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Market Development

Bi3 lays out strategy for cloud BI service with unstructured data/workflow twist

Analyst: Krishna Roy**Date:** 23 Mar 2010**451 Report Folder:** [File report >>>](#) [View my folder >>>](#)

Bi3 Solutions is currently talking to investors since, we're told, it wants to secure solid funding before launching Integrated Decision Optimization Center (IDOC), its multi-tenant BI service in the cloud that aims to provide structured and unstructured data analysis within a workflow-based environment. The firm, which started out as a BI consultancy and came out of stealth mode with its cloud-based BI service in summer 2009, is looking to partners to deliver industry-specific offerings on top of IDOC, which draws on OEM licensing agreements for several components. **Forest Rim Technology** provides IDOC with a Textual ETL engine – via a reportedly exclusive OEM deal – used to extract, transform and load text-based data into its structured data warehouse, which is licensed from **Infobright**. An OEM deal with **JasperSoft** supplies ad hoc and in-memory analysis, an OLAP engine, reporting and dashboard-builder components. Bi3 is also licensing **Talend's** software for the extraction, transformation and loading of structured data into the warehouse, where it is blended with unstructured data for analysis. Bi3's sales strategy involves a distribution channel model and direct sales.

The 451 take

Bringing unstructured data in from the cold so that it can be analyzed in conjunction with structured data has been the goal for many years in BI. Although it's in part being addressed by some players already in the BI sector, such as SAS Institute, IBM Cognos, SAP BusinessObjects and Skytide, we think IDOC has a good chance of competing against what's already out there. But there's one big caveat: funding. As management acknowledges, it needs to get outside investment to take IDOC to market properly, which isn't easy, given the challenging funding environment. We also remain slightly concerned about the number of OEM components within Bi3's cloud-based BI service – if Forest Rim and one other of its OEM providers were to be acquired by competitors, the buyers could terminate Bi3's OEM relationship, leaving IDOC capabilities seriously compromised.

Bi3 is gearing up to launch IDOC, but wants to ensure it is solidly funded first. The firm's management – which has been beefed up since our last conversation in August 2009 with new hires Eric Miles and Nathan Burge as CEO and VP of product development, respectively, and an advisory team including Bill Inmon, who is best known as the father of data warehousing – is reportedly having a number of funding discussions. Miles, who built up **Sybase's** BI group from scratch (Burge is also a Sybase veteran), tells us he is pursuing three paths for external investment: angel capital of \$1.5-2m, a series A round of \$2m and an equity investment from a major software vendor or consulting firm. Hiring activity has taken Bi3 to 15 employees (plus developers) from around 12 in August 2009.

Bill Inmon's connection to Bi3 is not just as an advisory board member. Forest Rim – the latest startup he cofounded in 2008 – supplies a so-called Textual ETL engine that enables IDOC's text-analysis capabilities, which in part underpin Bi3's ambitions to be an innovator in BI. IDOC's text-analysis capabilities also draw on its own internally developed taxonomies, which are designed to be both horizontal and vertical. The idea behind melding text analytics with the more conventional analysis of structured data – which we're told

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could be in an ERP application, third-party database (such as **IMS Health**), EDI format or a customer's internal systems, for example – is to bring about new types of analysis performed in a workflow-driven environment. Bi3 dubs this approach 'Decision Intelligence' and recently changed its cloud-based BI service's name from Virtual BI Center to IDOC to better reflect this focus.

Ascertaining those contracts that needed to be renewed or renegotiated via the analysis of the contextual pieces of information within each contract is one way executives envisage companies using IDOC. Large pharmaceutical firms using it for fee-for-service plans, where 50-80 key pieces of data in the fee-for-service agreements are analyzed in tandem with the appropriate structured information, is another.

The analysis is designed to be workflow-based, tapping Bi3's homegrown workflow engine to guide end users through the contract agreement renewal process, for example, by automatically routing tasks to the next appropriate person involved in a project, which, once completed, is reflected in the workflow. IDOC is also designed to enable the creation of reports and dashboards around the information in the contract. The central idea is that workflow and routing drive analysis, as opposed to more traditional ad hoc analytics.

We're told the game plan is to look for partners such as consulting shops to build industry-specific offerings – or so-called Decision Intelligence solutions – on top of IDOC. Initially, these third-party-developed offerings will be specific to each customer. However, we're told the workflow engine and knowledge base within IDOC will make them repeatable over time. SaaS via **Amazon EC2** is the preferred deployment model, but IDOC wasn't reportedly crafted specifically for Amazon's cloud. We're told it could also be run on a private cloud or rolled out on-premises.

IDOC will be sold under a subscription model as Standard and Extended Editions. The latter will include Forest Rim's textual ETL engine and cost \$21,000 per month, and the former will be charged at \$14,000 per month. Both subscriptions are for unlimited usage.

Competition

Bi3 is not the only BI vendor wanting to bring unstructured data into the analytic mix and create new ways to do BI; it is also not the only player to harness a cloud. **SAS Institute** has recently integrated its acquired **Teragram** technology for text analysis into its Text Miner application, thereby replacing a long-standing OEM with **Inxight Software**, which **Business Objects** acquired and **SAP** gained when it snagged Business Objects. **SAP BusinessObjects Text Analysis** is the offering crafted from the Inxight deal. **SAP 12sprints** is a new cloud-based offering that, like IDOC, is designed with a new approach to BI in mind. **IBM Cognos** recently released Content Analytics, which, like offerings from SAS and SAP, aims to analyze data that is not structured and held in a database. We see all these offerings – even though they are largely on-premises and not cloud-based like IDOC – as providing some degree of competition, given that SAS, IBM and SAP are likely to be incumbents for BI in many bake-offs Bi3 enters. That said, we also see big differences – in part due to the fact that we believe these alternatives are not as integrated into a broader BI stack as IDOC.

Startup **Skytide** – like Bi3 – is also seeking to blend unstructured data in the BI mix. Skytide is also using Amazon EC2, but has honed its focus of late on digital performance management, targeting the digital media industry by analyzing data pertinent to this sector, such as content delivery networks, ad insertion logs, licensing and performance rights fees. We don't see Bi3 bumping heads with it.

The many purveyors of SaaS BI wares, which include **PivotLink**, **Oco**, **Birst**, **Good Data**, **Quantivo**, **Indicee**, **Cloud9 Analytics** and **Autometrics**, as well as the big guns in the SaaS BI fray, such as SAP BusinessObjects, IBM Cognos and SAS, tend to have a different market focus or product slant to Bi3.

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