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LEADING ANALYSTS SEE SPIKE IN BUSINESS INTELLIGENCE, ANALYTICS MARKET

IDC – Gartner – MarketsandMarkets

Talent gaps and lack of knowledge base in the analytics space will continue to force businesses to rely on service providers to fulfill their business analytics needs in the near future. – IDC

Leading Analysts See Spike in Business Intelligence, Analytics Market

Everywhere you turn these days, you'll hear plenty of buzz about exponential growth in business intelligence (BI) and analytics space. But unlike some IT trends that are embryonic enough to be one part business case and nine parts vaporware, BI and analytics are mission-critical solutions to the nearly universal challenges posed by Big Data.

Leading IT analysts recently weighed in on the BI and analytics opportunities in new reports. International Data Corp. (IDC) predicts worldwide business analytics services spending will reach a whopping \$70.8 billion by 2016. That translates into a compound annual growth rate (CAGR) of 14.3 percent.

"IT services providers are leveraging their business analytics solutions and experience to assist their customers with their efforts to find key insights into their business performance," said Mukesh Dialani, IDC research director. "These include industry-specific and functional resources, infrastructure, and knowledge of best business practice industry performance metrics."

The IDC report highlights a number of factors that will act as key enablers for increased third-party outsourcing of business analytics services including:

- Lack of internal (end customer) analytics resources, such as mathematicians, business analyst, data modelers, statisticians, and data scientists.
- The fast pace of new technologies including automation around analytics and their link to social and mobile will make it difficult for the end customer to build and deploy teams in view of investment required to build/buy infrastructure and talent.
- As business analytics providers successfully consult, deploy, and manage business analytics solutions for their customers, they will be able to demonstrate an increased number of transformative use cases.

"[The] talent gap and lack of knowledge base in the analytics space will continue to force businesses to rely on service providers to fulfill their business analytics needs in the near future," IDC senior research analyst, Ali Zaidi, said.

BI and Analytics Must Scale Up to Support Explosive Growth

Business intelligence (BI) and analytics need to scale up to support the robust growth in data sources, according to the latest predictions from Gartner, Inc. The consultancy contends that business intelligence leaders must embrace a broadening range of information assets to help their organizations.

By 2016, 70 percent of leading BI vendors will have incorporated natural-language and spoken-word capabilities. – Gartner

"New business insights and improved decision making with greater finesse are the key benefits achievable from turning more data into actionable insights, whether that data is from an increasing array of data sources from within or outside of the organization," said Daniel Yuen, research director at Gartner.

Gartner outlined three key predictions for BI teams to consider when planning for the future:

- By 2015, 65 percent of packaged analytic applications with advanced analytics will come embedded with Apache Hadoop. Hadoop is an open source software project that enables distributed processing of large data sets across clusters of commodity servers. Hadoop can scale up from a single server to thousands of machines; fault-tolerance rests in the software's ability to detect and handle failures at the application layer, rather than in the technical capabilities of sophisticated hardware.
- Organizations are beginning to realize the strength that Hadoop-powered analysis brings to big data programs, particularly for analyzing poorly structured data, text, behavior analysis and time-based queries. While IT organizations conduct trials over the next few years, especially with Hadoop-enabled database management system (DBMS) products and appliances, application providers will go one step further and embed purpose-built, Hadoop-based analysis functions within packaged applications. The trend is most apparent with cloud-based packaged application offerings, and this will continue.
- Gartner predicts that by 2016, 70 percent of leading BI vendors will have incorporated natural-language and spoken-word capabilities.

Look for 25 percent CAGR in Cloud-Based BI and Analytics

The cloud-based business analytics & business intelligence market is projected to grow at an estimated compound annual growth rate (CAGR) of 25.8 percent from \$5.25 billion in 2013 to \$16.52 billion by 2018, according to a new study from MarketsandMarkets. The market for cloud-based business analytics is driven by emerging trends in Big Data and cloud computing technology.

In 2011, Tier 1 players and startups shifted towards cloud BI or business analytics solutions leaving Traditional BI and analytics providers struggling to meet the requirements of today's business needs, according to the report.

Additionally, enterprises are struggling with high operating cost, lack of IT expertise and increasing employee mobility, forcing BI vendors to use new and innovative ways of delivering business analytics.

Analytics on cloud is the emerging trend that combines services and enables enterprises to move their BI, data warehousing and OLAP workload

Lack of IT expertise and increasing employee mobility, forcing BI vendors to use new and innovative ways of delivering business analytics. – Markets-and-Markets

over the cloud platform. The adoption of cloud BI or business analytics enables enterprises to collect, access, monitor and share key performance indicators virtually, through any mobile device.

Cloud BI utilizes the software-as-a-service (SaaS) licensing model and it is also based on a pay-as-you use model, which doesn't need software and hardware installations. These services are easily scalable, allowing enterprises to include anyone with an authentic email ID in their BI solution.

Bottom Line:

These dramatic growth forecasts for Business Intelligence and analytics makes sense if you think about it: Big Data is in the driver's seat when it comes to determining the IT spend that gives the biggest bang for the IT buck.

But having access to these massive data sets won't deliver the competitive edge -- you have to be able to analyze and leverage vast multimedia data resources that extend from social media to geolocation to the Internet of Things. That means the need for advanced and predictive analytics will be critical as enterprises seek new ways to gain the competitive edge in an increasingly complex world.

(For more information on these studies, visit International Data Corporation, www.idc.com; Gartner, www.gartner.com and MarketsandMarkets, www.marketsandmarkets.com.)

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