



**MANIGENT**  
the Management Intelligence company

# Time to *reconsider*



Is it time to reconsider your  
Business Intelligence / Corporate  
Performance Management strategy?

## Is it time to reconsider your Business Intelligence / Corporate Performance Management strategy?

Over the last five or so years, the Business Intelligence (BI) and Corporate Performance Management (CPM) software marketplace has seen unprecedented change. There has been a significant shift in market structure, moving from a market made up of a large number of relatively small pure-play vendors to one made up of fewer, much larger pure-play, application and systems vendors.

One of the most notable ways this change has been affected is through unprecedented levels of merger and acquisition activity within the market. Behind this market 'c-change', there are three major technology drivers:

- BI is a maturing technology;
- BI is a technology with historically high failure rates;
- the emergence of Microsoft as a major player in this sector.

Additionally, there are three major business drivers:

- a desire to reduce the cost and complexity of business intelligence;
- a desire to deliver BI and CPM information into the hands of more decision-makers;
- the need to leverage organisational information to meet competitive and regulatory demands.

The importance of BI is summarised by Gartner, a leading industry analyst, who state that:

*"BI is transformational in improving business effectiveness at all levels. Once people know what factors impact business performance, they can change what they are doing. ERP (Enterprise Resource Planning) helps you do things better, but BI helps you do better things."*

As a result of this market 'c-change' there is considerable potential for uncertainty about the future direction of many smaller, specialist or niche vendors and products. Manigent is now asking, is it time to reconsider your business intelligence and/or Corporate Performance Management strategy?

*"BI is transformational. Whereas ERP helps you do things better, but BI helps you do better things."*



## The Business Intelligence and Corporate Performance Management market

The market for Business Intelligence and Corporate Performance Management software is a large and expanding market with organisations making substantial investments.

According to Gartner, the Business Intelligence market in EMEA alone will be worth 1.7 billion Euros in 2007. Gartner also states:

*"that large organisations who already invest in BI spend an average of 1.16 million Euros per year purchasing BI software"*.

Historically, this has been a highly fragmented market made up of a large number of relatively small pure-play vendors offering various niche technologies and products. Although large players such as Cognos, Business Objects, SAS, Hyperion (now owned by Oracle), Microstrategy and Information Builders have emerged over the years, historically this has been a market without a dominant leader(s), which has, in turn, resulted in a lack of technology standards and poor return on investment. It had been a market which often sold technologies and products on a departmental basis.

This is also a market where the business requirements and expectations that initially drove the implementation are often not fully met. To date, the promise and vision sold by most pure-play vendors of 'BI for the masses' remains broken and unfulfilled.

Given the historical nature of the market, perhaps it is not surprising to find that many companies are now faced with the challenge of consolidating and rationalising the number of technologies and vendors they deal with in providing operational and management information.

Industry analyst, Forrester Research, reported in a recent research note:

*"today large companies have between five and fifteen BI reporting and analysis solutions and some have more than twenty separate products"*.

The challenges around BI and CPM are now major issues for organisations as they face up to multiple competitive and regulatory challenges. Gartner highlights the importance of Business Intelligence, stating:

*"BI has become a strategic initiative and is now recognised by chief information officers (CIOs) and business leaders as instrumental in driving business effectiveness and innovation"*.

A preview of the results from Gartner's annual survey of 1400 CIOs worldwide shows that BI is the number one technology priority in 2007 for the second year running.



*"Microsoft business SQL server with SSIS and SSRS is more powerful than any BI software I have seen in a long time. The Scorecard solution looks equally impressive"*.

## Market changes in response to Microsoft's growing influence

A major factor in the changing Business Intelligence and Corporate Performance Management market is Microsoft.

A recent OLAP report states that:

*"It is probably no coincidence that Hyperion, Cartesis and OutlookSoft were all acquired soon after the public beta testing of Microsoft's PerformancePoint commenced".*

Microsoft has a long track record in the BI and CPM space via SQL Server and it's embedded BI capabilities such as those of Analysis Services and Reporting Services. Excel has long been the reporting and analytics tool of choice for most executives. IDC currently rank Microsoft fourth by market share in the BI market. With it's purchase of ProClarity eighteen months ago and it's recent release of Microsoft Office 2007 and PerformancePoint Server 2007, Microsoft now offer one of the most comprehensive BI and CPM suites in the market. With a familiar, MS Office 'look &

feel' and powerful functionality Microsoft is set to be the technology vendor that finally delivers on the promise of 'BI for the masses'.

