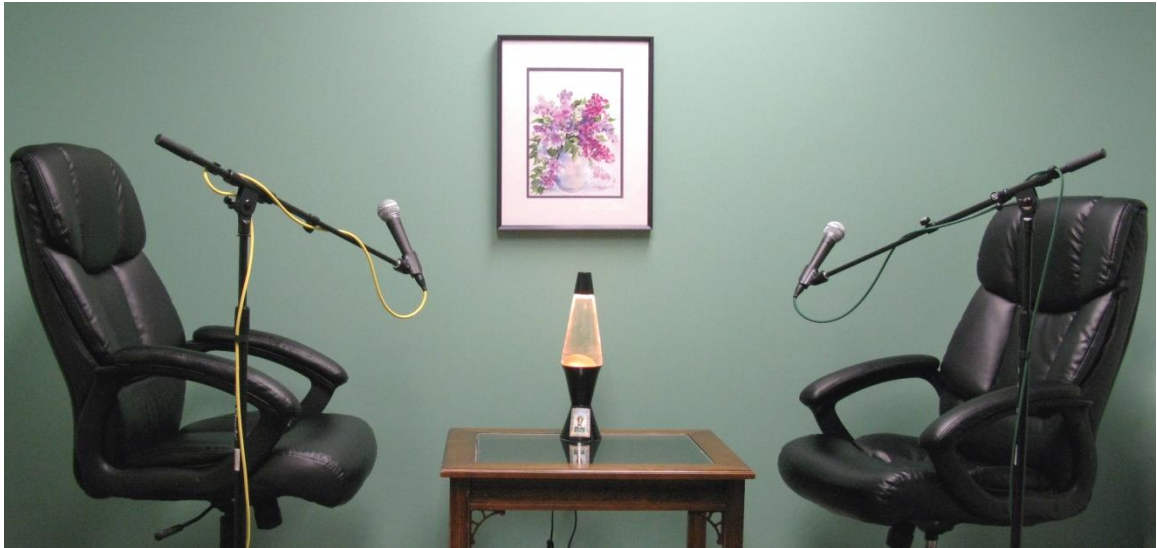




BBBT Podcast Transcript



About the BBT

The Boulder Business Intelligence Brain Trust, or BBT, was founded in 2006 by Claudia Imhoff. Its mission is to leverage business intelligence for industry vendors, for its members, who are independent analysts and experts, and for its subscribers, who are practitioners. To accomplish this mission, the BBT provides a variety of services, centered around vendor presentations.

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Guest(s): Glen Rabie, CEO

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Claudia Imhoff: Hello, and welcome to this edition of the Boulder BI Brain Trust, or the BBBT. We're a gathering of international consultants, analysts, and experts in Business Intelligence, who meet with interesting and innovative BI companies here in beautiful Boulder, Colorado. We not only get briefed on the latest news and releases, but we share our ideas with the vendor on where the BI industry is going and help them with their technological directions and marketing messages. I'm Claudia Imhoff, and the BBBT Podcasts are produced by my company, Intelligent Solutions.

CI: I'm very pleased to introduce my guest and my good friend, Glen Rabie. Glen is the CEO of Yellowfin. Welcome, Glen.

Glen Rabie: Thank you, Claudia. It's great to be back.

CI: Oh, it's wonderful having you back, and this morning has just been terrific. We have had so many good discussions. Hopefully, we'll touch on those in the podcast. But first of all, let's look at Yellowfin. You've had a remarkable year. I just was amazed at the customers, the survey results, and everything else, so why don't you tell us a little bit about the year of Yellowfin?

GR: So firstly, it's our tenth anniversary.

CI: Congratulations.

GR: So, 2003 represents 10 years of getting started. And I also think it also represents one of those "turning point's the wrong way", I'd put it, but really, a coming of age.

CI: A watershed moment.

