January 27, 2016 12:17 pm

Tableau thrives as it seeks to free data from 'Excel hell'

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The fast-growing Seattle software maker helping managers bring dry charts to life

Spreadsheet sceptic: Tableau CEO Christian Chabot in front of a screenshot of his product

In 1993, Pat Hanrahan was part of the Pixar team that won an Oscar for animation software. A decade later, he co-founded a company that aimed to bring a similar visual flair to the presentation of business data.

Tableau Software has not yet won as many garlands as Pixar, the maker of the Toy Story series. But rapid sales growth, partly at the expense of Microsoft's Excel, has given it a $6bn market capitalisation and an evangelical following among managers trying to make sense of today's data deluge.

There is something Apple-like about the zeal with which Tableau users discuss the product. More than 10,000 attended an annual conference in October in Las Vegas, sitting in on sessions with titles such as "Data in the Wild: Taming it in Tableau", "Hot. Dirty. Sets", "Tableau Jedi Calcs: Welcome to the Dark Side" and "Dashboarding on the Edge of Impossible".

Many of these attendees will harbour an ambition to get one over on peers by being granted "Zen Master" status by Tableau, the Seattle-based company's answer to Microsoft's "MVP" or "Most Valuable Professional" designation for users of tools such as Excel and PowerPoint. The Zen Master honour is accorded for willingness to share knowledge with others as well as individual expertise; it is announced with a suitably enigmatic gesture: the delivery of an inscribed pebble.

Tableau's software pulls in business data from a number of internal and external sources (spreadsheets, databases, the cloud), allows rapid manipulation of that data and various ways of visualising it.

Outputs can be viewed individually, merged into dashboards or presented as more of a narrative. Ease of use is uppermost in Tableau design considerations — it describes itself as "self-service analytics".

Customers supplying enthusiastic testimonials about the product on the company's website include Deloitte, the auditor and consultant; Tesla Motors; and Barclays, the UK bank.

Zen Masters can spring from less obvious quarters, though. Among the 21 users who bear that title is Robert Radburn, research and insight team leader at Leicestershire County Council in the UK. "It's tough financial times for local government so we are using more and more data to help us understand how to redesign our services," he says, adding that Tableau lets him do this in meetings faster than Excel.

Mr Radburn believes that such tools mean an analyst does not need to know a particular domain inside out: "I don't have to be an expert in social work or highways maintenance to bring fresh insight to that data."

Chatting with Christian Chabot, Tableau's chief executive and one of the co-founders of the business with Prof Hanrahan (who still teaches computer graphics at Stanford University), it becomes clear that he greatly admires Apple and its early spirit of innovation.

Mr Chabot enthusiastically quotes the late Steve Jobs ("computers are like a bicycle for our minds"), and echoes Jobs' passion for the power of computers to augment human intellect.

And then there is a shared willingness to tweak the tail of Microsoft.

Mr Chabot says managers trap themselves in "Excel hell" when they choose to track and visualise data using the ubiquitous spreadsheet software. He even goes so far as to argue that spreadsheets have provided "no contribution to the human understanding of facts" over the past 30 years.

Tableau Software

Market value ($m)

IPO
May 17
2013
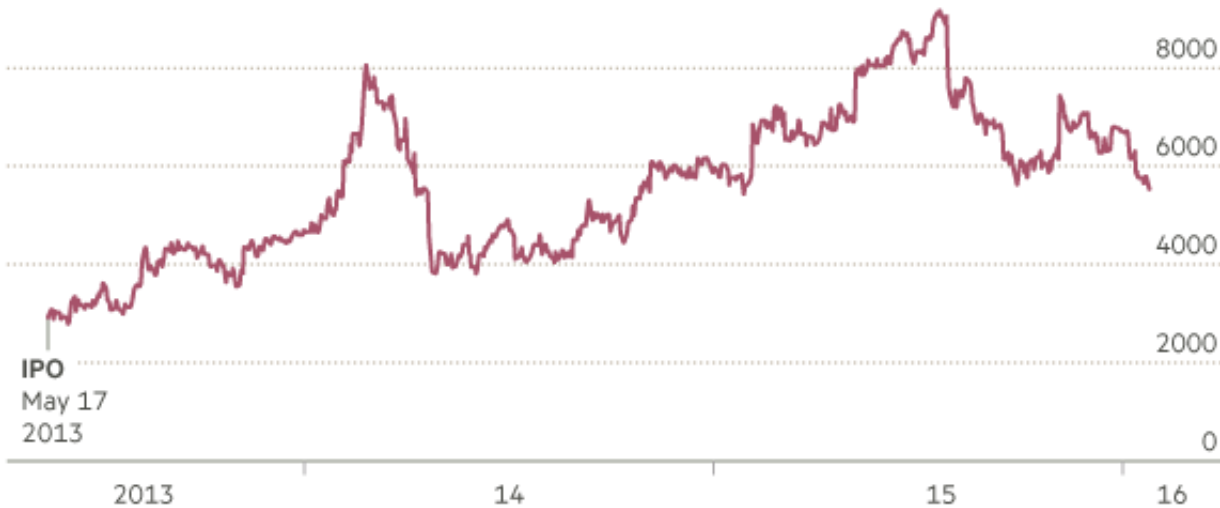
Source: Thomson Reuters Datastream

