



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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Host:	Claudia Imhoff, President, BBBT
Guest(s):	Rado Kotorov, Chief Innovation Officer
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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 is Rado Kotorov. Rado is the Chief Innovation Officer for Information Builders. Welcome, Rado.

Rado Kotorov: Wow, thank you. Thank you for pronouncing my name correctly. That rarely happens, but you did it with a perfect pronunciation.

Claudia: Thank you, that rarely happened for me too. I'm glad I got it right. Let's start off with an overview of Information Builders. It was an interesting mission statement, interesting objectives. Why don't we start right there?

Rado: We've been in business for 41 years. Our mission hasn't changed over time, but I think the importance of it has significantly changed. We're in the business of helping organizations maximize on their information and data investments.

We do it in two ways. First of all, we provide the entire tool set to manage the entire lifecycle of data and information. These are our highway technologies.

Second, we provide solid business intelligence and analytic solutions to improve decision-making in the organizations. These are two areas of specialization that we've had over the years. We built some deep and complex technologies to help organizations solve these problems.



Claudia: Let's talk about those a little bit, especially you brought up something called "The Data Value Chain." I really liked that graphic, because it pretty much laid out everything you want to know about data — who is responsible for what, is it an IT thing, is it a business thing? Without going into too much detail for me, why don't you talk about what the data value chain is?

Rado: The data value chain, we didn't quite invent it. We borrowed it from manufacturing. If you look at every manufacturing process, it goes from inputs to product outputs. When you align things from inputs to product outputs, you really can't see who is responsible to what, where are the bottlenecks, and where money is made in the process.

When we did this, it aligns with our mission because it focuses from our ability to capture data, to manage it, do transformation, integration, data enrichment, master data management, and data quality, to provide analytic tools to the analysts to extract insights.

Those three areas we call the data asset management, when you are getting from raw data into some resource that you can use to make money with. The next two areas where we push it further along the value chain, is building informational application for operational decision support.

You can align the decision-making and standardize it in the entire organization. It does drive employee behavior and overall organizational performance. And secondly, taking it to customer facing applications, when you are leveraging the retentional loyalty through much bigger benefits from information. That's the entire value chain from raw material to end.

Claudia: What I liked about it was the progression from raw material too, as you put at data monetization. Let's face it. Why are we gathering all this data? Why are we collecting it, cleaning it up, putting it somewhere if we're not going to do something with it, and hopefully monetize it to our benefit?



That's what was brought out in this data chain, was it's not just to be in a database somewhere. It's to actually create some value for the organization.

Rado: Yeah. We're moving along the lines from turning the data from just being a cost center or anything related to data being a cost center, that's actually turning it into a productive asset that generates some form of revenues or savings. That's why we have manufacturing. The paradigm is very valid. We're seeing a shift of mindset, where people are trading data as an asset.

It's strategically very important to the organization. We see many more products that are data-driven products. Car manufacturers are thinking about products as a service, making their revenues on the service rather than on the sale of a car. This is all enabled through data, so why not leverage again in this way?

Claudia: I love it. I also liked your strategy. It's an expansion of the land and expand kind of idea that's been kicking around for a few years. Your strategy is not just to land and expand, but then to entrench. I'm going to stop there, and let you explain what you mean by that whole cycle, if you will.

Rado: I think In the BI space the term land and expand was borrowed from the military. Somehow conveniently, people omitted that it was never just a land and expand strategy. In military terms, it has always been land, and expand, and entrench. Land and expand allows you to take quick wins out there, but it's only the entrenchment that allows you to secure your gains.

We know very well the old saying is that, "You can win the battle and still lose the war." That's where entrenchment comes. In terms of BI, we've seen land and expand typically into the self-service tools arena, when we provide quick ways for people to analyze data. It doesn't guarantee that the results of the analysis, the insights, go into the operational processes.



We need to remember that money is made only in operations. Everything that doesn't touch the operations ultimately will be something that's forgotten and a cost written off at some point. Really, when we look at entrenchment it's taking all this data and these insights, and making it part of the business model, part of the operational processes and applications.

This entrenchment allows the BI applications to grow together with the business, so they provide long-term sustainable revenue as well as learning.

Claudia: What I like about it in particular was your comment about it's the stabilization of these applications. It's not just land and expand and walk away. It's keep in touch with the customer. Make sure that your technology is expanding, is flexible enough, is being used as you put it to "monetize or bring value to the organization." It's that stabilization that is so very difficult. How does IBI reach that stabilization stage?

Rado: Part of it is what I mentioned the deep technology. Once you go into operations, you are talking about different skills and different reliabilities. Taking insights and turning them into a reliable decision support system for employees is not a trivial task.

It requires much bigger cooperation between IT, business process owners, and line of business managers, because you're building incentives based on the insights into that. You're touching multiple systems, etc.

When we look at it, really in the enterprise it's the operational processes that make money. They are the ones that secure competitive advantage. Organizations are very focused on improving overtime these processes. The information that flows through these processes and that improves the decision-making is absolutely critical.

This is the long-term learning that occurs. No process is permanently stable. A process is permanently constantly expandable. That's



where the relationship between IBI and the organizations that deploy operational applications gets very strong, and very creative in the long run.

Claudia: That's what is absolutely missing in those that just go after the land and expand. At some point, somebody else is going to land and expand them right out of the organization.

