A Faster Path to Profit for Technology Solution Providers
Table of Contents

Executive Overview .......................................................... 2
The Challenge: Time-to-Market Can’t Wait ............................. 2
Build vs. Buy ........................................................................ 3
Shorter Time-to-Value .......................................................... 3
Establishing Incremental Revenue Streams ........................... 4
Creating Competitive Advantage ......................................... 4
Informatica as an OEM Partner ............................................. 5
  Proven Technology .......................................................... 5
  Established OEM Program ................................................ 6
Conclusion ............................................................................ 7
Executive Overview

As the pace of business continues to accelerate, application and cloud service providers that want to remain competitive need to bring new products and services to market in less time than ever. This paper explains how providers can achieve that goal by embedding market-leading data integration capabilities from another vendor into their offerings instead of building their own data integration functionality.

The Challenge: Time-to-Market Can’t Wait

Technology trends including cloud services, business process outsourcing, mobility, and the growing Internet of Things have upended the standard way of doing business in almost every industry. The growth of software-as-a-service (SaaS) alone gives some idea of the extent of this shift. In a recent report, Gartner estimates that the SaaS market will have grown significantly, from $18B (2012) to $33B (2015).\(^1\) It’s no surprise, therefore, that for two years in a row, 65 million small and medium-sized enterprises have identified data integration as their major technology challenge.

Independent software vendors, systems integrators, and IT consulting services now have unprecedented opportunities to help customers turn data into a strategic benefit: reconciling customer identities; managing master data; integrating unstructured messages such as emails, enterprise data integration (EDI), or high-speed content from multiple third parties; aggregating and cleansing redundant sources; and/or managing real-time or near-real-time alerts and events. However, they also face significant challenges in meeting customer expectations with a successful deployment:

- Customers anxious about stiff competition are demanding that technology providers help them deploy more powerful technology with more significant results in less time than ever before.

- Technology solutions must integrate more customer and third-party data, at higher speed, from an increasingly broad range of sources, including on-premise systems, cloud systems, ERP, social media, and machine sensors. This poses an especially urgent and complex challenge for solutions that link cloud-based and on-premise systems, particularly as the number and variety of SaaS solutions grow.

- Providers have limited resources for integrating existing types and sources of data, and no resources for scaling data integration within their offerings to accommodate emerging applications. Given how quickly the technology landscape is evolving, their solutions are at high risk of being outdated almost as soon as they are introduced, and they may not be able to extend them quickly enough to retain or expand market share.

If technology providers expect to establish and defend their market presence across increasingly complex and heterogeneous environments, their solutions need to handle data integration and management seamlessly. They can try to build their own data integration functionality from scratch. In most cases, however, it makes more business sense to take an overall OEM/SaaS approach: licensing existing technology to embed into their offerings as an invisible but critical “under the hood” infrastructure layer. This strategy lets technology solution providers deliver proven data integration and management functionality necessary to support their customers while focusing their own resources on improving their core offering and bringing it rapidly to market.

Build vs. Buy

Technology solution providers that need to incorporate data integration capabilities into their solutions face the same kinds of build vs. buy decisions as any other company: How do they acquire the right technology at the right cost to achieve the fastest time to value? Because they already have software developers and engineers on payroll, technology providers often assume that building any functionality they need is the most sensible business approach.

Most technology providers have data integration requirements that don’t need application-specific coding developed in-house. Embedding proven, off-the-shelf data integration functionality significantly accelerates development time while reserving finite resources for enhancing the provider’s core capabilities. This approach reduces the risk of project delays and errors that at best whittle away at revenue opportunities and at worst give competitors the chance to establish market foothold or even dominance.

In addition to letting providers offload the development tasks and costs of building their own data integration capabilities, taking an OEM approach relieves them of the burden of maintaining and upgrading data integration functionality as the market evolves. Embedding data integration technology from a market-leading vendor such as Informatica® accelerates time-to-market for solution providers. Simultaneously, it ensures that the solution includes all the necessary tools for a successful deployment, including data transformation technology as well as connectors and adaptors for various applications.

