

SenSage shows progress in data warehousing thanks to partner focus

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Event summary

- More than 50% of SenSage's 400 customers will be using its technology for event-data warehousing in 2009 as the company continues its reinvention from an enterprise security information management (ESIM) vendor via compliance and log management.
- Recent growth has been driven by partnerships with EMC, Hewlett-Packard, McAfee and Cerner. Global partnerships and local resellers are responsible for 79% of revenue.
- The company remains focused on the application of data warehousing and analytics to event data, which differentiates it from the rest of the pack, but also means that the company operates in something of a niche.

The 451 take

We saw the wisdom of SenSage moving out of the ESIM space, since it is crowded and intensely competitive. The same could be said of data warehousing, although SenSage appears to have found itself a reasonably lucrative niche in event-data warehousing and a handful of healthy partnerships with industry heavyweights – customer data backs up its claim to the data-warehousing space. There remains confusion about whether the company is a security vendor or a warehousing vendor, which is one reason we see the channel route as a good one – SenSage can focus on supplying its partners with the underlying technology and let them worry about whether it should be positioned for log management or data warehousing.

Details

Although **SenSage** started out life as security log management vendor **Addamark Technologies**, it has had its eyes on the wider market for event-based data warehousing and analytics based on its massively parallel processing (MPP) and compressed columnar architecture since becoming SenSage in 2004. Early success in the storage and analysis of security-event data saw the company labeled as an ESIM vendor, a tag that it has struggled to shift away from, despite partnerships taking it into other areas such as telco call-data-record warehousing with **EMC**, healthcare with **Cerner** and compliance via **Hewlett-Packard's** Compliance Log Warehouse appliance.

The company now generates 79% of its revenue from global and local partners, as well as 40% from outside North America. It has 120 employees, and was cash-flow positive in the fourth quarter of 2008, having grown revenue 50% year-over-year for the last four years.

SenSage now claims 400 customers, up from 300 in May 2008, and says that up to two-thirds of those will be using its technology for data warehousing rather than log management in 2009, compared to half in 2008 and one-third in 2007. The shift toward data warehousing has been driven by its partnership with EMC, through which SenSage's software turns data stored in EMC's Centera storage from an offline archive into an online real-time data warehouse for analysis.

Competitive landscape

With close to 50% of its business coming from log management, SenSage continues to compete with **ArcSight**, EMC's EnVision, **NetIQ**, **Splunk Inc**, **LogLogic**, **LogRhythm**, **IBM Tivoli**, **eIQNetworks**, **Q1 Labs** and **NitroSecurity**. The relationship with EMC cooled following **RSA's** acquisition of EnVision, but is back on track since SenSage offers more than just log management.

In the data-warehousing space, SenSage competes with **IBM**, **Teradata**, **Oracle** and **Netezza**, with a pitch that its technology is better-suited to handling event data. For this reason, the technology could be seen as potentially complementary to existing data-warehouse investments. This may also explain why the data-warehousing specialists claim to not see SenSage in competitive situations, although that may change, given the number of columnar or MPP products from the likes of **Vertica Systems**, **Greenplum**, **Aster Data Systems**, **Paracel** and **Calpont**.

The fact that so much of SenSage's business is done through partners might also explain why it doesn't bump heads with data-warehouse vendors more frequently, since its products are sold via the likes of EMC, HP, Cerner and **McAfee**. EMC also partners with Paracel, Greenplum, IBM, **Microsoft**, Oracle, **Sybase** and Vertica. HP is also in the data-warehousing space with the NeoView enterprise data warehouse, as well as with Oracle via the HP Oracle Database Machine and Exadata Storage Server.

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