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Open Source BI vs. Proprietary BI

A White Paper

Even though Open Source is being hyped a lot, it is still a long way to go and compete with the actual BI market. This white paper looks at the limitation of open source, comparison with proprietary BI software and Open Source's future.



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1. INTRODUCTION

Even though the Open Source Business Intelligence (OSBI) solutions are available today, still it has a long way to go and compete with the actual BI market. It relies on the organization adopting open source solutions for BI.

Enterprise applications on Open Source including Business Intelligence may not be guaranteed certified licenses. BI being an important aspect of the Decision Support System of any organization, enterprises cannot rely on such unsupported applications. In case of the certified open source applications, the cost is more or less the same as that of a proprietary one. We have hardly come across any open source application being used across on desktop PC. Most of the business users across the organizations are on Windows and MAIA Intelligence being Microsoft Gold Partner has an opportunity to serve large chunk of customers.

Open source, is being hyped, yet we question whether customers are adequately prepared to deal with the costs and risks of managing these environments. The allure of free software is accelerating the deployment of open source platforms, but open source is not free and may actually increase financial and business risk. In fact their total costs may be 5% to 20% more expensive than enterprise license applications like 1KEY Agile BI Suite.

Hardly any growth in Open Source

MAIA Intelligence does not see any growth happening on the open source platform, for any enterprise application. The reason being very simple like very few companies can know what they are really spending in case of open source software, preparation and planning takes longer than proprietary software, training costs are higher, resource availability is a major challenge.

The biggest concern companies may have with open source is the lack of support. Even companies that have installed open source worry about support. Lack of support is one of the top reasons companies do not opt for Open Source.

Initially appears to be an attractive solution may cause more work and increased costs than originally expected with open source software.

2. LIMITATIONS OF OPEN SOURCE BI

- There is no one with the power to restrict in a one-sided way how the software is used
- There is no single entity on which the future of software depends
- There is always a possibility of creating an alternative code
- Lack of capabilities / features catering to all industries
- Exposure to Intellectual Property theft issues
- External developed modules are not properly or fully tested
- Open source licenses and it's restrictions – may not be fully open source
- Lack of strategic product management at times – no one controls where it is heading to

OSBI can help companies cut costs? Think again!

Most of them have a perception that Open Source means FREE. It is not the case. It's interesting to note that the pricing models being offered by open source vendors / partners for maintenance and support closely resemble the models used by proprietary software providers like MAIA Intelligence.

The cost of software isn't just the cost of BI software — still there may be need of investments in system management and monitoring tools, either direct investments to purchase new products, or investments to upgrade/deploy open source support in existing system management suites.

3. PROPRIETARY BI SCORES HIGH OVER OSBI TOOLS

The cost of maintenance and support represents the bulk of spending. In fact maintenance and support are the biggest areas of spend in case of open source software. The testing processes are more complex and time consuming. Open Source software does not integrate well with other platforms and application suites in different environments. Companies opting for Open Source software have to obtain maintenance and support from external heavy weight vendors / partners, even after significant investments in internal IT training. Open Source costs more than proprietary software. Even after planning pretty well, and a lot of training, testing takes longer than expected. The number of people being assigned to Open Source can be almost double when compared with proprietary software IT staff for the same number of servers. For some this is learning-curve related, but do not get surprise if it gets worst as one experience the unexpected.

Open Source vendors are moving more aggressively to package consulting and support services for open source software, essentially commercializing open source.

Open Source skills are expensive and hard to find. Companies can have a hard time finding qualified open source software personnel in the marketplace to support their projects. When such companies find third-party help, they have less leverage negotiating hourly rates than with other proprietary consulting resources. The outside help can cost an estimated 10% to 20% more per hour over similarly skilled proprietary software help.

Long-term Open Source deployments conclude that operating expenses for some companies can overcome initial purchase savings, making the Open Source's return on investment lower than that of proprietary software.

Open Source solutions are generally low cost or (some offer free versions). What most customers don't know is that there may be hidden costs to these low-cost or free solutions that may lead to increased costs in the long run as well as supportability issues.

OSBI tools can never become a mainstream deployment option for any kinds of BI usage.

4. COMPARISON OF OSBI WITH PROPRIETARY BI

End user support: OSBI has poor support, consultancy and training due to improper documentation of developed modules from various sources outside the parent company. Whereas Proprietary has availability of timely helpdesk & technical support that is needed for big and stable enterprises

TCO: OSBI has higher cost of installation and customization leading to higher lifestyle cost. On the other hand Proprietary BI has low TCO primarily because of ease of use and hence low training costs and reduced implementation time.

