BBBT Podcast Transcript

About the BBBT

The Boulder Business Intelligence Brain Trust, or BBBT, was founded in 2006 by Claudia Imhoff. Its mission is to leverage business intelligence for industry vendors, for its members, who are independent analysts and experts, and for its subscribers, who are practitioners. To accomplish this mission, the BBBT provides a variety of services, centered around vendor presentations.

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Vendor:	**Kalido**
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Host:	**Claudia Imhoff**, President, BBBT
Guest(s):	**Darren Peirce**, Chief Technology Officer
	John Evans, Director of Marketing
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Claudia Imhoff: Hello, and welcome to this edition of the Boulder BI Brain Trust, or the BBBT. We're a gathering of international consultants, analysts, and experts in business intelligence, who meet with interesting and innovative BI companies here in beautiful Boulder, Colorado. We not only get briefed on the latest news and releases, but we share our ideas with the vendor on where the BI industry is going, and help them with their technological directions and marketing messages. I'm Claudia Imhoff and the BBBT podcasts are produced by my company, Intelligent Solutions.

I'm pleased to introduce my guests today. They are Darren Peirce and John Evans. Darren is the Chief Technology Officer and John is the Director of Marketing for Kalido. So, welcome to you both.

Darren Peirce: Thanks, Claudia. Great to be here in sunny Boulder.

John Evans: Hi Claudia, thanks for having us.

CI: Alright, well John, let me start with you. Kalido has an interesting history. Why don't we begin with that? Just a quick overview of the history of Kalido.

JE: Yeah sure, Kalido was developed by Shell, the oil company, a long time ago. They were looking for a way to make their data warehousing environment more flexible and more responsive to the changes they were going through in their business. They looked high and low for solutions that were already out there from other software providers and didn't find one so they set about making on themselves.

We're an interesting technology because we were actually developed, from the get go, to solve a specific business problem and that was around creating a flexible and agile data warehousing environment so that they would keep pace with the changes going on in their environment.

That, over time, was spun out of Shell. We became an independent software organization. We were venture funded and have continued that way and have been selling in the market, both in a data warehousing context but also in the area of master data management, as our solution has grown over that period of time.

CI: Like I said, very interesting history. You've had a pretty significant change in recent months. Silverback Enterprise Group recently acquired you. What do we expect from that change now?

JE: Silverback Enterprise Group is a collection of business operators with history, having run software organizations before. What they're doing is investing in really interesting companies that have great technology that they feel they can bring in their business expertise to in order to increase the scale and the rate of growth for those organizations.

What they're very interested in is making sure that our customers are well taken care of. They have a really strong program and focus on customer success and customer satisfaction. They're also backed by a pretty large venture fund, about $4 billion in size. That's going to bring additional resources to us that we can use to invest, not only in customer success, but also in expanding the footprint in the capabilities of our technology.

CI: It's an interesting approach. They take companies that have synergistic matches with each other and combine them in ways that the market wouldn't have thought of, I suppose.

JE: There's a great opportunity there for us.

They've done this before in other areas where they've brought together multiple organizations with complementary technologies in the same general market area and combined them so that they can leverage the synergies that exist between those technologies and between the organizations to create a bigger entity that has bigger scale, bigger resources, and larger customer base. And therefore, affords themselves an opportunity to grow organically, as well as inorganically by acquisition, for example.

CI: Very interesting. Interesting times for you guys.

All right Darren, let me go to you then. You compared the Kalido approach to data warehousing to the more traditional approach. Let's start there. What is the difference between the traditional approach to data warehousing and the Kalido approach?

DP: Claudia, we like to talk about the three Achilles' heels of data warehousing.

CI: Oh, there are three of them?

DP: There are at least three. The first is really about the cost and time it takes to implement a data warehouse. The traditional implementation cycles can take anywhere from 12 to 18 to 24 months. The average that a warehouse implementation can take anywhere upwards of half a million up to multiple million dollars. We believe that's too long and too costly an investment to get a decent return.

The second thing is that the secret cost to data warehousing is the massive expense that goes along with operating it using a traditional approach. We've taken a different philosophy. We believe that fundamentally that technology needs to vastly decrease the cost to operate the data warehouse so that you can expand it and grow along with your business.

