

TECHNOLOGY AUDIT

Kalido Information Engine 8.5







Kalido




OVUM BUTLER GROUP VIEW

ABSTRACT

The Kalido Information Engine is a business-model-driven information-management foundation that governs data across the enterprise and automatically feeds information to industry-standard BI platforms and applications. By defining business rules in simple easy-to-understand graphical terms, and providing a way to easily enforce those rules, Kalido enables organizations to get the accurate, consistent information they need to make better decisions. Ovum believes that data governance can offer many benefits, including a reduction in data-management costs, but the primary benefit is undoubtedly in the area of business-risk reduction, particularly for organizations that operate in regulated industries. The Kalido Information Engine enables organizations to more easily manage and automate their data-governance initiatives. As a result, they can extend their reach and enable those responsible for implementing data quality at a technical level to collaborate more closely with their business colleagues. Although Kalido offers a replete and compelling solutions set, some organizations might struggle to see the business value of this software, simply because there is nothing to “see”. However, Ovum believes that the timing of this product could not be better because the negative impact on business performance of poor data quality is always amplified during turbulent economic times. Kalido does not have a bias toward customer or product data, and handles every master data domain. Kalido works across industries with significant customer depth across manufacturing/CPG, banking, media, and oil and gas, and has delivered pre-built solutions for pharmaceutical and insurance companies. Kalido could be challenged in instances where a corporate standard of SAP, Oracle, or IBM exists.

KEY FINDINGS

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|  Negates the negative impact on business performance of poor data quality. |  Acknowledges the different mindsets of business users and IT/IMS professionals |
|  The user interface is English only. There are no plans to port the solution to DB2. |  Model versioning needs more development. |
|  Available as a hardware appliance. |  Solutions available for the pharmaceutical and insurance verticals. |

Key:  Product Strength  Product Weakness  Point of Information

LOOK AHEAD

Future plans include developing more targeted industry-specific solutions in addition to the pharmaceutical and industry solutions now available, and extending the reach, scale, and scope of data-governance participation across business and IT.

FUNCTIONALITY

It is often said that we fail to value that which we have too much of, and now it would appear that businesses are in this situation with information. Business users face an information avalanche that is the by-product of transaction-oriented business systems and the increased application of IT, combined with easier access to ever more diverse sources, both from within organizations and externally. Information has never been so freely and abundantly available. Tools for “fishing” in the information pool and processing the “catch” (such as search, RSS feeds, and business intelligence) abound, but if the data is inaccurate or erroneous in the first place, then such tools only hasten the speed of bad decisions. Enter data governance.

Product Analysis

Worrying about the accuracy and integrity of data is not new in the IT industry, but the proverbial wisdom of “garbage in = garbage out” appears to have been forgotten in recent years. This is perhaps best evidenced by the still unfolding results of bad decision-making on a massive scale in the world’s financial markets. How is it that so many companies with such sophisticated information systems could get themselves into so much trouble? So, if bad data is at least part of the cause, is data governance the answer?

