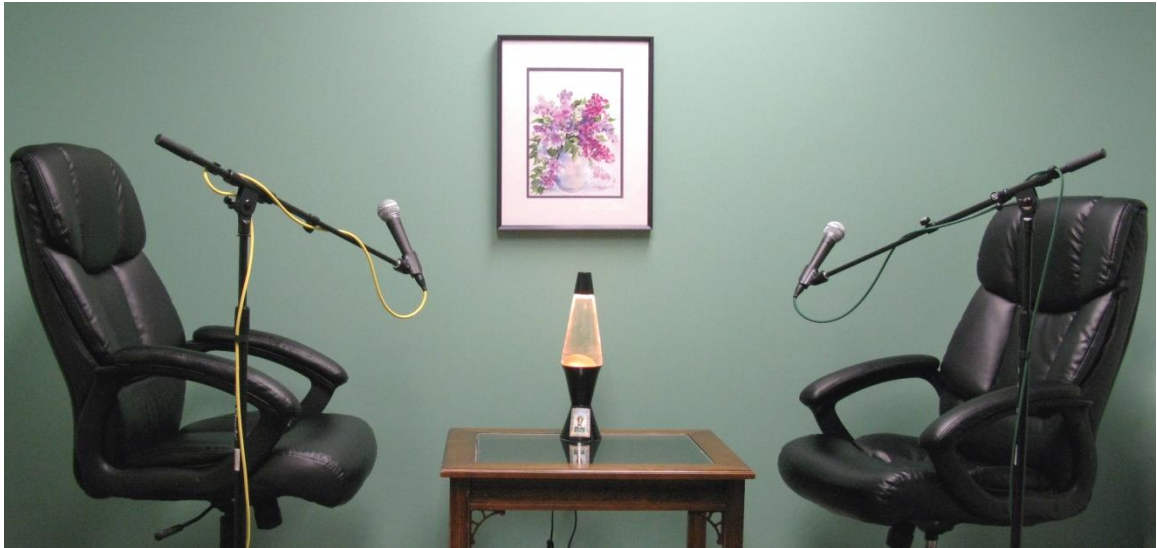




BBBT Podcast Transcript



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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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 guest today. He's my buddy, Darren Cunningham. Nice to have you, Darren.

Darren Cunningham: Great to be here, Claudia.

CI: Darren is the Vice President of Marketing for SnapLogic. So Darren, let's go ahead and start with a quick overview of SnapLogic and what problems it solves as a company.

DC: SnapLogic is a Cloud integration company and we are focused on really three key areas. One is an area, near and dear to you, it's all aspects of data and analytics, helping companies integrate those systems. Often when there's a Cloud based system, that's a very good fit for us, not surprisingly.

The second is application integration, so helping companies who are moving to, say, Salesforce or workday service now. Some of these newer software service systems, keeping those systems in sync, connecting them into one another, but also connecting them to on-premises systems. Like SAP and Oracle and all that legacy stuff.

The third is APIs. Really, we're living in this API economy. APIs are everywhere. Everything's an API. We feel like we have a really modern platform that can handle all types of integration, any speed, any velocity, and any variety.

CI: We'll get to that modern platform in just a moment. The other part that you talked about this morning was a really interesting survey and you ran it, what, about a month ago, I guess?



DC: Just last month, yeah.

CI: It's hot off the presses. There were some survey responses that surprised me. Some were very interesting. Some were expected, but there were a couple that were actually unusual.

Tell us a little bit about the responses.

DC: The first response we saw was that the majority of the customers and survey respondents have more than four SaaS applications in their company, often many, many more, and they don't always know how many. But the volume of these systems that are coming in is incredible.

The second is in the area of integration, we ask, "What's the business driver for a Cloud based approach to integrating these systems?" The number one answer we received was speed, really time to value, and speed of a solution. Which really showed us that integration is still a bottleneck. It's still a barrier to adoption. It's a barrier to ROI. If you don't get that right, you're not going to see all the value that you're hoping to get from these new modern Cloud based systems.

Another area that we asked about, which was really good and encouraging for us, we asked more technically, "What is important to you technically in a Cloud based integration service or platform?" The answer we received was scalability in really sort of a modern approach, the ability to handle both rows and columns requirements, as well the app integration event based messaging requirements, was top of mind.

The survey validated some of the things we had been working on, but it also pointed out that integration still is a hard problem to solve.

CI: It was an interesting thing. Security is still high up on the list. Although, honestly, I don't know why.

DC: Sometimes, job security more than actual security, right?

CI: Yeah and speaking of that, the other one that came up was this idea of the citizen integrator. It was third on one of the surveys, I don't remember what. I thought that was interesting. Explain, first of all, what is a citizen integrator?



