

A value-added approach to rapid-fire business intelligence success

**How to avoid the pitfalls, reduce risks and maximise
ROI with your BI project**

Gain a fast track to rapid ROI with Business Intelligence dashboards

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Introduction

Expectations about the benefits of deploying Business Intelligence (BI) solutions have never been higher. This white paper provides an overview of BI, the key benefits that can be derived from a successful implementation and the importance of defining a value proposition for BI deployments. It also covers the key success factors to consider when designing and implementing a BI project.

Continued economic uncertainty and major industry-changing dynamics, like mobility and the shift to digital business, put an increasing premium on critical information. Whether it's optimising processes, improving customer service, increasing the potency of marketing initiatives, breaking into new markets or seeking ways to get ahead of the competition, getting the right information to the right person at the right time is a prerequisite for business success.

Without question, today's organisations have access to more detailed, rich data sources than ever before. However, the flood of customer, financial, marketing and other information streams can often drown out accurate decision-making, largely because organisations often have trouble focusing on the critical "need to know" information and separating it from the irrelevant. Most business leaders already appreciate the value of business intelligence (BI) and how it can assist in supporting the efficient and effective running of their organisation.

These projections mean one thing; expectations of BI are frequently not met. In fact, the vast majority of organisations struggle to get the desired value from their BI investments (see diagram overleaf). According to Forrester Research¹, the reasons behind business users' complaints about their ability to access the data they need to support a decision from their BI include; insufficient and inaccessible data, untrustworthy data, unacceptably long turnaround times for new reports and excessive and "wrong" data.

Diagram 1: Forrester Research, Inc. July 2013 “Best Practices: Maximise Your Chances of Business Intelligence Success”

“How successful has your firm been so far in achieving the following outcomes since adopting BI?”



Base: 603 business intelligence users (multiple responses accepted)
Source: Forrsights BI/Big Data Survey, Q3 2012

Other BI projects fail because they rely too heavily on the software alone and not enough on creating strategies and road maps to use it effectively. The bottom line is that many organisations are data rich, but information poor. While most spend a tremendous amount of time, effort and money gathering data, they spend far less time thinking through a strategic road map that helps them to filter and analyse it in a holistic way. This latter aspect is where the thoughtful application of BI, complemented by the selection of the right BI tool, can add a great deal of value.

Business Intelligence – Haven't We Met Before?

Without question, the best business decisions are driven by data. World-class organisations embed BI into their DNA, enabling them to make rapid-fire business decisions without second-guessing the “evidence behind the numbers”. In the early years, BI most frequently took the form of technology-driven products, such as large-scale enterprise resource planning (ERP) and data warehousing applications. These first-generation tools helped to aggregate organisational data, but the high price tag, high degree of advanced technical skills and extensive time investment required to implement and support them, put them out of reach of SMEs and mid-sized organisations. Even for those who could afford the investment, these early BI products often failed to meet expectations. The reason was that many of the BI projects were driven by IT management, rather than overall company leadership, and were not aligned to meet the needs of non-technical information users.

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The Shift from Technology-Driven to Business-Driven BI

More recently, the approach to BI has shifted from a “technology-first” focus, in favour of end-user (i.e. non-technical) centred solutions that can deliver targeted decision support. Due in part to this shift in focus, overall spending on enterprise BI platforms slowed in recent years, from a 17 percent year-on-year rise in 2011 to just 6.8 percent for 2012ⁱⁱ. Conversely, the demand for end-user tools has grown rapidly. This shift is supported by Dresner's 2013 Wisdom of Crowds^{®iii} research which revealed that better decision-making is the most popular objective for BI solutions with the top BI technology priorities focused on dashboards, Cloud BI and mobile BI.

With more impetus for BI being led by executive management and finance rather than IT, the “next generation” BI user is now far more likely to be a senior information user with line-of-business responsibility, be commercially-focused and non-technical, and have a strong objective to reduce overall reliance on reports and spreadsheets for information analysis. As Roger Stocker, Director of Intuitive Business Intelligence, concludes, “If you take a really close look at the failures of BI projects, it is because they have been treated as technology projects and not as core business initiatives. It is no longer the driving force and simply leading with a BI product does not work.”