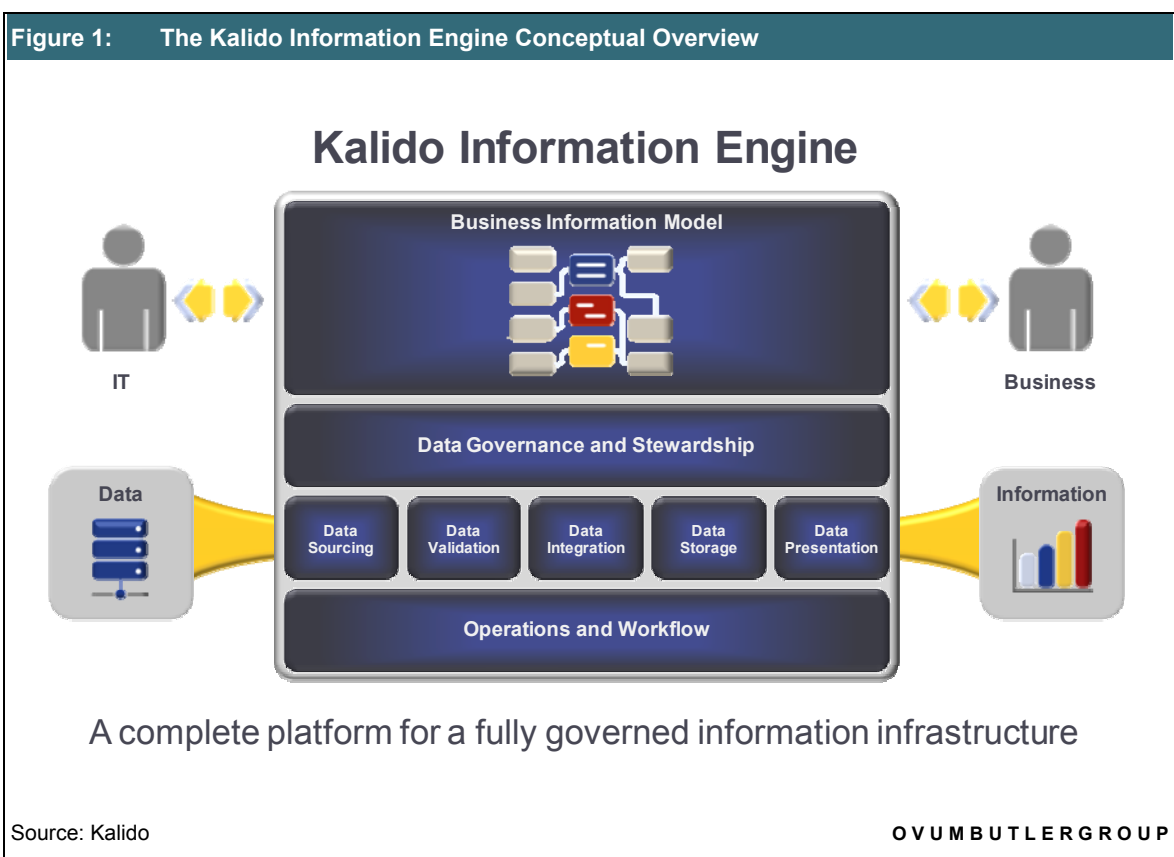
Data governance is the process of monitoring and maintaining data rules and inspecting data as it passes through business systems to ensure that it complies with the established rules and norms. This improves data quality and ensures that the time, money, and effort spent on collecting, processing, and storing data is not wasted by having bad data put into the system in the first place. Data governance can offer many benefits, including a reduction in data-management costs, but the primary benefit is undoubtedly in the area of business risk reduction, particularly for organizations that operate in regulated industries. Another benefit of data governance is that decisions are made more quickly and assertively because confidence in the source and quality of the data is much greater.

Ovum believes that data governance will soon become a regulatory requirement, in that data will be valued and included in company accounts, and data quality will be measured and reported as a key performance indicator (KPI). Furthermore, risk assessment and management around data will be pervasive.

The Kalido Information Engine is a business-model-driven information access solution designed to feed information to end users, often through their business-intelligence (BI) tools of choice, or to downstream applications. Using Kalido’s Information Engine, organizations are more able to deliver reliable, consistent, and accurate data back to source systems, as well as to business users through a master-data repository or existing BI solutions. The Kalido Information Engine enables business analysts to model critical business scenarios, such as organizational change or margin analysis, quickly and relatively easily. Traditional database constraint mechanisms start at the bottom, at a technical level, and rely on the UI or other systems built on top of them to resolve problems. In contrast, the Kalido Information Engine starts with the business user to prevent problems from ever reaching the database.

The Kalido Information Engine 8.5 enables organizations to extend the reach and range of their data-governance initiatives, and enables those responsible for implementing data quality at a technical level to collaborate more closely with business colleagues. The Kalido Information Engine includes a fully automated data warehouse, integrated master-data management, sophisticated business-modeling technology, and seamless integration with most popular BI tools.

It is now becoming increasingly obvious that enterprise-resource planning (ERP) and data warehouses alone can neither ensure nor deliver accurate, consistent, and timely information in order to efficiently manage daily business operations and allow managers to make better business decisions. The timing of this product could not be better because the negative impact on business performance of poor data quality is always amplified during turbulent economic times.



The Kalido Information Engine has been designed to help organizations rapidly deploy a governed information-management infrastructure. Its data-governance capabilities are perhaps best described as a “data firewall” that sits between an organization’s operational data and its BI tools, guarding against “bad” (unclean, inconsistent, inaccurate, or out-of-date) data from getting to the BI tools and providing a workflow-driven process to maintain its quality. It provides an adaptable enterprise-wide data-management foundation that helps companies ask and answer business-intelligence questions consistently and accurately from their data warehouses.

Kalido's Information Engine provides a wealth of functionality and tools, such as validation rules, governance workflow processes, and audit and control procedures. These help organizations deal with bad and dirty data that is often the root cause of common day-to-day business problems. As good as Kalido's offering is, there is still room for improvement. The solution runs on Oracle, Microsoft, and Netezza-based databases, but the IBM DB2 database is not supported. The collaborative modeling facilities that are now part of the Kalido Information Engine are a welcome addition, but real-time collaboration features are lacking and model-versioning is weak. Although the Kalido Information Engine is well suited to large multinational organizations, the user interface is only available in English. Furthermore, Ovum believes that the global appeal of this solution could be enhanced through a greater range of partners.