DC: There's a lot of talk in the tech world about citizen developers. The people that are coming into the workplace today are much more technically savvy. We're seeing a resurfacing or reemergence of writing code. The Obama campaign or Obama just put out a, "Teach your kids code. Code is cool."

CI: Who knew?

DC: Exactly. Nerds are cool. This is the way to be right now. What we saw there in that response was that citizen integrators, we're calling, we're twisting the citizen developer to citizen integrator. These are people who may not be classically trained in a TIBCO and Informatica. They haven't developed that expertise or even developed those muscles, but they have some technical chops.

They understand data. They have a need for access more than anything. They want to get their hands dirty.

Think about salesforce.com. You're running Salesforce, you can change a field, add an object, and do things very quickly in that system. If you have to then go to your integration expert to actually get the right data into those fields, it's going to defeat the purpose and benefit of the SaaS system in the first place.

We're talking a lot about this concept of self service and these views and not a new topic in the area of the analytics, but I think a newer topic in the area of integration. Can you make a hard problem easier?

I don't think you're ever going to make it super easy, but can you do the best you can to simplify the problem?

CI: That leads to my next question which was an area that you talked about for quite a bit. Gaurav Dhillon has written a white paper or a book, I think, written something on the integrator's dilemma. The question is what is the integrator's dilemma?

DC: He hasn't written a book, yet, but I think that's a good idea.

CI: I think he should.



DC: I would encourage him to do so. Also, we're playing again with this...In the world of technology, the innovator's dilemma is a very hot topic. Clay(ton) Christensen has written a number of different books around innovator's dilemma and innovator's solution, which talks about these disruptive technologies that often companies miss.

Along comes the new thing, and under their nose, people move. There's a shift. There's never been more of a shift happening. I've seen some of the industry analyst firms call it the...What was the word that I saw? It's a trifecta, it's a Megatrend. Everything's happening at once. Social, mobile, analytics, Cloud, there's just such disruption happening. Our twist on the innovator's dilemma is integrator's dilemma, which are two things.

One is that the newer world of SMAC if you will, social, mobile, analytics and Cloud, it's new, but your integration technologies are old. The legacy technologies if you will, they were built before this era. They were built to handle different problems. They do what they do well, for that world, but for example, let's look at all the unstructured data we see. It's not a world of rows and columns anymore. The types of data are changing daily.

There's a dilemma in that you've got this older technology, but the other dilemma is that you've got multiple teams. We see a lot of companies that have, most large companies, they have an application integration team, very savvy, and say, a TIBCO, BEA, Web Methods style of operational integration, and they have an analytics ETL, Data Warehousing integration team. Very separate worlds.

In the on-prem world, those have been coming together for years, but it still hasn't happened. We've been talking about convergence, and BPM, and that mix. I've seen the concentric circles diagrams, we all have, in the Cloud world.

I said earlier it's as sure as death and taxes that these are converging. Customers want one. They don't want to have multiple specialized teams. They're looking for a single platform, so we feel like our value proposition is being able to handle multiple styles, multiple patterns if you will, of integration. Then that integrator's dilemma is both the technologies, the



two teams, and this distinction that existed in the old world that we don't think should exist in the new world.

CI: I think the other piece of that, that was so refreshing to hear, was your understanding that we can't continue to just throw things at the Cloud, unintegrated things at the Cloud. There are so many BI tools now where if you've got a credit card, by golly you can have your own application. That doesn't integrate with anybody else's application.

I think part of the integrator's dilemma is also recognizing that the data warehouse environment is not all on-premises anymore. It's not even within a single database anymore. It never was perhaps. It's now up in the Cloud, it's on-premises, it's all over the place, so how do I bring together...I'm talking about analytics, of course, not operational applications, but even they are all over the place on-premises and in the Cloud.

It's a huge problem to try to get to that single version of the data, the nirvana that we've been talking about for 20 years. How does SnapLogic move the needle toward that nirvana then?

DC: Some of this I feel like is "Back to the Future," if you will. We've seen this movie before. The hair ball is happening again in the Cloud. It's almost even worse this time around because there's this notion that there's a Kumbaya in the Cloud where integration goes away, and all these systems speak natively, and integrate natively, and it's all just...Everything's syncing and you don't need an integration technology.

CI: You mean that's not true?

DC: That's really not true. All APIs are not created equally, and increasingly we're talking to customers who are looking for a layer. They're looking for an agility layer that can help them move quicker, lift and shift in some cases, help them move from the on-prem to the Cloud, but also keep things in sync.

