

## Oco sheds light on roadmap for SaaS BI wares and business strategy

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Personalization is a core focus area for the next release of **Oco's** SaaS BI stack, due in Q2. Also in the cards are additions to the company's growing portfolio of so-called Business Analytic Solutions, which are crafted on top of its hosted BI platform – a strategy that continues to involve partners. Expanding alliances with supply-chain vendors is one planned area of business development – we're told partners are also playing a key role in its mission to ramp up indirect sales so that they eventually account for 50% of overall sales. **SAP BusinessObjects** is arguably Oco's most high-profile partner to date – Oco resells BusinessObjects BI OnDemand as an alternative front end to its own, and in Q1, it delivered Enterprise Extractor to get data out of **SAP** ERP applications.

### The 451 take

We think Oco's ongoing focus on serving up its Business Analytic Solutions is a good area for it to focus on, given that many vendors in the SaaS BI fray continue to focus on more generic BI tools for business users. Additional offerings of this ilk for consumer packaged goods and manufacturers, for example, would go down well with its existing customer base, which is mainly in these two industries. Although we are told accounts are still uneasy with the prospect of it providing multi-tenant customer data storage – the rest of its hosted BI stack is multi-tenant – serving up the last piece of multi-tenancy would help its cause, particularly against certain competitors. We welcome the focus on personalization in the next release, since we think it is an important area already served by many in SaaS BI. That said, we think Oco has an edge in back-end capabilities, and from a business standpoint, it seems to be exhibiting all-important green shoots of growth.

The focus on personalization in the next release of Oco's SaaS BI stack will be reflected in several areas, including user-interface improvements so that business folks can tailor reports to their individual requirements. We're told, for example, that users will be able to select what they want to see from reports; these selections will then be saved and displayed in a report listing. Oco will also provide the ability to display these reports in a customer's internal portal, so they can be viewed by a customer's partners or suppliers, for example.

As the year unfolds, Oco is also likely to serve up more Business Analytic Solutions as part of its prebuilt analytic-content strategy to provide hosted out-of-the-box BI applications for industry-specific or business-specific needs, in part by tapping its growing partner network. A Business Analytic Solution for transportation-contract compliance is on the horizon.

Oco also added to this portfolio in Q1 with the debut of Cost to Service Analysis, Share of Market/Share of Wallet, Detailed Customer Profitability, and Complex Variance Analysis Business Analytic Solutions. Oco's Business Analytic Solutions are designed to tap its underlying SaaS BI platform, which sports a business model data-driven integration tool, hosted data warehouse and the ability to automatically analyze, pattern-match and map data to the schema within the warehouse.

Partnerships are not only playing a role in its mission to drive indirect revenue to 50% of overall sales (from 30% in 2009), but in other areas of product development beyond Business Analytic Solutions, too – as exemplified by the SAP ERP Enterprise Extractor delivered in Q1. This offering was crafted, in essence, by creating a program in ABAP – the programming language used to build many SAP applications – to get data out of tables in SAP ERP applications and into its own environment for further analysis.

Hiring in the areas of development and delivery is also underway. We are told headcount is now 40 (up from the high 20s in September 2009). Oco's paying-customer count is now reportedly approaching 50 (compared with 34-40 in September 2009), and we are told overall sales grew by 150% from Q1 2009 to Q1 2010. Oco's customers are still predominately in the consumer packaged goods and manufacturing sectors. In addition to having added 10-plus new accounts, it has seen significant follow-on business with existing accounts. Typical deals reportedly remain at \$200,000-400,000, with average deals around \$300,000.

## Competition

Newcomers continue to enter the SaaS BI fray such that there are now more than 20 vendors operating in some part of this market. Some of these players, such as SAP BusinessObjects – an Oco partner – and **IBM Cognos**, are established behemoths with broad and deep foundations in on-premises BI, while others, such as **Good Data**, **PivotLink**, **Birst**, **Quantivo**, **Cloud9 Analytics**, **Indicee**, **Autometrics** and Oco, are SaaS BI pure plays. Others in BI, such as **JasperSoft** and **Pentaho**, aim to be arms dealers for SaaS BI.

We're told PivotLink and Birst are seen occasionally in bake-offs, but not the rest. That figures, since we continue to see PivotLink and Birst as the most comparable to Oco, given that both have a similar strategy with regard to delivering SaaS applications in tandem with partners and a similar market focus in courting mid-sized to large enterprise deals. PivotLink kicked off its hosted analytic application strategy with the advent of REDI-METRIX in March, while Birst – like Oco – has been providing offerings of this ilk for a while now.

Although SAP BusinessObjects is a partner – Oco also resells BusinessObjects BI OnDemand – we think the BI big gun is competitive, too, but in SAP accounts only, since that's clearly a key target market for BI OnDemand. BI OnDemand was upgraded in March; the inclusion of its Explorer data exploration and visualization tool was a key enhancement. Explorer – alongside BusinessObjects Web Intelligence and Xcelsius, which are also key elements of BI OnDemand – are the components Oco taps. We would also make the distinction that Oco is stronger on the back end when it comes to SaaS BI by virtue of its

multi-source integration facilities, for example, while BusinessObjects has an edge on the front end when it comes to horizontal BI tools.

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