



Data trends on demand

By *Tom Sullivan*

LOOKING TO PROVIDE enterprises with an alternative to deploying BI (business intelligence) systems in-house, SAS Institute is moving toward an ASP (application service provider) model for its wares, including data-warehouse and data-mining tools.

Joining other vendors in a growing trend, the company currently is beta testing hosted versions of its offerings, as well as a portal that provides BI capabilities to customers, according to Richard Roach, the senior director of ASP efforts at Cary, N.C.-based SAS.

Initially, SAS's portal will offer reports and analytics on the type of traffic a Web site is attracting and what the site operator could be doing more effectively based on how users traverse the site.

"A lot of folks put up a Web site without any idea of how to make the most of the data they collect. They can read a few reports, but that is usually about it," Roach said.

Roach said SAS is working to have a number of customers using the portal by the second half of next year.

An ASP model can overcome current obstacles associated with BI tools. The preeminent goal of data-mining and data-warehousing technologies is for all users in an organization to be able to mine data from a variety of sources without even knowing that they are doing so. But companies that want to adopt BI are faced with technology that is difficult to handle and expensive to implement.

Use of data-mining and warehousing tools typically is relegated to back-office IT personnel who create reports when asked. As the ASP model has started to come into its own, however, customers are finding that subscribing to hosted data warehousing and data mining enables companies lacking expertise to access BI.

SAS is not the only company embracing the ASP model. In the past few months a number of relatively small ASPs have emerged that focus on mining Web-site traffic for customer trends.

Oracle and IBM are both moving in that direction as well, through partnerships or hosting the technology themselves.

IBM this week announced a corporate portal that connects users to office elements, resources, applications, and the unstructured content in which much of a company's knowledge resides.

Lotus publicized this week the first tangible offering from its knowledge management project, code-named Raven. The resulting product, K-Station, stores pieces of the decision-making process so they can be accessed using a hosting model.

Additionally, San Francisco-based corporate portal vendor Plumtree Software offers hosted BI tools through partnerships

with Cognos, Business Objects, Microstrategy, and a deal with ASP USinternetworking. A Plumtree spokeswoman confirmed that the company plans to sign up more ASPs and at least one more BI vendor in the near future.

Analysts, in fact, say that the ASP model is ideal for data warehousing, and vendors are jumping into the fray.

"The outsourcing model will start to look more like banking as companies realize that information is a strategic asset and want to start managing it like they do their financial assets," said Doug Laney, a data-warehousing analyst at Meta Group in Stamford, Conn. "They'll look to some kind of host to protect it, store it, provide various levels of access, cleansing, and integration with other data."

Part of the value proposition of accessing business intelligence via the ASP model is that customers do not have to know about some of the technology that resides behind the scenes.

"What customers see is analysis and reports, and what we see is the data warehouse," said Nick Besbeas, executive vice president at Digimine, in Kirkland, Wash., an ASP that hosts data warehousing and mining.

Indeed, Allrecipes.com, a Seattle-based Internet community centered on providing free recipes to site visitors, sends Digimine 1GB of log files every night at midnight. The next morning the analytics are waiting for Allrecipes.com's employees.

Before using the service, Allrecipes.com ran the analysis itself, burdening two Intel Pentium II-based servers for 24 hours on end to search the logs.

Mining that data resulted only in a representation of the total number of page views, a notation of the most popular page of the day, and a listing of the top 25 pages viewed that day.

Now the company receives almost anything that can be calculated from Internet logs, according to Scott Carreico, IT manager at Allrecipes.com.

"We've got a marketing department just dying for statistics, and they are always thinking of new reports that they want," he added.

The hosted BI concept is still young. An IDC survey shows that fewer than 5 percent of respondents said they currently use an ASP for hosting data warehouses or mining tools.

Smaller ASPs compete with large vendors

While the established data-warehousing vendors look toward an ASP model for their software, a slew of new ASPs are hosting similar offerings.

Digimine: Data warehousing and data mining

WhiteCross Systems: Data mining service, specializing in e-CRM

MatchLogic: Data warehousing and hosting for

digital marketing

WebTrends: Traffic analysis service for Web-site visitor relationship management

Accrue Software: Hosting and analytics for optimizing Web-site visitor response

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