GR: A watershed year, yeah. There have been so many things that have happened this year that have just been fantastic. Clearly, we've put on a lot of new customers, which is great. And this is globally, so in the US, throughout Europe, Southeast Asia, and Africa. We've grown our direct presence in the US, in Emir, and specifically in South Africa, and looking to have a direct presence in Asia as well. So, the business is really flourishing



at that level, but what ultimately has made us really, really proud this year is the survey results.

Both the Wisdom of Crowds study, where we were ranked the number one BI vendor in total in that. That represents a lot of the things we do that we'll touch on, and certainly have touched on this morning, in terms of our approach and what we're hoping to achieve in the industry. And then also the BARC 2012 survey, which again ranked us as the number one dashboard vendor globally.

And some of the Gartner surveys that are coming out now as well. People are recognizing that we're doing things differently, that we're really walking the talk in terms of endeavoring to do something that's different in the industry and be different. Not just from a technology perspective, but from an organizational one as well.

CI: Well, let's talk about that a little bit more. One of the core messages you have is that BI should be easy as pie. And I added in, it should be as consumable. It's an interesting message. It leads immediately into, well, where do you see the company in terms of the overall BI landscape? Where does Yellowfin fit in? You're not an ETL tool, you're not the database platform. Are you a traditional BI tool or are you something else?

GR: So I think, when we started Yellowfin, I came out of a banking background. For me, the enterprise infrastructure was really important in terms of making sure, from a product perspective, that it was robust in the sense you could scale and roll out to thousands of users. But on the same side of that, I do believe you have this dichotomy of need. You've got that enterprise need, but then you've got the individual consumer and analyst need, which is far more flexibility, with a lot less constraint, than those typical, and sort of traditional tools.

So we're trying to walk that middle ground. It's a balancing act between being at the data discovery end of the spectrum versus the enterprise end. There's a real need in organizations to be somewhere in the middle because data discovery needs to scale. It needs to be getting to the hands of many, many people. How do we do that?



But if you're going to do that, you need enterprise control, you need security, you need scalability. That's really where we're trying very, very hard to build out the Yellowfin platform.

CI: Yeah. I like that. It fits in with your overall business model, if you will, and as you've just mentioned, it's different. I found it refreshing. I found it really remarkable that anyone in our business has the business model that you have. I'm going to ask you to explain it because I think it serves your company well. I think it serves your customers and your partners well. Why don't you describe a little bit about how you do business, or what your goals are in doing business?

GR: Our goals are like any organization's goals, to grow our customer base and to grow our revenue. They are simple goals. But I think our approach is very different. When we do business, the first entity that we think about is actually the customer. We don't really think about ourselves. For that perspective, we don't have quarterly targets internally. That's one of the core tenets of our business.

CI: By a quarterly target, you mean a certain sales...

GR: Sales quota. Our sales guys and our partners don't have quarterly targets. They don't have annual targets. They have monthly targets. They have targets that we wish them to achieve on a monthly basis. The reason it sounds odd that we're going smaller segments than bigger, is because we want them to actually think about the long term. We believe thinking monthly makes you think long term because you're building a sustainable model which has predictability in it, and growth based into it. Rather than pushing people to sell hard at the end of the quarter, and to upsell a customer, so that you create these terrible dynamics that exist in software sales.

It's not just BI software. It's software in general, where inordinate pressure on the customer to buy, and I don't think that should be the case. We want our customers to buy when they're ready, and we want them to buy in a way that's scalable. In an ideal world, we actually prefer our customers to start small. We want them to start small, and we want them to grow, and we want them to be successful.



If our customers are successful, ultimately we know that leads to more sales for us. That's probably the difference in the model. And coming to our partners, the difference with our partners is that, again, everyone has the same discount percentage, so there's no differentiation based upon volume and sales.

The reason for that is, because we don't want to create a situation where the smaller partner is disadvantaged because there is a big elephant in the room, who can go and discount significantly and, therefore, really impact their capacity to win business. We want everyone to be on the same playing field.

CI: You stated that the reason for that is that the small guys sometimes are very innovative.

GR: That's right. Firstly, I think they actually often have deeper customer relationships because their business is small and it's really relied upon.