Kalido Information Engine is a horizontal solution that works well across industries. However, Ovum believes that this offering is particularly well suited to companies that are highly regulated, fast-moving, or operate in complex information-intensive industries. Kalido has pre-built solutions for pharmaceutical and insurance companies, and has significant customer depth across manufacturing/CPG, banking, media, and oil and gas.

Product Operation

The Kalido Information Engine is composed of four software components. These are for business modeling, warehouse automation, master data management, and BI integration. Working together as elements of the Kalido Information Engine, the components have been designed to deliver improved insight into an organization's "data well-being" while providing business units and the IT department with the means for interaction and collaboration on data-governance issues.

Kalido's Business Modeling Technology is a visual business modeler that drives IT and business collaboration to collect business requirements. Using the modeler, organizations can develop a conceptual model that shows how information relates to and will support end users. Information architects can work with business users to easily manage, edit, and keep the business information model up to date based on changing business conditions and needs. Kalido's fully automated warehouse reads the business model and automatically generates the underlying physical data model, staging tables, and generic storage. The modeler provides a common environment that is supportive of both business and IT department needs. Moreover, it improves common understanding and improves change management because of its direct link to the physical data structure.

Kalido's Fully Automated Warehouse automates the creation and lifecycle management of enterprise data warehouses. The warehouse is built to handle business change, and is able to deliver consistent information even through periods of major upheaval, such as mergers and acquisitions, reorganizations, or market consolidation. According to Kalido, this business-model-driven approach to enterprise data warehousing enables lower-risk, lower-cost rollout compared to traditional approaches. Moreover, the average Kalido enterprise data warehouse implementation takes three to six months, compared to 12 or more months for conventional approaches. The warehouse automatically generates the data model, adapts the model to accommodate business-driven change, and provides a robust history-tracking facility together with an audit trail.

Kalido's Master Data Management Capabilities can harmonize, author, store, and manage master data. This component is built on the same flexible data model used for the warehouse. Compared to some master-data management (MDM) applications that are dedicated to particular business entities, such as products or customers, Kalido's MDM can handle every kind of master data. Described by Kalido as a "fifth-generation" product, Kalido MDM offers greater performance and scalability compared to first or second-generation MDM applications. It is flexible, workflow-driven, and handles any type of data, making it applicable to a wide range of industry sectors.

Kalido MDM can integrate with the Kalido Warehouse as well as other target systems. Kalido MDM also provides a collaborative platform for a broad community of business and IT users, with the scalability and performance needed for an enterprise-wide adoption of a data-governance program. A dedicated MDM consumer interface designed with the non-technical user in mind enables business users to take ownership of data and participate in data-governance processes, resulting in continuous improvement in data quality. Kalido MDM is also available as a standalone product.

Kalido's BI Integration Technology accelerates and simplifies the task of connecting BI tools to Kalido. Using this functionality, Kalido ensures business definitions are consistent across reports and reduces the chance of manual errors. This in turn reduces the risk, cost, and effort associated with creating and maintaining BI environments with the warehouse. It enables BI reports to be driven by the business model and it automatically generates hierarchies and business metadata into BI structures. This module is wizard-based and obviates the need for any manual BI configuration.

Product Emphasis

The Kalido Information Engine helps organizations deploy a governed information-management infrastructure. The solution's data-governance capabilities provide a means for business users to take active ownership of their critical business data, resulting in more accurate, consistent, and reliable information. This offering can deliver business value across many areas, but its primary focus is that of helping organizations make better and timelier business decisions. The Kalido Information Engine is business-model-driven, best-practice-based, and highly automated. According to Kalido, businesses using this solution can become more productive far more quickly, reduce internal costs, and most importantly, respond quickly to major business events, such as organizational change, new regulatory requirements, or falling profit margins.

Kalido is eager to highlight the rapid time to value that its solution offers, as the company believes that implementation times are a fraction of that for traditional data-warehouse projects. The solution is flexible and the model-driven platform allows it to adapt to business change. Importantly from Ovum's perspective, the Kalido Information Engine offers strong data-governance capabilities including integrated MDM.

