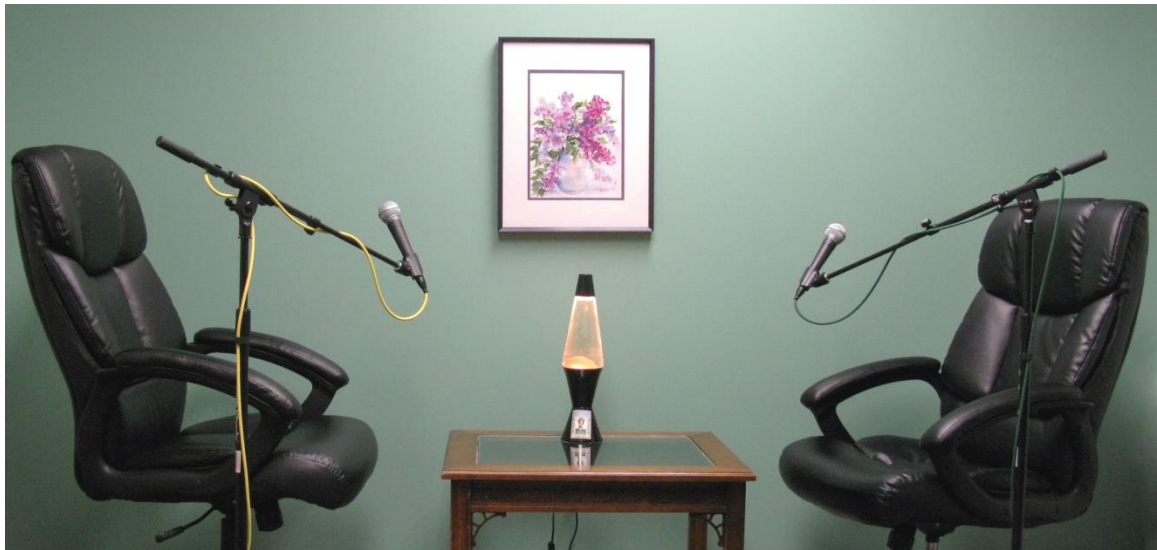




BBBT Podcast Transcript



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.

For more, see: www.bbbt.us.

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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 Dave Giannetto and Jim McDermott. Dave is the Senior Vice President of Performance Management, and Jim is the Director Business Consulting Group for Salient Management Company. So, welcome to you both.

David Giannetto: Great, thank you for having us.

CI: Well, Dave, let me start with you. You started off with Salient's vision. The company's been in business for 30 years, which is pretty remarkable for any company to be able to claim that.

You started with that vision statement. If you don't mind, tell me a little bit about the vision statement. You said it had been adhered to for most of the years of the company's existence. So what's so special about it?

DG: Well, I think, like many companies, we have a vision statement which really conceptualizes what we're all about. For us, it really defines the people we hire, the culture of the organization, how we develop technology.

It is absolutely unusual in our industry to have a company that's been around 30 years. Salient is privately held. Guy Amisano started it. He's had the company since then. It was really his original vision. His belief that all of the decision makers at all of the different levels of the organization need to understand the impact of their decisions on the value equation.

Are they making more money with each decision that they make? As a natural byproduct of that, do they have the information they need to understand whether or not their decisions are having a good or bad impact on margin or profit.



We're not trying to make things absolutely perfect for our company. What we're trying to do is facilitate or enable a learning process within the organization so that they are continuously improving performance, learning from what doesn't work, learning what does work, making a better decision next time, driving that into the information that's dispersed throughout the organization at all different levels.

In order to do that, there are few criteria that you have to meet. One is that there can't be huge gaps in that information. The other is that people have to have access to information and be able to get answers to their questions immediately, instantly.

IT has a very definite role, but management, people who are trying to understand performance, can't be reliant upon IT for their information needs. They need to be able to create information on their own. They need to be able to get to root cause analysis, all the way down to granular information.

It sounds very conceptual in nature but as you get to know our organization, our people, the philosophy that we live by, the features and functions of the technology, even, you'll see that we make actual, clear decisions about what we do and do not allow to creep into the technology, based on that vision.

