

EXCERPT

Cornerstone: A Niche Player in the Asia/Pacific (Excluding Japan) Business Analytics Services Market

Mayur Sahni

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IDC OPINION

IDC believes that Cornerstone is a strong player in the business intelligence (BI) and business analytics (BA) space. Although the company is young, it has experienced successful traction in the market with over 100 customers.

- ☒ Cornerstone is the result of a merger between The Analytics Company and Accel Solutions, both Singapore-based service providers (SPs) with a well-defined focus on BI solutions and professional services associated with BI. They have a combined experience of over 10 years specializing in BI.
- ☒ Cornerstone has a strong level of professional services and consulting capabilities for BA solutions with over 150 consultants; it has also done well to carve out a niche for itself in the region.
- ☒ Cornerstone needs to focus on its partnerships and alliances. First and foremost, with the level of consolidation in the BA space having led to the creation of end-to-end BA powerhouses (IBM–Cognos, Oracle–Hyperion, and SAP–Business Objects), Cornerstone needs to gain a preferred relation status with their key partners. With its iReady Solutions, Cornerstone enjoys a preferred partner status with Oracle — having been certified as an OEM partner. Second, Cornerstone needs to set up a vertical and country-specific reseller channel program so that it can hasten its go-to-market initiatives.
- ☒ A key focus area for Cornerstone should be toward building up its research and development (R&D) capabilities and setting up a centralized center of excellence (COE), which may then be replicated in country markets where it has expansion plans. As a first step toward achieving this, Cornerstone has set up a COE center in Malaysia.
- ☒ Cornerstone has strong brand equity in Association of Southeast Asian Nations (ASEAN) markets. However, outside of the ASEAN region, their brand equity is limited, which may potentially result in longer sales cycles and lengthy proof of concept (POC) cycles.

IN THIS EXCERPT

This is an excerpt from an ongoing report series on service providers in the BA space for Asia/Pacific (excluding Japan) or APEJ. As part of the study, IDC Asia/Pacific profiled Cornerstone as one of the key players in the region.

Highlights

Company Strategy

Cornerstone's messaging has been strongly built on its depth and professional services skills in the BI space. Being a young firm, Cornerstone has done well to expand its operations step by step in the APEJ region. It currently operates in the People's Republic of China (PRC), Singapore, Thailand, Indonesia, and Malaysia, with expansion plans in Taiwan and Indonesia. Along with its homegrown iReady offering, on-demand BI services, and managed technology services (MTS), Cornerstone has partnerships with SAP–Business Objects, Oracle, Onyx, HP, Microsoft and Teradata for building out custom BI solutions for enterprise customers. Cornerstone's capabilities around professional services has been the key positioning platform for the firm that has led to building its messaging around "delivering confidence."

Product/Service Offerings

With BI solutions as the single underlying product/service offering, Cornerstone has a strong product portfolio for BI and analytical applications and offers strong professional services capabilities. The offerings from Cornerstone span across consulting, data warehouse/data mining, BI, customer relationship management (CRM), enterprise resource planning (ERP), MTS, and education services. This high level of focus around BI solutions gives Cornerstone a marked depth in product portfolio and the company has done well to create its own niche in the market.

BI architecture and blueprint service: This is primarily aimed at helping businesses effectively, addressing business risks through Cornerstone's BI architecture definition and solution design services. Here, the customer owns the architecture and design of applications and Cornerstone helps them mitigate the risks right at the beginning stage of the project, by ensuring that applications being developed meet the necessary architectural quality attributes (scalability, performance, availability, reliability, and so forth). As a next step, Cornerstone recommends deployment architecture with alternatives that best fit to address business needs.

iReady: iReady is Cornerstone's verticalized BA offering that encompasses industry-specific frameworks and pre-formulated algorithms to help businesses jump-start their BI/BA projects. Cornerstone has its own IP around its homegrown BA frameworks and has developed templates around its key sectors (i.e. healthcare, banking, telco, contact center, and insurance). The iReady templates encompass processes, data integration logic, pre-built warehouse model, and various subject area-dependent metadata for each of its industry-specific analytical frameworks. In addition, iReady has pre-designed Data Definition Language (DDL) and Data Manipulation Language (DML); Extract, Transform, Load (ETL) processes; and preset logic for data cleansing and validation with best practice algorithms to link records across different source systems.

iReady's Unique Selling Proposition (USP) is the level of flexibility and speed it can give to clients for implementing business-specific processes within the predefined, industry-specific, best practices' framework. iReady has a set of analytics templates in terms of key performance indicators (KPIs), dashboards, management; and analytical across multiple functional areas and specific to each of the three industry verticals.