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Tableau is not pitched as a direct replacement for Excel: it is more expensive and its licensing model is not designed to put a copy of the software on the desktop of every employee.

But Mr Chabot has a strong conviction that there is a big opportunity in the middle ground between desktop tools such as Excel and the beefier "enterprise business intelligence" software sold by the likes of Oracle, IBM and SAP.

The Tableau boss is equally dismissive of this latter sector, which he sees as having stagnated. "The name alone [enterprise business intelligence software] instils fear in most people," he says, accusing the products of being "architecture-heavy, development-intensive, slow-moving and understood only by technical specialists — that's more than one minor annoyance".

Tableau releases its 2015 fourth-quarter results next Thursday. It posted sales of $451m for the first nine months of the year, a 67 per cent increase on the same period in 2014, although the net loss for the period — a byproduct of the group's land-grab strategy — widened to $42m.

Amid stock market volatility and a more sceptical approach to technology company valuations, the group's shares have shed about 40 per cent of their value since peaking last summer. Mr Chabot,

The pebble that says you've arrived

however, believes that there are "decades of growth ahead" based on the fact that its success to date has delivered Tableau just "1 per cent or 2 per cent" of the market.

Among data visualisation diehards, such as those who thronged the Tableau conference last year, there is perhaps no greater crime than simply accepting the default charts offered by Excel, the dreaded three-dimensional pie chart being the biggest culprit of all.

This is a trap Tableau has been keen to avoid, seeing "intelligent defaults" as a source of market differentiation. Keeping up with best practice in visualisation consequently forms an important part of its research and development activity, headed by Jock Mackinlay.

An early recruit to the Tableau team, Mr Mackinlay was part of the influential Xerox Palo Alto Research Center, where he worked with experts on computer graphics and user interfaces in the late 1980s. That team coined the phrase "information visualisation" making Mr Mackinlay well placed to assess how the industry has progressed since.

Kinder on Excel than his CEO ("a fantastic tool for a different kind of problem"), his prime concern is keeping rank-and-file humans — and not ever-advancing technology — in charge of decision-making.

"There's nothing wrong with building up predictive analytics algorithms, but the problem is that there are so few data scientists in the world. If that was the only way you could do it, it would take too long — machine learning or predictive algorithms are only part of the solution."

Businesses need to respond to advances in computing by giving managers on the ground the access to the data they need to make informed decisions, rather than falling back on old habits of centralisation, Mr Chabot says.

"The most important thing a leader needs to do now within an organisation is to start fomenting the cultural change and the belief system that we should trust our people with access to the data."

The competition

At December's Information is Beautiful data visualisation awards in London, the "Free Dataviz Tool" category was dominated by open source software. The overall winner was D3, an open source software library for creating interactive web graphics and, like Tableau, a tool with a Stanford University origin.

Second place went to R, an open language for statistical and graphical computing. But third place went to Tableau Public, a free version of Tableau's software that, along with a free iPad app, will be key to building a new generation of visual analyst, the company hopes.

Tools like D3 and R, which require programming knowledge, do not represent direct competition for Tableau. Instead, new players such as Sweden's Qlik and US-based Alteryx as well as renewed efforts from traditional heavyweights such as IBM, SAP, Oracle and Microsoft, form the market reference points.

To read the first article in this two-part series, "Charts that can withstand the data deluge", visit ft.com/smartcharts

Further reading from the FT archive: Clive Cookson's 2013 FT Magazine article on Edward Tufte, "the guru of graphics, the high priest of presentation"
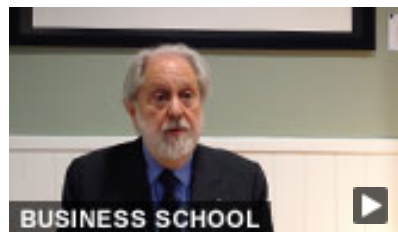
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