CI: And every customer is precious.

GR: Is precious. Imagine, now, that customer has a choice, unfortunately, a choice of buying cheaper from a bigger vendor, or bigger partner. That customer could actually make the wrong decision by doing that. By taking the Yellowfin price out of it, they then really choose about the engagement model that's important to them. Again, most of our customer success is built on the implementation and implementation partners we have. We want our customers to have the best experience, whoa-to-go, product, and implementation.

CI: You also have, which, again, I found refreshing and remarkable, a rather forgiving stance with your customers. If they say, "I need 1,000 seats," and they come back six months later and say, "Jeez, we're not even using 300 of them," what do you do?

GR: Well, we take them back. That's all we do.

CI: Like I said, refreshing and remarkable.

GR: No one wants to be lumbered with shelfware. It's a cost to the organization. It's complex.



CI: And it's dissatisfaction.

GR: That's right. We want our customers to feel that they've achieved value. That can only be done if you're really transparent around your pricing. You told them what the price is, and it's a simple pricing, and there's no gotchas. We're just a user-based pricing. Very simple. We don't charge by module and all that sort of thing. It's all of those things combined that gives the customer a low-risk environment in which to make choices.

CI: And confidence that you're not going to pull the rug out from under them.

GR: That's right. There's no fine print. There's nothing that says, "Ah, I can't believe you're using it that way. As a result we're going to charge you more." Even when we issue licenses, as a good example, we only issue license for exactly what you've bought. You can never use more. There's no audit. We don't audit our customers, because there's no need to. It's great for the customer because they're never going to have a situation where they have accidentally used too much product, and we've come storming in, with the lawyers, and said, "You owe us."

CI: Right, right. What a terrible place to be. How do you treat your customer that way?

GR: As we know, there's many vendors who do.

CI: Indeed, there are. Now let's turn to the more *philosophical* part of the podcast. You did make an interesting statement, one that I think I would like for you to explain, and I think there's some good discussion points here. The statement was that big data is actually hurting BI. I'll let you explain what you meant by that.

GR: Look, big data as a technology and as a concept is fantastic. That's not the point. What I was really aiming at is, I think it's a step backwards in the terms of the engagement model of the industry with our customers. What I mean by that is, it's become a very, very technical conversation. It's become a very complex conversation. Rather than being about the business, and what businesses will do with their data, and how we will help them to make decisions, all we're doing now is selling the virtues of technology.



We're not being very precise about when to use what, and so we've created this level of complexity that is creating paralysis with our customers. Our customers don't know what to use and when to use it. And we're not helping them. We're not saying, "This is when you use Hadoop, this is when you use a columnar database, this is when you just hit your relational database, and..."

CI: Or where you are is just fine.

GR: That's right. "We want you to spend lots of money with us, buying all this technology, whether you need it or not."

CI: It's interesting because I actually have heard a CEO state that he wants a "Hadoop thingy". Not that he's got a business problem and he wants it to be solved, he wanted the technology. I don't think he had any idea of what the "Hadoop thingy" was, or what color it came in, or anything else.

GR: That's going to create stress in an organization. There are people who obviously are going to go, "Right, the CEO wants it." They're going to run out and buy it.

CI: Without knowing why.

GR: Without knowing why, and they're going to have to do something with it. And the CEO's going to turn around, going, "Why isn't this working for me?" You can bet your bottom dollar, he's probably not going to look deep in his soul and actually say, "Who asked for this?" He's going to clobber the poor IT guy, go, "What have you done here?"

CI: "Why'd you spend all this money?"

GR: "This should have transformed our business! Everyone told me it would. I don't have a strategy for it, but that's not my fault. It's your fault, you're IT."

CI: I think I would agree with you that the marketing hype has been -- over the top just doesn't even begin to cut it -- around big data and what data science will do for an organization, and so forth and so on. I do think there's value there. I do think there's a good future there, but I think the over-marketing of it has caused tremendous confusion, not just in IT, but also, as you say, in the business as well. Almost this paralysis of, "I don't



know which way to jump." We've got almost too much technology at our fingertips. Like you said, which one do I pick to do what problem?

