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## IBM Cognos Is A Leader In Enterprise Business Intelligence Platforms

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### EXECUTIVE SUMMARY

In Forrester's 151-criteria evaluation of enterprise business intelligence (BI) platform vendors, we found that IBM Cognos and SAP Business Objects maintain their leadership positions, while Oracle and SAS Institute move into leadership positions in enterprise BI thanks to the richness of their functionality, ability to scale, and the completeness of their corporate and product vision and strategy. Actuate, Information Builders, Microsoft, MicroStrategy, SAP, and a new entrant, TIBCO Spotfire, came out as Strong Performers following very closely on the heels of the Leaders, offering very respectable alternatives and a multitude of choices for information and knowledge management (I&KM) professionals. New entrants to this Forrester Wave™ evaluation of enterprise BI platforms (though not new to the market) are Panorama Software and QlikTech, who, while lacking the breadth of features to qualify them as single, large-enterprise BI solutions, are reputable Contenders. In some very specific BI use cases, they even outperform the Leaders.

### IBM COGNOS PROVIDES ONE OF THE MOST MODERN AND SCALABLE BI ENVIRONMENTS

Cognos spent the past few years concentrating on unified platform and integrated product lines. Starting with release 8, its BI suite is 100% J2EE-based and provides a common UI for most of the products. Even though IBM Cognos may not have as many bells and whistles as its top competitor SAP Business Objects, product integration is much less of an issue. Any report or dashboard developed in Query Studio or Analysis Studio can always be easily migrated to Report Studio, the higher-end product. IBM Cognos also tries to make it as easy as possible for its customers to migrate applications from one environment to another (development to test to production, for example) with a rich set of impact analysis utilities. Unlike SAP Business Objects, which chose not to have its own OLAP engine, IBM Cognos has two: PowerCube and an in-memory OLAP TM1. IBM Cognos is also one of the few BI vendors that offer a fully integrated BAM appliance: the IBM Cognos Now! product.

While the IBM merger may change this in the near future, Cognos relies heavily on partners to deliver complete end-to-end BI solutions, which include data integration, data quality, and text analytics products from partners. As a result, enterprise IT pros or systems integrators (SIs) still need to assemble components from several vendors. Post-merger integration with IBM is proceeding well. Cognos benefits from the infusion of financial and human resources from IBM, and since the two companies did not have many overlapping products, most of the combined efforts are concentrating on improvements in functionality, rather than reconciliation of competing technologies.<sup>1</sup>



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**Figure 1** IBM Cognos Evaluation Overview

CURRENT OFFERING	
Architecture	Cognos' overall architecture is robust and highly scalable. It is also one of the most modern architectures among its peers: It was completely rewritten in J2EE in Version 8.
Development	Cognos offers a comprehensive development environment with a rich set of APIs. Its development environment, however, is not integrated with any standard IDE tools.
Functional	Cognos offers comprehensive functional BI environment, including highly differentiated BAM and in-memory analytics products.
Operational	Cognos offers a full set of capabilities to support operation of its BI products.
STRATEGY	
Commitment	Cognos management is strongly committed to the company's success in the BI market, specifically in providing robust, scalable, and unified BI architecture.
Pricing and licensing	Cognos offers many flexible pricing and licensing options, although a highly sought concurrent user license option is not available. Although Cognos prices are comparable with most of its competitors, it has one of the highest year maintenance fees in the segment.
Product direction	Cognos' corporate strategy and product road map account for most major market trends, including providing robust, scalable, and unified BI architecture.
MARKET PRESENCE	
Company financials	Cognos' revenue grew at a rate somewhat higher than market average.
Global presence	Cognos has significant presence in most major global regions.
Partnership ecosystem	<p>Cognos has more than 3,000 partners worldwide. There are approximately 300 OEM partners and more than 1,000 VARs, Consulting, Systems Integrator, and Solution partners. A list of platinum-certified partner companies (the highest-level partnership) can be found at <a href="http://www.cognos.com/partners/find_partners.html">http://www.cognos.com/partners/find_partners.html</a>.</p> <p>These partners break out regionally as follows:                      37% Americas.                      40% Europe (not including the UK).                      13% Asia Pacific.                      10% UK, Middle East, and South Africa.</p>
Install base	Cognos has a large customer base, and its new customer acquisition momentum is relatively high.
Functional applications	Cognos specializes in providing out-of-the-box functional (horizontal) and industry-specific (vertical) solutions.

## ENDNOTES

- <sup>1</sup> IBM's planned acquisition of Cognos comes as little surprise following SAP's announcement to acquire Business Objects and Oracle's recent acquisition of Hyperion. IBM's move is cleaner in terms of minimizing product overlaps than the other two, but it raises interesting questions about IBM's partner relationships and long-term strategies. Over the past six months, the markets for business intelligence and business performance solutions have consolidated rapidly as a result of significant moves by IBM, Microsoft, Oracle, and SAP, leaving few independents. Among these "big four" vendors, only IBM lacks a significant enterprise applications play, but the Cognos deal raises the possibility of IBM moving in that direction as well. Forrester believes that the BI and BPS markets will continue to consolidate around these four large vendors but will not be commoditized anytime soon. See the December 27, 2007, "[Cognos Acquisition Puts IBM In Thick Of BI Race](#)" report.