Innovation: Most of the OSBI don't upgrade their application architectures and work on old-fashioned code written by different developers around the world. Well-built architecture provides all sort of business feature for various industries in case of Proprietary BI. In addition, planned architectural updates are also available so that existing component don't cease operating.

Interoperability: While commercial OSBI is being adopted within most of the smaller companies, there are obstacles slowing their adoption, particularly around interoperability. Proprietary BI is committed to interoperability in multi-vendor environments, hardware, software, network, data warehouse, ETL, analytics.

Compatibility & Integration: Commercial OSBI are not free and easy to integrate with other applications. Excellent integrations with all different technology is available in most of the Proprietary BI tools.

Security & Administration: Security support, administration and a metadata layer is lacking with most of the commercial OSBI. Proprietary BI like 1KEY BI supports all sorts of user security using LDAP or Active Directory (ADS) and easy administration with 1KEY Console.

Application Documentation: Biggest problem in case of OSBI is unavailability of documentation – functional or technical. Proprietary application provides better documentation. 1KEY Agile BI Suite comes with the help manuals for developers' users of desktop and web.

5. REASONS THAT CAUTION TO STEER TOWARDS OSBI

Open source software are not reliable, due to the fact that there is little money put into development, and anyone can view, edit, and redistribute. There is often no qualified support available, the only support, if any is usually via forums and other users. Many open source programs are not compatible with Windows and other applications, often causing the installation costs to increase. As open source software is edited and redistributed by many users, there is no guarantee of regular updates, so your software can easily become outdated very quickly.

If OSBI alternatives are available, why do organizations go for the proprietary versions and spend so much money on non-free source software? Contrary to the popular beliefs, the open source software is not as free as it seems. In fact sometimes it can prove to be more expensive than the proprietary software. Here are a few reasons that caution most of the serious organizations to steer clear of open source software applications:

Most open source software applications are not reliable:

Although multinational companies like IBM and Sun Microsystems are backing the open source software movement, there are no great financial stakes involved and the motivation mostly originates from a prevalent anti-Microsoft feeling. So there is no clear-cut discipline in this field and everything is emotion driven. Most of the developers and promoters of free source software believe in an obscure, idealistic world where intellectual property rights do not exist and software companies do not sell commercial software. Hence most of the applications are not reliable and you cannot run critical business operations on them.

No support exists for open source software: Once you decide to use open source software, you are on your own. Agreed, that lots of help is available on the Internet and there are many self-motivated forums that can help you install and run open source software, there is no qualified support available. You have to figure out on your own how to install and use applications without sabotaging your data and hardware. For instance, every second kid in the neighborhood exhorts you to ditch Windows and switch to Linux; many have lost their years of data trying to make the shift. No help documents and manuals are made available since the software is being changed every second week.

Higher installation costs: It is a total misconception that you save money by switching over to open source software. More than 99% of PCs and laptops come with Windows operating system preinstalled and very few open source software applications adjust well with Windows. I don't mean to say that once we are stuck with Windows we shouldn't try another operating system; the incompatibilities are there just because nobody cares for the quality of the software. After the installation — if at all you can install it without destroying your digital resources — you have to put lots of effort into integrating the applications and make them give some decent output. Further, many open source software applications depend on the whims and fancies of the developers and they are not specifically developed by keeping the end user in mind; so once you decide to use it you have to really figure out how to excess various things. Sometimes even the menu conventions are not followed.

Incompatibility: Another great problem is that most of the open source applications are incompatible with the present day gadgets. For instance if you use some open source operating system you can forget about the cool plug and play hardware that you have been using for so many years. Sometimes people can't even get their modems working with open source operating systems.

Technical support too is costlier compared to proprietary software because people who provide support for free source and open source software expect to earn lots of money for providing support. In fact this is the only revenue model perceived in favor of the open source software movement.

No guarantee of updates: Who will be bound to give you regular updates when you are not paying for the open source software? You can get stuck with the same old version for years without ever getting an update.

Hence open source software shouldn't be promoted as a proprietary alternative.

6. OSBI IS ABOUT MULTIPLE INDEPENDENT PROJECTS

OSBI solutions are assembled from distinct, independent Open Source developer communities and have little to no common direction. It is challenging enough to guide a single Open Source project towards a common goal once it reaches a certain size, but never has Open Source been able to channel multiple independent projects into a single, coherent solution.