GR: And no vendors are actually helping in that space. No one's saying, "This is when you use my technology. This is the most appropriate time. This is the most appropriate use case." Everyone's saying, "We will solve all your problems," which is just not true.

CI: There is no silver bullet.

GR: No, no.

CI: Never was, never will be. All right, let me talk about the last topic a little bit here. And that was talking about prescriptive analysis. Another interesting comment from you, that it was actually somewhat disempowering of the employees in a company, to have prescriptive analysis tell them what to do, basically.

GR: Yeah. This comes back to my theme about technology driving business intelligence and analytics. That this is all about the technology and not about the people and engaging with people. When I think about organizations and people making differences, and why they turn up to work, and what's important to them, it's because they want to be engaged. They want to use their minds. They want to make decisions. I think we have to be very, very careful about how much of that we're going to automate. At what point do we take away the creativity of people and completely productionize the work environment?

CI: Make them drones, basically.

GR: That's right. They could just become robots. When we're talking about prescriptive analysis and analytics these days, the challenge I have, again, for the industry, is to talk about how does this actually involve people? At what point are people part of the discussion and the process? How do they engage, and how do they collaborate, and how do they actually work together with the technology? I think it's not a one-or-the-other. I think there's an inevitability that there will be some level of predictive analytics out there, but how do we still make room and understand where people play an important role in it?



CI: That brings in the whole aspect of collaboration. I think that the workforce that's coming in to our companies today, in the next five years, are going to... First of all, we know that they're much more collaborative in nature by how they've grown up. They all have the Facebook tools, and their cell phones, and whatever it is. They're all communicating right and left, and looking up things on the Internet, and so forth. They're extraordinarily collaborative to begin with. And I hope that we embrace that kind of change in our workforce, and that we don't deaden it. We don't try to get rid of it. We actually do promote that kind of collaborative capability that these kids are bringing into our businesses.

GR: From our perspective, from the Yellowfin perspective, we're pretty much betting the house on that. I'm actually going to say it differently. I'm going to say that organizations, if they're going to want to attract the workforce of today, are going to have to be collaborative.

CI: Better way of putting it.

GR: When we started Yellowfin, somewhere in the middle there, about the five-year mark, we started talking about the consumer-ization of IT and the fact that interfaces had to become more user-friendly, and simpler to use, and all that kind of stuff. That's happened. Some vendors are better than others at that. That's a big part of what we do. But I'd say, equally, the whole collaborative aspect, the way people work, the way people will engage with the data, that's the bit that needs to be addressed, needs to be thought about.

We may or may not have it right. But the reality is that, with every release, we continue to refine it, work, understand, and work with our key customers about how are people collaborating internally and how do we enable that within the Yellowfin platform.

CI: At least from my perspective, I think Yellowfin has an incredibly bright future. You're on track. You've got a really good handle on what we need. Now you just got to convince the rest of the world, the rest of the analysts that that is what we need.



GR: Coming back to our year, the difference in this year is that the surveys we've talked about, the results that we've had, are a reflection of our customer base and our customer base talking to analysts and saying, "You know what? This stuff is great."

CI: They get it.

GR: Yeah. And it always comes down to the coal-face, the people who actually use the technology, the user adoption rates that we see in our clients, and the value that our clients are getting out of our technology. That ultimately, I think, is what's driving our business, and what's now getting analysts to take notice about what we do.

CI: I think you've done a fine job.

Unfortunately, though, we're out of time. That's it for this edition of the BBBT podcast. Again, I'm Claudia Imhoff, and it's been a very great pleasure to speak with Glen Rabie of Yellowfin today. Thanks, Glen.

GR: Thank you, Claudia.

CI: I hope you enjoyed today's podcast. You'll find more podcasts from other vendors at our web site, www.boulderbibraintrust.org. If you want to learn more about today's session, please search for our hash tag on Twitter. That's #BBBT. And please join me again for another interview. Good bye, and good business!