

## Vendor Rating: QlikTech

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QlikTech is a business intelligence visionary with a focus on simplifying analysis. Its innovative use of technologies like in-memory analytics, interactive visualization and visual development make it very compelling to users.

## OVERALL RATING

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Positive

## WHAT YOU NEED TO KNOW

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QlikTech's product, QlikView, is a fast and elegant in-memory solution for some of the applications for which disk-based online analytic processing (OLAP) technology has been the traditional choice, for example, sales, marketing and operational analysis. Although it is used for the analysis of financial data, QlikView is not suitable for financial applications like budgeting and planning software, because of its lack of support for write-back.

QlikTech's simplicity, focus and pricing have proved attractive to organizations, often those in the mid-market, that have a tactical business intelligence (BI) need and who do not have the staff, skills or budget to implement data warehouse-based (or OLAP-based) BI applications. Organizations of this type should certainly look at using QlikView. QlikTech serves as an excellent "analyst playground" for users to analyze data flexibly without relying on IT.

While it supports most BI platform capabilities, QlikTech does not provide complete push-reporting mechanisms, or any data mining capabilities; nor is there a method of feeding insights derived from QlikTech back into any BI platform used as a "system of record."

QlikTech now has a number of large customers with higher numbers of users and, with QlikView 8, has begun improving its capabilities for managing enterprise-wide deployments. Larger organizations should consider QlikView as an additional BI platform capability alongside existing BI and data warehouse initiatives, especially where current analytical solutions are proving too prescribed to meet end-user analysis requirements.

Like multidimensional OLAP (MOLAP) databases, in-memory analytics can deliver a valuable performance layer on top of a data warehouse. However, unlike MOLAP cubes, which are complex to model, deploy and optimize, QlikView is user-implemented and fast. However, as with any user deployed solution, organizations that choose to use QlikView should institute policies to utilize its in-memory analytics within its existing BI platform and performance management application portfolio, and to accommodate the shared service-level agreements between applications in the portfolio and a data governance framework that defines data quality and integration standards.

## VENDOR RATING

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### Analyst Comments

If its growth continues, QlikTech's future looks bright. It is a young, innovative firm in a consolidating BI market. It offers a significant cost advantage for analysis capabilities, but does not have a full alternative to established BI platforms.

**Table 1. Detailed Rating**

Initiative	Rating
Corporate Viability	
Strategy	Positive
Financial	Positive

<b>Initiative</b>	<b>Rating</b>
Marketing	Positive
Organization	Promising
Market Offerings	
Product/Service	Positive
Technology/Methodology	Positive
Pricing Structure	Strong Positive
Customer Service/Support	
Sales/Distribution	Positive
Support/Account Management	Positive

Source: Gartner

## Corporate Viability

### Strategy

QlikTech's aim is to "simplify analysis for everyone" through use of its in-memory technology, rather than via OLAP or relational star schemas, thus disrupting traditional BI approaches to analysis. Its innovative technology and try-and-buy sales method has proved very appealing to early-adopters in mid-market firms. QlikTech has been able to meet their needs for some years and this has been the main driver for its growth.

As with other in-memory BI vendors, QlikTech's strategy regarding larger installations has been constrained by two external factors; the need for 64-bit computing and the cost of RAM. With the gradual relaxation of these constraints, through significant and ongoing reductions in the cost of RAM and the easy availability of high-performance and scalable 64-bit servers, QlikTech can now begin to market and sell to larger customers and pitch for enterprise-wide implementations using large data sets. Its intention to do so is evident in QlikView 8, which strengthens its capabilities for deployment to high user numbers, administration and collaboration.

QlikView is also adding functional capabilities as part of a strategy to broaden the types of BI applications it can address (the ability to allow data-entry into memory to support what-if analysis, for example). However, QlikView does not yet offer a complete alternative to more established BI platforms. This lack of complete coverage puts QlikTech in the position of being an additional BI supplier to firms that may already feel they've too many. Given the compelling nature of QlikTech's technology, this is not an insurmountable barrier — but it may hinder its growth in large firms that are looking to consolidate BI suppliers, especially now that Cognos and SAP are using in-memory technology to improve their BI performance and usability.

With a direct presence in seven countries, QlikTech has much scope for international expansion — its customer base is already global, with customers in more than 80 countries — and it intends to do so through a hybrid direct and indirect model.