Rado: That has been the case, yes.

Claudia: Let's talk about something else that I was very happy to hear, and that's governance. For a while there, governance was sort of pooh-poohed as being, you don't need governance. Let's throw the data into something, go off and analyze it, and see what we get.

I think it has regained its importance, if you will, in BI environments. Tell me a little bit about IBI's governance capabilities.

Rado: Governance is important and we start thinking again about it because of mistakes. Once you go in and tell people freedom is okay but then freedom, as we know from the democratic system, requires a highly educated population too.

Analytics is a very complex area. We can talk about democratization, but it critically depends also on skill levels, and we know that there are big skill gaps.

Governance is back, because many decisions and many technologies were hyped, and they didn't live up to the expectations of automating certain things, such as maybe metadata generation, and definition of relationships between different data sources.

In fact, set operations on datasets are non-trivial. People were oversold that they could be automated.

Governance is back, because of all these reasons. We believe that governance is a management policy that allows an organization to



choose a degree between freedom and centralization, because we need some degree of freedom to be agile. We have a lot of talented analysts who can do very complex things with data without making mistakes.

But we also need some degree of guarantees, because especially if you think of decision support type of systems, the people who are making those decisions, they don't have time to think whether the data is accurate or not. They make decisions based on what's immediately presented to them.

From that perspective, we look at it as a technology enablement of policy. Once an organization decides the degree of freedom, then they have to enable the data access, the data management aspects, the tools, who uses the tool, and the sharing and distribution of the content.

We provide the technologies to enable any degree from complete freedom to 100 degrees IT centric. That's ultimately an organizational choice. We don't want to dictate to organizations.

Claudia: I think again, that shows the 40 years of history, the maturation to come to that decision of saying you got to have governance. Whether it's loose or tight, you decide. It depends on what the assets are that you're talking about, right?

Rado: Absolutely. We've learned that no two businesses are the same. In fact, businesses differentiate based on how the design processes, and how they leverage resources.

We learned through the 40 years, and we just want to enable them. We don't want to dictate the businesses.

Claudia: Excellent. Let's talk about something that I found again quite interesting, the analytic document format. I'll let you explain what it is. I think it is something that is desperately needed. It is a patented configuration that you have. With that...



Rado: I'll go from a personal story. There are billions of documents distributed in the world today. All of them are distributed in a PDF format, and it's static. When I get my bank statement and I want to submit my expenses, my bank statement comes in a PDF. There is no way I can separate my business expenses from my personal expenses.

I have to go to the bank, get an Excel export, a very cumbersome process.

We thought, "What about being able to do an in-document analytics and the ability to analyze the data that is in the document that is being sent to you?" This can be 401K statements, investment statements.

There are a lot of documents... utility statements... that incorporate data that people would like to analyze. The PDF document, the ADF, the analytical document is a play of words. PDF means Portable Document Format. It incorporated the data and the layout of the document in a format that everybody could view, having the Adobe Reader.

We changed a little bit of it. We retained the best qualities of it, the layout, the perfect design that people can do. We added the analytic scans, analytical document format. We made it extremely portable, so that you can view it on any device, and it would morph to the device.

We are also heading to the responsive designs, so that it can rearrange itself on small factor screens, which PDF still cannot do. We think we're up there for transitioning from PDF 1 to PDF. 2.0, which happen in the web too. We see the benefits of it from what happened with Web 2.0.

Claudia: Brilliant. We only have a couple of minutes. You have so many other capabilities. If you don't mind very briefly, talk about some of the other things that are coming up.



Rado: The two things are, one is on the analytical side. A lot of visualizations, support for big data analytics within our tools and invoices. Plus, a lot of integration with mapping technologies, and directly out of the box providing demographic and other location based data that can be used for analytical needs.

Probably what I'm most excited about is the integration of R stat within the Invoices Plus. It will create a single self-service tool for analysts who want to do ad-hoc reporting, data discovery, advanced visualization, and predictive analytics. It covers the full range of capabilities.

Claudia: I can't think of anything you don't have. Last question, Omni-Gen. We spent a fair bit of time talking about that. If you don't mind, first of all, what is it, and what do you see as the benefits of Omni-Gen?

Rado: It is our MDM, Master Data Management Solution.

What we have done there, we listened very carefully to our customers who have told us that it takes a very long time to implement MDM solutions, especially before you see any kind of positive result.

That ultimately discourages such projects. We analyzed the cycles.

We saw that the average cycle is about 18 months of an MDM solution. We set it has a targeted goal. How can we reduce these cycles to something like six months?

There was a lot of automation going in the tool...essentially, where you start with the definition of the customer records that you want to have the golden records.

From that point on, we built a lot of learning. We built the best practices and heuristic rules. We packaged them in an engine, so that can help guide the person through the process and ultimately automate some of the aspects of generating the golden record for the enterprise.



That's what it's in a nutshell, kind of a black box with a little bit of magic in it.

Claudia: A lot of magic in it, it sounds like.

We can certainly talk about that for several more minutes, but unfortunately, we are out of time. That's it for this edition of the BBBT Podcast. Again, I'm Claudia Imhoff. It's been such a pleasure to speak with Rado Kotorov of Information Builders today. Thanks so much.

Rado: Thank you. Thank you very much, I appreciate it.

Claudia: 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!