DEPLOYMENT

Both technical and business resources are necessary to implement a Kalido solution. Because it will be business users who develop the business model, organizations should not think of the implementation of Kalido Information Engine as an IT project. A deep understanding of business processes, as well as the data architecture that supports those processes, suggests a hybrid team of business and IT specialists. The implementation of the model is typically performed by a technical team, which might consist of:

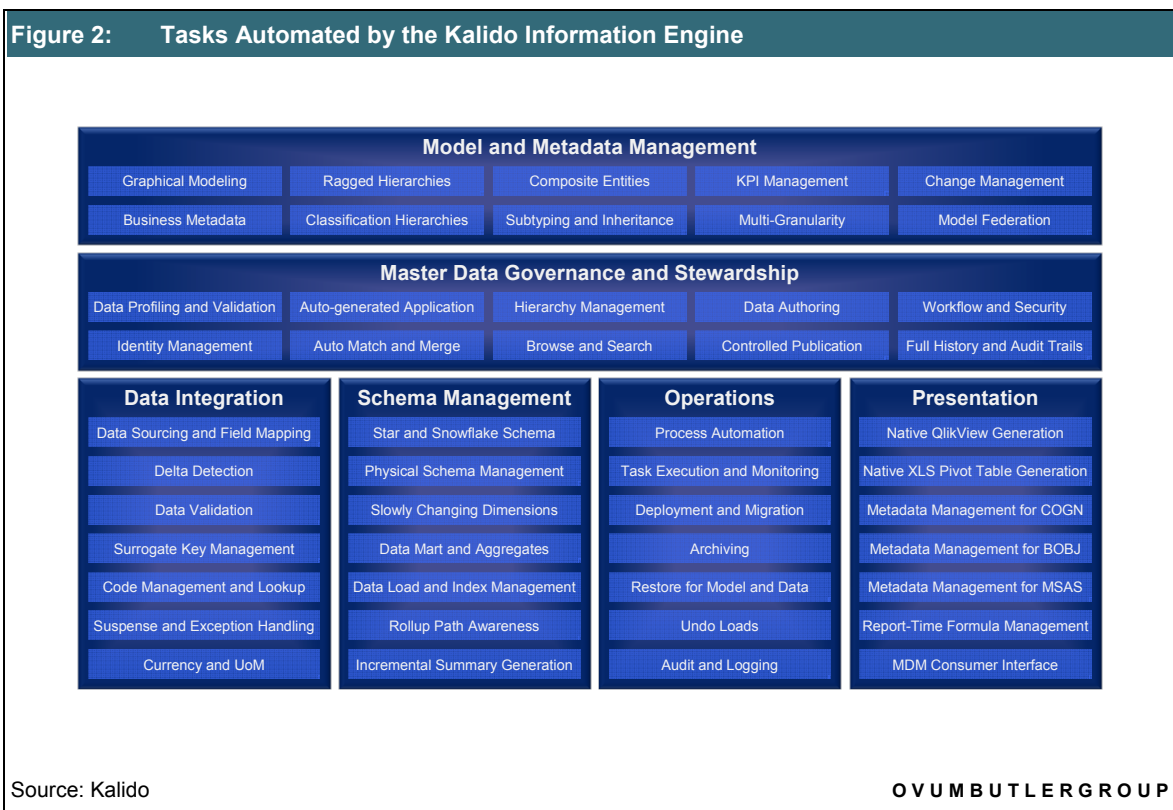
- A solution architect with overall responsibility for the architecture and business solution design
- A Kalido Information Engine product specialist to apply Kalido best practices to the implementation of the Business Information Model
- A data-acquisition specialist with responsibility for extracting data from source systems and making it available to the Kalido Information Engine
- A report-development specialist.

If technical resources are not available in-house, Kalido is happy to introduce a third-party systems integrator. Kalido uses a rapid iterative development methodology, and aims to deliver business value within 90 days. Its Kalido KONA Information Appliance (a targeted industry-specific solution offering) claims to deliver business value in 30 days.

The Kalido Information Engine can technically be deployed in a traditional waterfall approach, but this is not the approach recommended by the vendor. Kalido offers its own iterative methodology for production and deployment. Kalido further recommends that organizations deploy the components of the solution necessary to effectively solve the business problem that is driving the project or initiative. Although Ovum believes this approach to be completely viable, experience tells us that project scope “creep” is almost inevitable, and so strategic rather than tactical investment in this offering should be considered.

There are two types of resource required for a production Kalido system. The first is required to manage data exceptions and to perform traditional operational system support. According to Kalido, the traditional operational system support is typically performed by a half-to-one full-time equivalent (FTE). The second type of resource is a “data steward” responsible for resolving data-quality issues. The number of people that play this role depends on the type of data being managed, the processes defined to govern the data, and the organizational structure of the company. The number of people involved can be fairly large in large data-centric organizations.

