

**Happy Birthday DB2! Happy Birthday Business Intelligence!**

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On June 7, 2008, IBM celebrated the 25<sup>th</sup> anniversary of Database 2 (DB2). [Released to the market in 1983](#), DB2 has become one of the leading relational databases for data warehousing. DB2 was an outgrowth of research into relational data modeling by E.F. Codd of IBM Research — work that led to several related commercial innovations that have had a significant influence on the data warehousing market, among them the SQL language. The term 'data warehouse' itself traces its roots to work by Barry Devlin and Paul Murphy of IBM, who are believed to have introduced it as 'information warehouse.' What is perhaps less known is that it was also at IBM where the term 'business intelligence' was first introduced by H.P. Luhn in October 1958. In his paper "[A Business Intelligence System](#)," Luhn succinctly describes the challenges facing business organizations:

"Information is now being generated and utilized at an ever-increasing rate because of the accelerated pace and scope of human activities and the steady rise in the average level of education. At the same time the growth of organizations and increased specialization and divisionalization have created new barriers to the flow of information. There is also a growing need for more prompt decisions at levels of responsibility far below those customary in the past. Undoubtedly the most formidable communications problem is the sheer bulk of information that has to be dealt with. In view of the present growth trends, automation appears to offer the most efficient methods for retrieval and dissemination of this information."

50 years later the business and technology issues facing organizations are remarkably unchanged. IDC surveys of end-users over the past decade of IT research into the business intelligence (BI) and data warehouse (DW) markets continue to highlight the end-user demand for faster access to relevant information, and the IT challenge of dealing with growing data volumes and user populations. As BI deployments become more pervasive, accountability for operational decisions is being pushed to front-line employees.

As analysts we find it important to be aware of historic events as they help us put today's technology developments into context and wade through the marketing hype of technology vendors when advising our clients. That is not to say that nothing new has been developed in the BI and DW market over the past 25 years. Innovation has been steady, and any of the early market pioneers should be impressed with the commercial manifestations of their original research.

In addition to these two important dates from IBM, it is worth mentioning a few other software developments that already have celebrated their 25<sup>th</sup> anniversaries and influenced the BI and DW markets.

- 1965. IBM introduced Report Program Generator (RPG) a programming language for rapid development of batch reports
- 1968. SPSS is founded and begins selling statistical software for social sciences
- 1970. Express, the first online analytics processing (OLAP) software product, is introduced by Management Decision Systems (later acquired by IRI)
- 1972. SAS (statistical analysis software) is created, and SAS Institute is founded as a company in 1976 when it begins selling its first product called Base SAS
- 1976. Information Builders is founded and introduces Focus, an application development toolset used primarily to write reporting applications

- 1979. Quasar, later renamed to Cognos, enters the software market with QUIZ, an end-user reporting tool for terminal-based computers. In 1982 Cognos introduces PowerHouse 4GL, an application development toolset used primarily to write reporting applications.
- 1979. Teradata ships its first RDBMS systems for data warehousing to AT&T, Wells Fargo, and Chrysler
- 1981. Oracle, then known as Relational Software, releases its first reporting tool called Interactive Application Facility (IAF)
- 1981. International Management Reporting Systems (IMRS) predecessor to Hyperion was founded and began selling Micro Control, a multinational financial reporting software on personal computers
- 1982. Metaphor Computer Systems was founded as a spin-out of Xerox PARC. The company began selling Decision Information System (DIS) and was later involved in the deployment of one of the first major BI systems at Procter & Gamble.
- 1983. Planning Sciences, a predecessor to Gentia (now part of Rocket Software), began selling an executive information system (EIS) called Epic

The next 25 years brought significant developments as the BI market evolved along with developments in client-server computing, the internet, and the world wide web. In the early 2000s the market experienced significant changes as some of the leading independent BI software vendors were acquired by the larger database and enterprise applications vendors. Nevertheless, in the beginning of 2008, IDC identifies over 200 BI and DW vendors worldwide. The next market cycle is going to be dominated by bringing BI technology to the mass market — a market trend IDC calls Pervasive Business Intelligence.

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