MTS: With its MTS offering, Cornerstone works with customers to manage their BI solution, as well as upgrades or improves the BI environment to meet business needs. For delivering MTS services, Cornerstone leverages on its pool of BI experts for application maintenance and support, providing a range of services from helpdesk support to application maintenance to making application changes. While reduced total cost of ownership (TCO) is the prime benefit offered, customers would also have ready access to Cornerstone's pool of BI experts and benefits of an accelerated implementation time, through the use of Cornerstone's templates based on best practices. Here, Cornerstone has categorized its response service-level agreements (SLAs) based on the importance of incident; it offers response within four working hours (with updates every four hours) and problem resolution within two working days for critical requests or issues.

Key Differentiator

Professional services capabilities: Cornerstone has over 150 skilled professionals and consultants who are responsible for delivery and maintenance of its BI solutions. Given its niche position in the market as a pure-play BA SP, Cornerstone has done well to position its skills and capabilities to help customers better comprehend their requirements and work with businesses to obtain the desired intelligence reports.

Go-to-Market Strategy

Although a young company, it has been the recipient of strong traction in the Asia/Pacific market with over 100 customers. Cornerstone has identified Singapore, Malaysia, Thailand, the PRC, and then Europe, the Middle East, and Africa (EMEA) as key growth markets in the near term. Through its operations in the PRC, Cornerstone also addresses the Taiwan market. While credibility is a key requirement for successfully engaging in the BI space, Cornerstone has built a strong level of reputation for delivery and has recorded a healthy 70% success rate in converting clients by demonstrating their capabilities on POC tests. However, in markets outside of ASEAN, Cornerstone takes a "meaningful" approach toward POC testing, wherein it will do so only under very necessary conditions. By doing so, it has recorded a healthy 90% success rate in converting clients. This is required more so in the emerging markets of Malaysia and Indonesia, where Cornerstone strengthens its presence. In comparison, Cornerstone has a strong level of credibility established in Singapore.

For 2007–2008, Cornerstone recorded revenues of over S\$30 million, of which approximately 50% was through services. In the APEJ region, Avaya and Oracle Consulting are key SI partners for Cornerstone. With the market trend moving toward the adoption of appliance, Cornerstone has partnered with Teradata, Oracle and HP while its partnerships for packaged applications continue with SAP–Business Objects, IBM–Cognos, and Oracle. Onyx is a key partner for its CRM offerings. In addition, Cornerstone has signed a 3-way joint agreement with HP and Oracle in 1Q09, specifically to position Oracle and HP solutions (hardware and software) in the data warehouse arena. HP and Oracle will lead in the agreement by positioning

Cornerstone's BA solutions into their respective customer base. Cornerstone claims to have experienced initial success with this model.

FUTURE OUTLOOK

Opportunities

The BA market takes a more defined shape in the APEJ region. The acquisitions in the BA space (SAP–Business Objects, IBM–Cognos, and Oracle–Hyperion) have evidently lead to the creation of BA powerhouses, leaving little room for independent BA platform owners. Given Cornerstone's pedigree and focus in the BA space, the SP has the opportunity to leverage its niche and build further credibility in the market.

- ☒ Cornerstone's focus in the BA space, coupled with its pedigree, gives the SP a strong niche in the market as a focused BI solutions SP. This also gives Cornerstone the ability to position itself favorably in the BA space.

 - ☒ Cornerstone's iReady offering has a strong proposition in the banking insurance, healthcare, telco, and contact center verticals and has won marquee of clients such as Tokio Marine Asia, Jerneh Insurance, Thai Military Bank, National Healthcare Group (Singapore), DTAC, Parkway Health, Singapore Press Holdings, Rabobank, and AIS (Thailand). Cornerstone can leverage on these successes to establish strong credibility with enterprise customers.
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