Kalido offers three types of training: technical product training, modeling and architectural training, and operational support training. Technical product training is offered at Kalido’s facilities or on site. Kalido also has the technology for training attendees to remotely attend the classroom training that occurs at Kalido’s facilities. Modeling and architectural training is offered at Kalido’s facilities or at customer facilities. These courses are discussion-oriented so are not suitable for remote attendance. Operational support training is offered on site at customer facilities, and is typically for organizations that outsource their operational environments.



Product support is supplied by Kalido's support organization. Organizations can access Kalido's knowledge base or support organization via the Web or telephone. Application support is provided by internal operational support personnel, or it is outsourced to third parties.

The Kalido Information Engine client runs on Microsoft Windows XP (.NET 3.5). On the server side, one of the following web application servers is required: JBoss, IBM Websphere, or BEA WebLogic. The Kalido Information Engine supports the following data-warehousing environments: Netezza (a data warehouse appliance), Oracle, and Microsoft SQL Server. Kalido has no immediate plans to support IBM DB2 environments. It should be noted that the Kalido Information Engine is agnostic to source systems that supply data to it. As long as the data supplied is in a relational format or delimited text files, the product can consume it.

PRODUCT STRATEGY

The Kalido Information Engine is composed of software components for business modeling, warehouse automation, master-data management, and BI integration. Organizations can purchase the Kalido Information Engine as a whole, or they can purchase Kalido Master Data Management as a standalone solution. In addition, Kalido offers the Kalido KONA Information Appliance, which combines the Kalido Information Engine with a customizable industry-specific business information model, pre-built data loaders, integration and analytics, and pre-built dashboards (using QlikView) to effectively manage KPIs. This is built on top of a Kalido-branded Netezza appliance. Size and pricing for deployments range greatly according to the size and complexity of the project. Pricing for the Kalido Information Engine starts at \$650,000. Prices for Kalido MDM alone start at \$350,000. The Kalido KONA Information Appliance costs \$450,000.

The Kalido Information Engine is a horizontal data-management platform that can be of benefit to a wide range of organizations. Kalido's customer base cuts across many industries, including financial services, life sciences, energy, CPG/manufacturing, the public sector, and the media. However, the company is focusing on two specific verticals: insurance and pharmaceutical manufacturers. A portion of Kalido's field sales organization is aligned to these verticals, while the rest is aligned geographically, targeting organizations with annual revenues above \$500 million.

The Kalido Information Engine delivers rapid time to value. The implementation time is a fraction of that for traditional data-warehouse projects, and the highly flexible model-driven platform allows the solution to rapidly adapt to change. Advanced data-governance capabilities, including integrated MDM, deliver accurate and relevant information to the business. As is the case with many independent software vendors, Kalido is challenged in instances where a corporate standard of SAP, Oracle, or IBM exists, but the company often thrives in situations where offerings from these vendors fail to meet business requirements.

Kalido typically plans for major functional releases every 18-24 months, service packs (which can include significant functional improvements) every six months, as well as monthly maintenance releases. Kalido's product roadmap focuses primarily on two key areas:

- Developing targeted industry-specific solutions that enable Kalido to significantly improve time to value for critical issues facing particular industries.
- Extending the reach (through improved access), scale (with ever-increasing domains and volumes), and scope (through policy definition and compliance tracking) of data-governance participation across business and IT.

COMPANY PROFILE

Kalido was formed in 1997 by a team of IT professionals at Royal Dutch Shell who were challenged to deliver a new way of transforming data into information. The team developed what is now Kalido Dynamic Information Warehouse. In 2003 the company was taken private with investments from Atlas Venture and Benchmark Capital. Kalido software is now running at over 250 locations worldwide, helping companies of all sizes more effectively and efficiently manage their information infrastructure. Kalido continues to expand its product offerings and offers a range of solutions that enable organizations to manage their entire BI infrastructure. Kalido is headquartered in Burlington, Massachusetts, and has offices in the US, the UK, and India. Kalido's route to market is predominantly through direct sales, although the company has resellers, such as Logica in the UK, that also generate a portion of its revenues.

SUMMARY

Ovum believes that data governance will soon become a regulatory requirement where data will be valued and included in company accounts, and data quality will be measured and reported as a key performance indicator. Furthermore, risk assessment and management around data will be pervasive. The Kalido Information Engine is a business-model-driven information-access solution designed to feed information to end users through their BI tools. Kalido's Information Engine provides a wealth of functionality and tools, such as validation rules, governance workflow processes, and audit and control procedures. Using Kalido Information Engine, organizations are more able to deliver reliable, consistent, and accurate data to business users through existing BI solutions. The timing of this product could not be better because the negative impact on business performance of poor data quality is always amplified during turbulent economic times.

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