supply Chain, Production Planning, Workforce, and Services Operations Analytic Applications 2009 Vendor Shares* (IDC #224427, August 2010)
- ☒ *Worldwide Data Warehouse Platform Software 2009 Vendor Shares* (IDC #224428, August 2010)
- ☒ *Worldwide Financial Performance and Strategy Management Applications 2007–2009 Vendor Shares* (IDC #223923, June 2010)
- ☒ *Worldwide Business Intelligence Tools 2009 Vendor Shares* (IDC #223725, June 2010)
- ☒ *Worldwide Business Intelligence Tools 2010–2014 Forecast: Initial Forecast in Line with Lower Expectations* (IDC #222688, April 2010)
- ☒ *Decision Management in Industries: Linking Strategic, Operational, and Tactical Decisions* (IDC #222483, March 2010)
- ☒ *Worldwide Financial Performance and Strategy Management Applications 2010–2014 Forecast: Preliminary Findings Suggest a Wavering Recovery* (IDC #222488, March 2010)
- ☒ *IDC's Software Taxonomy, 2010* (IDC #222023, February 2010)
- ☒ *Worldwide Information Access, Analysis, and Management Software 2010 Top 10 Predictions* (IDC #221579, January 2010)
- ☒ *State of the Business Analytics Market: Survey Shows Positive Buyer Sentiment Going into 2010* (IDC #221277, December 2009)
- ☒ *Worldwide Business Analytics Software as a Service 2009–2013 Forecast* (IDC #221320, December 2009)

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