It doesn't happen in a quick migration. You're migrating and you're synchronizing. You're not turning off Siebel when you move to Salesforce right away. There's some period of time where you need to have both. It is a hybrid reality that we're all in.



We're not saying that SnapLogic is only for Cloud integration. Most of our use cases are Cloud to ground. There's an element of our technology that will run behind the firewall and help you with that use case. But increasingly it's Cloud to ground, to Cloud to ground. It's a very hybrid type of orchestration that's needed.

The good news is I think there's more awareness in the need for integration. A lot of companies have had this sort of realization that it's pay now or pay later.

CI: A lot of them are paying later and it's more painful.

DC: Exactly. We like to say don't wait to integrate. Don't put it off. No matter what that Cloud application vendor says about it being easy, they're just trying to get that deal done. You need to think about integration early and often.

CI: Now let's get to that because you did mention there's the Cloud to Cloud. There's the Cloud to ground, ground to ground, and then ground back up to the Cloud itself. There are these four major use cases. Your company offers two ways. Your Snapplexes is what I'm talking about.

Why don't you explain a little bit about the Snapplexes? When do I use one on the ground, and when do I use one in the Cloud?

DC: We've taken another term. People have heard of software defined networking. We're starting to talk about software defined integration where there's a control plane, and for us that's the 100 percent multi-tenant Cloud service.

CI: That's the brain.

DC: That's the brain, exactly. That's where you do your design. That's where you do your management, your administration, your scheduling. You get provision and org, a tenant within the SnapLogic integration Cloud, and all your work is done in your private tenant.

The other piece then is the Snapplex, and that's really the run time. That's the engine. That's the worker. That's really our data plane, so the control plane, data plane. The Snapplex can run behind the firewall, and typically does. If



the data gravity as we talked about earlier is on-premises, that's where you're going to want your Snaplex to be.

If you're integrating SAP, Oracle, and Teradata...

CI: And they're all on your site.

DC: Exactly. You wouldn't want to have to move that data up and through a Cloud and then over somewhere else. You want to have it close to the data where that data gravity is. Now you can also have a Snaplex running in the Cloud for, say, NetSuite, Workday, and Redshift from Amazon. Why would you want to have your data go behind the firewall and then back up?

That is a unique aspect of our platform, this multiple styles of integration. Thanks to the Snaplex concept which can also, we like to use the word elastic, expand and contract based on the workloads that are required. As you need more capacity it will broaden and then shrink back down. Allowing you to only use the capacity that's needed.

CI: That to me is the brilliance of SnapLogic, or I could even have a hybrid version where I've got some ground versions versus some Cloud versions, some mixture of the two.

DC: You have a ground plex or a Cloud plex.

CI: Yeah, or both if we need to. I think that's what's unique about SnapLogic and what this modern architecture is all about. You pretty much do the integration wherever the data is. You move it to the sources of data that you're going to be dealing with and the targets as well, I suppose.

Now the other thing is you also mentioned Snap Patterns and Snaps themselves as kind of being productivity tools for anyone using your technology. Why don't you describe those a little bit?

DC: One of the core premises of the company and the name SnapLogic is that we think things should be able to snap together easily. Our Snaps are really connectors. They're pre built connectors. We have a team that builds the connectors, keeps up with the latest APIs, and we have 140 plus connectors on what we call our SnapStore.



A Snap can be for a Salesforce. It can be for a work day. Again, SAP, we have just a wide variety in social, Twitter. We have big data Snaps and the like, so that's a core value proposition. The first question customers ask us is, "Can you connect to..." and you name the system.

CI: Fill in the blank.

DC: The other part of the Snaps is we have a developer toolkit because we recognize there's a long tail of these systems, and we're never going to have all the Snaps in the world. We have very strong rest and soap and core capabilities to do things generically, but we also have a toolkit for our customers and partners to build their own Snaps.

They can decide to publish those for everyone to take advantage of or just run them in their own tenant. That's the one part, is Snaps.

The second part, of you asked around, is patterns. Again, this is, I think, a benefit of more of a Cloud based multi-tenant service. In our control plane, the brain as you mentioned, behind the scenes is a multi-tenant metadata repository. It happens to be running on MongoDB, and it's running in Amazon's Cloud. Our metadata is really the crown jewel here. We're getting smarter about what you're doing, how you're doing it, and we're learning that there's repeatability. We've created this concept of patterns where we can allow you to turn certain things into a pattern, or we can pre populate your org with patterns.

If you're doing Oracle to Redshift and doing some transformation in the middle, we can just drop a pattern into there as opposed to you creating it from scratch each time. What we wanted to start to do is build a whole community of these patterns and allow our customers and partners to build and share patterns. It's all thanks to this concept of one metadata repository, sort of the self-learning nature of the platform.