Shorter Time-to-Value

Although an OEM strategy is invaluable in helping technology solution providers beat the competition to market, being a first mover in the market is only half the battle in winning customers. Prospective customers want their own fast on-ramps to market, and providers must be able to deliver on their promise of rapid time-to-value. To move customers quickly from contract signing to go-live, solutions must include out-of-the-box connectivity and pre-built tools for necessary functionality such as data formatting, data mapping, and data quality. By eliminating cumbersome manual processes, these embedded data integration capabilities enable technology solution providers to onboard customers in less time.

Informatica® solutions make the customer onboarding process as much as four times faster and automate it for greater repeatability and scalability, enabling solution providers to onboard more customers simultaneously and expand their market to include customers with more end users. Informatica technology also provides greater visibility into the onboarding process, helping providers and their customers to spot and resolve problems sooner for a more streamlined, efficient go-live. The faster customers begin to generate value, the sooner providers start to realize revenue.
Establishing Incremental Revenue Streams

To grow, solutions providers need to identify opportunities to attract new customers and cross-sell to existing ones. By embedding prepackaged Informatica templates in their own user interfaces, providers can more easily integrate both current and new types of data in cloud systems and on-premise applications, even behind a customer's firewall. This extends the solution's reach and increases revenue opportunities with minimal development investment.

Xactly, a cloud application for managing incentive compensation, is one example of how leveraging Informatica data integration solutions can extend a provider's reach. Xactly itself is only capable of importing data from CSV files and Salesforce. By embedding Informatica Cloud® technology, Xactly can also enable end users to import and integrate data from QuickBooks and NetSuite. Users remain within the Xactly interface while Informatica works seamlessly and invisibly "under the hood."

Creating Competitive Advantage

Buying data integration and management functionality instead of building it in-house gives technology solution providers a sharp competitive edge. Building out-of-the-box data integration tools into solutions helps providers facilitate client project delivery, both in completing development sooner and in supporting rapid deployment. Additionally, making key data integration tasks automated and repeatable allows providers to reuse them in new products and services for simple scaling and faster development.

Gainsight, a native Salesforce application for analytics about customer churn, and upsell opportunities, has embedded the data integration capabilities of Informatica Cloud into its own cloud offering. As a result, Gainsight can access and integrate information from its own Salesforce instances, Mongo and Hadoop databases, and a wide variety of customers' own marketing systems at high speed and at virtually any scale.

"By incorporating Informatica’s innovative cloud-based data integration technology into our Cloud BI platform, MicroStrategy offers its customers a best-of-breed approach that is easy to implement and highly cost-effective, while sacrificing nothing in application power, performance, and flexibility."

David Polley,
Director of Cloud Enterprise Programs,
MicroStrategy
Informatica as an OEM Partner

Proven Technology
Informatica Vibe™ Virtual Data Machine, the technology underlying Informatica’s market-leading data integration platform, is designed to extract data from anywhere and deploy it to anywhere, unlocking data from current technologies and future-proofing against changes. Built on 20 years of innovation, Informatica Vibe is the foundation of Informatica’s industry leading data integration platform—number one in cloud data integration on AppExchange five years in a row—and a leader in the Gartner 2014 Magic Quadrant for Enterprise Integration Platform as a Service published January 27, 2014 and The Forrester Wave™: Hybrid Integration, Q1 2014. Its “Map Once, Deploy Anywhere.” capability eliminates hand coding, allowing partners to innovate and deliver their own intellectual property while insulating them from architectural changes.

Informatica Vibe accelerates innovation and shrinks time to market by letting solution providers focus on their applications instead of the challenges of accessing and processing data. A broad array of prebuilt connectors and templates encourages reuse of assets across projects and lets providers fully access all their information, on premise and in the cloud, regardless of source or type of data, with no need for recoding.

