

**Topic: Workplace**

Issue: Who are the strategic enterprise providers and how will they evolve?

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Salesforce Launches Wave and Lightning; Prepares to Monetize Analytics and Mobile

Summary: *At its 2014 Dreamforce customer event, Salesforce presented Wave, its Analytics Cloud offering, and a new mobile app development platform called Lightning.*

Event: At Dreamforce on October 14, 2014, Salesforce introduced Wave, the Salesforce Analytics Cloud, along with a beta of a new mobile development platform called Lightning. Prices for Wave were made available; prices for Lightning were not.

Analysis

By introducing Wave, Salesforce will expand the monetization of its CRM ecosystem. Demand for analytics by sales, marketing and support leaders remains high, and Wave will help to fulfill that need. Pricing for Wave is substantial: equivalent to the price of Salesforce Enterprise Edition itself in some cases.

While Lightning is still in beta, Salesforce is preparing to capitalize on the demand for mobile by offering tools that make it easy to develop and deploy mobile apps across any device. Salesforce demonstrated a compelling mobile app built with Lightning that featured Coca Cola.

Wave: Ease of Use and Partners

With Wave, Salesforce has targeted business users as well as IT power users. This is a shift that Aragon feels will give Salesforce a significant new revenue channel. Its focus on ease of use for actual business users opens up a larger market and will put others on the defensive. Salesforce

got endorsements of Wave from customers, including GE Capital, which intends to use Wave as its global analytics platform and cites ease of use as a key factor in its decision.

On top of the business-user focus, Salesforce is going to leverage its new analytics partner ecosystem with Wave. This move immediately makes Wave more viable, since partner apps and data can be added to a Wave dashboard.

Although we anticipated a move to predictive apps, Salesforce joins a bit late. Major vendors such as IBM, Google and Microsoft are already in the predictive game, and the current version of Wave is not yet predictive. It currently offers reporting and dashboards, with the expectation that predictiveness and advanced capabilities will be added later. However, Salesforce is pairing it with partners who do currently have predictive capabilities.

Wave comes with full mobile support. It also will work with Chatter, so people can share reports and discuss them in the Chatter activity stream.

Wave pricing was announced in a couple of tiers, with Explorer priced at \$125 per user per month and Builder priced at \$250 per user per month. Some Salesforce partners already do analytics, so this offer is somewhat competitive to certain partners.

Wave will also support a mobile worker paradigm and let users switch presentation styles to get the graphical display they want. It's a mobile-first user design focus geared towards giving users real-time data on the go or when they need it.

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Impact on Business Intelligence

Wave puts the BI market on notice that analytics is about users and ease of use as much as it is about the underlying data elements. This, along with the App Store approach that Salesforce has popularized, will put pressure on standalone BI providers.

Lightning capitalizes on Mobile

The Lightning announcement came with more than 25 partners already onboard. While still in beta, the Lightning framework will have drag and drop components for everything, so Salesforce and AppExchange marketplace partners can build custom apps across devices.

Salesforce's move to embrace mobile matches what others such as IBM and SAP already do. Salesforce's approach offers unique support for citizen developers to build apps without requiring them to code. Being part of the core Salesforce platform is also part of Lightning's attraction.

Mobile: Others Will Need To React

This mobile app development platform move by Salesforce will further strengthen its CRM ecosystem. Others who compete in this arena, including Microsoft and Oracle, will need to counter this move.

Aragon Advisory

- Enterprises should carefully evaluate the benefits of Wave versus its cost. Given its newness, we expect early adopters may get price concessions.
- Enterprises that use CRM as their main platform may want to evaluate Lightning to develop new classes of mobile apps.

Bottom Line

With ease of use and a focus on business and IT users, Salesforce Wave should be a hit with enterprises if they can negotiate lower prices for it. With Lightning, enterprises should look at how they develop mobile apps and add Lightning to the list of tools that they evaluate.

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