CI: Oh, that's brilliant. It really is, again, part of that modern architecture that allows you to do that kind of thing. Speaking of the architecture, you do have a new release. It came out in March I guess of this year.

First of all, very briefly because we're running out of time, but can you tell me just some of the new features? In particular you've really focused on big



data. Everybody's focusing on big data, so why don't you tell me a little bit about that?

DC: There's an inevitability to focusing on big data.

CI: Yes, there is.

DC: If you're going to be a modern platform, this is increasingly where data's living.

CI: It's your middle name now, right?

DC: Exactly. First of all, all SnapLogic customers are on the same version, again a benefit of the modern approach, so that as we come out with new functionality everybody automatically gets provision. Now you can have things turn things off by default and decide when you want to turn them on because sometimes large customers don't want new features right away.

They want to be able to run an upgrade when they're ready, but that is an innovation advantage because we're moving fast. We're doing five week sprints. We're coming out with new things. We can move very, very quickly again because of the Agile approach.

The new platform, the next set of releases, is going to be very much focused on aspects of big data. On our older product line, before we rebuilt from the ground up this new elastic platform, we had invested in some concepts around what we called SnapReduce where we could start to push things down to run in a Hadoop cluster.

Thanks to some of the innovations from vendors like Cloudera, Hortonworks, and around Yarn and some of these other areas. We think there are some really interesting things we can do around this concept of SnapReduce. Stay tuned. That's all coming very, very quickly. That's coming, and there are already some things that we have done.

We're always going to be innovating in a few key areas. One is around usability. We want to try to simplify the end user experience. We've come up with some simple wizards to walk you through configuring your patterns. We're working on improving always the monitoring, so sometimes



integration's only as good as its availability and up time, especially in operational integration.

What they care most about is, "When it goes down, I want to know about it and I want to be able to fix it, because this is..."

CI: Or even better I want to be able to predict when I'm about to hit the wall.

DC: Exactly. That's what we've done around our monitoring, so you can see...We'll tell you in the dashboard that this node is running hot, you might want to add more capacity. One of the things we're working on is doing more of that dynamically.

We can do it dynamically in the Cloud and scale out. We're working on more ways to help scale out when you have an on-prem Snaplex, which is not small feat because you're running it on your hardware behind your firewall and your data center.

The innovation around the metadata is another area, being able to suggest things. Again, recognizing certain kinds of...We were talking earlier, if you had two sorts and it was causing huge performance drain, why not be able to tell you, and say, "Hey, you might think about fixing about that problem." Again, it's the benefit of having that shared metadata repository.

CI: And being able to see everything that someone is doing...

DC: Just through metadata, right?

CI: Just through metadata.

DC: Not their data?

CI: Not their data, of course. Just the metadata itself, but you do see everything that they do activity wise and that is a tremendous boost for any kind of software as a service company. You see how they're using your technology. It also helps you with these five week sprints, I suspect.

DC: It also helps...One of the huge differences in software as a service is the relationship with a customer. It's not just because the SaaS vendors are nicer, it's because renewals are the name of this game. You need its subscription model.



CI: You must be focused on the customer.

DC: You either use it or lose it, right?

CI: Right.

DC: We have to be focused on customer adoption. We want to be able to know that heading into renewal, they're using it. If they're not, we reach out.

We sometimes will call that "herd and rescue." If we see lack of activity, we'll go back in, give them some recommendation, maybe with some professional services and make sure that adoption's high because that's going to be the thing that reduces churn.

CI: Let's wrap it up then because it sounds like the agility, the five week sprints, your connectivity, all the Snaps that you've got available, and then, of course, the modern platform. It's not something that's bolted onto an older platform. It's something from the ground up. Would you...?

DC: I think you nailed it, Claudia.

CI: Do I get a 10?

DC: We like to talk about fast, multi-point, and modern. Those are the core tenants of what we're trying to do. Make it fast, make it easy and quick, and get that agility boost. Make sure our connectivity is broad and deep, but also able to be orchestrated across multiple systems.

Then really take advantage of some of the modern aspects so that those benefits come through to the customers.

CI: Brilliant. Absolutely brilliant. Unfortunately, that's it for this edition of the BBBT Podcast.

Again, I'm Claudio Imhoff and it's been such a pleasure. It really is. It's always a pleasure to speak with you.

My guest is Darren Cunningham of SnapLogic. Again, thanks, Darren.



DC: Thank you, Claudia. It's great to be here and I recommend everyone make the trip to Boulder. It's a great place.

CI: Thank you.

DC: Great people, good times.

CI: Thank you.

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!