

Oco adds benchmarking and personalization to SaaS BI stack, revs analytic apps

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The inclusion of benchmarking data for supply chain analytics is a key new capability that **Oco** is adding to its SaaS BI platform, which is underpinned by homegrown data loading and mapping components and a proprietary data schema within its internally developed data warehouse. The new hosted analytic applications, which will be brought to market as the year unfolds, include industry-specific offerings for supply-chain analytics and after-market services, as well as sales and operational planning and supplier spend analysis applications. They are designed to provide users with a series of preset yet configurable reports, dashboards and key performance indicators (KPIs) – in contrast to the previous series of SaaS analytic applications it supplied, which were built from scratch for each customer, using its data model and user interface. **SAP BusinessObjects** remains a key partner for Oco. A third of its business reportedly came from SAP in 2010 – a year overall bookings increased by 300%, we're told.

The 451 take

We think benchmarking will appeal to new and existing accounts alike. Many pre-packaged apps being served up this year will hold good upsell potential in its installed base. Although warehouse and integration capabilities in its SaaS BI stack are solid, it could do more to open up its front end to third-party tools BI tools – something we're told is on its road map.

The benchmarking capabilities Oco is introducing will appear in some of the hosted analytic applications the company plans to deliver on top of its hosted BI stack this year. Oco has signed a reseller deal with **Tompkins Associates** to use the benchmarking data from some 500 companies within the Tompkins Supply Chain Consortium to bring this capability to market. The game plan is to select metrics relevant to each customer from those provided by Tompkins specifically for the consumer packaged goods (CPG), industrial, technology, pharmaceutical and retail sectors, so that companies can gauge their performance against peers by products, customers, regions, distribution centers, plants and suppliers, for example. Users will be charged for the benchmarking service. The company says it will cost an additional 10% of the price of SaaS analytic apps, which are charged at \$25 per user per month. Oco has not only productized its SaaS analytic app portfolio but simplified the pricing model to make purchasing easier.

Some of the hosted analytic applications consisting of dashboards, reports and KPIs to be delivered this year are designed for specific vertical markets, such as high tech, industrial manufacturing, and food and beverage and hardware companies, within the CPG space.

Others are focused on a particular business use-case scenario such as warranty analysis, installation, RMTBF (reliability, and mean time between failure) analysis, or supplier spend analysis.

Oco says its sales pipeline for 2011 is double the size it was a year ago. It is unwilling to divulge the number of paying customers it now has on board, but says it saw the strongest traction in midsized to large companies within the CPG and manufacturing sector in 2010. Average deals reportedly remain at \$300,000 (with typical deals over a three-year period between \$200,000 and \$400,000), although management says it is now starting to see deal values rise above this figure.

Management also says business related to its strategic relationship with SAP BusinessObjects' **OnDemand** division is also continuing to grow. Having introduced integration with SAP ERP and CRM applications in Oco 4.0 in May 2010, Oco's latest wares to tap SAP products is its mobile offering, which uses the mobile version of SAP BusinessObjects' Explorer data-visualization, search and exploration tool to display content within its analytic applications. Oco mobile BI access is available to customers using standard Oco analytic apps and opposite numbers implemented on the SAP BusinessObjects BI OnDemand SaaS platform. Last year, 40% of Oco's business was reportedly partner-related, and we're told indirect sales increased by 50% over 2009. Oco remains in growth mode and hasn't yet reached a cash flow-positive position. Hiring activity last year has reportedly increased headcount to 45 full-time employees.

Competition

QlikTech International followed by mega vendors **IBM Cognos** and SAP BusinessObjects are the players Oco competes against most frequently. Oco's partnership with SAP BusinessObjects dates back to 2008. Although there are clearly situations where the two vendors augment each other's SaaS BI offerings, with BusinessObjects BI OnDemand, in effect, providing the front end to Oco's back-end data mapping, loading and schema-driven warehouse, there are other situations where the two clearly bump heads. SAP has a strong presence in the manufacturing and CPG sectors, for example, and also already provides benchmarking services via its BusinessObjects governance, risk and compliance portfolio. That said, we continue to think that BusinessObjects BI OnDemand is pitched at a slightly different target market than Oco, which continues to target the midmarket and larger enterprises with revenue of \$100m and above – a sector in which QlikTech and IBM Cognos have also made good headway. Oco's move into benchmarking is also redolent of similar moves made by SaaS performance management vendors **Adaptive Planning** and **Host Analytics**.

When it comes to fellow SaaS BI pure plays, we continue to think **PivotLink** and **Birst** are the closest in competitive terms due to these vendors' shared focus on providing hosted analytic applications for specific industries, or use-case scenarios. We think the new pre-packaged applications Oco is delivering this year will up the ante against PivotLink and Birst, which may not have the same breadth of offering on this front but have focused from the outset on an out-of-the-box hosted analytic application strategy.

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