Giving his views on BI and CPM, Jason Francis-Sutton, a former senior consultant at CorVu, now working as head of business intelligence in the financial sector stated:

*"...SQL server 2005 with analysis services and reporting services, with ProClarity on top is more powerful than any BI software I have seen in a long time. The Scorecard solution looks equally impressive".*

As Microsoft signals it's intentions in the BI and CPM space, many vendors have scrambled to respond. The last twelve to twenty-four months have seen an unprecedented amount of change, with many vendors swallowing smaller competitor organisations.

Figure 1  
Sample snapshot of consolidation in the BI and CPM market

Purchaser	Target	Date
Business Objects	Firstlogic	Feb-06
	ALG Software	Oct-06
	Nsite Software	Nov-06
	Cartesis	Apr-07
Oracle	Inxight	May-07
	Siebal	Jan-06
	Portal Software	Feb-06
	Demantra	Jun-06
Cognos	Sigma Dynamics	Aug-06
	Stellent	Nov-06
	Hyperion	Mar-07
Microsoft	Frango	Late 2004
	Celequest	Jan-07
SAP	ProClarity	Apr-06
	OfficeWriter	May-07
Rocket Software	OutlookSoft	May-07
	CorVu Corporation	May-07

The consolidation taking place in the market and Microsoft's emergence as a major BI and CPM player has prompted many vendors to reconsider their strategy. Some have engaged in M&A activities to gain size, scale or technology (as shown in Figure 1), others have changed strategy (Business Objects' and Cognos' aggressive move into Enterprise search), leaving many smaller vendors with few options other than

sell themselves to larger organisations. The changing nature of the BI and CPM market is illustrated below, in Figure 2 and Figure 3. These show the emergence of mega-vendor in the market and demonstrates BI vendors moving to embrace CPM in the face of increasing competition and pressure from clients who want to reduce the number of vendors they deal with.

