

REPORT REPRINT

ASG'S Data Intelligence Business Benefits From Growing Interest In Data Governance

MATT ASLETT

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ASG Technologies offers a range of software products addressing IT systems management (including application, performance and operations management) and enterprise information management (including enterprise content management, workforce productivity and enterprise data intelligence). While its Data Intelligence product, therefore, represents a relatively small proportion of ASG's overall business, it has the potential to become an increasingly important segment given the level of interest in data catalogs and data governance.

THE 451 TAKE

ASG has been a long-term player in the data management sector, especially for data governance and compliance in financial services. In recent years, the company has expanded its adoption in other industries and broadened its purview beyond data management professionals to address the needs of data analysts and data scientists with self-service data access. In that context, the Intelligent Data Catalog is a good addition to the Data Intelligence portfolio to engage with data scientists while also extending the core capabilities offered by its existing Enterprise Metadata Repository and Business Glossary offerings. We expect this combination to drive greater adoption within the company's installed base, as well as greater adoption of new customers.

CONTEXT

ASG Technologies can trace its history back to the formation of Allen Systems Group in 1986, but the company as we know it today effectively came into being when it changed its name in August 2016, having been refinanced the previous year by a consortium of investors including KKR & Co and Blackstone Group's credit arm, GSO Capital Partners. More recently, the company received an investment in April 2017 from Elliott Management Corp affiliate Evergreen Coast Capital, along with a commitment to support the company's ongoing growth strategy.

Having divested itself of its former Atempo data protection assets in late 2017, ASG Technologies is now focused on two lines of business: IT systems management (application, performance and operations management) and enterprise information management (enterprise content management, workforce productivity and enterprise data intelligence). ASG generated revenue of more than \$240m in 2017, up 10%, and says it has more than 3,000 customers and 1,000 employees.

The remainder of this report is focused on the enterprise data intelligence portfolio specifically, including ASG's products for data management and data governance. We believe that Data Intelligence represents less than 10% of the company's overall business, with the bulk of its revenue split between the content management and IT systems management products. Nevertheless, Data Intelligence is a growth area with a healthy proportion of revenue being driven by new customers, and also in EMEA.

PRODUCTS

ASG Data Intelligence is a metadata-based platform for data management and governance. It offers functionality that addresses several core data management requirements, including data inventory, data lineage, impact analysis, reference data management, business glossary, data catalog, regulatory compliance and data auditing.

Core components in the portfolio include the ability to automatically scan and ingest metadata from across the data estate, as well as the Enterprise Metadata Repository, which provides the core metadata management and data lineage functionality that is used by data management professionals. It also underpins ASG's Business Glossary, through which data can be tagged based on an agreed-upon vocabulary for access by business users, and its Reference Data Management functionality.

ASG's Enterprise Metadata Repository provides the underlying metadata management and data lineage functionality to support Intelligent Data Catalog, which was added with version 9.0 in mid-2017. It is designed to support the democratization of data by enabling access to business analysts, data analysts and data scientists via full-text and faceted search, as well as the ability to collaborate via data tagging, sharing and commenting.

ASG sees demand for Intelligent Data Catalog coming from data scientists wanting self-service access to data from multiple sources via data lake environments. With the launch of Data Intelligence 9.5 in April, the company added integration between Intelligent Data Catalog and Jupyter notebook software to enable data scientists to create and share documents containing data and code for transformation, modeling, visualization and machine learning purposes.

STRATEGY

ASG sells the range of functionality supported by Data Intelligence according to four sales plays: financial compliance; GDPR compliance; change analysis and modernization; and data monetization. Financial compliance is a long-term go-to-market play for ASG given its traditional focus on the financial services sector, and GDPR compliance is a related opportunity. Change analysis and modernization taps into the growing demand for new approaches to data management in order to support digital transformation initiatives, and data monetization is an emerging opportunity that many enterprises are beginning to explore.

COMPETITION

ASG's Data Intelligence business faces a range of competitors thanks to its breadth of functionality. The incumbent data management providers including IBM, Oracle, Informatica, SAP, Hitachi Vantara and Talend, for example, offer products that overlap with the bulk of the Data Intelligence portfolio, while the company also faces a range of competitors for specific functionality.

For example, we expect potential data governance customers to also look at the likes of Infogix, Global IDs and Ataccama, while for reference data management, companies such as Orchestra Networks also come into play, along with master data management providers such as Semarchy and Riversand. Given ASG's metadata management underpinnings, we expect some customers to be looking at the likes of Alex Solutions, Data Advantage Group, Orion Governance, and Manta for data lineage.

Data governance and metadata management are also core capabilities enabling the catalog-based data lake management providers such as Unifi, Zaloni, Cambridge Semantics, Waterline and Alation, and data management platforms from the likes of Io-Tahoe and Infoworks, as well as Immuta with its data management for data science offering.

While Intelligent Data Catalog is licensed separately, ASG is not necessarily looking to compete with other data catalog providers; it believes it differentiates itself with its wider functionality. For instance, it sees Alation and Waterline as potential partners if a customer has already selected them as a data catalog provider. ASG sees companies like Collibra as more directly competitive, along with Informatica and IBM, but it is also able to integrate with their offerings if a customer deployment demands it.

SWOT ANALYSIS

STRENGTHS

ASG has a long track record with data management, and particularly compliance in the financial services sector.

WEAKNESSES

The company perhaps lacks a strong profile outside the financial services space, with data management in particular, although it is growing in other industries such as insurance, health and pharma, and transportation.

OPPORTUNITIES

The Intelligent Data Catalog is a good addition to the Data Intelligence portfolio to engage with data scientists and expand the company's footprint in existing accounts - in keeping with the shift toward self-service and data-driven digital transformation.

THREATS

There is no shortage of competitors given the range of functionality supported by Data Intelligence, so we see wisdom in the company's sales plays to focus attention on broader business benefits rather than individual functionality.