Next generation users are seeking to use BI in a far more strategic manner, making the leap from simple “transactional” KPI management to structured data discovery, revealing previously unseen trends, connections and linkages between the factors that influence outcomes.

BI for Next Generation Users

The new breed of BI dashboard solutions deliver advanced data visualisation capabilities, offering a far more flexible and easier to use alternative to traditional enterprise BI platforms. Common to all of these solutions is the ability for non-IT users to create a customised view of the critical management information they require, by delivering self-service BI capabilities at a fraction of the cost of a typical enterprise BI solution. For example, Intuitive Dashboards offers a simple-to-use and fast implementation option, giving users instant, real-time access to data relevant to their specific job, department or function in a graphical view and which can be customised and shared with different user communities.

So what level of expectations are held by next generation BI users? Many express a simple desire to improve access to high-quality management information that is relied upon for standard management reporting requirements. BI dashboards deliver 70%-80% time savings on the production of management information, enabling reporting cycles to be massively reduced. In turn, the shorter reporting cycles enable more immediate monitoring and management of metrics and data is more easily consumed by a wider audience, who can share dashboards and view information securely, due to the robust enterprise security capabilities.

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However, the ability to visualise information is just the first step. Next generation BI users demand the ability to explore their data, reveal insights and draw conclusions that, ultimately aid faster, more effective decision-making. And those decisions are focused on enhancing the effectiveness of their organisation at a strategic level, such as sales performance, membership attrition rates, campaign success, profitability by mapping insights and speed of thought analysis to outcomes. And because people make decisions based on multiple sources of insight, BI dashboards allow different users to visualise data sources from alternative viewpoints, according to permissions or roles, enabling people to make decisions collaboratively.

Business decision-makers at all levels in the organisation need information at their fingertips, wherever they are. Whereas traditional BI solutions serve up static reports, BI dashboards meet the need for “anywhere, anytime” BI, allowing users to explore data and draw associations and insights wherever they are working, via laptops, tablets and smartphones.

Understandably, organisations are reluctant to accept the burden of enterprise-scale business applications. These new BI tools allow users of varying skills to contribute to the creation of applications which can be more easily reused. Apps are easy to create, alter and share, leveraging an approach that lets any user quickly develop and deploy task-specific apps within the organisation.

With a vastly reduced timescale for training and implementation, users can be up and running within a matter of weeks, with most dashboard projects going live in a week. The cost advantages, product flexibility and user friendliness offered has resulted in many early adopters achieving a ROI in less than 9 months. For example, Morson Group, a UK-based technical recruitment company, achieved over £120,000 in annual savings resulting from its initial deployment of Intuitive Dashboards. Stinus Andersen, Business Systems and Compliance Manager at Morson Group, comments, “The return on investment has far exceeded our expectations, and such has been the success of its implementation, we are extending its roll-out across the entire group.”

Empower your Organisation with Actionable Business Intelligence

Shrink the Distance from Data to Action

Some data, such as historical sales trends, retain their value in analytics over a period of years. But other information, like assembly line faults and advertising click-throughs, have a much shorter half-life – typically in the order of minutes. BI dashboards offer you the means to capture, analyse and react to these rapidly changing trends resulting in real-time information applications that allow users to spot and take corrective action within seconds of an event.

Spot and Act on Performance Shortfalls

Problems and opportunities typically occur when events happen outside the normal scope of operations. The best businesses are able to quickly identify these outliers and take action. BI dashboards deliver proactive alerts instantly, so information users receive faster identification of non-conformances, trends and opportunities and can take fast and decisive action to remedy issues and maintain performance levels, and to exploit opportunities to improve efficiencies, reduce costs and sustain a competitive advantage.

Fine-Tune your Strategy with Real-Time Feedback

A good strategy is one that is constantly updated to reflect the most recent results. However, the gap between action and measurement with traditional analytics is often weeks, drastically reducing the effectiveness of any strategy. With real-time analysis, you can reduce these cycles to minutes – allowing business users to test and refine a wide variety of strategies and outcomes.