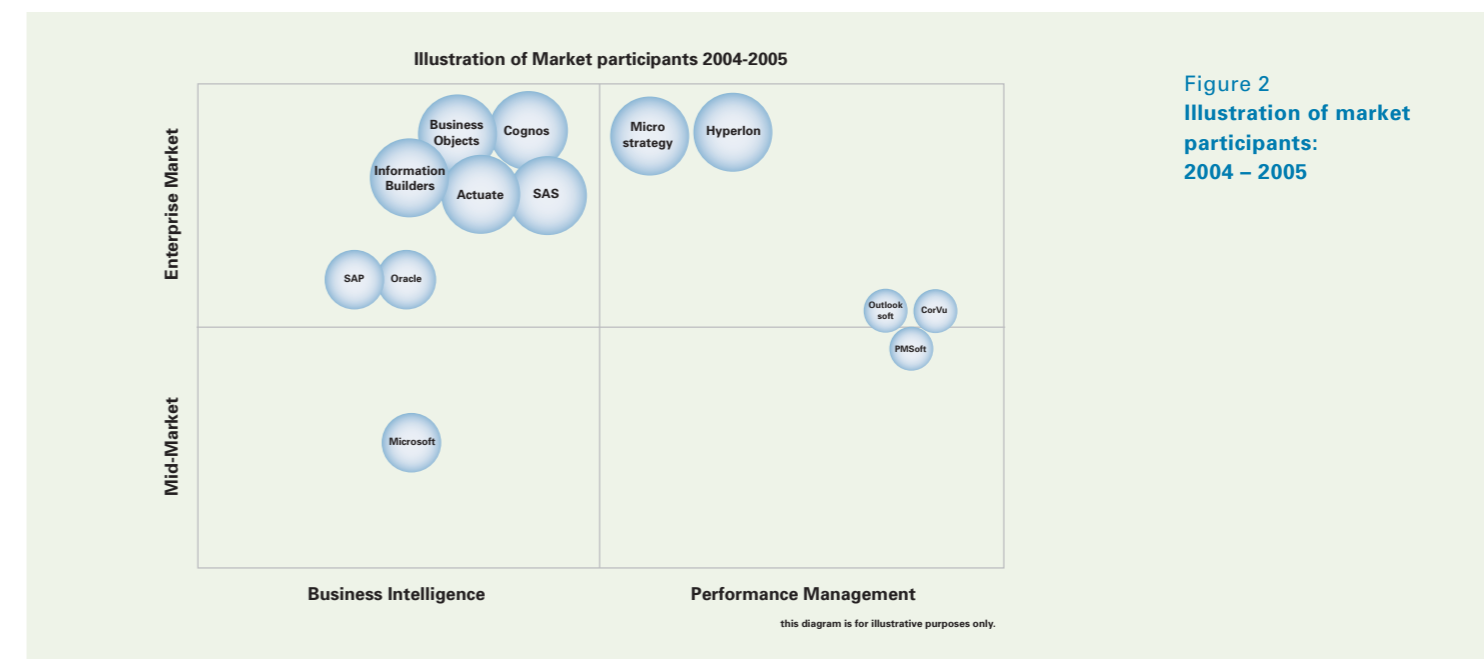


Figure 2  
Illustration of market participants: 2004 – 2005

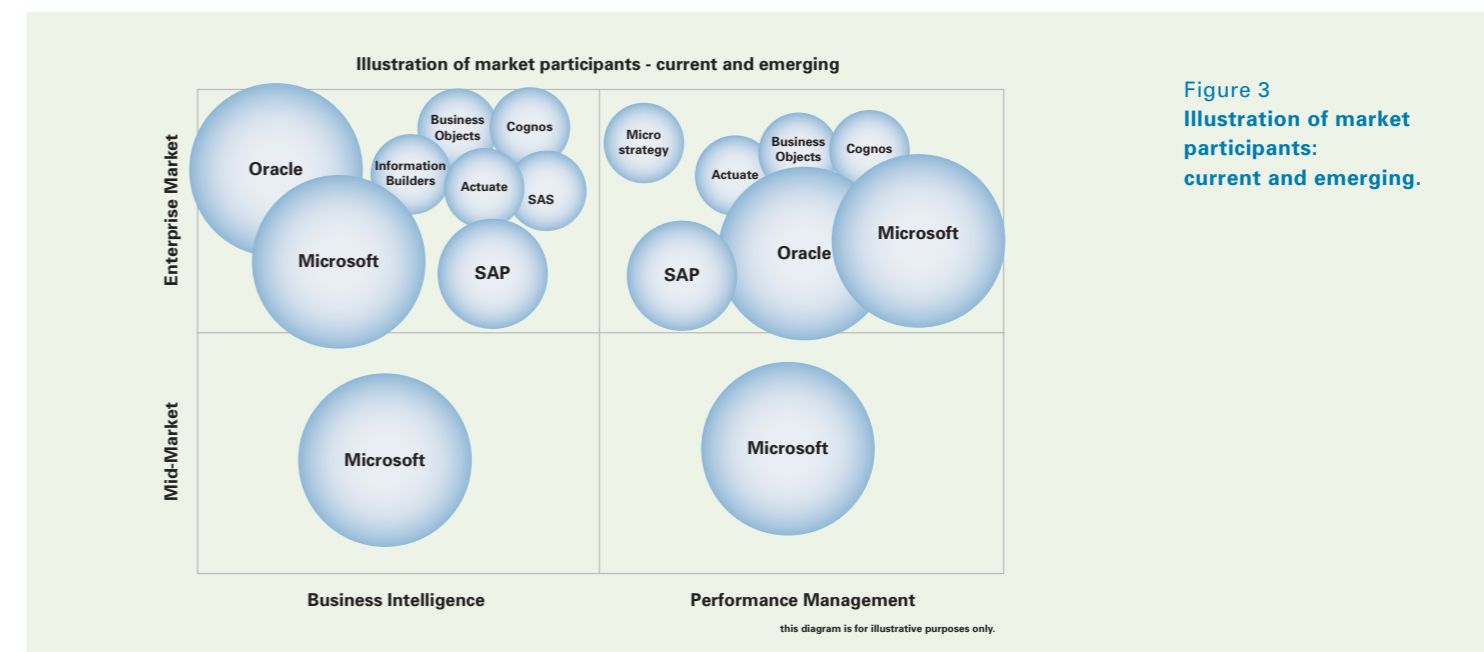


Figure 3  
Illustration of market participants: current and emerging.

## What do these market changes mean for users of CorVu technology?

As a result of the many changes in the market, Manigent would suggest that now is right time for organisations using technology from smaller, niche BI or CPM vendors, such as CorVu, to reconsider their ongoing investment.

Key questions to consider are whether your BI and CPM technologies are delivering the ROI and meeting the expectations that were originally anticipated and whether they are the right platforms for the future?

Organisations should now be considering the risk of continuing their relationships with small, niche technology vendors whose futures maybe uncertain due to ongoing M&A activity in the market.

