Tableau details 2012 growth strategy, gets semantic for visual analytics

Analyst: Krishna Roy

2 Feb, 2012

Tableau Software has eyes down as it continues to focus on top-line growth, having reported a 94% year-on-year increase in bookings in 2011, which takes sales to $72m for the year. The reported game plan is to continue to grow profitably, with an eye to an IPO. A headily paced recruitment drive, a commitment to spend $200m on R&D in the next five years, and continued international expansion outside of native US home turf – including a first foray this year into Asia-Pacific and Latin America, and expansion in Europe – are lynchpins in its growth strategy.

Tableau is also revving some new non-English-language versions of its in-memory visual analysis software to cater to emerging geographies, and connectivity to SAP Business Warehouse (BW). The company has given its wares a makeover in Tableau 7.0. The debut of a shareable semantic layer is its most notable feature.

The 451 Take

We think it's interesting that Tableau continues to grow profitably without dipping into its first two rounds of funding. The company is also now approaching the size where an IPO, which has been mooted before, can become a reality and provide a boost on many fronts, including an environment that's becoming ever more competitive. The semantic layer in Tableau 7.0 should provide a competitive leg up against direct rival QlikTech International and other BI vendors, which already have a semantic layer. It should also beef up enterprise credibility, and therefore aid the company's continued 'land and expand' strategy, which involves starting small with a couple of copies of Tableau Desktop, and upselling Tableau Server-based deals to the midmarket and departments within enterprises.

Hiring continues apace at Tableau, which plans to add 300 employees this year, pushing headcount to 650 from about 350 today. It added 160 staff last year. We're told the main focus for the recruitment drive will be development and engineering roles in the US, although sales, customer service and support will also be bolstered to support growth. The company has started hiring in Germany and France, having opened an office in London last year. That said, the strategy for Europe remains a mixture of direct sales and deals via partners. Revenue is still US-dominated. However, we're told its European customer base grew by 67% in 2011 – and its worldwide installed bases increased by 40% last year – taking total customers to over 7,000.

Tableau has also added a VP of Asia-Pacific to support growth plans for this territory. Susan Hoffman – a sales and management veteran who held former roles at SPSS, Cognos and Hyperion Solutions – is heading up channels sales for APAC. The company plans to open an office in Singapore and invest in a partner network for APAC and Latin America in 2012. Management has also recruited a VP of corporate business development, and assembled a general counsel to lay the groundwork for a long-anticipated IPO at some point.

Having brought to market French and German versions in mid-2011, the intention is to release Spanish and Portuguese opposite numbers to better target Europe and Latin America in the first half of 2012. Chinese, Korean and Japanese versions are to follow by year-end. The SAP BW direct connector in the works reportedly grew out a partnership with SAP to use Tableau as the front end to SAP's HANA in-memory database appliance – essentially to visually analyze data in its BW data warehouse, which can now run on HANA.

A so-called Data Server is providing the semantic layer in the latest release of its visual analysis and discovery software, which runs in-memory and sports a proprietary vizQL query language, designed to automatically create a visualization of data. Data Server means people can perform analysis on the semantics of data within a central repository, which is also designed to enable the sharing of data sets and database connections. We're told Data Server is intended for data analysts – who tend to be familiar with these types of offerings in BI platforms and use them to create hierarchies and calculations – as well as less tech-savvy business users, who can extend hierarchies and calculations already created.

Data Server can also reportedly operate stand-alone, so it can be used to run against a Teradata data warehouse, for example, or used in tandem within Tableau's Data Engine. Data Engine

debuted in Tableau 6.0, and its analytic software moved onto a homegrown in-memory database, which is columnar in nature and uses compression.

Multi-tenancy in Tableau 7.0 was crafted to support enterprise-type deployments – as opposed to desktop use among small workgroups of analysts and business users, which is where Tableau cut its teeth. We're told multi-tenancy means different groups within an enterprise can have a separate tenant, and is a stepping stone to a full-fledged SaaS release, in recognition that companies don't always want to deploy and maintain a Tableau Server.

Hadoop connectivity in 7.0 takes the form of hooking into Apache Hadoop from CloudEra, to visually analyze data in a Hadoop cluster. The Actian VectorWise connector has a similar aim in mind, in that it is designed to support the database as just another data source for drag-and-drop visualization and analysis. New chart types are the other notable enhancement.

Competition

QlikTech, ADVIZOR Solutions, Tibco Spotfire and Tableau often get mentioned in the same breath because all were early champions of visual analysis and discovery tools – Tableau was the last to go in-memory. But Tableau says it rarely sees ADVIZOR, encounters Spotfire much less these days and continues to regard QlikTech as its primary rival. The Data Engine in Tableau 7.0 could provide differentiation from QlikTech, since it acts as a kind of data mart and enables the creation and sharing of the metadata layer, with or without storing the data. That said, QlikTech is a potent force that is already present in many of the markets Tableau is now entering. MicroStrategy is the only other reported occasional rival, which figures since it entered the visual analysis and discovery fray last year.

Oracle, IBM Cognos and SAP BusinessObjects are BI behemoths now in visual analytics – a space also being targeted by Actuate with its Performance Analytics offering. All these vendors are longtime providers of a semantic layer within their BI platforms and, we think, will provide increasing competition, as Tableau extends tentacles globally and into enterprises.

Microsoft is the next BI platform provider moving into visual analysis with Power View inside SQL Server 2012, which will provide an alternative front end to Excel for its PowerPivot in-memory analytic stack. We think SAS Institute – at the low end of its market – and Pentaho, Jaspersoft, SiSense and LogiXML are also competitive.