

Daily IT News, Comment and Analysis

June 26 2007

MarketWatch: Business Objects EIM Redux

Section: 05. Business Intelligence

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SUMMARY

Business Objects has released new versions of its extract, transform, and load, and enterprise information integration products. It has also tightened up integration between its ETL and its data-quality products. However, more work needs to be done to deliver fully rounded and truly cohesive data management suite. The final outcome of an Informatica patent infringement suit filed against Business Objects' Data Integrator, a key product in its rapidly evolving enterprise information management suite, could also have a profound impact on the company's aggressive development schedule.

Enhancements

Business Objects has assembled a suite of data-integration products largely through acquisition. The products, which collectively form the basis of Business Objects' Enterprise Information Management strategy, now include:

- Data Integrator XI - an ETL tool acquired from Acta Technology in July 2002
- Data Federator XI - an EII tool acquired from Medience in September 2005
- Data Quality XI - a data-cleansing and profiling tool acquired from Firstlogic in February 2006
- Metadata Manager - a home-grown metadata management tool

Business Objects recently upgraded part of its EIM suite specifically, Data Integrator and Data Federator, providing grid-computing

enhancements, improved data governance capabilities, and tighter integration with the Business Objects Metadata Manager. Business Objects has also tightened up integration between the Data Integrator and Data Quality products.

Data Integrator XI

The new Data Integrator comes with new features including: improved memory utilization, persistent data caching, sub-data-flow parallel processing capabilities, support for transform-processing pushdown to intermediate data servers, automated (self) ETL-server tuning, enhanced scheduling and security, and native Excel workbook support.

In a special point release, Release 2 version 11.7.2, Business Objects has also removed the single integrated input-output embedded workflow feature that is the focus of its patent dispute with Informatica.

The special release also adds more flexible data source and database options that improve scalability. Specifically, this includes better support for Netezza's NPS data warehouse appliance system and the open source MySQL database.

Business Objects has also broadened support to Unix and Linux for the previous (11.7) version of Data Integrator, and has provided native 64-bit Solaris and AIX versions of the latest release.

Data Federator

The new Data Federator ships with an enhanced query optimization facility that is able to automate the selection and execution of optimal join operators for the population of target or virtual tables. It also offers an enhanced user interface and extended connectivity options to data sources and other components of the Business Objects XI platform.

Integration

Business Objects has now delivered integration across several of its EIM tools. It has improved integration with Metadata Manager, which actively collects and unifies BI, ETL, EII, and third-party metadata. For example, Data Federator now relies on Metadata Manager to capture information about the dynamic relationships among native sources and

target tables, enabling end-to-end data lineage and impact analysis across dynamically integrated data sets.

Integration between Data Integrator and Data Federator and Data Quality is also much improved. Data Integrator now integrates fully with the data quality business rules repository, providing a simplified visually oriented data quality business-rule configuration tool, supporting straightforward graphical insertion of data.

That Business Objects should first announce integration between Data Integrator and Data Quality is to be expected. Data Integrator is based on technology acquired from Acta five years ago. Business Objects also had a longstanding relationship with Firstlogic, which it resold with Data Integrator.

Business Objects still has a bit of work to do on other fronts:

- Data Federator has still not been integrated with Data Quality. Since both products were acquired in late 2005 and early 2006 respectively, Business Objects is still building links between the two code sets.
- Business Objects has not yet articulated a master data management strategy.

Patent Suit

Looming large over Business Objects is a "willful patent infringement" lawsuit served by rival Informatica in July 2002 just days after Business Objects acquired Acta Technology for its ETL technology, upon which Data Integrator is now built.

The lawsuit originally focused on several patents relating to broad methods of transformation and optimizing ETL throughput in data warehousing, and methods for sharing metadata between multiple data marts through object references.

Informatica dropped the optimization patent claim in February but is seeking an injunction against future sales of Acta/Data Integrator and damages for past sales. Predictably Business Objects filed a counter-claim, arguing primarily that each patent is invalid and unenforceable.

The trial officially started in March. First blood went to Informatica in April after a jury hit Business Objects for \$25m in compensation for

unpaid royalties. Because the jury found that Business Objects' infringement was willful, it could pay up to three times as much.

Then in late May Informatica was granted a permanent injunction blocking Business Objects from shipping the infringing technology in future releases of Data Integrator. Perhaps anticipating that decision, Business Objects had earlier in the month removed one of the infringing patents from a special release of Data Integrator. With the injunction now served, Business Objects either has to pull Data Integrator from market altogether or strip out and replace the infringing technology.

The case could well have broader ramifications for other ETL software makers who could now face similar claims from Informatica if its patents stand.

Conclusion

Business Objects clearly feels a need to refresh its data-management portfolio to keep up with competitors like Informatica and IBM Ascential, and to extend beyond its core BI focus. With data volumes escalating, data-integration tools need to provide robust grid-enabled scalability. And with compliance now a top priority, data-governance features are becoming key differentiators for any data-integration platform.

The revamped Data Integrator and Data Federator products do deliver substantive functional enhancements to meet both these requirements, but Business Objects still needs to integrate components of its EIM suite, notably Data Federator with its Data Quality offerings, even though similar integration exists between Data Integrator and Data Quality.

The bad blood between Business Objects and Informatica will continue to flow as a result of the patent case that appears to have run in favor of Informatica. Business Objects' recent removal of the patented feature is more or less an admission of guilt, on one patent count at least. The overall outcome could be quite damaging to its pocket as well as its EIM strategy, which grew nearly 100% last year to about \$55m.

Data Integrator is a key component of the EIM suite. It is an affordable enterprise-class ETL product that is heavily weighed toward data warehousing and BI that has recently started to make some inroads in

the broader operational data-integration space. Business Objects has invested heavily in Data Integrator, and its removal (or any stripped-away functionality) from the market or the need to develop a sub-optimal workaround, could stunt the progress that Business Objects' has recently made in EIM.