The third piece of it is the time to value to implement a data warehouse. In today's agile world, the companies and organizations are looking for agile solutions that really address needs, not three, six, nine months down the line but far more aggressively and far more urgently. We believe the only way to do that is through automation.

CI: Let's talk about that. You talk about accelerating the data warehouse processes. How exactly do you speed things up? You're going through the same steps.

DP: I guess the short answer is a huge amount of investment. The investment has happened before you get to a customer's site. We've put a lot of investment and R & D in the technology to enable it to use what we call a "business model."

A business model is a graphical representation of the core entities and transactions inside a business. That's the tip of the iceberg. It enables the business organization and the IT organization to collaborate on their requirements and the design for the system.

But then the real magic happens when we deploy that technology to our automation engine. If you like, that's the below the surface of the water of

the iceberg. That magic essentially takes that model and does all the physicalization of the structures. But then, far more importantly, is it automates all the processors around data integration. Then also, facilitates the pushing of the Symantec layer out to the BI front end.

Essentially what it does is we start with a model that drives automation all the way from data integration and physical modeling and simplifies the tasks around data propagation to other systems to making it easier for traditional BI tools to access that data.

We've put a significant amount of investment into automating those processes. We see customers who have achieved benefits of six or eight fold improvements in productivity from the traditional time to implement and operate a data warehouse. Most of those time savings are really around the cost to integrate the data because after all, a data warehouse is all about the data. So that's at the root of the Kalido technology.

CI: We mentioned the Achilles' heel. You've mentioned some of the benefits, but I really want to get into the major sources of these benefits. You had a slide, early on in the session this morning, that talked about these major benefits. Why don't you go over those a little bit and then, especially that operationalizing the warehouse. I think that's the real key to your success.

DP: Absolutely. As we said, the automation is pretty expensive. It spans from data integration cost to accelerating the testing effort to accelerating some of the processes required to build and operate a data warehouse.

The operational side is perhaps the least spoken about benefit of the Kalido automation. The reason we tend not to talk about it that much is most people buy the technology to solve an immediate project or problem. The reality is in traditional data warehouses spend anywhere up to 100 percent of the traditional investment to do ongoing sustaining.

With the Kalido's automation, essentially what we allow is because we run a graphical interface that drives the entire system, you've got an easy way for developers to maintain the environment in an operational sense. We've expanded that to do many more things. We've expanded that to do things like automated rollback of loads. We've expanded that to do automatic versioning of data. We can immediately track the impact if a change is

made anywhere inside the system to all impacted objects. Unlike traditional lineage, we actually fix it automatically as opposed to just report an issue.

The net benefit of that is a vastly decreased operational cost. More than 80 percent of our customers claim to operate their data warehouse with less than five people. Which is certainly less than half of what we traditionally hear from most enterprise customers.

CI: It's actually very remarkable. I think what I particularly liked hearing was the fact that the bane of most people trying to keep their data warehouse up and running is a change to the database design. A new requirement that comes in that upsets everyone's apple cart. Now we've got to dump the data out of the data warehouse, redo the schema, load the data back in. That's a huge overhaul.

Kalido doesn't do that though, right? You can gracefully embrace these changes, which always happen to a data warehouse. There's no way around it. You can gracefully embrace the change and deal with it without going through all this horror.

DP: Absolutely, that's really where the secret source applies to the technology. The way we go about making those changes, we have a very, very rich Symantec structure. We hold the data in a highly normalized representation and expose it using traditional tables.

What that essentially affords us is the ability to take the data in, or take change requirements into the system and then recost not only the physical model but actually recost the physical data that's already been loaded inside the environment.

One of the things that you very often find as you design in a traditional data warehouse around the things you know about. The reality is in every data warehouse there's always surprises. Whether those come about because of tuning requirements, or business organizational changes, or data quality issues, or systems changing the underlying landscape.

The change necessitates a change not only to the physical structure, but all the data that's already been loaded. We do that in a graceful way, in

an extensible way, and we do it, if you like, automagically out the box. That really is the major benefit to the ongoing cost of ownership of the system.

CI: It's wonderful. All right, let's talk about a couple of examples. Tell me how your customers themselves are using Kalido?

DP: We have a wide range of examples. Historically, we've worked with a large enterprises that's obviously investing many millions of dollars into building and operating the data warehouse and therefore are willing to undertake leveraging a new technology or a new approach because they see a lot of benefit.