Open Source Challenges: Programming Complexity

Given that each Open Source solution grew up from a series of independent, java-based developer communities, it is not surprising that Open Source solutions retain that programmer's mindset. Documentation is riddled with references to Java class definitions and Java technologies. This requires technical depth and places a significant burden on BI implementers to develop Java programming and platform integration skills – thereby creating staffing challenges and further increasing staffing costs.

7. OPEN SOURCE COMES FREE. OH REALLY?

Licenses may be free; management of licensing is not in case of open source. There are several different licensing models companies can use with open source. The choice of licensing models will depend on several factors and the most important — will the customer change the code? Companies looking for open source licensing, will not only cost significantly more money, it can also dramatically increase the risk to the organization as a whole.

Companies have understood for a long time that it costs much more money to support a custom or customized environment than it does to support a packaged software environment. Open source is no different.

Open source technologies are not without risk. One of the primary reasons proprietary software companies exist is to shift the burden of maintenance, upgrades, and support away from internal IT. Proprietary software companies take on the burden of operability, provide warranties on workmanship, defend against copyright infringements and intellectual property claims, and commit to supporting these platforms for specified periods of time. The open source movement shifts all of those burdens to the customer.

Open source advocates say these platforms are more secure than proprietary software because they are open. We believe the relatively small footprint Open Source components within the enterprise, is the biggest reason there haven't been more hacker attacks. It is not at all uncommon for a company to have 50 Windows servers, 3 UNIX servers, and 2 Linux servers. Which platform do you think hackers will target? Companies should not be lulled into a false sense of security with open source. It is open, available to anyone who wants to do harm, and, therefore, needs to have special attention with testing and security.

8. CONCLUSION

Open Source BI tools are yet to mature to have richness in features

Any code changes made to these Open source platforms may be disastrous. Undoubtedly, proprietary BI applications deliver more comprehensive solution for performance management, planning, querying, analysis, reporting and strategic information management across the industry verticals.

And when it comes to support availability and the concerns for protection of investments; proprietary companies are less likely to stop functioning than many of the upcoming unstructured open source communities.

OSBI is dependent on the community collaboration effort that surrounds Open Source development in general.

It has been said that Open Source is the best option for SME which makes BI tools within their reach. MAIA Intelligence already has a BI offering for SMEs 1KEY MIS Server and has significant number of customers in this segment using the solution.

MAIA Intelligence

MAIA Intelligence is a software product company in Business Intelligence (BI) MIS reporting and analysis space. MAIA Intelligence, a young and innovative company is committed to developing powerful yet affordable and scalable BI solutions, has emerged as a growing entity in the market place. MAIA Intelligence's flagship offering 1KEY BI caters to strategic, tactical and operational user's requirements across the organization with a self-serve BI tool for dynamic MIS, ad-hoc reporting and complex analysis. With its mission to democratize BI, MAIA has made BI available to masses. Commenced in the year 2006, MAIA Intelligence, has always strived to meet the needs of corporate implementations, application service providers and value-added resellers. MAIA's innovation has revolutionized the way BI can be deployed. With installation & database connectivity happening in 2 working days, organizations are ready to deploy BI from the 3rd day with instant dynamic reports. For more information, visit www.maia-intelligence.com.



1KEY BI helps companies take informed and better decisions at all levels.

1KEY BI is developed on Microsoft .NET Framework 3.5. It has been specifically designed to cater to high levels of simultaneous access to huge data reporting on various platforms of Windows and databases. 1KEY BI can accommodate thousands of users, connect multiple applications, integrate disparate data sources and deliver visually stunning, multi-formatted and flexible cross functional reports and analytics.

The solution connects and communicates to all type of applications, irrespective of the database used at the backend. It helps the organizations to analyze and derive more meaningful and accurate information that will facilitate faster and, consequently profitable business decisions. 1KEY BI provides visual reporting and guided analysis for business users. 1KEY BI software product is geared toward business users with needs not met within their existing BI tools. It provides a very intuitive, interactive and highly visual interface that lets users see problems, both summary and details, in a very understandable way.

1KEY BI caters to any industry vertical including Manufacturing, Banking, Financial Services and Insurance (BFSI), Healthcare & Pharmaceutical, Services, Construction & Allied, Public Sector, Information Technology Enabled Services (ITES), Retail, Logistics, and Hospitality. The solution caters to the reporting and analysis demands of business users across the organization in all horizontals like Purchase & Procurement, Manufacturing & Distribution, Sales & Marketing, HR, and Finance & Accounts.

1KEY consists of wide range of components, with a variety of features to suit different business requirements.