

REPORT REPRINT

SnapLogic eyes international growth with iPaaS updates and its Iris view of AI

CARL LEHMANN, JEREMY KORN

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Over the last year, iPaaS provider SnapLogic has introduced new product features and announced new business initiatives that aim to grow the company's footprint.

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The integration of diverse data streams remains one of the biggest challenges for the successful digital transformation of enterprises. SnapLogic is an established player in the integration-platform-as-a-service (iPaaS) software industry, and over the last year it has introduced new product features and announced new business initiatives that aim to grow the company's footprint.

THE 451 TAKE

As enterprises of all stripes strive to make data-driven decisions, the demand for data integration technology and services will accelerate. SnapLogic, with a decade of experience building its iPaaS software, is well positioned to take advantage of this trend. The company is transitioning from a startup into an established vendor capable of delivering on these demands. It is simultaneously building out its product functionality and ramping its sales and customer support capabilities. The ease of use of its platform, along with its plans to enhance its use of metadata to empower its Iris artificial intelligence engine, will likely place SnapLogic on many buying short lists.

CONTEXT

Founded in 2006, SnapLogic is approaching its teenage years, and the company is undergoing the rapid growth associated with this life stage. The San Mateo, California-based company most recently raised \$40m in December 2016 from a group of investors led by Vitruvian Partners, bringing its total funding to \$136.3m. Over the past year, the company has used these resources to fund its EMEA expansion and open new offices in Sydney and Melbourne. SnapLogic also relocated its headquarters to accommodate a growing roster of personnel, which currently includes 250 full-time employees, along with a roughly 50-person team of contractors in India. While demure about specifics, SnapLogic says it has scaled while maintaining an impressive growth rate in the double digits.

PRODUCTS

SnapLogic's business revolves around its flagship product, the Enterprise Integration Cloud, a cloud-based iPaaS software that aims to simplify the integration of data, applications and devices. The platform includes over four hundred preconfigured plug-ins, called 'snaps,' that allow so-called 'citizen integrators' (i.e., knowledge workers with needs for on-demand data) to interconnect disparate endpoints.

When we spoke with SnapLogic in 2017, the company had just announced its Iris AI initiative and the SnapLogic Integration Assistant, a machine-learning-driven recommendation engine designed to increase automation of integration process designs by suggesting next steps for building data pipelines. SnapLogic has reported high levels of take-up for this new feature, with nearly 50% of snaps chosen using the AI engine. The company now has a team of four data scientists working to expand its capabilities. For example, SnapLogic recently introduced its new first snap recommendation feature, which makes an initial suggestion to users based on project type and goals.

Another new feature is the SnapLogic Community. Launched in April 2017, this online forum consolidates the expertise of over 600 SnapLogic customers, partners and employees into one channel, to create a product support network and best-practices knowledgebase. The community has seen preliminary success, with 1,500 posts across 10 categories, and could become integral to SnapLogic's goal of democratizing and simplifying the data integration process.

STRATEGY

As it seeks to become a best-in-class facilitator of digital transformation, SnapLogic has pursued a strategy of global expansion. The company appointed a team of experienced professionals – including SVP of global field operations, VP of EMEA sales, and VP of channels and alliances – to lead SnapLogic's international strategy. In LATAM, the company has partnered with other IT service providers, such as Softtek (Mexico) and Iteris (Brazil), to resell its integration platform in local markets. As part of its maturation process, SnapLogic rebranded itself by launching a new website and augmenting its marketing budget and team. This move has successfully driven new business to the company.

CUSTOMERS

SnapLogic continues to add accounts across a variety of different industries, including manufacturing, retail and education. The company added Schneider Electric, HPE, Canada Goose and Smith College to its list of customers in 2017. One new client was a multinational electronic equipment manufacturer that used the SnapLogic platform to integrate over 140 custom applications into one central information hub, allowing this customer's HR department to more quickly identify employee skill sets and build teams. In another case, a billion-dollar consumer product retailer used the SnapLogic platform to reduce tenfold the time needed to develop and process integrations for critical business operations.

SnapLogic still views its users as partners in its business. Its SnapLogic Customer Advocacy Program allows customers to earn rewards for advocating and networking on behalf of SnapLogic. The company also created a dedicated team for channel sales and strategic alliances, which should help it build better relations with other internet service vendors, systems integration consultants and technology OEMs.

COMPETITION

With its goal of becoming a one-stop platform for digital enterprises looking to integrate data, applications and devices, SnapLogic competes directly with other iPaaS vendors, as well as providers of the other integration platform types, such as ESB (enterprise service bus) and ETL (extract transform load), which SnapLogic seeks to either supplement or displace.

SnapLogic's primary competitors in the iPaaS market include MuleSoft, Dell Boomi and Informatica. MuleSoft made a big splash with its IPO. Dell Boomi brings both the experience and expertise associated with its parent organization. Informatica has advanced hybrid integration technology. These vendors also offer API management capabilities along with their iPaaS offerings.

Other potential rivals include Cloud Elements, Jitterbit, Scribe Software and Talend. Cloud Elements is a hybrid vendor of sorts, pivoting of late to focus on API management. Jitterbit, too, is pushing deeper into API management. Scribe Software specializes in Microsoft ecosystems. Talend's iPaaS is a more recent iPaaS entrant – perhaps less mature than others noted herein, it went public in July 2016.

SWOT ANALYSIS

STRENGTHS

The integration of a machine-learning-driven recommendation engine into its low-code environment is a distinct advantage for SnapLogic, since customers are looking for ways to build better systems more quickly.

WEAKNESSES

SnapLogic's offering does not have the range of capabilities of its competitors, including data governance, data quality and API management.

OPPORTUNITIES

Successful IPOs of other iPaaS vendors could be a harbinger of SnapLogic's future trajectory.

THREATS

SnapLogic needs to shore up its weaknesses in the coming years if it is to maintain its position as a short-list vendor.