CFO's Ultimate Guide for Buying BI

Doug Johnson, Pentaho CFO & COO
Jared Cornelius, Pentaho Product Manager

September, 2011

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Agenda

- Five areas of cost that a CFO needs to consider
- How different types of BI (Open Source, Pure Data Discovery, SaaS, and Traditional) compare
- Customer success stories
- Demo of Pentaho BI
- Q & A

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Five Categories of Cost in BI Projects

1. **Software acquisition costs**
2. **Length of ROI cycle**
3. **Ability to adjust to business changes rapidly**
4. **Plan for user growth**
5. **Ease of integration with other applications**

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Software Acquisition Costs

- **Licensing Model**
  - **Perpetual** = Hefty upfront costs
  - **Subscription** = Cost-effective, pay as you go
- **Licensing Metric**
  - **User-based pricing** = Expensive for large user base
  - **Server-based pricing** = Easy to grant access to all
  - **Combination** of user-based and server-based

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Length of ROI Cycle

- **Productivity Tools and Approach**
  - **Waterfall =** Build data warehouse model, write custom code for ETL, then BI
  - **Pentaho Agile =** Agile dev environment, unique to Pentaho, all in one tool

- **Required Technical Resources**
  - **Traditional BI –** Complex, long project cycles
  - **SaaS BI –** Upfront services to get the data prepped
  - **Data Discovery –** Hand-write SQL for multi-source data integration
  - **Pure Open Source –** Build your own end user tools & production features

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Ability to Adjust to Business Changes Rapidly

- **Growing Sources of Data**
  - Some BI vendors lock you in specific sources
  - Pentaho is data agnostic & has the broadest data connectivity

- **Change in Data / Metrics**
  - **Data –** E.g. Adding a new territory to North America sales
  - **Metrics –** E.g. Customer purchasing pattern first analyzed by product, now needs to be analyzed by region
  - **Pentaho** – An end-to-end Data Integration and BI platform

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Plan for User Growth

- **Incremental Users**
  - **User-based pricing -** paying for every additional user ($2000+) inhibits wide adoption
  - **Server-based pricing-** as much access as you need

- **Ease of Use for End Users**
  - Consider training costs for the end users
  - Traditional BI vendors offer the same complex tools at SMB prices
  - Pentaho interactive reporting and analysis designed for casual users

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Ease of Integration with Other Applications

- **Propriety Tools**
  - Require professional services to build cross-tool integrations

- **Pentaho**
  - Extensible, plug-in architecture
  - Can easily integrate with other tools
    - E.g. Integrate with Google Maps for location-based analysis
    - E.g. Integrate with your company portals
  - Can easily embed to provide seamless user experience
    - E.g. Embed analysis views inside CRM / ERP business apps

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Comparison Chart

	Pentaho EE	Open Source	Traditional BI	Data Discovery	SaaS
Software Acquisition Costs	$	$$*	$$$$	$$$	$$
Length of ROI Cycle	🕒	🕒🕒🕒	🕒🕒🕒	🕒🕒	🕒🕒
Ability to Adjust to Change	Agile BI: instantly see updates to data or metrics in your reports / analysis	Open the hood and start coding	Changes take 3-6 months	Fast as long as you have data in 1 source, typically Excel	Fast to start, painful to change
User Growth	No additional cost per user High end user adoption	Build your end user self-service tools from scratch; Start a software development lab	Costly per user price Low end user adoption	Costly per user price High end user adoption	Costly per user price Medium end user adoption
Ease of Integration with Other Apps	Easy	Easy	Hard; proprietary	Hard; proprietary	Hard; proprietary

* Includes development, test, managing releases, and other costs associated with Open Source.

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Pentaho BI @ Brussels Airport

Example of Software Acquisition Costs

"Choosing Pentaho meant we could replace not just our reporting, but also our proprietary ETL tool to achieve our goal of a single Information Delivery Platform. The cost savings we achieved are hugely significant at an estimated €350K or more."

-Eric Vanasch, ICT Service Manager,

Brussels Airport

A Major International Airport

Key Challenges

- Wanted to replace both its Oracle reporting and an IBM Extraction Transformation and Load tool – AND reduce costs.

Results

- Single information delivery platform
- Agile BI in four departments: finance, commercial, operations and ICT
- These departments now provide daily, weekly and monthly management reporting, ad hoc analysis, and dashboards replacing Excel and 200 scheduled Hyperion reports

Why Pentaho

- Extremely effective Agile BI and Data Integration capabilities
- Greater iterative development between business user and developer
- Cost savings estimated to exceed €350K (~$500K US)

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Pentaho BI @ Online Buddies

Example of Length of ROI Cycle

"People are able to accelerate business intelligence because of Pentaho. Without the support help we received from Pentaho Enterprise Edition, it would have taken us many months to achieve similar results with the Community Edition."

