

Magic Quadrant for Business Intelligence Platforms, 1Q06

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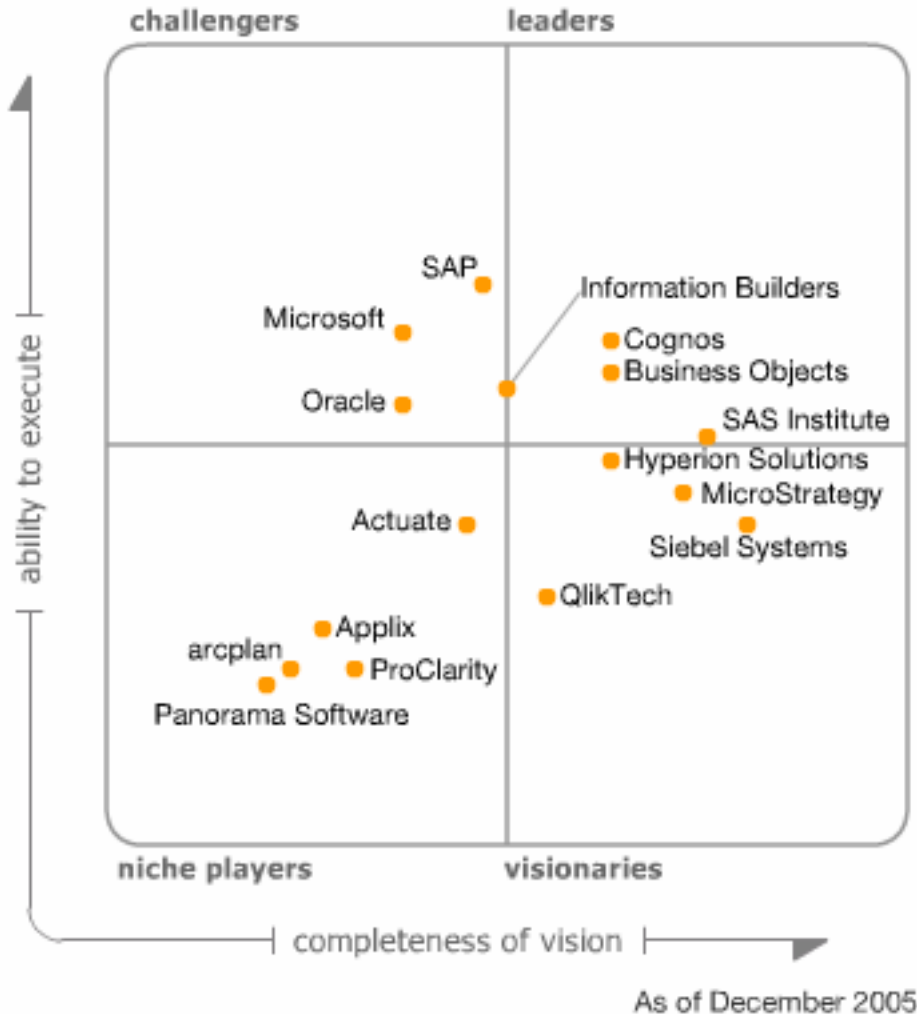
The BI platform market is a mix of midsize pure plays, mega software application vendors and small, innovative niche players. The pure-play vendors currently dominate the market, but demand for all three vendor types is strong.

WHAT YOU NEED TO KNOW

The goal of the Magic Quadrant for Business Intelligence Platforms is to present a global view of Gartner's opinion of the main software vendors that should be considered by organizations seeking to develop business intelligence (BI) applications. To assist with the evaluation, Gartner analysts performed detailed interviews with 105 reference accounts to assess customer perceptions of each vendor's strengths and weaknesses. This Magic Quadrant for BI Platforms employs a completely new set of criteria and evaluation methodology, which we describe in this research. Clients should not compare a vendor's position on this Magic Quadrant to its position in any previous BI-related Magic Quadrants. Buyers should evaluate vendors in all four quadrants based on their own environments, capability needs, user requirements and business objectives. In many cases, a vendor from the Challengers, Visionaries or Niche Players quadrant may be the optimal choice.