We therefore rate the company's strategy as a positive one.

### Financial

QlikTech is a private company, so we cannot comment on its finances in detail. It voluntarily published an unaudited annual revenue figure of \$80 million for 2007 and claims to be profitable. QlikTech grew its revenue by 86% in 2006, making it the fastest growing BI vendor in the market

(for more information, see "Market Share: Business Intelligence Platforms, Worldwide, 2006"). It had two rounds of venture funding in 2000 and 2004 and is a strong contender to float publicly.

Its claimed customer acquisition rate (running at approximately 13 per day when this report was written) is very impressive. At time of writing, QlikTech had more than 7,400 customers, representing around 337,000 users in 83 countries.

We therefore rate the company's financial viability as positive.

## Marketing

QlikTech's central message of simpler analysis is compelling and clear. As a small company, its brand recognition is limited beyond its installed base and its marketing is mostly viral — usually by word-of-mouth recommendation. Its clever use of the Web as a channel to market, offering asynchronous JavaScript and XML (Ajax) demos and downloadable trials, help make abstract concepts like dimensional analysis transparent to potential purchasers (see <http://demo.qliktech.com/>). QlikTech reports a very short average sales cycle of just 32 days, showing the success of its software trial download service. However, while its "novel technology applied to an established problem" message penetrates firms via individual early adopters, it may not resonate as well with the majority of enterprise buyers as they are focused on a different set of purchasing criteria. With enterprise buyers, the novel technology approach may get QlikTech "in the door" with a departmental install and then allow it to participate in a broader enterprise platform buying process. As the company expands its platform's capabilities it will find it hard to maintain a simple, targeted marketing message and will need to evolve its messaging to address how it fits into the BI environments of larger firms.

We therefore rate the company's marketing as positive.

## Organization

QlikTech originated in Sweden in 1994 and is now headquartered in Radnor, Pennsylvania (outside Philadelphia). It has about 375 employees worldwide.

QlikTech has an experienced management team comprising former executives from SAP, Siebel, Oracle, PA Consulting, Mactive and Intenia. Its board includes the former COO of Siebel and CEO of SAP America.

Given its management competence, market share growth and venture-funded status, it seems likely that a public offering is a realistic aim for QlikTech, slowing global market conditions notwithstanding. Critically, like any organization experiencing rapid growth, QlikTech must ensure that its service and support delivery capabilities continue to get the investment needed to keep pace with its client base's needs.

We therefore rate the company's organization as promising.

## Market Offerings

### Product/Service: BI Platform

QlikTech has an integrated BI product set (which includes extraction, transformation and loading, a semantic layer, an analytics engine and a user interface) called QlikView. The QlikTech patented associative technology enables QlikView BI applications to be built and deployed rapidly by loading data from source systems into an indexed RAM datastore. Replacing relational joins with associative technology removes the need to pre-aggregate data for most applications. In multidimensional analysis applications, it removes the need to define complex dimensional hierarchies and generate cubes, with QlikView performing calculations on the fly.

The QlikView BI platform does not provide full "push-reporting" mechanisms or support for high volume enterprise reporting, it lacks some stream processing to power real-time dashboards and its Microsoft Office integration is read only. Moreover, QlikTech does not support data-mining, nor is it able to feed results back into a business process or operational database.

From an infrastructure perspective QlikTech offers data integration via Open Database Connectivity/Object Linking and Embedding, Database (ODBC/OLEDB) but lacks native, application programming interface (API) level access to common enterprise data stores other than sales force.com and SAP. The value derived from any analysis tool is in proportion to the maturity of an organization's BI and information management infrastructure, if no such framework exists then QlikView applications will require significant transformation logic to be applied during data load to address data quality issues and forestall garbage-in/garbage out problems. QlikView requires data to be moved into its in memory datastore which may be unattractive to some organizations, but moving data is not an unusual requirement for BI platforms.

The challenge to QlikTech's technology is that users may create information silos, which require control to ensure it conforms to any existing BI standards. QlikTech needs to grow deployments where customers truly use its technology enterprise wide rather than as a series of stand-alone instances of QlikView. It should be noted that this is a result of how QlikView is bought and deployed rather than its technology in that the QlikView server can provide a central single version of the QlikView from which users do their work and analysis.

We therefore rate QlikTech's overall BI platform as positive.