CI: All right, well let me drill down into it just a little bit more. Part of the vision statement that you gave us this morning was, or a phrase in it, was "continuously improve performance".

Again, I'm not sure everybody understands how do I go about that? How do I even do that? What does it mean?

DG: Most of the time decision makers, we say "decision makers," it's mostly management that we're talking about, but we really should include knowledge workers -- people that are making decisions that require some deeper information to do their job well.

So when they come to work, a lot of times they're solving problems. They're executing transactions. They're putting out fires. That consumes their work day.



In high performing organizations, there's also a process that's working in the background, that's a much larger process -- maybe something akin to strategic execution -- where they are actually learning and growing as a team of decision makers. They're seeing what works. They're getting direct feedback on what doesn't work. They're factoring those lessons learned into the reiterative process of trying to do better.

So, how do we create better promotions? How do we price more effectively? How do we put better mixes and in more granular definition of customer accounts? How do we work more effectively with supplies or channels, or use assets more effectively, or which assets should we be buying over the long term, that are really optimizing our cost and getting us the best performance?

It's that larger continuous process of growing as an organization that we're really trying to embed in the organization.

CI: Excellent. Certainly a lot of companies need it. You touched on IT and you said that, well, maybe we don't want to be quite so dependent on IT. What is their role?

The one thing that you're known for, that Salient is known for is basically a self-service environment, where the business community can easily get at the information assets -- can manipulate them. They can do all sorts of things. Does that mean that IT doesn't have a role at all, or is it a different role for them?

DG: I think it's a little bit different role. There's a very necessary role. For example, one of the principles that we always operate based on is good data governance.

You can bring any information into the management environment that we create using our technology. We don't want people just bringing in anything on their own. There has to be good governance of the data so that the results that everyone is seeing, the definition of margin, the definition of performance, whether it's on time or cycle time, any measure, is consistent in nature.



IT becomes custodians of data. People that pass data, control data, enable the creation of data and the facilitation of that being brought into our environment. Once data enters our technology, a non-technical user, which most decision makers are non-technical. They need to be able to create what we might think of as an information asset, a visualization, an interactive report, something you can drill through, pull apart, slice and dice, and move in any direction.

They need to be able to create that asset on the fly, without needing to go back to a developer to create that report. We try to remove this reiterative back and forth between a person who needs information going back to a technology developer to define a report, push that a week or two later back over to the decision maker. It's not perfect, it goes back to technology, they improve it, and there's this constant lag of information.

For us, in our environment, a non-technical user can adapt that visualization on the fly. They can save it instantly. They can disperse it throughout the organization, and do a lot of different things with it, without creating any queries -- no writing, no concern with technology. It's all very simple.

CI: All right. Jim, let me bring you into the conversation a little bit here. You put up a number of slides that contained the salient architecture. I know it's hard to describe a picture -- that's what visualizations are all about, right? If you don't mind, why don't you talk a little bit about the componentry that you offer.

Jim McDermott: Sure. In terms of, first, the components of the stack, the salient architecture starts at the baseline with an integration tool that can pull from any data source. I described how we're partnered with SAP and with Microsoft, so we do have hooks into popular applications as well as ones for the common industries we serve.

The integration tool performs that extract, translate, and load process to help normalize the data, connect the dots, and also help us organize the relationships between the data. We connect any variety of information.

Very briefly, I actually showed a very comprehensive balance sheet, general ledger, financials, inventory, as well as market performance information, like



survey data or Nielsen and IRI facts. There's no limits on the data sources, multiple data sources at one time, some of them periodic, some of them close to zero latency or lower latency.

The next part of the stack is the server. A lot of people don't think about the engine under the hood, but a lot of our development effort goes into the actual engine. That engine is key to being able to have one data repository where you don't need to reference a separate source and archive. You have complete history with all of the underlying detail on that server, with split second response time for nearly any query.

The next step in the stack would be the two front ends. We believe this is very important and partly differentiating. Most organizations in our space really force a choice, "Are you going to go down a dashboard route or advanced analytics?" You're possibly going to have to set up two different data models to support both.