Share Insights with Real-Time Collaboration

Having access to real-time information is all well and good, but the ability to share and collaborate on insights revealed is fast becoming one of the most important aspects of a successful BI project. Gone are the days of “information is power” and with increasing numbers of staff working remotely, across a range of locations and even time-zones, it’s critical that information can be quickly and easily shared. BI dashboards offer exceptional security functionality, allowing the sharing of knowledge, data and performance to be at the core of business practices without risk of a security breach. With collaboration comes visibility and transparency which in turn breed trust, openness and a sense of self-responsibility amongst internal and external stakeholders. Internally, often this results in improved performance and productivity at the individual, team and divisional level while externally, clients see clearly where your business is in its agreement to them, reinforcing your position as their preferred supplier.

Developing the Business Case

While BI solutions can add significant value at the departmental or divisional level, it’s wise to invest time in defining how your BI initiative aligns with your organisation’s strategic and performance management objectives. This step helps to ensure that your project delivers value-added information that improves strategic execution, enables management to make better decisions and helps to motivate, incentivise and reward staff for measurable performance improvements.

Once the strategic and performance alignment goals have been established, the next step is to conduct a technical value assessment. This process reviews how a BI investment aligns with existing IT systems, allowing for rapid consolidation of information and more powerful, instantaneous analytical capabilities. When an organisation takes the time to align their BI solutions with key strategic, performance management and technical drivers, strong results can follow. For example, if a business unit’s profitability goals are lagging projections, a well-designed BI project can filter data sources to pinpoint sales challenges, identify product or pricing issues and improve cross-selling opportunities, by presenting a more holistic picture of an existing customer base.

Similarly, if an organisation discovers issues with compliance, it can use BI tools to isolate activities that transgress regulatory requirements and identify internal decisions that led to the issues. This knowledge enables business leaders to make well-informed choices to improve compliance processes and avoid potential sanctions. In many cases, managers already know that there is a problem, but they can't get to the root cause because they're not tracking the right data or they have multiple systems that don't talk to each other. However, when BI tools are aligned with core business and technical strategies, those issues are much easier to solve.

In addition to big picture strategic and technical alignment, the successful launch of a BI project also relies on careful attention to key implementation factors. These include:

Define and Prioritise the Business Challenge

At the outset, this exercise examines the recurring organisational issues that have not been resolved with existing decision support tools. For example, if an organisation has continually tried to solve a financial issue by exporting multiple data streams into Excel spreadsheets, it's highly likely that the effort and time has not delivered any results. When business issues are accurately defined and prioritised, it's far simpler to identify what you expect your chosen BI solution to deliver and gives you a starting point for assessing your initial ROI.

Start Small and Build on Your Success

Even when significant business challenges have been researched and identified, many organisations hesitate to take the next step because they're concerned about "scope creep" in a BI initiative. For that reason, it's best to build momentum and leadership buy-in by choosing a small, discreet yet important business challenge as the focus for your BI project. By taking this approach, you are more likely to gain initial success, allowing the addition of more strategic elements and complexity in subsequent phases. Phasing your project will also ensure you are correctly resourced and allows you to draw benefits and ROI much quicker, without the need to wait for large-scale project completion. Keep in mind that the objective is to identify and measure the trends and issues affecting your ability to reach your KPIs, and provide a feedback mechanism that lets you make changes to your operation. By starting small, you keep the financial and staff investment at an affordable level, making it easier to manage the project effectively and identify project success metrics.

Key to the successful deployment at Morson Group was adopting a simple, phased approach. After identifying their initial challenges and successfully building the supporting dashboards to respond, the Group subsequently built, deployed and now actively use over 250 dashboards, with over half of the Group's client spreadsheets now converted into dashboards. As a direct result of the success of the first, smaller phases of the implementation, the company has taken a board-level decision to initiate an extensive roll-out programme across the entire Group.

According to Chris Thompson, Managing Director at ProcessFlows, an IT managed service provider, the "start small" approach to BI implementation has been equally critical to their deployment; "The first phase of implementation has seen dashboards deployed across our consultancy, incident and contract management operations with great success. With the recent completion of the second phase of implementation, dashboards are also now running across sales and other key areas of management information."