We also work with smaller organizations. More recently, we've been working with small to medium enterprises around the US where they perhaps don't have the same level of skills and capabilities that the large enterprises have and certainly can't afford any of the levels of investment that large enterprises have in developing those skills and those techniques inside the organization. They're looking for an encapsulated solution. We work in both those areas.

Some really good examples for us. Large enterprise accounts such the Labatt Brewing organization has been a customer for many years. What makes their implementation quite unique is just the scale that they've been able to achieve with an implementation. Scale not only in terms of data volume but also in terms of diversity of information that's inside the environment.

It covers such a wide array of subject areas of information, everywhere from health and safety and HR data through to financial and performance and planning; supply and logistics and distribution. The full gamut of the business operations. They've been able to do it with a very small team and delivering consistently every single quarter, year, over year, over year, over the last eight or nine years.

On the other end of the spectrum we have some smaller customers based in the US in the manufacturing space. They tend to use our technology to solve very point problems, both in manufacturing, as well as the retail space.

CI: All right. John, let me turn back to you then, we are starting to see some companies getting into data warehouse automation, which is wonderful, maybe someday we'll actually see a magic quadrant or a wave or something on data warehouse automation. That's good. I think we need to get there. I'm curious. How does Kalido differentiate itself from these other companies that are also offering data warehouse automation?

JE: That's a good question, Claudia. There are a couple of ways to answer that. I'll answer that in a couple of ways.

CI: OK, go for it.

JE: One is around just the way we approach the construction of the warehouse. We take a model driven approach, as Darren explained. The model's what drives everything in our system, from capturing the requirements to generating the physical schema. Controlling then what happens with the data as it cycles through from source to target. The target being your BI environment or put into some other system. That's one thing.

Another thing is we're not just standing up the warehouse, we're treating the data or manipulating the data as it comes in from multiple sources. We have the whole master data management capability that we can also bring to the solution that helps with getting good quality data into the warehouse and also managing the hierarchies and what not that are used to categorize the information.   A couple of things on the area of construction.

The other part that I think is even more compelling is around the ongoing operation and maintenance of the environment. Because of the automation in the construction, there's also a huge amount of automation that takes place during the ongoing maintenance and the life of that warehouse as it evolves and as it grows. That is where a lot of the benefit comes from, in terms of saving time and saving resources.

Then, the other part of that, really the third thing, if you will, is the ability to do this on subsequent projects. You want to stand up a data mart really quick, there's a number of us out there who do that probably in a similar amount of time. Then when you start saying, "Well, I've got this project, and

then this project." There's reuse across these things. The model driven capabilities that we bring and the automation that we bring can be extended to those other projects.

That's where you see the value over time of Kalido grow in these organizations. When we presented today, we talked about some of those examples that Darren just talked about. For example, the growth in the Labatt implementation as one instance of that.

I think those are a couple of the areas to think about in terms of how we're different from some of the other options on the market.

CI: Excellent. I think one of the best things that you do bring to the table is that vast amount of documentation about the environment. It's not just somebody slap dapping data into a database, you have just a wealth of documentation of where did it come from? What did we do with it? Where did it go? Who's using it? And so forth.

JE: Exactly. The model, in effect, is a lot of metadata. There's both the technical metadata that the technical side wants but there's also the business metadata.

One example we showed today was how the descriptions for objects and what they actually relate to can appear in your BI environment. That is going to help with building confidence in the users of the system that they've got the right information. They can understand what that information is about and where it came from and so on.

There is even opportunities to annotate things in the system, as well. You can leave those little notes for people behind. That way, you can always pass along responsibility for maintaining and operating the system.

CI: Yes, I was blown away by it. I thought it was quite good. Unfortunately though, we're out of time. That's it for this edition of the BBBT podcast.

Again, I'm Claudia Imhoff. It's been just fun to speak with Darren Peirce and John Evans of Kalido today. So thank you both.

JE: Thank you very much Claudia.

DP: Thanks Claudia. A really great event and really enjoyed being here. Thank you.

CI: I hope you enjoyed today's podcast. You'll find more podcasts from other vendors at our web site, www.bbbt.us. If you want to read more about today's session, please search for our hash tag on Twitter. That's #BBBT. And please join me again for another interview. Good bye and good business!

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