MAGIC QUADRANT

Figure 1. Magic Quadrant for BI Platforms, 1Q06



Source: Gartner (December 2005)

Market Overview

We expect the BI platform market to continue to grow at a solid pace during the next five years, with new license revenue experiencing a compound annual growth rate of 7.3 percent. Organizations are increasing their spending, particularly as BI evolves from its reactive, departmental roots to become more pervasive and strategic. The long-term prospects for the market look solid, especially as large organizations embrace corporate performance management and work to comply with various government regulations, such as Sarbanes-Oxley.

The increasing scope of BI platforms to include more users and access more data sources will also perpetuate market growth. Traditionally, BI was just for senior executives and analysts, but

many enterprises are extending their BI platform capabilities throughout the organization to operational workers and managers. The scope of BI is also increasing by accessing more sources of information. In most cases, BI platforms deliver information directly from a data warehouse or data mart — specialized data stores developed specifically for the purposes of BI. However, increasingly, BI platforms contain functionality that will access, enhance and disseminate information from a broader array of applications and data sources.

Although these are positive trends for the overall BI platform market, the plethora of capable technology providers will prevent any one vendor from growing too quickly. Indeed, the pure-play vendors (Actuate, Business Objects, Cognos, Hyperion Solutions, MicroStrategy, Information Builders and SAS Institute) are fighting a three-front war. Pure plays are starting to feel bottom-up pressure from the database vendors, such as Oracle and Microsoft, and top-down pressure from the application vendors, such as SAP and Siebel Systems. Meanwhile, small vendors with attractive price points and innovative technology (for example, Applix, arcplan, Panorama Software, ProClarity and QlikTech) are becoming more pervasive. Despite a few potential acquisitions (such as Oracle's acquisition of Siebel), we expect this market to remain crowded for the next three to four years, with at least a dozen credible vendors.

Market Definition/Description

The mission of BI (see Note 1) is the access to and analysis of quantitative information sources to deliver insight that empowers decision makers. BI platforms enable users to build BI applications. Gartner defines the 20 capabilities of a BI platform within three categories:

Development and Integration

- **BI infrastructure** — All tools in the platform should use the same security, metadata, administration, portal integration, object model and query engine, and share the same look and feel.
- **Metadata management** — In particular, this is a major component of the platform. Not only should all tools leverage the same metadata, but the offering should provide a robust way to capture, store, reuse and publish metadata objects.
- **Web services integration** — This enables the BI platform to schedule, deliver, manage and administer information through industry standard Web services integration (such as SOAP and WSDL).
- **Programmatic development environment** — This provides a set of programmatic development tools coupled with a software developer's kit for developers to create BI applications and integrate them into to a business process and/or embed them in another application.
- **Visual development environment** — This enables developers to build BI applications without coding by using a wizardlike component assembly process.
- **Prepackaged business content** — BI application developers can use queries, reports, performance metrics and business roles to jump-start a project. Also, this capability can provide a data schema for a specific horizontal and/or vertical subject area.
- **Data movement** — This facilitates the movement of data from specific applications and data stores and the loading of the data into a repository optimized for analysis and reporting.

- Business rules — The application developer (or, potentially, the end user) creates business rules that affect operational processes based on the results of an analytical assessment.
- Collaboration and workflow — These enable BI users to share and discuss information via public folders and discussion threads. In addition, the BI application can assign and track tasks assigned to specific users. Often, this capability is delivered by integrating with a separate portal or workflow tool.

Information Delivery

- Reporting — Reporting provides the ability to create formatted and interactive reports with highly scalable distribution and scheduling capabilities. In addition, BI platform vendors should handle a wide array of reporting styles (for example, financial, operational and performance dashboards).
- Dashboards — This subset of reporting includes the ability to publish a formal report to HTML with intuitive display of information, including dials, gauges and traffic lights that indicate the state of the performance indicator.
- Ad hoc query — This enables users to ask their own questions of the data without relying on IT to create a report. In particular, the tools must have a robust semantic layer to enable users to navigate available data sources. In addition, these tools should offer query governance and auditing capabilities to ensure that queries perform well.
- Distributed query — The BI platform should deliver information derived from distributed queries that are optimized to go against multiple back-end data sources.
- Real-time/event data capture — The BI platform should access information directly within operational applications and provide users with instantaneous updates.
- Microsoft Office integration — In some cases, BI platforms are used as a middle tier to manage, secure and execute BI tasks, but Microsoft Office (particularly Excel) acts as the BI client. In these cases, it is vital that the BI vendor provide integration with Microsoft Excel, including support for: Excel formats, Excel formulas, data refresh and pivot tables. Advanced integration includes cell locking and write-back.

