

Key Issues for Business Intelligence and Performance Management Initiatives

Gartner defines BI as an umbrella term for the applications, infrastructure, platforms, tools and best practices which enable the access to and analysis of information to optimize decisions and manage performance. Gartner's surveys consistently show that Business Intelligence is a top 3 priority for CIOs and Senior Executives. Yet after years of investment and implementation, BI has failed to become pervasive among business users: Gartner estimates that no more than 20% of business users actually use BI proactively. This means that BI is not being widely used to manage performance.

So, what is the problem and why aren't organizations doing better with BI? Gartner sees organizations facing challenges in several areas:

STRATEGY & ARCHITECTURE

Defining a BI and Performance Management Strategy

Organizations need to have an agreed and documented business intelligence (BI) and performance management (PM) strategy to enable them to deliver real business value from BI technology investments. The important thing is not the format and presentation of the strategy itself, but rather the collaborative process of building and agreeing a BI and PM strategy that identifies a shared set of goals based on an appraisal of the current situation. Gartner analysts often hear about cases where BI has produced a poor return on investment (ROI) — many of these can be attributed directly to an organization's lack of a BI strategy.

What are the best practices in building a BI and performance management architecture?

Many organizations have defined an application architecture for their operational and transactional applications. However, they have not taken the same architectural approach to BI applications. BI applications, and the technology infrastructure that supports them, are often required to provide capabilities that service multiple user types, provide for a variety of planning and analytic functions and allow information to be acquired from multiple sources. Taking a siloed technology or opportunistic/tactical approach can lead to inconsistent results, inflexible applications and infrastructure, and higher cost of ownership.

How should analytics be integrated into business processes and applications?

Most BI deployments view the end user as the design point. The goal is to deliver the right information to the right user at the right time. The problem is, most BI deployments require the user to stop operating in their traditional work space and

move to another environment to view information. Most users are just too busy "putting out fires" to stop and browse through the reports in a data warehouse. Increasingly, BI and PM initiatives will think of the process itself as the design point.

Track 1 of the Business Intelligence Summit focuses on Strategy and Architecture, so this will give you clear insights into how to address these issues.

TECHNOLOGY and INFRASTRUCTURE

What new emerging technologies should be planned for? Why, and when?

Technology options for BI and PM applications are at different stages of maturity. Some emerging technologies, such as interactive visualization and in-memory analytics, have been embraced by hundreds of customers and are ready for mainstream adoption. Others, such as BI integrated search, content analytics and BI via software-as-a-service, have not been widely adopted yet, but warrant closer examination.

What are the effects of technology advancements on data management and integration strategy, architectures and practice?

DM&I initiatives include establishing an enterprise-wide data integration and quality improvement program, creating a robust data warehouse infrastructure, and implementing a comprehensive metadata strategy. Technology advancements in these areas can influence or even completely revise a solution strategy and can make obsolete existing best practices in favor of new practices, and organizations must understand and plan for the impact of these changes.

How will the BI, analytics and performance management markets and vendors evolve?

The BI and performance management space is now dominated by megavendors, and further consolidation is likely as these vendors build out their portfolios. The megavendors are driving the convergence of the BI platform and CPM suites markets, and are also increasingly moving into other areas of performance management. These areas have distinctly different customer bases and these different customer constituencies will complicate standardization decisions as vendors attempt to sell suites that combine BI and performance management functionality. Users must understand the shifting market dynamics and the capabilities of service providers to support their BI and PM initiatives.

Track 2 of the Business intelligence Summit focuses on Technology and Tools, so it will help you understand the vendor offerings, their role in the market and the impact of technology changes.

ORGANIZATIONAL COMPETENCIES**What are the best practices for developing the organizational competencies and user skills?**

Previous research has shown that one of the biggest barriers to the success of BI is a lack of skills surrounding the use of information, tools and applications that are available as part of its implementation. Organizations need to develop and organize the program management, development and user skills necessary to turn business intelligence and performance management into a core competency.

How can organizations build the business case for BI and PM?

Using the term “business intelligence and performance management initiative” implies a change from the status quo. Executing change requires the ability of leaders to convince others that the change is justified. Often it is the leaders of IT-centric BI deployments that first envision the use of information to improve the company’s ability to make decisions and improve performance. Unfortunately, IT rarely has the political power to enforce this change. As a result, the key issue of building the business case for BI and PM is paramount to convincing executives to sponsor such a change.

How can BI teams drive adoption of BI across the enterprise?

One of the fatal flaws of BI is believing: “If we build it, they will come.” Indeed, lack of adoption is one of the most common and visible signs of failure. The situation often confounds leaders of IT-centric BI teams. They collect the requirements directly from the users and build solutions that exactly match their requirements. Yet the users still don’t come. Unless they view the reports as strategic, and make reviewing them a part of their workflow, most business workers are too busy “putting out fires” to stop and review reports.

Organizational and Operational issues are often the “failure” point in delivering tangible results for BI initiatives. Track 3 of the Business Intelligence Summit focuses on these issues and provides concrete advice.

PERFORMANCE COMPETENCIES**How do businesses leverage information and analysis to improve performance?**

Most organizations equate BI with information delivery. However, the real value of BI is strongly linked to achieving business goals and improving business performance. A growing range of analytic applications is emerging that leverage BI technologies to better understand and manage business performance. Based on this trend, BI capabilities will become more pervasive in operational and workplace applications, as organizations seek to use BI to lead, support decisions, explore, measure, manage and optimize their businesses, and thereby drive business transformation.

How can organizations identify the right performance metrics?

Building dashboards for most organizations has been relatively straightforward. This is because the measures in most report-centric BI deployments can be swiftly turned into a performance metric by providing a target goal and displaying the measure in an easy to consume graphic, such as a dial or traffic light. Performing this task transforms a report into a dashboard. BI and PM initiatives need to go further, linking the measures together with a cause-and-effect relationship, enabling a user to perform root-cause analysis.

What is the best way to govern a portfolio of analytic applications and BI platform capabilities?

BI projects rarely focus on governance because they usually evolve from departmental and workgroup applications. Contrast this with top-down-driven enterprise resource planning (ERP) application deployments that have strict security controls, and a formal process for application life cycle management which ensures proper development and testing before moving to production. This problem will be exacerbated when BI and PM projects are more widely adopted by a broader user community — inside and outside the company.

Performance management is the focus of track 4 of the Business intelligence Summit. This track will help you identify the right approach to performance management, along with the supporting technologies.

RECOMMENDATIONS

The upcoming Gartner Business intelligence Summit 2009 in Amsterdam will provide guidance on how to build a BI and PM strategy to avoid these pitfalls, how to align and integrate initiatives between IT, business functions and users, and balance tactical and strategic demands, and provide insight into market developments.