That one server services both types of data access with shared meta data, as you heard David express earlier. You don't have to have that choice.

Obviously, to do business with trading partners like suppliers, or set up customer information portals, they have to be very easy to navigate, very easy to gain insights from. The advanced desktop client is a native zero footprint browser-based tool, like the dashboards, it also is very accessible.

We also mentioned, right around the corner here, tentatively August, we have native support for Android and for Apple. We have a new application coming into that suite, that part of the architecture, to provide that third front end. All working off the same data model and able to interpret visualizations from one another to minimize rework.

CI: All right. Let's dive in to some of those visualizations, because that's a big part of your architecture itself. You have some of the traditional ones, the ones that everybody's used to -- the bar charts and so forth. What other visualizations do you offer, or other features of visualizations?

JM: Sure. I'm going to encourage you to think about the visualizations with me a little different than charts and graphs. When we think about how to present information, we think about the rational ways people ask business questions



to get insights. How am I performing over time? How am I performing one period versus another period, trending two different time frames against each other.

Another one would be summary comparisons. How am I doing on this brand for one period, say year to date, versus the same period goal or prior? Each one of those different ways of thinking about information, we create visualizations for.

We have a comparative time series. In a comparative time series we think through to compare two time periods. It's more than just trending multiple metrics. You need to know the percent change this period versus the other, week by week or month by month. That sparks a discussion of, what are all of the rational graphs that would help us visualize that performance? When you talk trends, you have to think, when you trend information over time, that's a simple line chart.

Another business question would be, how do I trend multiple members on one metric versus, say, goal or prior period? We try to take that perspective of, what are the rational ways to think about information and visualize performance? Because they do all look like line charts and bar charts, but when it's your world and relevant, there's a real variety of ways that organizations would want to do that.

A few more specifics. Bubble charts, pie charts, waterfall charts, trellis charts, scatter-grams. With all of those, we do provide interactions for investigative, root-cause analysis. Before we will release a chart into our suite, we program hot spots on top of them to make them easily interactive, to help answer practical business questions.

There are some unique visuals that we provide that you really won't see in other applications. It's partly because we did not set out to create a generic charting and graphing package. Instead we had clients coming to us like retailers or manufacturers saying, "I would like to visualize product life cycle. The initial introduction of a product. How many distinct customers have tried at least once? How many are repeat purchasing?"



I do exceptions. Say we have 40 percent buy in. At the end of the next quarter, 60 percent. Fall off again down to 30. That's difficult with numbers, to really gain the insights quickly on how those products are performing. We have visualizations, such as exception time series, that let you define an exception test.

That test essentially is re running every point on that graph every week, and helping you visually determine initial buy in, where you max out. Has every client tried a new product at least once? Did they re-purchase? Is it going to trail off or level out? Cannibalization analysis.

My point here is that business requirements have steered specific visualizations. While a stacked bar chart is quite easy to do, we've provided several variations of it to help represent a visual that tells you the relationship between products and whether you're generating the outcome that you desire.

CI: All right. Let me go back to you, Dave, because it sounds like you deliver some very sophisticated analytics, analytic applications and so forth. A lot of companies don't have very sophisticated analytical thinking people in some respects. If you present a lot of very sophisticated analytics, they may not understand or know how to interpret, even though they are visualized and that sort of thing.

How do you help your clients then get over that missing skill set? The other question is, can you help them understand which graph? Jim just rattled off a whole bunch of different types of graphs. Does your technology help the more naive user at least figure out what kind of graph is best with which kind of data?

DG: Yes, absolutely. There's a lot of complexity in the visuals that we provide. In addition to that, there's a lot of complexity in the functionality that backs those up and the different ways they can work with time equivalencies and combining different measures, or collections, or dynamic filters. There's a lot going on.

Since we're developing and delivering a technology into the market that is founded upon this belief that it shouldn't require a lot of technology skills to



utilize, we have to embed into that technology some intelligence to filter out visualizations, for example, that make no sense, given the data that the user is looking at.