Analysis

- Online analytical processing (OLAP) front end — This provides the ability to explore data stored in multidimensional format and perform traditional OLAP-style analysis (such as "slicing and dicing") against relational data.
- OLAP back end — This makes it possible to store data in multidimensional format for immediate query performance. It is advantageous if the OLAP back end supports write-back capabilities for planning and scenario modeling.
- Calculation/modeling engine — This enables users to manipulate the information by providing "what if" modeling capabilities and to do advanced calculations, such as profitability allocations.
- Advanced analysis and data mining — These include the ability to do sophisticated data exploration and predictive modeling.
- Advanced visualization — This gives the ability to display numerous aspects of the data more efficiently by using interactive pictures and charts instead of rows and columns.

Inclusion and Exclusion Criteria

For vendors to be included in the Magic Quadrant, they must meet the following requirements:

- Deliver at least half of the BI platform capabilities listed in the market definition section of this research.
- Have a reasonable market presence, which we defined as greater than \$10 million in annual BI license revenue.
- Have significant client interest in the vendor's BI platform capabilities, measured by the number of inquiries we receive from Gartner clients.
- Demonstrate that their solutions are used and supported across the enterprise and go beyond departmental deployments.

A vendor that does not meet the above criteria may be considered for inclusion if it is a specialist vendor or a new entrant to the market that is demonstrably different from established vendors and represents a future direction for BI platforms.

Added

None.

Dropped

Informatica stopped marketing Power Analyzer as a BI platform independent of its primary data integration products, such as Power Center. Jinfonet, PeopleSoft and Spotfire were dropped because they do not meet all the inclusion requirements. In particular, they don't provide at least half of the BI capabilities.

Evaluation Criteria

Ability to Execute

Vendors are judged on their ability and success in making their vision a market reality.

Product/Service: How competitive and successful are the goods and services offered by the vendor in this market?

Overall Viability: What is the likelihood of the vendor to continue to invest in the product and service for its customers?

Sales Execution/Pricing: Does the vendor provide cost-effective licensing and maintenance options?

Market Responsiveness and Track Record: Can the vendor respond to changes in market direction as customer requirements evolve?

Market Execution: This "mind share" criterion evaluates customer awareness of the vendor's offerings in the market.

Customer Experience: How well does the vendor support its customers?

Operations: What is the ability of the organization to meet its goals and commitments?

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	high
Overall Viability (Business Unit, Financial, Strategy, Organization)	high
Sales Execution/Pricing	standard
Market Responsiveness and Track Record	low
Marketing Execution	low
Customer Experience	high
Operations	standard

Source: Gartner

Completeness of Vision

Vendors are rated on their understanding of how market forces can be exploited to create value for customers and opportunity for themselves.

Market Understanding: Ability to understand buyers' needs and translate these needs into products and services.

Marketing Strategy: A clear set of messages that communicate the vendor's value and differentiation in the market.

Sales Strategy: The right combination of direct and indirect resources to extend the vendor's market reach.

Product Strategy: A vendor's approach to product development and delivery that emphasizes differentiation and functionality as they map to current and future requirements.

Business Model: The soundness and logic of a vendor's underlying business proposition. This criterion was removed because all vendors in the market have a viable business model.

Vertical/Industry Strategy: The vendor's strategy to meet the specific needs of a particular industry (such as financial services or retail).

Innovation: The creativity displayed by the vendor to lead the market in solving common problems and creating new opportunities.

Geographic Strategy: The vendor's strategy to meet the needs of locations outside its native country, either directly or through partners.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	high
Marketing Strategy	standard
Sales Strategy	standard
Offering (Product) Strategy	high
Business Model	no rating
Vertical/Industry Strategy	low

Evaluation Criteria	Weighting
Innovation	high
Geographic Strategy	standard

Source: Gartner

Leaders

Leaders are vendors that are able to demonstrate reasonably strong breadth and depth of BI platform capabilities, as well as deliver on enterprisewide implementations that support a broad BI strategy. Leaders successfully articulate a business proposition that resonates with buyers, supported by the viability and operational capability to deliver on a global basis.

