



Sybase Releases IQ 15 to Capitalize on 2008 Success in Europe

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Sybase, the enterprise information management and messaging company, has announced the launch of [Sybase IQ 15](#), the new version of its flagship analytics database, which has around 1,500 customers worldwide. The new version 15 of the product is currently in beta release with a limited selection of customers, including several in Europe. General availability is expected on March 31, 2009.

New features of the product include improved data loading, increased mixed workload support to improve query performance and scalability, increased user account security and data encryption, and easier management.

Bucking the Downturn

Sybase is a vendor that is currently bucking the downturn. Total revenue for 2008 was \$1.13 billion, a growth of 10%. Worldwide license revenue grew 11% in 2008. 4Q08 license revenue grew 8%, although this would have been 13% without currency effects. EMEA achieved full year growth of 17% and accounted for 35% of total revenue, compared to 33% in 2007. The enterprise database part of Sybase's business, comprising Adaptive Server Enterprise (ASE) and Sybase IQ, RAP — The Trading Edition, are all selling well and are seen as key growth drivers for 2009, expecting to grow by 8% to 9% worldwide in constant currency. The only slight warning sign comes from the flat performance of EMEA in 4Q, although this could represent growth of 8% to 10% when currency effects are taken out.

Growth for the analytics products largely came from financial services in 2008. Sybase's key target vertical markets for its database products for 2009 are the telco verticals (cross-selling and up-selling into messaging customers) and government.

According to Sybase, the trading environment is tough: customers are still buying, even in the financial services space, but are being highly selective. Quick implementation, quick return on investment, and price performance are the key priorities on which Sybase's customers are basing decisions.

Early Adoption of a Downturn-Ready Strategy

Sybase's results and in particular the lack of material effect from the economic climate provoked some amazement from analysts on the financial results call. CEO John Chen reiterated that the company's results are good and its pipeline going forward is strong.

Why is this? There are a number of reasons and perhaps the key one is that Sybase happened to be ready with its strategy slightly before the financial crisis and resulting downturn. Sybase was already well into cost-cutting and strategy refinement by the time the crisis came. The diversity of its strategy plays in Sybase's favor: its mobile strategy is one for a high-growth market, while its databases are a blend of mature (ASE and IQ) and new (Analytic Appliance). The RAP platform takes Sybase's sales representatives away from the company's core IT base of customers and into risk management business units.

Selling Into the Business is Key to Success

Another challenge to analysts' credibility on the call was when Chen said that the RAP pipeline was strong, and that the transition from selling into Sybase's core loyal base of IT departments to selling into business units had worked successfully.

This is a significant transition that should not be taken lightly, and can be hard for companies to make, as seen by Microsoft's recent withdrawal of its standalone financial planning tool (see *Microsoft Drops PerformancePoint Server: A Strategic Correction*, IDC #IcJUK21653609). The fact that Sybase has done this is a compliment to its sales strategy and execution.

So how has Sybase done this? It has spent time (since mid-2008) working out the major pain points in its key vertical markets of telco, government, and financial services, and managed to sell into line-of-business users who are concerned with mitigating the business risks. As well as the research into customer needs, this has involved significant sales force training, from selling into IT ('The database makes queries run faster') to the business ('You can gain insight into business performance sooner'). Some of this work has been driven from Europe, where Sybase has found that organizations have longer been more likely than North American enterprises to demand business-related solutions.

The Pendulum Swings, and Sybase is in the Middle

Sybase is well positioned for the current market, between the two extremes of datawarehousing. One extreme is the enterprise datawarehouse. This single version of the truth, provided to a broad range of corporate users, provides enormous benefits to those companies that get it right. However, many such projects are defeated by the huge cultural and technical challenges that such implementations present. The other extreme is addressed by the datawarehousing appliances, which are point solutions that are highly effective in solving specific problems, such as speeding up data load and retrieval for generating marketing emails. Such point solutions can be incredibly fast to implement and run, with no unforeseen issues to run into, because of the restricted nature of the problem they are solving.

Sybase IQ has the advantages of both. It is a columnar database, which gives it its strength at quick loading and quick retrieval of data. It plays against the appliances in terms of load speed, query speed, and price performance. However, it is also a full analytic database with mixed workload ability, meaning it can scale up both the amount of data contained in the product and the number of users and range of queries that it can handle. Flexibility to handle a range of queries has always been the key challenge for any datawarehousing or BI project, and will continue to be a driver of success for Sybase.

Sybase is smaller than the datawarehousing market leaders (the RDBMS vendors) and has been around longer than the datawarehousing appliance vendors. It is a respected brand in specific niches, particularly the financial services sector, but has suffered from low visibility in other areas. However, with its balanced position and strong 2008 performance, it looks as though the tide is turning. Sybase is one to watch in 2009.

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