-Sandro Frattura, Database Manager, Online Buddies

ONLINE BUDDIES

One of the largest social networking sites

Key Challenges

- Wanted the ability to quickly analyze and report on key trends in end user behavior and marketing effectiveness

Results

- Enabling a user that does not have prior BI experience to easily ramp up
- Started seeing increase of marketing effectiveness in two weeks
- Enabled non-technical users to analyze their own data

Why Pentaho

- Agile BI – ability to quickly build a solution
- Cost of ownership
- Scalability
- Excellent support

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Pentaho BI @ Banelco

Example of Ability to Adjust to Business Changes Rapidly

"We replaced our rigid architecture for a flexible solution using Pentaho Data Integration enabling the processing of more sources, more volume and more easily."

-Juan Azcurra, Information Management Specialist, Banelco

BANELCO

Leader in High Speed Electronic Banking

Key Challenges

- Needed to include new information sources that were not in transactional systems
- Manual verification through SQL programming at great cost and error prone

Results

- Unattended execution of automatic processes, eliminating SQL scripts and manual monitoring
- Increased number of data sources from one to five: agreements and commissions with third parties, debit card deliveries, cash availability, operation of ATMs and user responses
- Integrated data integration and reporting to generate operational reports

Why Pentaho

- High reputation with recognized global clients
- Low cost of ownership

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Pentaho BI @ Specsavers

Example of User Growth

"Red Hat and Pentaho provide a great BI solution for us. We're delivering enterprise-wide applications, and continuously improving our ability to use technology to benefit our business, while reducing and containing costs by using proven commercial open source software from leaders like Red Hat and Pentaho."

-Michel Khan, Chief Information Officer, Specsavers

UK's Most Trusted Optician with 2000+ Stores in Europe

Key Challenges

- Different in-store systems and metrics across multiple acquired businesses and stores
- Inconsistent strategic metrics across territories

Results

- Consistent strategic metrics
- On-demand operational dashboards and reporting at all 2000+ retail stores

Why Pentaho

- Significantly lower TCO than proprietary BI
- Proven large-scale deploy-ability
- Breadth of capabilities

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Pentaho @ Loma Linda University Healthcare

Example of Ease of Integration with Other Applications

"Pentaho Customer Support has been exceptional. This is a strategic application at LLUHC, and working with Pentaho has accelerated our deployment and improved our overall application delivery."

-Darrin Blocker, Decision Support Analyst, Loma Linda University Healthcare

LOMA LINDA UNIVERSITY
HEALTH CARE

Leading Healthcare Provider

Key Challenges

- Providing analytics for billing and operations supporting 500,000 patients and 600 doctors

Results

- Comprehensive analysis of time periods, services provided, billing groups, physicians
- Centralized, secured, consistent information delivery (versus prior Excel-based system)
- Ability to drill and analyze down to the individual patient level
- Integrated with LDAP and Active Directory

Why Pentaho

- Open standards support and ease of integration
- Cost savings over 75% compared to other BI

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Demo Time!

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Whitepaper

- CFO's Ultimate Guide for Buying Business Intelligence
  - *The specific BI needs of SMBs*
  - *The benefits and drawbacks of various BI solutions*
  - *An evaluation checklist*

- **Download** the complementary whitepaper @ pentaho.com/cfo-ultimate-guide-to-buying-bi/

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Next Steps

- Download Pentaho BI 4 today
  - www.pentaho.com/download
  - Includes a **FREE 30-day FULLY SUPPORTED** evaluation
- Contact us to schedule a demo
  - www.pentaho.com/contact

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Q & A

Join the conversation. You can find us on:

- http://blog.pentaho.com
- @Pentaho
- Pentaho Facebook Page
- Pentaho - Open Source Business Intelligence Group

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.

Comparison Chart

	Pentaho Enterprise	Open Source	Traditional BI	Data Discovery	SaaS
Software Acquisition Costs	$	$$*	$$$$	$$$	$$
Length of ROI Cycle	🕒	🕒🕒🕒	🕒🕒🕒	🕒🕒	🕒🕒
Ability to Adjust to Change	Agile BI: instantly see updates to data or metrics in your reports / analysis	Open the hood and start coding	Changes take 3-6 months	Fast as long as you have data in 1 source, typically Excel	Fast to start, painful to change
User Growth	No additional cost per user High end user adoption	Build your end user self-service tools from scratch; Start a software development lab	Costly per user price Low end user adoption	Costly per user price High end user adoption	Costly per user price Medium end user adoption
Ease of Integration with Other Apps	Easy	Easy	Hard; proprietary	Hard; proprietary	Hard; proprietary

* Includes development, test, managing releases, and other costs associated with Open Source.

© 2011, Pentaho. All Rights Reserved. www.pentaho.com.