Challengers

Challengers are vendors that have entered the BI platform market primarily to provide an offering that is complementary to their established business applications or database infrastructure. In doing so, they expect to leverage their installed client bases. They typically offer a good breadth of functionality, but the solutions are primarily tied to their own applications or infrastructure.

Visionaries

Visionaries are vendors that have a strong vision for delivering a BI platform. They are distinguished by the openness and flexibility of their application architectures, and they offer depth of functionality in the areas they address, but they may have gaps relative to the broader functionality requirements. A visionary vendor is a market thought-leader and innovator; however, it may have yet to achieve sufficient scale, or there may be concerns about its capability to grow and provide consistent execution.

Niche Players

Niche vendors are those that do well in a specific segment of the BI platform market, such as reporting, or that have limited capability to innovate or outperform other vendors in the market. They may be focused on a specific domain or aspect of BI and are likely to lack depth of functionality, or may have gaps relative to broader BI platform functionality requirements. Alternatively, niche vendors may have a reasonably broad BI platform, but have limited implementation and support capabilities, have relatively limited customer bases, and haven't yet achieved the necessary scale to solidify their market positions.

Vendor Comments

arcplan

Vision: By leading the market in the area of rapid deployment of BI applications using visual, as opposed to programmatic, development, arcplan has demonstrated vision. Also, arcplan's dynaSight quickly adopted 64-bit technology and supports heterogeneous server platforms. However, arcplan is primarily deployed as a development and integration platform to build particular BI applications, but it is not seen as the dominant platform for information dissemination and analysis capabilities within many of its customers.

Execution: arcplan is considered a niche vendor because it is strong at one BI capability: visual BI development environments. To be promoted into the Challengers quadrant, arcplan would need to show a broader set of capabilities across the BI capability matrix. The company is still missing many of the capabilities for data integration, such as event-level data collection for operational BI

and the advanced analysis capabilities, such as data mining. Moreover, arcplan will be challenged, because many of the larger BI platform vendors, such as SAP with its recently announced Visual Composer, are copying arcplan's visual development strategy.

Actuate

Vision: Actuate has a good understanding of the market, but it has had a difficult time convincing buyers that it is more than just a reporting vendor. Also, Actuate does not have a major sales presence outside of North America. Actuate's product strategy has shown vision, purchasing and integrating third-party tools to provide advanced functionality such as query federation and unique server-managed spreadsheet capabilities. A major strategy for Actuate is to advance BI within the open-source community via its BIRT contribution to the Eclipse Foundation. However, open source is not a significant decision driver for Gartner clients evaluating BI platforms today.

Execution: For product strategy, Actuate has demonstrated that its iServer product can scale and support very large enterprise reporting applications. In addition, it has established a strong position in the financial services industry. However, Actuate has been slow to the market and lacks broad user adoption for some of the key BI capabilities, such as OLAP and user self-service report development. Missing the market opportunity for user self-service reporting and analysis has limited its growth potential.

Applix

Vision: Applix is able to effectively communicate how its in-memory architecture fosters low-total-cost-of-ownership deployments by eliminating much of the work of building and maintaining cubes. This message is appealing to its core target area: the midmarket and departmental applications in large-enterprise organizations. However, its product strategy is limited for some aspects of a BI platform, such as being late to Web services, limited reporting/dashboards and no focus on predictive analysis/data mining.

Execution: Applix has executed well in the area of customer support and satisfaction, but, despite its longevity, it has failed to establish a strong mind share, as measured by Gartner surveys, in the BI platform market. Also, Applix is usually deployed as a departmental application. For Applix to be promoted beyond the Niche Players quadrant, it needs to get more large organizations to standardize on it as their enterprise BI platform.

Business Objects

Vision: Business Objects has established itself as one of the dominant BI vendors offering a comprehensive range of capabilities across reporting, analysis, performance management and data integration. As for its sales strategy, Business Objects has the strongest combination of direct and indirect sales worldwide. Business Object's product strategy vision has been focused on product line integration rather than innovation, given the Crystal Decisions product line acquisition. To improve its overall vision score, Business Objects should expand the role of its Universe brand to be more than just a self-service layer for query and reporting, and become a more complete enterprise metadata management repository for business and technical metadata associated with data, workflow/events and key performance indicators.

Execution: Business Objects has demonstrated strong execution by successfully integrating the Crystal product lines into its platform. Viability is strong from a financial standpoint. Feedback from clients suggests that Business Objects has been less flexible on its street price discounts recently.

