

REPORT REPRINT

Tamr expands procurement focus for catalog-based data preparation platform

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The company has doubled-down on procurement as a core vertical for its catalog-based data preparation platform as it sharpens its focus on business analysts rather than data scientists.

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Since we last checked-in with catalog-based data preparation specialist Tamr, the company has released a free version of its metadata catalog software and raised a \$25.2m series B funding round. Since it increasingly targets the data preparation requirements of business analysts, it has sharpened its focus on procurement as a target vertical.

THE 451 TAKE

Any emerging startup targeting a specific vertical is always treading a fine line between driving early adoption and getting a foothold for more strategic deals, and being seen as a niche provider, which can make expanding into other verticals problematic. Tamr's focus on procurement makes sense in terms of proving the value of self-service data preparation, and the launch of the free Tamr Catalog offering should help to increase interest in the potential for a platform-neutral catalog for metadata as the first stage in a data preparation strategy. While the catalog-based approach provided Tamr with a differentiator, it now faces a new breed of competitors that are also focusing on creating a cataloged inventory of data. Tamr has a head start, however, and the benefit of some big-name customers and investors.

CONTEXT

The last time we caught up with Tamr, the three-year-old data preparation specialist had just embarked on a vertical strategy with applications for clinical data (CDSIC) and procurement. One year on, and while the company is still seeing interest in pharmaceuticals and life sciences, Tamr has doubled-down on its focus on procurement as a key vertical that will drive business-analyst usage of its Tamr Platform.

The company maintains that, in the long term, data preparation will be broadly applicable to multiple industries and use cases. With adoption still in the early stages, however, it reports that procurement is a natural target to prove the value of its software – the procurement function sits between multiple other business areas (e.g., supply chain, engineering and sales) and is directly responsible for driving profitability. The focus on procurement is also in keeping with Tamr's increasing focus on business analysts as the primary users, rather than data stewards or data scientists.

With Tamr's metadata catalog-based preparation software and focus on attribute-mapping and record-matching capabilities, users are able to integrate data from multiple sources (e.g., purchase orders, accounts payable, contracts, inventory and sales forecasts) in order to reduce the time taken to analyze data. The company cites one unnamed customer that was able to identify more than \$100m in cost savings after analyzing \$40bn in potential spending by being in a better position to conduct risk analysis and negotiate prices and payment terms.

The company is not being specific about customer adoption to date – it cites fewer than 50 customers, compared with 10-15 in February 2015 – but named customers include Toyota, GE, Siemens, Roche, GlaxoSmithKline, Amgen, Thomson Reuters, Novartis, Cinch Financial and Custom Automated Prosthetics.

Tamr currently has more than 75 employees, compared with 40-50 in February 2015, and is looking to expand thanks to a \$25.2m series B funding round announced in June 2015. The round was provided by Hewlett Packard Ventures, Thomson Reuters and MassMutual Ventures, as well as existing investors NEA and Google Ventures, which supplied a \$16m series A round in May 2014.

PRODUCTS

The company was cofounded by CEO Andy Palmer and CTO Mike Stonebraker, who also cofounded Vertica Systems, which was acquired by HP in 2011, as well as VoltDB. The company had created significant buzz prior to its launch, thanks in part to the fact that Stonebraker is a well-known database research pioneer, but also due to its plans to offer a new take on data integration driven by the use of machine-learning algorithms to improve attribute-mapping and record-matching accuracy.

While Tamr was initially available as a cloud service (and is still available in the cloud thanks to the company's relationship with Google), the majority of deployments are now on-premises, with Tamr being used to automatically ingest data from multiple data sources and make it available for analysis using business intelligence visualization tools (via partnerships with the likes of Tableau, Qlik, Zoomdata and MicroStrategy).

There are multiple steps between ingestion and analysis, of course, and Tamr's capabilities can be separated into three core components: catalog, connect and consume. First the software creates a metadata catalog that maps to logical entities; a combination of machine-learning algorithms and human expert guidance then matches and connects the entities and attributes. As a result of its focus on procurement, Tamr has also added data classification capabilities. Finally, the results are converted in RESTful APIs that can be consumed by spreadsheets, business intelligence tools or visualization software.

While these components are combined in Tamr Platform, in September 2015 the company also made Tamr Catalog available as a stand-alone free download to encourage more widespread adoption of its metadata cataloging capability. The idea is that creating a metadata catalog is the first step that enterprises need to take before they can move more fully into data preparation, and that by giving the software away for free, Tamr can spread the word and seed opportunities for Tamr Platform sales.

COMPETITION

Tamr was part of a group of four vendors that emerged in late 2013 and early 2014 and effectively established the market for self-service data preparation. While one of those, SourceThought, has been pretty much quiet since then, Paxata and Trifacta have, like Tamr, progressed and diversified. Trifacta launched its free Wrangler tool in October 2015 with a focus on business-analyst and data-analyst users of self-service visualization tools, and has added data governance capabilities to Wrangler Enterprise. Paxata has similarly added governance capabilities as it looks to expand its focus beyond Hadoop.

Tamr's catalog-based approach and attribute-mapping and record-matching capabilities have always set it apart from other data preparation startups, and the focus on procurement has accentuated that. The company notes that it is now being compared with spend-analysis tools such as SpendHQ and Zycus as much as it is self-service data preparation vendors. Additionally, a new generation of data preparation and management vendors has emerged with more directly comparable approaches designed to create a cataloged inventory of data. Examples include Alation, UNIFI Software, Waterline Data and Zaloni.

Almost all the established data management vendors have entered the data preparation fray, including Informatica, Oracle, SAS Institute, IBM, Talend, Harte-Hanks' Trillium Software and Hitachi Data Systems' Pentaho, as well as former analytics and visualization specialists such as Platfora, Datameer and Datawatch.

SWOT ANALYSIS

STRENGTHS

Tamr's management team has a track record of creating disruptive database and data management upstarts and establishing market opportunities for new approaches.

WEAKNESSES

While the company's focus on procurement as a vertical makes sense, competitors can be expected to pivot away from general-purpose data preparation, and Tamr will have to tread carefully.

OPPORTUNITIES

The combination of targeting procurement and releasing the free Catalog offering should help Tamr to get a foot in the door and open up wider strategic deals as adoption of data preparation grows.

THREATS

Just about every major data management vendor now has a data preparation offering, as well as the advantage of an installed customer base to exploit/protect with a view to squeezing out specialist vendors.