## **Product/Service: Corporate Performance Management Suite:**

QlikTech does not offer a corporate performance management (CPM) suite.

### **Technology/Methodology**

QlikView uses patented technology to build a non-relational, compressed "associative" database residing in RAM. The associative database optimizes the data as it loads. Redundant field data is removed and tables are automatically linked together. Indexes are not required and all fields are available as search fields. Aggregates and calculations occur "on the fly." QlikView offers three clients: an installed executable, a zero-footprint Ajax browser client and a Java client.

QlikView has been engineered to spread processing across multiple cores and reports significant performance gains with 64-bit processing. The only practical limit to QlikView's data scalability is addressable RAM — QlikTech reports that many customers analyse hundreds of millions of rows of input data. Its ability to leverage 64-bit hardware to increase the scalability of the QlikView platform is a competitive advantage at the moment, but other vendors in the BI space that have a more complete stack have started to catch up and provide BI appliances using in-memory techniques to address their performance issues.

To date, the majority of QlikTech's customers are small organizations that have less than 40 licensed users and, although the company has customers with 1,000+ users, it needs to do more to show that it has fully addressed the Achilles' heel of in-memory solutions and user scalability against a single enterprise-scale dataset. QlikTech is planning to publish updated benchmarks with Intel to demonstrate QlikView 8's user scalability.

We therefore rate Qliktech's technology and methodology as positive.

### **Pricing Structure**

The price point of QlikView licenses is considerably lower than the equivalent components of established BI platforms (around 50%).

Uniquely, QlikTech remains the only BI vendor to offer a money-back guarantee.

We therefore rate QlikTech's pricing structure as strong positive.

## Customer Service/Support

Unlike many of the more established BI platform vendors, which gain half (or more) of their revenue from services, QlikTech is a software company that chooses to rely on its partners to deliver its services where needed.

In reality, QlikView is more often implemented by the end-user organization rather than external service providers. QlikTech itself offers a fixed-price implementation for software and services, which comes with an unconditional 30-day money-back guarantee on the software license cost. Customers have confirmed that a QlikView implementation can be completed in about one week, as QlikTech claims, and the company informs us that of its thousands of customers, only one customer has ever invoked the money-back guarantee.

According to QlikTech reference customers, its support service is very good, combined with a high proportion reporting to Gartner that they have encountered no problems with the software. For more information, see "BI Platforms User Survey: How Customers Rate Their BI Platform Vendors."

We therefore rate QlikTech's customer service and support functions as positive.

## RECOMMENDED READING

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"Magic Quadrant for Business Intelligence Platforms, 2008"

"BI Platforms User Survey: How Customers Rate Their BI Platform Vendors"

"Business Intelligence Applications Benefit from In-Memory Technology Improvements"

## Company Information

**QlikTech**

### Rating Definitions

Strong Positive	Is viewed as a provider of strategic products, services or solutions: <ul style="list-style-type: none"><li>• Customers: Continue with planned investments.</li><li>• Potential customers: Consider this vendor a strong choice for strategic investments.</li></ul>
Positive	Demonstrates strength in specific areas, but execution in one or more areas may still be developing or inconsistent with other areas of performance: <ul style="list-style-type: none"><li>• Customers: Continue planned investments.</li><li>• Potential customers: Consider this vendor a viable choice for strategic or tactical investments, while planning for known limitations.</li></ul>

Promising	<p>Shows potential in specific areas; however, execution is inconsistent:</p> <ul style="list-style-type: none"> <li>• Customers: Consider the short- and long-term impact of possible changes in status.</li> <li>• Potential customers: Plan for and be aware of issues and opportunities related to the evolution and maturity of this vendor.</li> </ul>
Caution	<p>Faces challenges in one or more areas:</p> <ul style="list-style-type: none"> <li>• Customers: Understand challenges in relevant areas, and develop contingency plans based on risk tolerance and possible business impact.</li> <li>• Potential customers: Account for the vendor's challenges as part of due diligence.</li> </ul>
Strong Negative	<p>Has difficulty responding to problems in multiple areas:</p> <ul style="list-style-type: none"> <li>• Customers: Execute risk mitigation plans and contingency options.</li> <li>• Potential customers: Consider this vendor only for tactical investment with short-term, rapid payback.</li> </ul>

## REGIONAL HEADQUARTERS

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