Cognos

Vision: Cognos demonstrated strong vision by re-architecting its product line from scratch. Cognos' direct sales force is strong and is able to drive quick adoption of new Cognos products. Although it has packaged vertical solutions, Cognos has not demonstrated much success here, instead focusing on general solutions.

Execution: Overall, Cognos has done well executing on its strategy to integrate all its BI products on a single platform. However, Cognos needs to do more to move its large Series 7 installed base to ReportNet and now Cognos 8, providing better report conversion services. Moreover, Cognos is missing many advanced analysis capabilities such as data mining and predictive analytics. According to Gartner's most recent multiclient study, per-user and role-based pricing models are not popular with customers. Cognos (a longtime proponent of named-user pricing) amended its pricing policy to include a per-CPU option for the consumer role, but it should remove the application-specific usage restriction.

Hyperion Solutions

Vision: Hyperion has demonstrated good overall vision, particularly in the area of linking core BI capabilities, such as reporting and analysis, with its corporate performance management applications. Moreover, Hyperion's acquisition of Razza demonstrated Hyperion's understanding of how the BI market is transforming from its initial focus on OLAP and reporting to include business-oriented metadata.

Execution: Hyperion has a broad array of BI platform capabilities. It is one of the few pure-play BI platform vendors with business modeling and rule capabilities (within Essbase), which become more important as BI becomes embedded with operational applications in the future. However, its core MOLAP engine is under pressure from leading relational database management system vendors, such as Microsoft and Oracle, that offer similar functionality, and by iconoclastic vendors, such as Applix and QlikTech, which offer an in-memory-based alternative to MOLAP. Furthermore, its pricing is expensive compared with some vendors, and its mind share as a BI platform vendor is weaker than other leading BI platforms.

Information Builders

Vision: Information Builders has displayed strong innovation by marrying its data integration capabilities of its iWay Software subsidiary to the front-end capabilities of its WebFocus reporting tool. However, Information Builders has the lowest vision score of any of the vendors in the Leaders quadrant, because its market understanding and strategy are too focused on reporting at the expense of analysis (such as OLAP and data mining) capabilities. Moreover, its sales strategy is weaker than others, because it has failed to tap the power of the indirect channel and grow its channel and presence outside North America.

Execution: Information Builders has demonstrated strong execution in the area of operational reporting. WebFocus has more BI deployments, with greater than 100,000 seats, than any other vendor. Its pricing is flexible, offering named-user and per-CPU pricing, usually at a much lower price point than most of its competitors. Its market responsiveness and customer satisfaction have been solid.

Microsoft

Vision: The release of SQL Server 2005, coupled with Microsoft's Office Business Scorecard Manager and Office 12 announcements, provides more detail on its BI vision and commitment. Although Microsoft was late to the market compared with other BI vendors, these events demonstrate that it is moving in the right direction in terms of market requirements and vision, as

well as leveraging its Office brand and SQL Server momentum. However, compared with other BI platform vendors with large direct sales channels, Microsoft is dependent on a large number of small value-added resellers. Microsoft also lacks strong partnerships with major vertical-industry solution and service providers that can drive strategic adoption of Microsoft-based BI within large enterprises.

Execution: Microsoft has been executing well on building out its BI platform, particularly Analysis Services, which is perhaps the most widely deployed OLAP server in the industry. Although Reporting Services is feature-rich, organizations have been reluctant to embrace it because it lacked a self-service query capability until Report Builder with SQL Server 2005. Its licensing and packaging options are the most attractive in the BI platform market. However, it has yet to execute on much of its strategy, such as integration with the SharePoint and Office products. Organizations seeking to standardize on a BI platform and waiting for Office 12 BI capabilities to complete the platform should recognize that Microsoft has been late in delivering on its major enterprise server releases, such as SQL Server 2005.

MicroStrategy

Vision: MicroStrategy demonstrated vision by investing significantly in re-architecting its product line to deliver an integrated set of user tools on a common infrastructure. This investment gave MicroStrategy a head start over many leading BI platform vendors that have spent most of their development dollars integrating products during the past two years. Its recent release, v.8, advances its BI platform in three areas: integrating analysis with reporting, broadening BI beyond the data warehouse to include operational data sources, and closer integration of data-mining models into the BI applications.

