

The BI boom, Part 1: New players

A wave of consolidation has cleared the path for a new group of players in the business intelligence category. They're smaller and more agile, and they are doing things with data sets that previously were believed to be too large to manipulate.

In a year of consolidation in a hot business intelligence (BI) marketplace, IBM (NYSE: IBM), Microsoft (Nasdaq: MSFT), Oracle (Nasdaq: ORCL) and SAP (NYSE: SAP) secured leading positions in 2007. This has cleared the way for a new generation of BI specialists to emerge and take root.

"We like to compare the massive consolidation we saw in 2007 to a forest clearing. As the older, taller trees are chopped down, it enables the newer growth to flourish," Ken Rudin, CEO and cofounder of LucidEra, told CRM Buyer. "Innovation is coming from new, more agile vendors who can fully embrace new business models such as SaaS (Software as a Service) without worrying about potential civil wars from within. For the larger vendors, BI will stand for 'bloated integration' for the foreseeable future as customers struggle to upgrade and migrate and sales territories and business units get sorted out. In the meantime, the demand for the promise of decision support and performance management solutions continues to grow."

BI platform investment has been CIOs' highest priority for three years running, according to Gartner (NYSE: IT) surveys. Even with housing credit and finance problems and a slowing economy, Gartner still sees healthy growth ahead for the BI market, and opportunities for innovative, niche providers in particular.

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