

ParAccel positions itself for advanced SQL analytics

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Event summary

- ParAccel will position its ParAccel Analytic Database as a platform for advanced SQL analytics as it looks to differentiate itself in the crowded data-warehousing market.
- Key application targets include market basket analysis and affinity analytics, which are already existing use cases based on the company's analytic database functionality.
- ParAccel claims to have more than doubled its customer base in the last six months and is also seeing expanded deals with its existing customers.

The 451 take

ParAccel appears to be growing well, although it would be easier to judge its progress if it were a little more open with customer details. The data-warehousing space is crowded but growing, and there are a lot of opportunities to be spread around. However, given the large number of players in the sector, we see wisdom in ParAccel focusing its attention on use cases that highlight its performance while differentiating it from other vendors providing a more general-purpose data-warehousing platform.

Details

Having released version 2.0 of its **ParAccel** Analytic Database in June and raised a \$22m series C funding round, ParAccel is now looking to solidify its position in the data-warehousing market by defining itself as a supplier of data-warehousing products for advanced SQL analysis. Key application targets for the company include market basket analysis and affinity analytics, which are already existing use cases based on the vendor's analytic database functionality such as support for outer joins, many-way joins and correlated sub-queries. ParAccel has already had some success supporting market basket analysis applications – office supplies provider **OfficeMax** signed up as a customer this year to enhance its data-warehouse environment with market basket analysis.

ParAccel is not providing details on the number of customers it now has but claims to have doubled its customer count since reporting more than a dozen customers when we last spoke with the company. As well as adding new customers, ParAccel says it is growing its influence inside existing customers. For example, database marketing agency **Merkle Direct Marketing** recently upgraded an existing deployment to 20TB, more than doubling the size

of its ParAccel Analytic Database cluster. In terms of data capacity, ParAccel's sweet spot has been the 3-30TB range. The firm now claims to be routinely being called in to conversations around 50TB data warehouses and is expecting to scale even further in 2010.

ParAccel has used some of its series C funding, which was provided by **Menlo Ventures**, **Walden International**, **Mohr Davidow Ventures**, **Bay Partners** and **Tao Venture Capital Partners**, to expand its headcount. It now has 70 staff, up from 60 in June, and claims to have quadrupled its sales team and doubled its marketing team since the start of the year.

Competitive landscape

The data-warehousing market is extremely crowded, with more than 20 providers competing for what has to date been a niche space, albeit a lucrative one. Although the sector is growing, we see wisdom in vendors positioning themselves for specific workloads, especially in the early stages of development, to secure a toehold in the market before looking to expand. The key incumbent players are **Oracle**, **Teradata** and **IBM**. ParAccel reports that it competes head-to-head with them relatively infrequently, since data-warehouse users unhappy with incumbent suppliers tend not to invite those incumbents to tender for new projects.

The vendor most often sees the likes of fellow column-based data-warehouse provider **Vertica Systems**, data-warehouse appliance specialist **Netezza** and midrange upstart **Greenplum**. Given ParAccel's focus on data warehouses of up to 50TB, we would also expect to see it encountering **Microsoft's** SQL Server, **Infobright**, **illuminate Solutions**, **Aster Data Systems** and **Sybase's** IQ. However, ParAccel does cite one example of where it replaced an entire Oracle system, including a central enterprise data warehouse and 12 data marts.

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