Execution: Feedback regarding MicroStrategy is consistent. Clients we talk to and survey rate MicroStrategy's technology and support highly. The product scales well and is deployed in many of the largest BI application deployments. However, our clients give MicroStrategy low marks on software licensing negotiation flexibility and overall customer-relationship-building skills.

Oracle

Vision: During the past year, Oracle improved its BI platform sales strategy by creating BI-focused sales teams. Also, it improved its overall go-to-market strategy by launching a stand-alone BI product separate from the Application Server bundle, which had been the only way to buy BI products from Oracle. However, Oracle ranked poorly on vision, mainly due to the lack of clarity, given multiple acquisitions, about the position of current BI platform capabilities in the future Oracle product road map. Oracle is unable to comment on the Siebel BI platform integration strategy until the acquisition is closed. Therefore, Oracle's challenge in 2006 is to articulate a cohesive BI strategy and road map.

Execution: In 2005, Oracle improved the capabilities of its OLAP and ad hoc analysis capabilities, which are starting to gain momentum in the market. Also, Oracle has a comprehensive array of database-hosted predictive analysis and data-mining capabilities. However, Oracle still lacks a proven enterprise reporting capability. We believe that BI continues to take a "back seat" relative to Oracle's overall application, middleware and database strategies and priorities. In addition, Oracle lacks the service provider and partner ecosystem for its BI platform compared to its competition. Therefore, Oracle's mind share and execution as a BI platform vendor have not been well-established.

Panorama Software

Vision: Panorama's core differentiation is that it provides focused and unique capabilities to exploit Microsoft SQL Server Analysis Services. It also has a budding performance management

vision that is aimed at improving process-level performance. However, its product vision is limited to only the Microsoft SQL Server platform. Panorama has a small, yet balanced sales force between direct and indirect channels, with a growing international presence.

Execution: Customer experience and operations have been strong. However, Panorama lacks strong mind share compared with most other vendors. Also, Panorama faces increasing competition as Microsoft builds out its own BI and performance management strategy. We believe that Panorama will continue to add value beyond the planned Microsoft capabilities, but just staying ahead of Microsoft will keep it a niche vendor.

ProClarity

Vision: ProClarity has demonstrated strong vision for simplifying the building of BI applications using visual dashboards that employ advanced calculations and business logic. However, with its Analytics Server product line, its vision has been limited to just Microsoft SQL Server Analysis Services. With its Live Server product, ProClarity has demonstrated that it can expand beyond Microsoft Analysis Services. However, ProClarity is straddling two product lines as it makes the transition to Live Server from its original Analytic Server product.

Execution: ProClarity has been growing quickly on its small base, has solid and stable operations, and has been flexible on its pricing and licensing terms. However, ProClarity's Analytic Server, which has been core to its business, will face increasing competition as Microsoft improves its own BI platform and developer capabilities.

QlikTech

Vision: QlikTech has demonstrated strong vision in two particular areas: memory-based calculations and visual development. The former provides a low-total-cost-of-ownership approach to MOLAP-style analysis. The latter enables business users to create their own BI applications and avoid much of the IT bottleneck. Both of these capabilities will become mainstays in the BI platform market. Therefore, QlikTech scored well on the innovation criterion. Also, QlikTech scored well on geographic strategy, because it is investing in establishing operations in Europe and North America. The only area in vision that is lacking is product comprehensiveness. It is still seen as an exploration tool for "slicing and dicing" data and providing a Web-based dashboard for regular updates of the information. QlikTech's vision lacks predictive analysis and write-back capabilities. Also, its enterprise reporting capabilities are nascent and not widely deployed.

Execution: QlikTech receives strong praise from customers. Its pricing is reasonable — and it offers a money-back guarantee. Also, QlikTech has been able to exploit the recent arrival of 64-bit computing on an inexpensive Intel or AMD platform, thus enabling a very large addressable memory space for analyzing big datasets. Recently, QlikTech eliminated one of the major objections to its software by providing a method to do incremental data updates to its in-memory constructs. What prevents QlikTech from moving into the Leaders quadrant is its lack of deployments in large organizations where it is deployed as the enterprise standard BI platform.