BI Results in Action

Any sound implementation approach needs to consider how end-users will interact with BI and how they came to use the resulting insight in their day-to-day activities. Understanding which goals and KPIs to focus on is just the first step; you will also need to consider what the information will be used for. For instance, head office staff frequently have a different user experience than field employees, vendors or contractors. To address different user requirements, it's important to ask searching questions, such as, "why does this need to change?" or "why will this information make this better and how?" On many occasions, business users on the front end of the process will repeatedly talk about the need for new or better information, but without a sound reason for a change.

Build a Project Road Map

Typically, this document will summarise the business challenges and end-user research, recap existing processes, evaluate project options and risks, analyse total cost of ownership and provide an implementation plan and timeline. Once approved, this roadmap becomes the template for BI execution.

Choose an Executive Sponsor

Dashboard initiatives require the support of at least one senior executive who understands the key business challenges identified, and has the authority to ensure the project has the resources and buy-in required. The executive sponsor will set and maintain project vision, ensuring that it supports real objectives aligned with strategy, mediate disputes, navigate obstacles and hold people accountable to defined goals.

This is supported by recent Gartner^{iv} research which found that “senior business ownership of the BI strategy is essential to the development of an effective BI strategy, as well as driving and sustaining the BI strategy forward beyond initial applications.”

Choose the Right BI Solution

Critical to any successful BI execution is the choice of solution, so ensure you're comparing your key business challenges with the functionality of the different solutions offered. Consider whether the application enables business and information users to see what is happening in areas of the organisation previously hidden or difficult to penetrate. It is essential that your chosen solution can probe disparate information across varied systems and deliver this to you in a consolidated, visual format to enable the easy and fast interpretation and analysis of data. With more and more non-technical users turning to business intelligence tools, it is important that the solution is easy-to-use and implement, with little or no IT resource required and can be scaled up to meet the evolving needs of your business.

When thinking about success metrics for the BI implementation, ask yourself, 'will this solution provide fast ROI?' The most successful BI projects are those with clearly defined strategic objectives, against which the solution can be measured. If the BI tool cannot return investment in terms of months rather than years, then senior management buy-in will often diminish and the project will be deemed a failure.

Embrace an Iterative Delivery Methodology

A major reason that many BI projects fail is due to the fact that organisations tried to put every last bit of business information into a data bank, with the hope that the useful strands could be pulled out. A better path is to take BI in bite-size chunks, which allows the organisation to learn “on the go” and scale up as business needs dictate. By taking an iterative, one project at a time path to implementing BI, you will not only get a better return on your investment, but also build confidence among leaders and end-users that the refined information is helping people to make better business decisions.

The Critical Imperative for Business Insight

Data is the new business capital. But just like financial capital, you have to invest wisely to reap value from it. BI projects, if implemented efficiently and properly, have tremendous payoff, helping an organisation increase its business agility, decrease operating costs, and improve customer loyalty and acquisition. In most cases, these improvements bring a host of tangible benefits, including better customer satisfaction, increased revenue and profits, cost savings and higher market share. Moving to an analytics and BI-driven approach generates a positive return on investment. However, those involved must appreciate the shift in BI requirements and plan their BI project with care, in order to achieve demonstrable results that can be leveraged and scaled up beyond the initial implementation.

ⁱForrester, July 2013

ⁱⁱGartner, June 2013

ⁱⁱⁱDresner's 2013 Wisdom of Crowds®

^{iv}Gartner research report, "Toolkit Tactical Guideline: Five Success Factors for Effective BI Initiatives."

The art of knowing

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About Intuitive Business Intelligence

Intuitive Business Intelligence is the author of multi-award winning Intuitive Dashboards, an advanced business intelligence (BI) software solution which unites critical management information into a consolidated, customisable and interactive dashboard view. By harnessing the full power of an organisation's existing data, Intuitive Dashboards reveals invaluable insight and empowers business users to make faster, more accurate decisions to optimise efficiencies, reduce costs and enhance competitiveness. Completely Web-based, so it can be accessed on-premise, in the Cloud and via smartphones, tablets and other mobile devices, Intuitive Dashboards is easy to use, highly visual and ultra-fast to implement, delivering a rapid return on investment.