Informatica Vibe powers Informatica Cloud, purpose-built cloud data management and integration applications that allow business users to validate, cleanse, secure, and integrate data across cloud-based applications and on-premise systems and databases. Informatica Cloud can be embedded into any SaaS or on-premise solution to address specific business processes such as customer/product master synchronization or opportunity to order as well as point-to-point data integration requirements like Salesforce to on premise or cloud-to-cloud applications. Informatica Cloud also delivers the industry’s most comprehensive cloud integration platform as a service (PaaS) offering, including a Cloud Connector Toolkit and Cloud Integration Templates, so solution providers can build, manage, and share their own custom cloud data management applications through the Informatica Marketplace.

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2 Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings. Gartner research publications consist of the opinions of Gartner’s research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.
Established OEM Program

With a data integration platform that is application, database, and operating system neutral, Informatica offers a strong value proposition for technology solution providers seeking OEM partnerships. Its 350 existing partnerships include some of the world’s largest cloud, ERP, CRM, and BI vendors, as well as best-of-breed providers in supply chain optimization, enterprise asset management, healthcare information systems, sales force automation, risk and compliance management, and many other areas. Through the OEM program, Informatica offers a flexible licensing and bundling policy of data integration, data quality, and other platform components that can be “right-sized” to the needs of various ISVs; it also offers the option to grow their use of the platform in the future.

The differentiators of Informatica’s OEM program include the following features:

- A broad solution portfolio spanning the full data integration life cycle
- Database, application, and OS neutrality for true platform independence
- Interchangeable on-premise or cloud/SaaS deployment models
- Flexibility that allows providers to choose only the Informatica data integration solutions that fit well with their own offerings
- A codeless software development kit (SDK) for a fast on-ramp
- Reusability of design templates that accelerate time-to-market for next-generation solutions
- Proven scalability, assuring providers that their solutions will deliver appropriate performance to all their customers
- A flexible pricing model that includes subscription, pay as you go, revenue sharing, and prepay

OEM Partner Program Overview

<table>
<thead>
<tr>
<th>INFORMATICA PROGRAM</th>
<th>OEM PARTNER</th>
</tr>
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<tbody>
<tr>
<td>Partner Profile</td>
<td>•</td>
</tr>
<tr>
<td>Flexible Pricing</td>
<td>•</td>
</tr>
<tr>
<td>VIBE Technology Enablement</td>
<td>•</td>
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<tr>
<td>Product Roadmap Reviews</td>
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<tr>
<td>Solution Validation</td>
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<td>isINFORMMed Portal Access</td>
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<tr>
<td>Partner Directory Listing</td>
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<tr>
<td>Marketplace Directory Listing</td>
<td>•</td>
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<tr>
<td>Program Newsletter</td>
<td>•</td>
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<tr>
<td>Joint Success Story</td>
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<tr>
<td>Developer Support</td>
<td>•</td>
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<tr>
<td>OEM Account Manager</td>
<td>•</td>
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<tr>
<td>Program Logo Usage</td>
<td>•</td>
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<td>Technical Alliance Lead</td>
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<td>Annual Business Planning</td>
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Conclusion

Licensing data integration technology rather than building it themselves lets ISVs, IT consultants, and systems integrators accelerate time to market and usher customers through the deployment process faster so they can begin seeing benefits from their investment. With proven technology and a successful OEM program that supports technology solution providers in their efforts, Informatica reduces the data-related challenges of bringing technology products and services to market so technology solution providers can speed their customers’ time to value—and accelerate their own time to revenue with both current and new offerings.

About Informatica

Informatica Corporation (Nasdaq:INFA) is the world’s number one independent provider of data integration software. Organizations around the world rely on Informatica to realize their information potential and drive top business imperatives. Informatica Vibe, the industry’s first and only embeddable virtual data machine (VDM), powers the unique “Map Once. Deploy Anywhere.” capabilities of the Informatica Platform. Worldwide, over 5,000 enterprises depend on Informatica to fully leverage their information assets from devices to mobile to social to big data residing on-premise, in the Cloud and across social networks.