SAP

Vision: SAP has outlined a comprehensive road map to make BI pervasive and integral within business processes by making the SAP BI platform an essential part of the overall NetWeaver Business Process Platform. However, SAP's BI platform is SAP business process and data warehouse specific. This is a clear benefit for SAP-centric organizations. For non-SAP-centric organizations, this tight coupling will create significant challenges for organizations that require a BI platform for a more heterogeneous data warehouse and application environment. For example, the Business Explorer front end to NetWeaver BI is not a viable option as a front-end BI tool for other non-SAP data sources or environments.

Execution: With more than 10,000 deployments, SAP sales and marketing has been remarkably successful in getting its customers to embrace NetWeaver BI. The stability and consistency of SAP's organization and product development plans contribute to its viability as a BI platform. However, customer satisfaction will continue to be an issue unless SAP improves the flexibility of the NetWeaver BI infrastructure to make it more efficient for developers to customize, access and evolve their BI applications.

SAS Institute

Vision: SAS has the most-comprehensive BI platform offerings in the industry. No other vendor in the Magic Quadrant can match SAS's advanced analysis capabilities, which only become more important to the BI stack over time. In addition, SAS has a strong direct sales force that is spread across the globe and is particularly strong on both sides of the Atlantic. The only aspect of SAS vision that needs work is its marketing strategy. SAS needs to articulate how it will differentiate itself from lower-cost products with more-focused capabilities and the data-mining capabilities being delivered by the data warehouse vendors. Also, SAS needs to explain its vision to embed/integrate its advanced analysis and modeling capabilities with operational applications or risk being trumped at its own game by other enterprise application vendors, such as SAP and Siebel.

Execution: SAS customer support, product execution and vendor viability are all solid. The only areas lacking in its execution are pricing flexibility and its lack of deployments for relatively new products, such as SAS Enterprise BI Server, which includes Web Report Studio. Adoption of Web Report Studio is particularly important for SAS to overcome its reputation as being difficult to use and requiring extensive programming and data integration work before performing analysis.

Siebel Systems

Vision: Siebel Business Analytics is one of the more innovative and comprehensive sets of functionality among the BI platform vendors, including some advanced analysis and data-mining functionality and packaged industry-specific analytical applications. Also, Siebel recently introduced a real-time decision product. However, Siebel's just-released enterprise reporting capabilities are untested in the market. Unlike other mega software vendors, such as SAP and Oracle, Siebel's BI platform is application source independent and is, arguably, the best front end to a Teradata data warehouse.

Execution: Siebel has executed well in the past few years; however, it is still lacking on many of the execution criteria to bring it into the Leaders quadrant. In particular, Siebel's pricing is expensive and suited primarily for large organizations with large user populations. The product line is in question with Siebel's pending acquisition by Oracle and will remain so until after the acquisition closes. In addition, Siebel has not established a strong mind share as a BI vendor outside its installed base. Finally, with just several hundred implementations, Siebel doesn't have as broad a market penetration as the vendors in the Leaders quadrant.

RECOMMENDED READING

"Magic Quadrants and MarketScopes: How Gartner Evaluates Vendors Within a Market"

"Magic Quadrant for CPM Suites, 2005"

Note 1

About This Magic Quadrant

Traditionally, Gartner separated the evaluation of BI vendor offerings among two closely related segments of the market: enterprise business intelligence suites (EBISs) and BI platforms.

The EBIS Magic Quadrant evaluated vendors offering an integrated infrastructure (security, metadata and administration) and set of tools (for example, reporting and ad hoc query) for the purpose of information dissemination (providing the right information at the right time to the right people). EBIS vendors enabled access to relational and/or multidimensional data and events for end users to query, run pre-defined calculations and display the results, or to schedule/run highly formatted reports. The previous BI platform Magic Quadrant evaluated vendors that offered a development environment, application-specific data integration and prepackaged business content (including data models, queries, reports, user roles, calculations and business rules). These offerings enabled application developers to build BI applications that could be applied directly to an operational business process.

Gartner folded EBISs into the BI platform definition because:

- There is a significant degree of overlap. Vendors that had been classified in the EBIS segment increasingly will compete directly against vendors in the BI platform segment.
- The buying constituency and the budget are often the same for both market segments.
- The information dissemination tools offered by EBIS vendors are increasingly viewed as components within a BI platform that can be used to build BI applications.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets, skills, etc., whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit to continue investing in the product, to continue offering the product and to advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional, thought leadership, word-of-mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements, etc.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the Web site, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling product that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature set as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including verticals.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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