

HP Gains BI and DW Momentum With Knightsbridge Deal

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HP will advance its position among business intelligence and data warehouse providers by adding Knightsbridge's targeted consulting expertise to HP's professional-services offerings.

NEWS ANALYSIS

Event

On 12 December 2006, HP announced its intention to acquire Knightsbridge Solutions, a services company specializing in the information management areas of business intelligence (BI), data warehousing (DW), data integration and information quality.

Analysis

Knightsbridge has been a strong contender in the North American BI and data integration markets, differentiating itself from other “boutique” vendors through its range of capabilities, and from larger consulting firms through its focus. This balance allows it to act as a local provider while having the breadth and depth of a large firm.

HP has grown more aggressive regarding its position in the BI and data integration markets in recent months. The Neoview product combines HP hardware with a NonStop-inspired massively parallel database. This provides the market with an enterprise data integration/DW platform with appliance-like characteristics. We believe the acquisition is part of HP's go-to-market strategy to build a complete portfolio of BI services, solutions and products.

HP should leverage both Knightsbridge's competitive product knowledge and implementation services expertise. The cross-vendor approaches of Knightsbridge will complement HP implementation services. Appliance vendors need to review the potential impact of their relationship with Knightsbridge. Some senior Knightsbridge staff members could be assigned to HP's BI and DW products, bringing their direct field knowledge of products across the competitor landscape. With Knightsbridge, HP Services acquires an experience base that includes tools from companies such as Ab Initio, Business Objects, Cognos, Informatica, IBM and NCR/Teradata.

HP is not noted as a systems integration provider in BI/DW, while its peer competitors have deliberate services strategies in this area. However, HP does deliver solution strategies that use other vendor products (such as HP's Darwin Reference Architecture). This acquisition is focused on the core BI domain and impacts that area of professional services. A services group that handles multiple vendor products is important when delivering BI solutions rather than point functionality.

Privately held Knightsbridge operates differently than HP, offering contract flexibility and individual client attention. Customers can expect a migration of Knightsbridge business practices toward those of HP. The HP culture and organizational dynamics will shift the working style of Knightsbridge to more closely resemble a large organization, which will impact how customers and HP partners interact with the new BI services practice. HP also needs to address staff retention issues for the critical roles of market delivery, thought leadership and tactical engagement management for HP professional services to realize the full benefits of this infusion.

RECOMMENDATIONS

- **HP customers considering BI or DW solutions from HP:** Review HP's new, positive point of differentiation when considering purchases, as direct field experience with multiple environments is now available from the vendor.
- **DW appliance vendor partners of Knightsbridge:** Prepare for potential competition from the highly specific and focused sales and delivery capability HP is acquiring.

- **Knightsbridge customers:** Monitor the service provider's senior staff availability for current projects.

RECOMMENDED READING

- "Magic Quadrant for Business Intelligence Implementation Services, North America, 2006" — New challenges are causing more organizations to seek providers with skills and proven methods that contribute to taking a more strategic approach to BI and that support an expanding use of BI tools and applications. **By Alex Soejarto and Bill Hostmann**
- "Magic Quadrant for Data Warehouse Database Management Systems, 2006" — The DW database management systems market is heating up, with fierce competition from newcomers using open-source software and commodity hardware to increase the pricing pressures on this market. **By Donald Feinberg and Mark Beyer**

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