In addition, it'll go a step further and it will filter out certain visualizations or tests that make no sense, given the combination of types of information, whether it's customer information, product information, supplier, buyer, brand. There are certain things that just don't make any logical sense when you sit down to ask a business question. It will pull all of those out. It's narrowing the universe for the user.

In addition to that, Salient is a lot more than just a provider of technology. We don't just integrate technology and then walk away. What we do is we sit down and we first work with the organization to understand where they're going, what their structure looks like. What's their role in the market? What do they wish it was? What are the processes that are providing information? How good or bad are those processes?

We pull that into it, and as a result of those conversations we're creating the data model which empowers our technology. Then after that's brought to life and validated and all those steps, we're coming back in and helping them understand how this technology with its different visualizations and its different modes of access, whether that's through dashboard or mobile device or deep analytics, how do each of those things actually help you do your job better?

We're holding their hand a bit and getting them off the ground. We're never just walking away and saying, "Here you go. Have at it." That doesn't lead to success in the long term.

CI: I agree. That's a very smart move.

Let me turn the tables a little bit. We've got about a minute or so left, so I guess we have to do this quickly. How do you differentiate your technology from your competitors? There are a lot of companies that claim to be visualization companies.

DG: It is a very crowded market. Our place within it is to bring to the market technology that facilitates the creation of what we call an intelligent



Community within the organization and those that surround it. We need to be able to deliver information via multiple, different front end applications, that enable people to consumer information in different ways and at the same time grow their skills at analyzing, and consuming, and using information to make decisions.

We offer a full suite that caters to people who just want to walk in, see the information that's important to them, perhaps drill into it, get a few quick answers, and then take action. We also need to be able to facilitate deep root-cause investigation in very complex subjects, both visually and tabularly.

We need to be able to push that out through multiple modes. We need to be able to give that to people consistently with the same definition, the same answer, the same result, whether they reside within one of the internal departments of the organization, whether they're an executive, whether they're a supplier or vendor or even a customer.

We have a technology suite that really has adapted itself to people consuming information in many different ways. All the while it is very governed and controlled -- gives one consistent view of information. It's in memory so it delivers information very, very fast across billions of records. All of those things combined with our understanding of the market and the way we work with client really leads them to better success.

JM: One thing I may add to that. When I discuss with our clients who've used a variety of technologies, what do they believe sets us apart? I believe "easy" is underrated.

Some of the feedback I've received is that, partly because we are premium priced in our space, that they have looked, they have tried, and they have found that no one really provides -- and this is coming from a sales manager client, which is a typical type of person utilizing our software -- that there was nothing that let them get a phone call from a customer, real quick ad hoc within a few seconds, know the entire history of the account, whether they're on an upward trend or downward, which products they stopped buying, they should try to resell, all within a few seconds, by themselves, not asking for any help.



DG: The one thing to add to that, it takes a few minutes, when you first experience our technology, to understand what it's like to work in an environment where you're not limited by summarized information. You're not mandated to hierarchies. You can actually analyze information the way you naturally think through a problem, whether it's in your professional career or in your personal life.

We don't conform to rigid structures when we try to pull apart a problem to solve it. The technology actually allows you to analyze the way you think, so we encourage everyone to take a few minutes and experience what that's like firsthand by reaching out to us and seeing it.

CI: All right, excellent. We've got 10 seconds. Tell me what's in the future.

DG: We're working on quite a few things. Whether that's increase the speed of the technology, that's always first for us, across larger and larger data sets, improve the number of visualizations, the act of intelligence. We are also working to incorporate real time information into the suite, because that's necessary for a certain amount of users as well.

Of course, we're really super excited about our really different approach to the native Droid and Apple apps that we're going to be releasing soon.

CI: All right, well, excellent. This has been most interesting. But unfortunately, we're out of time. We could continue, but we're out of time.

That's it for this edition of the BBBT podcast. Again, I'm Claudia Imhoff and it's been a great pleasure to speak with Dave Giannetto and Jim McDermott of Salient Management Company. Thanks so much.

DG: Thanks for having us. It's been great meeting you and being out here and talking to all the really knowledgeable people that make up your group. It's exciting stuff.

JM: Yes, thank you very much.

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!