Most studies of mergers and acquisitions show that the majority have a damaging effect on the organisation being absorbed:

*“...major mergers and acquisitions are notoriously difficult to manage and that most destroy shareholder value”. “... about sixty percent of all mergers and acquisitions destroy shareholder value”.*

Whenever companies are purchased, this inevitably brings change. Such changes may include loss of key staff, changes in company and/or product strategy and direction, and changes in client relationships.

## Manigent's Roadmap for CorVu BI and CPM customers

Our experience of working with customers who have invested in BI and CPM technologies, of the last two years shows that many face ongoing challenges realising value from their software investment.

Whilst recognising the importance of technology, we have helped these organisations also address the strategy, people and process aspects of a BI and CPM roll-out. As Gartner states, BI and CPM are not simply a technology challenge:

*“To make BI a truly strategic business initiative, it must be supported by a governance model and an appropriate organisational structure such as the competence centre. Buying technology will not be enough and education of users is crucial to success.”*

In response to the changes and uncertainty surrounding smaller, niche technology vendors, Microsoft is clearly

emerging as delivering true ‘BI for the masses’ and as the technology vendor that businesses should consider for their BI and CPM requirements.

Over the last twelve months, Manigent has been working with Microsoft’s solutions, including involvement with PerformancePoint server 2007 during it’s beta phase. Manigent has also deployed Microsoft technologies to CorVu customers to ensure that they have the strategic technology platform in place to deliver on their BI and CPM vision, both now and in the future.

The challenges surrounding BI and CPM go beyond technology. With many years

experience in the BI and CPM space, and with over twenty years combined experience with CorVu’s software, Manigent is uniquely placed to provide both the business and technology consultancy to support CorVu clients realise both their BI and CPM visions.

Manigent believes that for BI and CPM implementations to be successful, they require the strategy, the people and process aspects to be delivered as an integrated ‘package’ with the technology. We believe that too often, businesses buy software or business consultancy in isolation as the answer to BI and CPM challenges: doing so is a major reason for high failure rates in this area.

To assist BI and CPM customers, Manigent has developed a ‘Roadmap’ that is designed to clarify the path towards your BI and CPM vision. It provides the necessary steps to revive a failing or struggling implementation or to create and execute a new strategy. It adds value and creates buy -in at all levels, utilising our unique toolsets and methodologies. Finally it supports a transition from a CorVu platform to a the Microsoft platform, if appropriate.

However, this Roadmap also looks beyond technology, to consider strategy, people and process challenges that may be preventing you from successfully implementing the solution desired by your business. The Roadmap will reduce the complexity, cost and risks normally associated with this type of implementation while increasing the business value and return on investment delivered.

Manigent focuses on delivering integrated BI and CPM implementations, incorporating both the business and technology needs. We partner with Microsoft as a technology vendor because we believe it is the vendor best placed to deliver the technology our clients require to realise their business vision and make the

transformational change they are seeking.

We understand why many organisations selected smaller, niche vendors for their BI and CPM deployments and we also understand that many have yet to realise the value they desired. We developed our Roadmap, with an optional transition to a Microsoft platform, in order to provide BI and CPM customers a robust way forward in terms of their BI and CPM strategy and technology platform.

We believe that with the potential uncertainty surrounding smaller, niche vendors and the changes in the market, many organisations should be asking...

Is it time to reconsider your Business Intelligence and/ or Corporate Performance Management strategy?



*“To make BI a truly strategic business initiative, buying technology will not be enough. Organisational change and education of users is crucial to success.”*

## About the authors

Andrew Smart is the co-founder and Managing Partner of Manigent, a specialist business and technology consultancy.

He is the originator of the Risk-based performance methodology and has spent the last 10 years delivering performance and risk management solutions in the UK, Europe and the Middle East. He holds an MBA from Henley Business School.

Prior to forming Manigent Andrew was a freelance performance and risk management consultant. He has long experience in the software industry, having worked for CorVu for 8 years, including 2 years heading the European operation. Andrew was instrumental in the development of their performance management solution, CorStrategy and contributed to their thought-leadership position.

Mark Woodall is Manigent's Technical Director. His focus is developing our PerformancePoint Server and Project Portfolio Server technical capabilities.

Prior to joining Manigent, Mark was a senior technical consultant at CorVu. Mark worked for CorVu for 8 years in various technical consultancy roles implementing Business Intelligence and performance management solutions. In the last 4 years Mark developed CorVu's technical support function providing troubleshooting support to clients, other CorVu consultants and the CorVu development team based in Sydney.

Mark has a long and deep experience with various other OLAP/BI tools and extensive experience in ERP software. He holds a BA Hons Computer Science from Leicester University.



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