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STRATEGY

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Midmarket Wises Up To Business Intelligence

Solution providers take aim at fast-growing analytics arena

After 22 years of deploying ERP solutions, Daniel Schwartz, president of Stamford, Conn.-based NexVue Analytics, stumbled on the midmarket business-intelligence trend in a unique way. About six years ago, he hired a "sales mentor" who suggested that he start cold-calling potential customers. That was something Schwartz hadn't done in a while, but it turned out to be a productive tactic.

"I found out that if I talked to a midmarket CEO about reporting issues, they were engaged and wanted to hear more," Schwartz says. "So that sent us down the business-analytics route."

That's when Schwartz's company set out to create a BI solution for the underserved midmarket. "There was no viable platform out there for the midmarket. Everything was targeted at tier-one companies, and those implementations would range from hundreds of thousands of dollars to millions of dollars," Schwartz says. From that revelation, NexVue's Business Information Optimization (BIO)—a lower-cost solution that does not require a lot of technical back-end work—was born.

"There are only a finite number of business activities and ways of measuring them," Schwartz says. "We can cover almost 80 percent of any business with our core model. The goal is to enable a business consultant who isn't a developer to implement the full solution without going back to a developer."

As it turns out, Schwartz is definitely on the right track. The BI market is a billion-dollar chunk of the IT pie. Research firm Gartner values the space at \$2.5 billion for new license revenue in 2006, 6.2 percent more than it was last year. And BI isn't expected to abate anytime soon, either; researchers expect the market to climb to \$3 billion by 2009.

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At first glance, it might seem that only enterprises with deep pockets would be spending their cash on BI solutions, but that's not the case. Truth is, midmarket players are dipping their toes—albeit tentatively—into the BI waters.

Taylor Courtney, president and CEO of Decision First Technologies, a VAR based in Atlanta, says the midmarket is a "wide-open door" for BI solutions. "The midmarket typically doesn't have a well-established BI strategy like the enterprise customer does, or a data-warehousing or reporting-infrastructure strategy," says Courtney, who does about 80 percent of his business in the midmarket. "It comes down to being nimble and creative enough as a VAR to come in and help spoon-feed [BI] to them. [We need to tell them] what they're going to get out of it, educate them on what it will bring them."

But it's important, Courtney says, to get a feel for the midmarket customer's comfort level when approaching them with BI solutions. "In our hands, as a representative of the vendor, we help the customer put together the right licensing and solution package depending on their threshold and entry point," Courtney says. "That's where our expertise as solution providers lies."

What's more, several high-profile vendors are ready and willing to team up with VARs to tap the BI wellspring. Software behemoth Microsoft is one of them.

Last month, the Redmond, Wash.-based company announced BIO for Microsoft Dynamics SL, leveraging NexVue's BIO as the foundation for an affordable BI solution targeted at midsize companies with specific technical and informational requirements.

"Business intelligence traditionally has been defined by the upper space of the market, with toolset products that have to be configured to a reporting solution," says Eric de Jager, director of Dynamics SL. "Our goal is to make the technology more accessible, and we've engineered a lot of cost out of the system." ■

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